



BRITISH AND MALAYAN TRUSTEES LIMITED

PROVIDING TRUSTEE SERVICES
IN SINGAPORE SINCE 1924



ANNUAL REPORT

2011



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IN SINGAPORE
SINCE 1924**

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INTRODUCTION

British and Malayan Trustees Limited was incorporated in Singapore in 1924. It is a publicly owned company listed on the Singapore Exchange.

We have over the years provided trustee services to a wide clientele ranging from individuals to corporations and institutions.

Principal trustee and advisory services :

- Estate Planning
- Executorship
- Debentures
- Unit Trusts
- Custodianship
- Discretionary, Charitable, Maintenance Trusts
- Receiver or Agent for Rents
- Power of Attorney
- Resealing

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FINANCIAL CALENDAR

Financial Year End

30 June 2011

Announcement of 2010 – 2011 Results

Full-Year Results 18 August 2011

Annual General Meeting

20 October 2011

Payment of 2010 – 2011 Dividend

– *Interim 1 March 2011*

– *Final 10 November 2011*

CORPORATE DATA

BOARD OF DIRECTORS

CHAIRMAN Cecil Vivian Richard Wong
BA (Hons), FCA, CPA

MEMBERS Colin Lee Yung-Shih
BSc
Peter Sim Swee Yam
LLB (Hons)
Nigel David Stead
BSc (Hons), FCA, CFA

SECRETARIES Linda Ho
BA (Hons)
Angela Ho
CPA

AUDITORS Ernst & Young LLP
Singapore
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge :
Adrian Koh
(since financial year ended 30 June 2008)

REGISTERED OFFICE 1 Coleman Street
#08-01 The Adelphi
Singapore 179803
Tel : 6535 4922
Fax : 6535 1258

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Board Room of British and Malayan Trustees Limited, 1 Coleman Street, #08-01 The Adelphi, Singapore 179803 at 2.30 p.m. on 20 October 2011 to consider the following matters :

ORDINARY BUSINESS

1. To receive and consider the Directors' Report and the Audited Accounts for the financial year ended 30 June 2011, together with the Auditors' Report thereon and if approved, to adopt them.
2. To reappoint Mr Cecil Vivian Richard Wong under Section 153(6) of the Companies Act, Cap. 50, as a Director of the Company to hold office from the date of this Annual General Meeting until the next Annual General Meeting.
3. To re-elect Mr Colin Lee Yung-Shih as a Director retiring under the provisions of the Articles of Association of the Company.
4. To approve a final tax exempt dividend of 3.5 cents per share in respect of the financial year ended 30 June 2011.
5. To reappoint Ernst & Young LLP, Public Accountants and Certified Public Accountants, Singapore, as Auditors and to authorize the Directors to fix their remuneration.
6. To approve the payment of Directors' Fees for the financial year ended 30 June 2011.
7. To transact any other business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Linda Ho / Angela Ho
Company Secretaries

Singapore
23 September 2011

Notes :

1. Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. A member of the Company which is a corporation is entitled to appoint its authorized representatives or proxies to vote on its behalf.
3. The instrument appointing the proxy must be lodged at the registered office of the Company at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803 not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.

CHAIRMAN'S STATEMENT

OVERVIEW

For the year ended 30 June 2011, the Company's total revenue was \$3.585 million. This was 18% higher than the previous year (2010: \$3.039 million). The increase was attributed to higher commission income from trust clients as well as fund administration and registrar services from corporate clients. There were also higher service fees from corporate clients in relation to the debentures notes.

The operations of the Company had an operating profit before tax of \$1.593 million as at 30 June 2011. This was 48% higher than last year's operating profit of \$1.078 million.

There is an increase in staff costs due to increase in headcount commensurate with increase in activities.

For the year ended 30 June 2011, the Company had a profit after tax of \$1.4 million compared to a profit after tax of \$0.847 million in the previous year.

DIVIDEND

During the year, the Directors declared an interim tax exempt dividend of 1.75 cents per share which was paid on 1 March 2011.

The Board is recommending a final tax exempt dividend of 3.5 cents per share at the forthcoming Annual General Meeting to be held on 20 October 2011. With the interim tax exempt dividend of 1.75 cents per share, total tax exempt dividends paid to shareholders in FY2011 will be 5.25 cents per share.

PROSPECTS

The Directors expect the Company's overall results for the year ending 30 June 2012, to be higher than that of the current year so long as better business prospects in the trust industry continues and existing economic and financial market conditions do not further deteriorate.

GENERAL

The Directors continue to be grateful for the valuable support which the Company has been receiving from its business associates and would like to express special thanks to its team of dedicated Management and employees.

CECIL V. R. WONG

Chairman

Singapore

23 September 2011

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of the Company is committed to uphold good corporate governance practices to safeguard and create long-term value for Shareholders. The Board strives to implement the best practices embodied in the Code of Corporate Governance (the "Code") where feasible and as far as practicable.

BOARD MATTERS

The Board's Conduct of its Affairs

The Board consists of four members with extensive experience in accounting, finance, business and law.

The principal functions of the Board, apart from its statutory responsibilities are :

- (i) approving policies, strategies and direction of the Company;
- (ii) overseeing and monitoring managerial and organisational performance and the achievement of strategic goals and objectives;
- (iii) ensuring that there are in place adequate systems of internal controls and risk management;
- (iv) approving annual budget, major capital expenditures and investment proposals;
- (v) approving the nominations of Board directors and appointments to the various Board committees; and
- (vi) assuming responsibilities for good corporate governance practices.

The attendance of the Directors at Board meetings and meetings of its committees as well as the frequency of such meetings are as follows :

Name of Director	Board		Audit Committee	
	No. of Meetings	Attendance	No. of Meetings	Attendance
Mr Cecil V. R. Wong	2	2	2	2
Mr Colin Lee Yung-Shih	2	2	2	2
Mr Peter Sim Swee Yam	2	2	2	2
Mr Nigel D. Stead	2	2	2*	2*

* Mr Nigel D. Stead is not a member of the audit committee, however he was in attendance at the meetings.

Board meetings are scheduled in advance each year. Scheduled meetings are conducted at least twice a year, and ad-hoc Board meetings are convened as and when circumstances require. During the financial year 2011, the Board met a total of two times.

Board papers for the Board meetings are circulated to the Directors for review and discussion at the Board meetings. In addition, Board meetings are supplemented by Board Circulars when deemed necessary. Board members are free to request for further clarification and information from Management.

