

**DYSLEXIA ASSOCIATION OF SINGAPORE**  
**(Registered under the Societies Act, Cap 311)**  
**(Charity Registration Number: 01155)**

**FINANCIAL STATEMENTS**

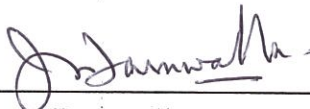
**FINANCIAL YEAR ENDED 31 MARCH 2006**

**DYSLEXIA ASSOCIATION OF SINGAPORE**  
**STATEMENT BY MANAGEMENT COUNCIL**

In the opinion of the Management Council:-

- (i) the accompanying financial statements are drawn up in accordance with Singapore Financial Reporting Standards and give a true and fair view of the state of affairs of the Association as at 31 March 2006 and of the results, changes in accumulated funds balances and cash flows of the Association for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

On behalf of the Association



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Jimmy Daruwalla  
President



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Derek McCully  
Honorary Treasurer

Singapore, 8 September 2006

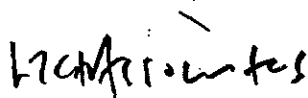
**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**DYSLEXIA ASSOCIATION OF SINGAPORE**

We have audited the accompanying financial statements of Dyslexia Association of Singapore ("the Association") for the financial year ended 31 March 2006. These financial statements are the responsibility of the Association's Management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the financial year ended 31 March 2005 were audited by another auditor whose report dated 23 August 2005 expressed a qualified opinion on those statements, see note 20.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management Council, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) The accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 March 2006 and of the results of the financial activities, changes in fund balances and cash flows of the Association for the year ended on that date;
- (b) The accounting and other records required by the regulations enacted under the Societies Act, Cap 311 to be kept by the Association have been properly kept in accordance with those regulations; and
- (c) The fund-raising activities have been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act, Cap. 311 and proper accounts and other records have been kept of the fund-raising activities.



LTC & Associates  
Certified Public Accountants

Singapore, 8 September 2006

## DYSLEXIA ASSOCIATION OF SINGAPORE

BALANCE SHEET AS AT 31 MARCH 2006

<u>ACCUMULATED FUNDS AND LIABILITIES</u>	<u>Note</u>	<u>2006</u> \$	<u>2005</u> \$
Accumulated Funds:-			
General fund balance	3	814,882	814,882
Education fund balance	4	2,123,574	1,989,864
Roshen Daruwalla Trust Fund	5	227,142	231,122
Library fund	6	16,205	23,925
Total accumulated funds		<u>3,181,803</u>	<u>3,059,793</u>
Current liabilities:-			
Accounts payables and accruals	7	407,093	234,565
Deposits		55,090	73,780
Total current liabilities		<u>462,183</u>	<u>308,345</u>
Total accumulated funds and liabilities		<u>3,643,986</u>	<u>3,368,138</u>
 <u>ASSETS</u>			
Non-current assets:-			
Plant and equipment	8	185,018	241,616
Current Assets:-			
Inventories	9	981	21,987
Accounts receivables	10	52,882	10,954
Other receivables, deposits and prepayments	11	73,250	116,326
Bonds	12	-	650,000
Cash and bank balances	13	3,331,855	2,327,255
Total current assets		<u>3,458,968</u>	<u>3,126,522</u>
Total assets		<u>3,643,986</u>	<u>3,368,138</u>

*See accompanying notes to the financial statements*

**DYSLEXIA ASSOCIATION OF SINGAPORE**  
**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2006**

	<u>Note</u>	<u>2006</u>	<u>2005</u>
		\$	\$
<b>Revenue:</b>			
Donations		3,760	10
Grant from Ministry of Education/NCSS		1,376,041	981,984
Interest income		748	3,569
Membership subscriptions		16,978	27,875
Tuition and test fees		1,340,576	1,217,619
Net proceeds from workshops conducted	14	246,522	114,624
Net proceeds from sales of resource books	15	3,288	2,799
Net proceeds from sales of greeting cards	16	27	2,899
Others		7,635	1,797
		<hr/>	<hr/>
		2,995,575	2,353,176
<b>Expenses:</b>			
Advertisements		2,648	2,957
Audit fee		3,080	2,510
Bank charges		912	1,595
Central Provident Fund and Skills Development Fund		260,851	200,765
Change in citibond face value		-	2,775
Cleaning services		10,045	19,029
Depreciation of fixed assets		97,601	104,268
GST paid		-	38,178
Insurance - Staff		12,574	17,323
Insurance - Others		4,088	2,639
Internet charges		9,628	11,134
Inventories written off		3,660	-
Learning resource		43,531	12,725
NETS commission		1,335	616
Other expenses		22,850	41,388
Printing and supplies		49,595	32,615
Professional development		-	5,520
Rental		181,711	167,516
Repairs and maintenance		15,022	14,365
		<hr/>	<hr/>
Balance carried forward		719,131	677,918

*See accompanying notes to the financial statements*

**DYSLEXIA ASSOCIATION OF SINGAPORE**  
**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2006**

	<u>Note</u>	<u>2006</u>	<u>2005</u>
		\$	\$
Balance brought forward		719,131	677,918
Seminar/Exhibition		16,591	822
Staff accommodation		54,850	74,590
Staff medical expenses		7,499	5,752
Staff salary, allowances and bonuses		2,443,327	1,935,168
Staff training		47,259	19,828
Staff welfare		4,544	3,085
Telecommunications		8,245	7,450
Transport and travelling		8,348	7,559
Utilities		24,123	19,354
		<u>3,333,917</u>	<u>2,751,526</u>
Loss for the year		<u>(338,342)</u>	<u>(398,350)</u>

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**STATEMENT OF CHANGES IN ACCUMULATED FUND  
FOR THE YEAR ENDED 31 MARCH 2006**

	General Fund	Education Fund	Roshen Daruwalla Fund	Library Fund	Total Accumulated Fund
	\$	\$	\$	\$	\$
Balance at 1 April 2004	814,882	2,221,932	229,800	-	3,266,614
Interest income	-	36,107	543	-	36,650
Bank charges	-	-	(63)	-	(63)
Donations received	-	130,175	1,500	24,000	155,675
Donations used	-	-	(658)	(75)	(733)
Loss for the year	-	(398,350)	-	-	(398,350)
Balance at 31 March 2005	814,882	1,989,864	231,122	23,925	3,059,793
Interest income	-	142,510	4,516	-	147,026
Bank charges	-	-	(54)	-	(54)
Donations received	-	329,542	1,000	800	331,342
Donations used	-	-	(9,442)	(8,520)	(17,962)
Loss for the year	-	(338,342)	-	-	(338,342)
Balance at 31 March 2006	814,882	2,123,574	227,142	16,205	3,181,803

*See accompanying notes to the financial statements*

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2006**

	<u>Note</u>	<u>2006</u> \$	<u>2005</u> \$
Cash flows from operating activities			
(Loss) for the year		(338,342)	(398,350)
Adjustments for:			
Depreciation of plant and equipment		97,601	104,268
Interest income		(748)	(3,569)
Operating (loss) before working capital changes		(241,489)	(297,651)
Accounts receivables		(41,928)	(3,772)
Other receivables, deposits and prepaid expenses		43,076	(1,138)
Inventories		21,006	4,027
Payables and accrued expenses		172,528	94,180
Deposits received		(18,690)	15,710
Cash (used in) operating activities		(65,497)	(188,644)
Interest received		748	3,569
Net cash (used in) operating activities		(64,749)	(185,075)
Cash flows from investing activities:			
Purchase of fixed assets		(41,003)	(60,866)
Bonds		650,000	-
Fixed deposits		(802,874)	(722,944)
Interest income received from funds		147,026	36,650
Net cash (used in) investing activity		(46,851)	(747,160)
Cash flows from financing activities:			
Receipts of donations		331,342	155,675
Bank charges on funds		(54)	(63)
Donation funds used		(17,962)	(733)
Net cash from/ (used in) financing activities		313,326	154,879
Net increase/ (decrease) in cash and cash equivalents		201,726	(777,356)
Cash and cash equivalents at beginning of the year		120,090	897,446
Cash and cash equivalents at end of the year		321,816	120,090
Represented by:			
Cash and bank balances	13	321,816	120,090
		321,816	120,090

*See accompanying notes to the financial statements*



## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2006

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

#### 1. GENERAL

The association is registered in the Republic of Singapore under The Societies Act, Chapter 37. It is also a registered charity under the Charities Act, Chapter 37.