Board Composition and Balance

The Board comprises four non-executive Directors, of whom two namely Mr Cecil V. R. Wong and Mr Peter Sim Swee Yam are independent by definition of the Code. This is in compliance with the Code which recommends that independent directors make up at least one-third of the Board.

CORPORATE GOVERNANCE STATEMENT

The present size of the Board, the standing of its members in the business community and their experience and expertise provide for effective direction for the Company in fulfilling its business mission to be a strong trust corporation, guarded by the Company's corporate motto of integrity and security.

Chairman and Chief Executive Officer

The roles and responsibilities of the Company's non-executive Chairman and Chief Executive Officer are separate. The Chairman, Mr Cecil V. R. Wong, and the Chief Executive Officer, Ms Linda Ho, are not related to each other.

The Chairman of the Company is responsible for the effective functioning of the Board whilst the Chief Executive Officer is responsible for the business operations and administration of the Company.

Board Membership

Currently the Board does not have a Nominating Committee as the Board as a whole deals with all the functions of the Nominating Committee. The Board decides on the nomination and appointment of new directors. Details of the directors' qualifications, directorships and other particulars are as follows :

Name of Director	Age	Independence	Academic and Professional Qualifications	Membership of Board Committees	Directorship :	
					Date First Appointed	Date Last Re-elected
Mr Cecil V. R. Wong	89	Independent	Bachelor of Arts (Hons) Certified Public Accountant	Audit Committee	13.2.1979	14.10.2010
Mr Colin Lee Yung-Shih	48	Non-Independent	Bachelor of Science	Audit Committee	16.2.1994	15.10.2009
Mr Peter Sim Swee Yam	56	Independent	Bachelor of Law (Hons)	Audit Committee	27.3.1997	14.10.2010
Mr Nigel D. Stead	60	Non-Independent	Bachelor of Science (Hons) Chartered Accountant CFA	-	30.4.2010	14.10.2010

Board Performance

The Board supervises the Management on the business and affairs of the Company. Apart from its statutory duties, the Board reviews and approves the Company's strategic plans, key operational initiatives, major investments, annual business plans; reviews the financial performance of the Company and evaluates the performance and compensation of senior management staff.

Annually the Board conducts an informal assessment of the individual director's contribution to the effectiveness of the Board.

CORPORATE GOVERNANCE STATEMENT

Access to Information

Board members are provided with management information including monthly management reports, variance analysis, budgets and forecasts prior to each Board meeting. The Board meets at least twice times a year and as warranted by circumstances. In addition, all relevant information on material events and transactions are circulated to directors as and when they arise.

The Company Secretary ensures that queries by the directors are attended to promptly by Management. Directors may obtain independent professional advice in furtherance of their duties, at the Company's expense. Board members have separate and independent access to the Company Secretary at all times.

Remuneration Matters

Currently the Board does not have a Remuneration Committee as the Board as a whole reviews and recommends remuneration policies and packages for the directors and key executives of the Company.

Directors' fees are set in accordance with a framework comprising basic fees and additional fees for serving on Board committees. These fees are subject to approval by Shareholders at the Annual General Meeting.

The remuneration packages of key executives comprise a fixed and a variable component. The variable component is dependent on the performance and profitability of the Company and individual performance.

Summary of directors' remuneration for the financial year ended 30 June 2011 :

Remuneration Band Name of Director	Salary %	Fees %	Bonus %	Other Benefits %	Total %
Less than \$250,000					
Mr Cecil V.R. Wong	0	100	0	0	100
Mr Colin Lee Yung-Shih	0	100	0	0	100
Mr Peter Sim Swee Yam	0	100	0	0	100
Mr Nigel D. Stead	0	100	0	0	100

Summary of key executives' remunerations for the financial year ended 30 June 2011 :

Remuneration Band	No. of Executives
Less than \$250,000	3

The Company does not employ any immediate family member of a director or the Chairman. The Company does not have any employee share option scheme.

CORPORATE GOVERNANCE STATEMENT

Accountability and Audit

Management provides members of the Board with monthly management accounts and other information in connection with certain matters or transactions which would require Board's approval. In this way, the Board is kept abreast of the operations, financial performance, position and prospects of the Company.

Shareholders are provided with information on the Company's financial performance, position and prospects through SGXNET announcements.

The Company's Audit Committee comprises three directors, two of whom are independent non-executive directors :

Mr Cecil V. R. Wong (Chairman)
Mr Colin Lee Yung-Shih
Mr Peter Sim Swee Yam

The Committee holds at least two meetings each year and performs the following functions :

- (i) reviews the plans and findings of both the external and internal audit work, the results of their examination and evaluation of the Company's system of accounting and internal controls, and Management's response to their recommendations;
- (ii) reviews the Company's half year and full year results announcements, the statutory financial statements of the Company in conjunction with the external auditors' comments, prior to their submission to the Board for approval;
- (iii) reviews the assistance and co-operation given by the Company's officers to the personnel performing the external and internal audit work;
- (iv) nominates external auditors for re-appointment; and
- (v) reviews interested persons transactions.

In performing its functions, the Audit Committee meets and reviews findings of the auditors and the assistance given to them by Management. During the financial year 2011, the Audit Committee has reviewed the independence of the external auditors, including the scope of the non audit services performed, and has formed the view that the external auditors are independent.

The Company has a compliance unit which reports directly to the Audit Committee, with full and direct access to members of the Audit Committee at all times. The scope of work covers review of the Company's internal controls including financial, operational and compliance controls and risk management.

The Audit Committee recognises the importance of having a strong professional internal audit function to enhance the Audit Committee's ability to manage risk and safeguard Shareholders' interest. As such, an independent service provider experienced in the trust industry has been engaged to perform internal audit of the Company annually. Key business risks identified in the course of the audit and alignment plans to address these risks are communicated to Management accordingly and tabled for discussion at Audit Committee meetings with updates by Management on the status of these action plans. The Board is satisfied that existing controls are adequate.

In addition the Company has in place policies and procedures to manage the business, operating and financial risks of the Company. Risks assessment and evaluation is conducted at each business unit and mitigating actions to manage each significant risk are reviewed and discussed by Management and the Board.

CORPORATE GOVERNANCE STATEMENT

Communications with Shareholders

The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to Shareholders of the Company. The information is disseminated to Shareholders through the Company's annual reports and announcements to the SGX-ST.

Dealings in Securities

The Company has adopted and implemented the Best Practices Guide issued by SGX with respect to dealings in the Company's securities by the employees in the Company.

BOARD OF DIRECTORS

Mr Cecil Vivian Richard Wong, *Chairman*

Mr Cecil Vivian Richard Wong was appointed to the Company's Board of Directors in February 1979 and is currently the Chairman of the Board of Directors and the Audit Committee, both positions of which he has held since August 1995.

Mr Wong graduated from Cambridge University in 1949, and is a member of the Institute of Certified Public Accountants of Singapore. He is a Honorary Senior Consultant with Ernst & Young LLP having served with this prestigious firm from 1971 until his retirement in 1985.

Mr Colin Lee Yung-Shih, *Director*

Mr Colin Lee Yung-Shih was appointed to the Company's Board of Directors in February 1994. He is also a member of the Company's Audit Committee. Mr Lee is the Managing Director of Chartered Asset Management Pte Ltd and holds a Bachelors degree in Science.

Mr Peter Sim Swee Yam, *Independent Director*

Mr Peter Sim Swee Yam was appointed to the Company's Board of Directors in March 1997. He is also a member of the Company's Audit Committee. He is the Precedent Partner of Sim Law Practice LLC and he is also the Director of several listed and unlisted companies. Mr Sim holds a Bachelors degree in Law (Hons) and was called to the Singapore Bar in 1981.

Mr Nigel David Stead, *Director*

Mr Nigel David Stead was appointed to the Company's Board of Directors in April 2010. He is a co-founder of DMTC Group and Managing Director of ManagementPlus (S) Pte Limited which were formed in 2006. From 1985 to 2005 he worked for the Bank of Bermuda Limited and then HSBC after the acquisition of the Bank of Bermuda group and most recently as Managing Director of HSBC Institutional Trust Services (S) Limited. He has worked in the accounting, banking and trust industries for more than 35 years and has been living in Singapore for 15 years. Mr Stead holds a Bachelors degree (Honours) in Management Science. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Financial Analyst.

KEY MANAGEMENT STAFF

Ms Linda Ho, *Chief Executive Officer, Company Secretary*

Ms Linda Ho has been with the Company for more than 25 years and is highly regarded by peers and clients alike for her in-depth knowledge of Trust Law and its practical application. Ms Ho holds a Bachelor of Arts (Hons) degree and Diploma in Personnel Management.

Ms Jennie Tan, *Deputy General Manager, Resident Manager*

Ms Jennie Tan Siok Kim has a Bachelor of Laws (Hons) Degree and was called to the Singapore Legal Bar in 1985. Prior to joining the Company, Ms Tan was practising in Singapore as an Advocate and Solicitor. She is a member of the Singapore Academy of Law and the Singapore Trustees Association.

Ms Angela Ho, *Finance Manager, Company Secretary*

Ms Angela Ho is a Certified Public Accountant. Prior to joining the Company, she was with a Fund Administrator Company as well as a healthcare listed company. Ms Ho graduated with the professional qualification from the Association of Chartered Certified Accountants (ACCA).

DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of British and Malayan Trustees Limited (the "Company") for the financial year ended 30 June 2011.

Directors

The directors of the Company in office at the date of this report are :

Cecil V. R. Wong (Chairman)
Colin Lee Yung-Shih
Peter Sim Swee Yam
Nigel D. Stead

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below :

Name of directors	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 30.06.11	At 30.06.10	At 30.06.11	At 30.06.10
Ordinary shares of the Company				
Cecil V. R. Wong	16,128	16,128	—	—
Colin Lee Yung-Shih	—	—	2,620,800	2,620,800

There was no change in any of the above-mentioned interests between the end of the financial year and 21 July 2011.

No director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' REPORT

Share options

There was no option granted during the financial year to subscribe for unissued shares of the Company.

No share had been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There was no unissued share of the Company under option at the end of the financial year.

Audit committee

The directors of British and Malayan Trustees Limited have adopted the principles of corporate governance under the Best Practices Guide with respect to Audit Committees as formulated by the Singapore Exchange ("SGX").

The Audit Committee comprises three directors, two of whom are independent non-executive directors :

Mr Cecil V. R. Wong (Chairman)
Mr Colin Lee Yung-Shih
Mr Peter Sim Swee Yam

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Cap. 50.

The Audit Committee holds at least two meetings each year and performs the following functions :

- (a) reviews the audit plans and findings of both the external and internal audit work, the results of their examination and evaluation of the Company's system of accounting and internal controls, and management's response to their recommendations;
- (b) reviews the Company's interim and annual results announcements, the statutory financial statements of the Company in conjunction with the external auditors' comments thereon prior to their submission to the Board for approval;
- (c) reviews the assistance and co-operation given by the Company's officers to the personnel performing the external and internal audit work;
- (d) recommends to the board of directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit; and
- (e) reviews interested persons transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

In performing its function, the Audit Committee met and reviewed findings of the auditors and the assistance given to them by management. During the financial year ended 30 June 2011, the Audit Committee has reviewed the independence of the external auditors, including the scope of the non-audit services performed and has formed the view that the external auditors are independent.

DIRECTORS' REPORT

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors

Cecil V. R. Wong
Director

Peter Sim Swee Yam
Director

Singapore
18 August 2011

STATEMENT BY DIRECTORS

We, Cecil V. R. Wong and Peter Sim Swee Yam, being two of the directors of British and Malayan Trustees Limited, do hereby state that, in the opinion of the directors :

- (a) the accompanying income statement, statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2011 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors

Cecil V. R. Wong
Director

Peter Sim Swee Yam
Director

Singapore
18 August 2011

INDEPENDENT AUDITORS' REPORT

To the Members of British and Malayan Trustees Limited

Report on the Financial Statements

We have audited the accompanying financial statements of British and Malayan Trustees Limited (the "Company") set out on pages 20 to 51, which comprise the balance sheet as at 30 June 2011, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 June 2011 and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore
18 August 2011