The registered office is located at Dyslexia Centre, 2 Bukit Merah Central #05-00 Spring Singapore, Singapore 159835.

The association functions as a professional association to assist and elicit support for persons with dyslexia and their families in various ways including education and training.

The association had the following training centres:-

- 1) Dyslexia Centre  
2 Bukit Merah Central #05-00 Spring Singapore  
Singapore 159835
- 2) DAS Learning Centre (Ang Mo Kio)  
Anderson Primary School  
19 Ang Mo Kio Avenue 9  
Singapore 569785
- 3) DAS Learning Centre (Bedok)  
Fengshan Primary School  
307 Bedok North Road  
Singapore 469680
- 4) DAS Learning Centre (Queenstown)  
Queenstown Primary School  
310 Margaret Drive  
Singapore 149303
- 5) DAS Learning Centre (BJ8)  
Bishan Junction 8  
9 Bishan Place #06-03  
Singapore 579837

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting and preparation

The financial statements are prepared in accordance with and comply with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

The financial statements are expressed in Singapore dollars and prepared under the historical cost convention, except where the FRS require an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(b) Adoption of new and revised Singapore Financial Reporting Standards

In the current year, the Association has adopted all of the new and revised FRSs issued by the Council on Corporate Disclosure and Governance (CCDG) that are relevant to its operations and effective for accounting periods beginning on 1 January 2005.

The adoption of these new and revised FRSs has no significant changes to the Association's accounting policies.

Certain new accounting standards have been published that are effective for accounting periods beginning on or after 1 January 2006. The management anticipates that the adoption of these Standards in future periods will have no material impact on the financial statements of the Association.

## (II) Summary of significant accounting policies

## (a) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined.

## (b) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment loss.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts less their residual values over their estimated useful lives of each part of an item of plant and equipment. The annual rates of depreciation are as follows: -

<i>Equipment and furniture</i>	33%
<i>Renovation</i>	20%

Fully depreciated fixed assets still in use are retained in the financial statements.

The residual value and the useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of fixed assets.

The gain or loss arising on disposal or retirement of an item of fixed assets is determined as the difference between the sale proceeds and the carrying amounts of the assets and is recognised in the income statement.

## (c) Taxation

The income of the association is exempt from tax under Section 13M(2)(b) of the Income Tax Act, provided the association applies not less than 80% of its income less allowable operating expenses to charities or charitable objects within Singapore by the following year.

(d) Revenue recognition

Revenue for the Association comprises the fair value of the consideration received or receivable for the rendering of services, net of taxes, rebates and discounts. Revenue is recognised as follows:

Tuition and test fees are recognised over the period of instruction.

Membership subscriptions are recognised over the period of the subscription.

Donations are recognised when they are received.

(e) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants relating to an expense item is recognised in the income statement over the periods necessary to match them on a systematic basis, to the cost, which it is intended to compensate.

(f) Functional and presentation currency

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the Association operates ('the functional currency'). The financial statements are presented in Singapore Dollars, which is the Association's functional and presentation currency.

(g) Investments

Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. The transactions are recorded at the trade date.

(h) Accounts and other receivables

Accounts receivables are recognised and carried at original invoiced amount less any provision for uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Other receivables are recognised and carried at cost less and allowance for any uncollected amounts.

(i) Cash and cash equivalents

Cash consists cash on hand and cash with banks. Cash equivalents are short-term highly liquid equity investments that are readily convertible to known amounts with original maturities of three months or less and that of cash are subject to an insignificant risk of changes in value.