INCOME STATEMENT

for the financial year ended 30 June 2011

	Note	2011 S\$	2010 S\$
Revenue	4	3,183,351	2,667,102
Other items of income			
Interest income		87,611	90,555
Dividend income		227,354	222,126
Rental income		86,400	59,400
Items of expense			
Employee benefits expense	5	(1,180,152)	(1,049,680)
Depreciation expense		(137,469)	(132,905)
Net foreign exchange loss		(28,404)	(7,472)
Other expenses	6	(646,247)	(795,091)
Gain on sale of available-for-sale financial assets		—	24,064
Profit before tax		1,592,444	1,078,099
Less: Gain on available-for-sale financial assets transferred to capital reserve		—	(24,064)
Income tax expense	7	(192,663)	(206,876)
Profit for the year		1,399,781	847,159
Earnings per share (cents per share) - basic and diluted	8	0.16	0.10

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2011

	2011 S\$	2010 S\$
Profit for the year	1,399,781	847,159
Other comprehensive income :		
Net gain on fair value changes of available-for-sale financial assets	330,422	621,902
Fair value reserve transferred to income statement	—	(24,064)
	<hr/>	<hr/>
Other comprehensive income for the year	330,422	597,838
	<hr/>	<hr/>
Total comprehensive income for the year	1,730,203	1,444,997

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

BALANCE SHEET

as at 30 June 2011

	Note	2011 S\$	2010 S\$
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,777,765	3,879,016
Investment property	10	88,025	93,526
Available-for-sale financial assets	11	—	1,036,000
		<u>3,865,790</u>	<u>5,008,542</u>
Current assets			
Prepayments		83,896	80,761
Available-for-sale financial assets	11	4,625,940	2,645,172
Trade and other receivables	12	296,745	386,705
Cash and short-term deposits	13	7,372,493	6,415,793
		<u>12,379,074</u>	<u>9,528,431</u>
Total assets		<u>16,244,864</u>	<u>14,536,973</u>
LIABILITIES			
Current liabilities			
Deferred trustee revenue	14	64,277	44,596
Advanced trustee services billings		413,630	250,063
Other liabilities	15	671,111	561,531
Income tax payable		234,284	170,000
		<u>1,383,302</u>	<u>1,026,190</u>
Net current assets		10,995,772	8,502,241
Non-current liability			
Deferred trustee revenue	14	468,178	387,803
Total liabilities		<u>1,851,480</u>	<u>1,413,993</u>
Net assets		<u>14,393,384</u>	<u>13,122,980</u>
Equity attributable to equity holders of the Company			
Share capital	16	2,736,900	2,736,900
Fair value reserve	17	1,603,217	1,272,795
Capital reserve	18	6,665,817	6,665,817
Retained earnings		3,387,450	2,447,468
Total equity		<u>14,393,384</u>	<u>13,122,980</u>
Total equity and liabilities		<u>16,244,864</u>	<u>14,536,973</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2011

2011	Note	Share capital S\$	Fair value reserve S\$	Capital reserve S\$	Retained earnings S\$	Total equity S\$
Balance at 1 July 2009		2,736,900	674,957	6,641,753	2,060,108	12,113,718
Profit for the year		—	—	—	847,159	847,159
Other comprehensive income		—	597,838	—	—	597,838
Total comprehensive income		—	597,838	—	847,159	1,444,997
Transfer to capital reserve		—	—	24,064	—	24,064
Final dividend relating to 2009	19	—	—	—	(306,533)	(306,533)
Interim dividend relating to 2010	19	—	—	—	(153,266)	(153,266)
Balance at 30 June 2010 and at 1 July 2010		<u>2,736,900</u>	<u>1,272,795</u>	<u>6,665,817</u>	<u>2,447,468</u>	<u>13,122,980</u>
Profit for the year		—	—	—	1,399,781	1,399,781
Other comprehensive income		—	330,422	—	—	330,422
Total comprehensive income		—	330,422	—	1,399,781	1,730,203
Transfer to capital reserve		—	—	—	—	—
Final dividend relating to 2010	19	—	—	—	(306,533)	(306,533)
Interim dividend relating to 2011	19	—	—	—	(153,266)	(153,266)
Balance at 30 June 2011		<u>2,736,900</u>	<u>1,603,217</u>	<u>6,665,817</u>	<u>3,387,450</u>	<u>14,393,384</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CASH FLOW STATEMENT

for the financial year ended 30 June 2011

	Note	2011 S\$	2010 S\$
Cash flows from operating activities			
Profit before tax		1,592,444	1,078,099
Adjustments for :			
Amortisation of deferred trustee revenue	14	(76,087)	(51,959)
Depreciation of property, plant and equipment		137,469	132,905
Interest income		(87,611)	(90,555)
Dividend income		(227,354)	(222,126)
Property, plant and equipment written off		1,334	–
		<hr/>	<hr/>
Operating profit before changes in working capital		1,340,195	846,364
Changes in working capital			
Decrease/(Increase) in trade and other receivables and prepayments		86,825	(153,984)
Increase in other liabilities and advanced trustee services billings		273,147	74,323
Increase in deferred trustee revenue		176,143	124,814
		<hr/>	<hr/>
Cash generated from operating activities		1,876,310	891,517
Income tax paid	7	(128,379)	(212,299)
		<hr/>	<hr/>
Net cash flows generated from operating activities		1,747,931	679,218
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(32,051)	(85,488)
Purchase of available-for-sale financial assets		(614,346)	–
Interest received		87,611	99,079
Dividends received		227,354	222,126
		<hr/>	<hr/>
Net cash flows (used in)/generated from investing activities		(331,432)	235,717
Cash flows used in financing activity			
Dividends paid	19	(459,799)	(459,799)
		<hr/>	<hr/>
Net cash flows used in financing activity		(459,799)	(459,799)
Net increase in cash and cash equivalents		956,700	455,136
Cash and cash equivalents at beginning of year		6,415,793	5,960,657
		<hr/>	<hr/>
Cash and cash equivalents at end of year	9	7,372,493	6,415,793

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

British and Malayan Trustees Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 1 Coleman Street, #08-01, The Adelphi, Singapore 179803.

The principal activity of the Company consists of the provision of trustee services in Singapore.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, Cap. 50 (the "Act").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "S\$"), which is the Company's functional and presentation currency.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 July 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following FRS and Interpretation to FRS ("INT FRS") that have been issued but not yet effective :

	<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
FRS 24	Related Party Disclosures (Revised);	1 January 2011
INT FRS 114	: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - Amendments Relating to Prepayments of a Minimum Funding Requirements; and	1 January 2011

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Except for the revised FRS 24, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Company is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Company when implemented in 2011.