(j) Payables

Payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

(k) Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(l) Impairment of assets

At each balance sheet date, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of an asset is reduced to its recoverable amount and the impairment loss is recognised as an expense immediately

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

(m) Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if any by action of the management committee. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the management committee retains full control to use in achieving any of its institutional purposes.

Endowment Funds – Endowment funds are subject to the restrictions of certain gift instruments requiring that the principal amount be invested and the income only be utilised and or utilised in accordance with the terms of the donations.

General Fund – This fund is for general purposes of the Association. The assets of the general fund comprise all the net assets of the Association, not allocated to the other specific funds.

(n) Financial risk management

The Association's activities expose it to a variety of financial risks, including interest rate, credit, liquidity and cash flow risks. The Association has adopted risk management policies that seek to mitigate these risks in a cost-effective manner. Financial assets that expose the Association to financial risk consist principally of accounts and other receivables and bank balances. Financial liabilities that expose the Association to financial risk consist principally of accounts payables, accruals and deposits.

Currency risk

The Association's exposure to foreign exchange risk is minimal as transactions are predominantly denominated in Singapore dollars, being the functional currency of the Association.

Interest rate risk

The Association's exposure to changes in market interest rates relates primarily to fixed deposits and bonds.

Credit risk

The Association has no significant concentrations of credit risk. The Association performs on going credit evaluation of its customers' financial condition.

(n) Financial risk management (Cont'd)

Cash flow risk

The Association maintains sufficient cash for its funding requirements. The Association is also dependent on government grant and donation collection to meet its liabilities to external parties.

(o) Fair values of financial assets and liabilities

The carrying amounts of the financial assets and liabilities included in net current assets approximate their value to their short-term nature.

(p) Employee benefits

Defined contribution plan

As required by the law, the Association makes contributions to the state managed retirement scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

## 3. GENERAL FUND BALANCE

	<u>2006</u>	<u>2005</u>
	\$	\$
Balance at beginning of year and end of year	814,882	814,882

## 4. EDUCATION FUND BALANCE

	<u>2006</u>	<u>2005</u>
	\$	\$
Balance at beginning of year	1,989,864	2,221,932
Donation received, net	329,542	130,175
Interest income	145,510	36,107
Loss for the year from income and expenditure account	(338,342)	(398,350)
Balance at end of year	2,123,574	1,989,864

The educational fund can only be used for educational purposes of the association. The donor may claim the donation as a tax deduction for income tax purposes.

## 5. ROSHEN DARUWALLA TRUST FUND

	<u>2006</u>	<u>2005</u>
	\$	\$
Balance at beginning of year	231,122	229,800
Donation received, net	1,000	1,500
Interest income	4,516	543
Bank charges	(54)	(63)
Donation used	(9,442)	(658)
Balance at end of year	227,142	231,122

The fund was set up in remembrance of Mrs. Roshen Daruwalla. The income of the fund can only be applied for educational purposes of the association.



## 6. LIBRARY FUND

	<u>2006</u>	<u>2005</u>
	\$	\$
Balance at beginning of year	23,925	-
Donation received, net	800	24,000
Purchases of books	(8,520)	(75)
	<hr/>	<hr/>
Balance at end of year	16,205	23,925

The library fund can only be used for the Queenstown DAS Library for their books and materials.

## 7. ACCOUNTS PAYABLES AND ACCRUAL

	<u>2006</u>	<u>2005</u>
	\$	\$
Outside parties	407,093	234,565
	<hr/>	<hr/>

## 8. PLANT AND EQUIPMENT

<u>2006</u>	<u>Equipment and furniture</u>	<u>Renovation</u>	<u>Total</u>
	\$	\$	\$
Cost:			
At beginning of year	183,182	340,915	524,097
Additions	32,380	8,623	41,003
	<hr/>	<hr/>	<hr/>
At end of year	215,562	349,538	565,100
Accumulated depreciation:			
At beginning of year	141,347	141,134	282,481
Depreciation charge for the year	30,971	66,630	97,601
	<hr/>	<hr/>	<hr/>
At end of year	172,318	207,764	380,082
Carrying value: -			
At end of year	43,244	141,774	185,018
	<hr/>	<hr/>	<hr/>