2.4 Foreign currency

The Company's financial statements are presented in Singapore Dollars, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the end of the reporting period.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows :

	<u>Useful lives</u>
Leasehold properties	- Shorter of 50 years and the lease term
Leasehold improvements	- 5 years
Furniture and fittings	- 5 years
Office equipment	- 5 years
Computer equipment	- 3 years

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. They are adjusted prospectively, if appropriate.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on derecognition of the asset is included in the income statement in the financial year the asset is derecognised.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the income statement during the financial year in which it is incurred.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.6 *Investment properties*

Investment properties are properties that are either owned by the Company or leased under a finance lease in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met and they are accounted for as finance leases.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. Investment properties are depreciated on a straight-line basis over a period of 50 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.5 up to the date of change in use.

2.7 *Impairment of non-financial assets*

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written-down to its recoverable amount.

Impairment losses of continuing operations are recognised in the income statement except for assets that are previously re-valued where the revaluation was taken to equity. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.7 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously. Such reversal is recognised in the income statement unless the asset is measured at re-valued amount, in which case the reversal is treated as a revaluation increase.

2.8 Financial assets

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows :

a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in the income statement when the loans and receivables are derecognised or impaired and through the amortisation process.

b) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement as a reclassification adjustment when the financial asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.8 *Financial assets (continued)*

Subsequent measurement (continued)

b) **Available-for-sale financial assets (continued)**

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.9 *Impairment of financial assets*

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired :

a) **Assets carried at amortised cost**

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.9 *Impairment of financial assets (continued)*

a) **Assets carried at amortised cost (continued)**

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

b) **Available-for-sale financial assets**

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement is transferred from other comprehensive income and recognised in the income statement. Reversals of impairment losses in respect of equity instruments are not recognised in the income statement; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of financial income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed in the income statement.

2.10 **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.11 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

2.12 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows :

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial derecognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the income statement.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.12 *Financial liabilities (continued)*

Derecognition

A financial liability derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the originally liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.13 *Employee benefits*

Defined contribution plans

The Company makes contribution to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.14 *Leases*

As lessor

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.15. Contingent rents are recognised as revenue in the period in which they are earned.

2.15 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised :

(i) *Commission income*

Commission income for trustee services is recognised in the financial year in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.15 Revenue recognition (continued)

(ii) *Trustee fees and deferred trustee revenue*

Fees from the provision of trustee services consist of periodic trustee fees and a proportion of trustee fees collected upfront.

Trustee fees earned as trustees of unit trusts, estates and debentures are recognised over the financial year in which the services are rendered.

Deferred trustee revenue are certain fees that are collected in advance and recognised as deferred revenue and amortised in equal instalments over the estimated remaining lives of the respective trusts.

(iii) *Interest income*

Interest income from fixed deposits and interest-bearing securities is recognised in the income statement on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and thereafter amortising the discount as interest income.

(iv) *Dividend income*

Dividend income from equity securities is recognised in the income statement in the financial year in which the right to receive payment is established.

(v) *Rental income*

Rental income from operating leases on the Company's investment property is recognised on a straight-line basis over the lease term.

2.16 Taxes

a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the end of the reporting period where the Company operates and generates taxable income.

Current income taxes are recognised in the income statement except that tax relating to items recognised directly in other comprehensive income is recognised directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions where applicable.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.16 Taxes (continued)

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except :

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred taxes are recognised in the income statement except that deferred tax relating to items recognised directly in equity is recognised directly in equity.

c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except :

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.17 *Segment reporting*

For management reporting purposes, the Company is organised into operating segments based on products and services. The management of the Company regularly reviews the segments results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 25.

2.18 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.19 *Dividend*

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends and special dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.20 *Contingencies*

A contingent liability is :

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognised because :
 - (i) It is not probably that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (continued)

2.21 *Related parties*

A party is considered to be related to the Company if :

- (a) The party, directly or indirectly through one or more intermediaries :
 - (i) controls, is controlled by, or is under common control with, the Company;
 - (ii) has an interest in the Company that gives it significant influence over the Company; or
 - (iii) has joint control over the Company;
- (b) The party is an associate;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key management personnel of the Company;
- (e) The party is a close member of the family of any individual referred to in (a) or (d);
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) The party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, and assets and liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 *Judgements made in applying accounting policies*

The directors are of the view that there is no critical judgement made by management in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

(i) Taxation

The Company has exposure to income taxes in Singapore jurisdiction. Significant judgement is involved in determining the Company's provision for taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made. The carrying amount of the Company's tax payables as at 30 June 2011 was S\$234,284 (2010: S\$170,000).

(ii) Depreciation of leasehold and investment properties

Leasehold and investment properties are depreciated on a straight-line basis over its remaining lease term. The original lease term of the leasehold and investment properties are 999 years and 999 years, respectively and accordingly, management estimates the useful lives of the leasehold and investment properties to be 50 years and 50 years, respectively. The carrying amount of the leasehold and investment properties as at 30 June 2011 were S\$3,725,588 and S\$88,025 (2010: S\$3,818,729 and S\$93,526), respectively. Should the lease term of the leasehold and investment properties be extended or be adjusted, future depreciation will need to be revised accordingly.

4. Revenue

	2011 S\$	2010 S\$
Trustee fees	929,443	963,019
Commission income	2,111,288	1,607,797
Other fees	142,620	96,286
Total revenue	<u>3,183,351</u>	<u>2,667,102</u>

5. Employee benefits expense

Wages and salaries	1,101,048	980,348
Employer's contribution to defined contribution plan :		
- CPF contributions	79,104	69,332
	<u>1,180,152</u>	<u>1,049,680</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

6. Other operating expenses

	2011	2010
	S\$	S\$
Non-audit fees paid to :		
- Auditors of the company	12,000	-
- Other auditors	18,000	21,000
Insurance expense	104,950	98,917
Building and office maintenance and repairs	125,489	92,791
Directors' fees	86,000	86,000
Printing and stationery	12,551	15,316
Advertising expense	36,388	11,967
Professional fees	-	168,420
Other expenses	250,869	300,680
	646,247	795,091

7. Taxation

Major components of income tax expense

The major components of income tax expense for the years ended 30 June 2011 and 2010 are :

Statement of comprehensive income :

Current income tax		
- Current income taxation	234,284	160,000
- (Over)/under provision in respect of previous years	(41,621)	46,876
	192,663	206,876
Income tax expense recognised in profit or loss		

Relationship between tax expense and accounting profit

A reconciliation between the tax expense and the product of accounting profit multiplied by the application tax rate for the financial years ended 30 June 2011 and 2010 are as follows :

Accounting profit before tax	1,592,445	1,078,099
Tax at statutory tax rate of 17% (2010: 17%)	270,715	183,277
Adjustments :		
- Non-deductible expenses	18,795	28,618
- Effect of partial tax exemption	(25,925)	(25,925)
- Income not subject to taxation	(25,801)	(19,165)
- Income subjected to concessionary tax rate	(3,500)	(3,500)
- (Over)/under provision in respect of previous years	(41,621)	46,876
- Others	-	(3,305)
	192,663	206,876
Income tax expense recognised in profit or loss		

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

8. Earnings per share

	2011 S\$	2010 S\$
Net profit attributable to members of British and Malayan Trustees Limited	1,399,781	847,159
Weighted average number of ordinary shares in issue	8,758,080	8,758,080
Earnings per share (basis and diluted)	0.16 per share	0.10 per share

Earnings per share ("EPS") is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year. These profit and share data are presented above.

9. Property, plant and equipment

	Leasehold properties S\$	Leasehold improvements S\$	Furniture and fittings S\$	Office equipment S\$	Computer equipment S\$	Total S\$
Cost						
At 30 June 2009 and at 1 July 2009	4,656,986	56,008	10,365	48,060	507,783	5,279,202
Additions	–	4,728	–	1,741	79,019	85,488
Write-offs	–	(3,160)	–	(8,290)	(208,178)	(219,628)
At 30 June 2010 and at 1 July 2010	4,656,986	57,576	10,365	41,511	378,624	5,145,062
Additions	–	13,116	–	1,301	17,634	32,051
Write-offs	–	(6,624)	–	(16,351)	(133,979)	(156,954)
At 30 June 2011	4,656,986	64,068	10,365	26,461	262,279	5,020,159
Accumulated depreciation						
At 30 June 2009 and at 1 July 2009	745,118	56,008	9,730	47,099	500,314	1,358,269
Depreciation charge for the year	93,140	945	635	828	31,855	127,403
Depreciation charge on assets written-off	–	(3,159)	–	(8,290)	(208,177)	(219,626)
At 30 June 2010 and at 1 July 2010	838,258	53,794	10,365	39,637	323,992	1,266,046
Depreciation charge for the year	93,140	3,569	–	1,088	34,171	131,967
Depreciation charge on assets written-off	–	(6,624)	–	(16,351)	(132,645)	(155,620)
At 30 June 2011	931,398	50,739	10,365	24,374	225,518	1,242,393
Net carrying amount						
At 30 June 2010	3,818,728	3,782	–	1,874	54,632	3,879,016
At 30 June 2011	3,725,588	13,329	–	2,087	36,761	3,777,765

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

9. Property, plant and equipment (continued)

Description of leasehold property	Unexpired term of lease (years)		Net floor area sq.m.	Existing use
	30 June 2011	30 June 2010		
	An office unit located in The Adelphi, a 10-storey commercial building at 1 Coleman Street, Singapore	815 Leasehold		

10. Investment property

Balance sheet :	S\$
Cost	
At 1 July 2009 and 30 June 2010	<u>275,077</u>
At 1 July 2010 and 30 June 2011	<u>275,077</u>
Accumulated depreciation	
At 30 June 2009 and 1 July 2009	176,049
Depreciation charge for the year	<u>5,502</u>
At 30 June 2010 and 1 July 2010	181,551
Depreciation charge for the year	<u>5,501</u>
At 30 June 2011	<u>187,052</u>
Net carrying amount	
At 30 June 2010	<u>93,526</u>
At 30 June 2011	<u>88,025</u>

2011	2010
S\$	S\$

Income statement :

Rental income from investment properties :		
- Minimum lease payments	<u>86,400</u>	<u>59,400</u>
Direct operating expenses (including repairs and maintenance) arising from :		
- Rental generating properties	<u>18,122</u>	<u>21,803</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

10. Investment property (continued)

Description of leasehold property	Unexpired term of lease (years)		Net floor area sq.m.	Existing use
	30 June 2011	30 June 2010		
	An office unit located in Grand Building, a 10-storey commercial building at 17 Phillip Street, Singapore	814 Leasehold	815 Leasehold	195

The fair value of the investment property as at the end of the financial year amounting to S\$3,000,000 (2010: S\$2,200,000). The fair value is determined by an accredited independent valuer with recent experience in the location and category of the property being valued. The valuation is made on the basis of open market value, which is the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration as at the end of the financial year.

11. Available-for-sale financial assets

	2011 S\$	2010 S\$
Current :		
Equity instruments (quoted)	3,618,940	2,645,172
5% p.a. SGD corporate fixed rate debt securities due on 6 September 2011	1,007,000	–
	<u>4,625,940</u>	<u>2,645,172</u>
Non-current :		
5% p.a. SGD corporate fixed rate debt securities due on 6 September 2011	–	1,036,000
	<u>–</u>	<u>1,036,000</u>

As at 30 June 2011, quoted investment denominated in Hong Kong Dollars amounted to S\$353,686 (2010: S\$374,454).

12. Trade and other receivables

Trade receivables	269,739	360,948
Accrued interest on fixed deposits and debt securities	25,796	24,547
Refundable deposits	1,210	1,210
	<u>296,745</u>	<u>386,705</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

12. Trade and other receivables (continued)

Trade receivables

Trade receivables are non-interest bearing. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Company has trade receivables amounting to S\$133,981 (2010: S\$152,762) that are past due at the end of the reporting period but not impaired.

These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows :

	2011	2010
	S\$	S\$
Trade receivables past due but not impaired :		
Lesser than 30 days	54,798	80,557
30 to 60 days	642	43,310
61 to 90 days	23,031	14,888
91 to 120 days	–	2,194
More than 120 days	55,515	11,813
	<hr/> 133,986	<hr/> 152,762

13. Cash and short-term deposits

Fixed deposits with banks	6,810,000	6,210,000
Cash at bank and on hand	562,493	205,793
	<hr/> 7,372,493	<hr/> 6,415,793

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month and six months depending on the immediate cash requirements of the Company and earn interests at the respective short-term deposit rates.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

14. Deferred trustee revenue

	2011 S\$	2010 S\$
At beginning of year	432,399	359,543
Additions	176,143	124,815
	608,542	484,358
Amortisation for the year	(76,087)	(51,959)
At end of year	532,455	432,399
Current	64,277	44,596
Non-current	468,178	387,803
	532,455	432,399

15. Other liabilities

Accrued operating expenses	466,778	377,946
Provision for directors' fees	86,000	86,000
Other payables	118,333	97,585
	671,111	561,531

16. Share capital

	2011		2010	
	No. of shares	S\$	No. of shares	S\$
<i>Issued and fully paid ordinary shares</i>				
At beginning and end of year	8,758,080	2,736,900	8,758,080	2,736,900

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

17. Fair value reserve - non-distributable

	2011 S\$	2010 S\$
At beginning of year	1,272,795	674,957
Available-for-sale financial assets :		
- Net change in fair value	330,422	621,902
- Fair value reserve transferred to the income statement	-	(24,064)
	330,422	597,838
At end of year	1,603,217	1,272,795

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

18. Capital reserve - distributable

	2011 S\$	2010 S\$
At beginning of year	6,665,817	6,641,753
Add: Gain on disposal transferred from retained earnings	–	24,064
	<u>6,665,817</u>	<u>6,665,817</u>

The capital reserve represents gain on disposal of available-for-sale financial assets recognised in retained earnings and transferred to capital reserve as the management is of the view that such gains should be segregated from gains or losses relating to the provision of trustee services.

19. Dividends

In respect of year ended 30 June 2011 :		
- Interim tax exempt dividend of 1.75 cents	153,266	–
In respect of year ended 30 June 2010 :		
- Final tax exempt dividend of 3.5 cents per share	306,533	–
- Interim tax exempt dividend of 1.75 cents	–	153,266
In respect of year ended 30 June 2009 :		
- Final tax exempt dividend of 3.5 cents per share	–	306,533
	<u>459,799</u>	<u>459,799</u>

20. Related party transactions

Key management personnel compensation is as follows :

Total compensation to directors - Directors' fees	86,000	86,000
Other key management personnel compensation :		
- Salaries and other short-term employee benefits	502,078	439,788
- Post-employment benefits - contribution to CPF	28,830	69,702
	<u>530,908</u>	<u>509,490</u>
	<u>616,908</u>	<u>595,490</u>

Fees paid or payable to each of the 4 (2010: 6) directors of the Company fall below the S\$250,000 (2010: S\$250,000) remuneration band.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

21. Operating lease commitments - as lessor

The Company has entered into a commercial property lease on its investment property. This non-cancellable lease has a remaining lease term of one year and nine months. The lease includes a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum rental receivable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables are as follows :

	2011 S\$	2010 S\$
Not later than one year	86,400	86,400
Later than one year but not later than five years	64,800	151,200
	151,200	237,600

The above relates to the rental on the Company's investment property (Note 10).

22. Fair value of financial instruments

Determination of fair value

Quoted equity and corporate bond instruments (Note 11)

Fair value is determined directly by reference to their published market bid price quotations in an active market at the end of the reporting period.

Current trade and other receivables and other liabilities (Notes 12 and 15) and cash and cash equivalents (Note 13)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

Fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels :

- Level 1 - Quoted prices unadjusted in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

There have been no transfers between Level 1 and Level 2 during the financial years ended 2011 and 2010.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

22. Fair value of financial instruments (continued)

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value :

2011	Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs	Total
	Level 1 S\$	Level 2 S\$	Level 3 S\$	
Assets				
Quoted equities - available-for-sale	3,618,940	–	–	3,618,940
Quoted debt securities - available-for-sale	1,007,000	–	–	1,007,000
Total assets	4,625,940	–	–	4,625,940
2010				
Assets				
Quoted equities - available-for-sale	2,645,172	–	–	2,645,172
Quoted debt securities - available-for-sale	1,036,000	–	–	1,036,000
Total assets	3,681,172	–	–	3,681,172

23. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management of the Company. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risk or the manner in which it manages and measures the risks, excepts as disclosed in Note 23(a) Credit risk section.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

23. Financial risk management objectives and policies (continued)

a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and cash equivalents), the Company minimise credit risk by dealing exclusively with high credit rated counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables, non-current available-for-sale financial assets and cash and cash equivalents. No other financial asset carries a significant exposure to credit risk.

Credit risk concentration profile

The Company determines concentrations of credit risk by monitoring the customers' profile of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows :

By profile :

	2011		2010	
	\$	% of total	\$	% of total
Corporate clients	180,259	67%	181,742	50%
Individual clients	89,180	33%	179,205	50%

No single customer was more than 5% of total outstanding trade and other receivables.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and cash equivalents and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 (Available-for-sale financial assets) and Note 12 (Trade and other receivables).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

23. Financial risk management objectives and policies (continued)

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company has not made any borrowings during the financial year.

A significant portion of the Company's liabilities relate to advance billings for Trustee Services. These amounts are not typically repaid but amortised into income as services are provided. Other remaining liabilities are short-term and due within one year.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their fixed deposits and investments in debt securities. The Company does not hedge its investments in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. All of the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2010: less than 6 months) from the end of the reporting period.

The Company has investments in fixed rate debt securities listed in Singapore. If interest rates move by 1%, with all other variables including tax rate being constant, the Company's equity will change by S\$414 (2010: S\$10,432).

d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's business is not substantially exposed to foreign exchange risk as its operations are generally in SGD. The Company is also exposed to minimal foreign exchange risk arising from its quoted investment denominated in Hong Kong Dollars (HKD).

e) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Company is exposed to equity price risk arising from its investments in quoted equity instruments. These instruments are quoted on the SGX-ST in Singapore and are classified as available-for-sale financial assets. The Company does not have exposure to commodity price risk.

The Company has also established investment policies and monitoring processes to ensure that the bulk of its investments are in blue-chip securities and high quality bonds so as to mitigate market risk of its investments.

The Company has investments in quoted equity securities listed in Singapore. At the end of the reporting period, if equity prices had been higher/lower by 5% with all other variables held constant, the Company's equity will change by S\$230,316 (2010: S\$184,059).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

24. Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No change was made in the objectives, policies or processes during the financial years ended 30 June 2011 and 30 June 2010.

The Company is required to comply with the Financial Requirements under the Trust Companies Act and Financial and Margin Requirement under the Securities and Futures Act & Regulations.

The Company is in compliance with all externally imposed financial requirements for the financial years ended 30 June 2011 and 2010.

25. Segment information

The Company's activities are carried out wholly in Singapore. For management purposes, the Company has two reportable operating segments as follows :

- The provision of trustee services in Singapore; and
- The management of the Company's funds through investment activities in fixed deposit placements, holding of long-term equities and bonds and investment properties for rental.

	Trustee activities		Investment activities		Total	
	2011	2010	2011	2010	2011	2010
	S\$	S\$	S\$	S\$	S\$	S\$
Revenue :						
External customers	3,183,351	2,667,102	–	–	3,183,351	2,667,102
Results :						
Interest income	–	–	87,611	90,555	87,611	90,555
Dividend income	–	–	227,354	222,126	227,354	222,126
Rental income	–	–	86,400	59,400	86,400	59,400
Depreciation and amortisation	131,967	127,403	5,502	5,502	137,469	132,905
Income tax expense	171,091	181,549	21,572	25,327	192,663	206,876
Other operating expenses	1,652,696	1,612,666	202,107	239,577	1,854,803	1,852,243
Segment profit/(loss)	1,227,597	745,484	172,184	101,675	1,399,781	847,159
Segment assets and total assets						
	4,695,104	4,346,482	11,549,760	10,190,491	16,244,864	14,536,973
Segment liabilities						
Unallocated liabilities	1,570,424	1,201,465	46,772	42,528	1,617,196	1,243,993
					234,284	170,000
Total liabilities					1,851,480	1,413,993

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

25. Segment information (continued)

There is no sale or other transaction between the business segments. Segment liabilities comprise operating liabilities and exclude items such as current income tax liabilities. Capital expenditure comprises additions to property, plant and equipment.

Information about major customer

Revenue from 2 major customers amount to \$1,083,614 (2010: \$1,018,095), arising from provision of trustee services in Singapore.

26. Authorisation of financial statements for issue

The financial statements of the Company for the financial year ended 30 June 2011 were authorised for issue in accordance with a resolution of the directors on 18 August 2011.

ANALYSIS OF SHAREHOLDINGS

as at 31 August 2011

Issued – 8,758,080 ordinary shares issued.

DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	Number of Holders	Percentage of Holders	Number of Shares	Percentage of Shares
1 – 999	59	54	17,616	0.2
1,000 – 10,000	31	28	68,204	0.8
10,001 – 1,000,000	16	15	1,560,228	17.8
1,000,001 – above	3	3	7,112,032	81.2
	109	100.0	8,758,080	100.0

TOP TWENTY REGISTERED SHAREHOLDERS

Number	Shareholders	Shares Held	% Shareholdings
1	CITIBANK NOMS SINGAPORE PTE LTD	3,769,920	43.05
2	THE NYALAS RUBBER ESTATES LTD	1,742,400	19.89
3	ESTATE OF SAT ALSAGOFF, DECEASED	1,599,712	18.27
4	KUCHAI DEVELOPMENT BHD	864,000	9.87
5	ESTATE OF LIM CHIN HIN ALFRED AKA LIM CHIN HIN DCD	230,400	2.63
6	CATZAVELOS PETER JOHN	96,000	1.10
7	LEE AH BAH @ ONG KEE	86,400	0.99
8	LO WOON KEE	33,800	0.39
9	HOOD YEW LEE ALFRED	32,000	0.37
10	TAN HIN JIN	32,000	0.37
11	TEO GUAT HUI	29,600	0.34
12	ALWEE ALKAFF	28,800	0.33
13	EST OF TAN HOON SIANG DCD	28,800	0.33
14	KHOO SIN HOCK VICTOR	21,600	0.25
15	LEE MAY MAY	17,500	0.20
16	CECIL V R WONG	16,128	0.18
17	LEE THOR SENG	14,400	0.16
18	TAN HIANG LEE	14,400	0.16
19	TAN SIEU LEE AMELIA	14,400	0.16
20	KHOO THOMAS CLIVE	7,200	0.08

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest
CITIBANK NOMS SINGAPORE PTE LTD	3,769,920
THE NYALAS RUBBER ESTATES LTD	1,742,400
ESTATE OF SAT ALSAGOFF, DECEASED	1,599,712
KUCHAI DEVELOPMENT BHD	864,000



BRITISH AND MALAYAN TRUSTEES LIMITED

Company Registration Number 192400010M

PROXY FORM

I/We _____
of _____
being member(s) of British and Malayan Trustees Limited hereby appoint _____

or, failing him/her, _____ of _____
as my/our proxy to attend and vote for me/us on my/our behalf, and if necessary, to demand a poll at the Annual General Meeting of the Company to be held on 20 October 2011 at 2.30 p.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit.)

No.	Resolution	For	Against
1.	To receive and consider the Directors' Report and the Audited Accounts for the financial year ended 30 June 2011 together with the Auditors' Report thereon and if approved, to adopt them		
2.	To reappoint Mr Cecil Vivian Richard Wong as a Director		
3.	To re-elect Mr Colin Lee Yung-Shih as a Director		
4.	To approve a final tax exempt dividend of 3.5 cents per share in respect of the financial year ended 30 June 2011		
5.	To reappoint Ernst & Young LLP, as Auditors and to authorize the Directors to fix their remuneration		
6.	To approve the payment of Directors' fees for the financial year ended 30 June 2011		
7.	To transact any other business which may be properly brought forward		

Dated this _____ day of _____ 2011

TOTAL NUMBER OF ORDINARY SHARES HELD	
---	--

Signature(s) _____



Notes :

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares in the capital of the Company registered in your name(s).
2. A member entitled to attend and vote at a Meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803 not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. Where a member appoints two proxies, the percentage of the shareholding represented by each such appointee should be specified. If no percentage is specified, the named appointee shall be deemed to represent 100% of the shareholding and any second named appointee shall be deemed to be an alternate to the first named.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorized.
6. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting. In accordance with Section 179 of the Companies Act, Chapter 50. A copy of the said resolution, certified as true by an authorized officer of the corporation, shall be affixed to the instrument of proxy.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by the Central Depository (Pte) Limited to the Company.

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British and Malayan Trustees Limited

Company Registration Number 192400010M

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