## 8. PLANT AND EQUIPMENT (Cont'd)

<u>2005</u>	<u>Equipment and furniture</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
Cost:			
At beginning of year	122,316	340,915	463,231
Additions	60,866	-	60,866
	<hr/>		
At end of year	183,182	340,915	524,097
Accumulated depreciation:			
At beginning of year	105,261	72,952	178,213
Depreciation charge for the year	36,086	68,182	104,268
	<hr/>		
At end of year	141,347	141,134	282,481
Carrying value: -			
At end of year	41,835	199,781	241,616
	<hr/>		

## 9. INVENTORIES

	<u>2006</u> \$	<u>2005</u> \$
At cost:		
Merchandise	981	21,987
	<hr/>	

## 10. ACCOUNTS RECEIVABLES

	<u>2006</u> \$	<u>2005</u> \$
Outside parties	52,882	10,954
	<hr/>	

## 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2006</u>	<u>2005</u>
	\$	\$
Other receivables	8,052	-
Deposits to secure services	59,358	58,524
Prepayments	5,840	57,802
	<u>73,250</u>	<u>116,326</u>

## 12. BONDS

The bonds held by the Association were stated at cost. They were Singapore Government bonds, bearing interest of 3.75%, which were due on 1 September 2016. The fair value approximates the book value.

The bonds were sold on 13 June 2005.

## 13. CASH AND BANK BALANCES

	<u>2006</u>	<u>2005</u>
	\$	\$
Cash in hand - Association	34,299	3,000
Cash at bank - Association	188,428	70,973
Cash at banks - Education Fund	76,399	14,995
Cash at bank - Roshen Daruwalla Trust Fund	22,690	31,122
Cash and cash equivalents	<u>321,816</u>	<u>120,090</u>
Fixed deposit - Association	1,008,442	1,001,498
Fixed deposits - Education Fund	1,797,145	1,005,667
Fixed deposit - Roshen Daruwalla Trust Fund	204,452	200,000
Total fixed deposits	<u>3,010,039</u>	<u>2,207,165</u>
	<u>3,331,855</u>	<u>2,327,255</u>

The above fixed deposits have an effective interest rate ranging from 1.10% to 6.5% (2005: 0.75% to 6.5%). The maturity dates of the fixed deposits range from 13 April 2006 to 31 January 2012.

## 14. NET PROCEEDS FROM WORKSHOPS CONDUCTED

	<u>2006</u>	<u>2005</u>
	\$	\$
Enrichment course workshops	40,154	85,774
Less: Expenses incurred	<u>(15,120)</u>	<u>(41,719)</u>
Profit from enrichment course workshops	<u>25,034</u>	<u>44,055</u>
OG workshops	44,565	19,845
Less: Expenses incurred	<u>(8,524)</u>	<u>(6,537)</u>
Profit from OG workshops	<u>36,041</u>	<u>13,308</u>
DAS Support course workshops	110,699	62,888
Less: Expenses incurred	<u>(48,373)</u>	<u>(5,627)</u>
Profit from DAS Support course workshops	<u>62,326</u>	<u>57,261</u>
SNO workshops	129,600	-
Less: Expenses incurred	<u>(6,479)</u>	<u>-</u>
Profit from SNO workshops	<u>123,121</u>	<u>-</u>
Total profit from workshops conducted	<u>246,522</u>	<u>114,624</u>

## 15. NET PROCEEDS FROM SALES OF RESOURCE BOOKS

	<u>2006</u>	<u>2005</u>
	\$	\$
Collection from sale of books	20,094	18,036
Less: Cost of sales		
Opening inventories	2,198	5,734
Purchases	15,589	11,701
	<hr/>	<hr/>
	17,787	17,435
Less: Closing inventories	(981)	(2,198)
	<hr/>	<hr/>
	16,806	15,237
	<hr/>	<hr/>
Profit from sales of resource books	3,288	2,799

## 16. NET PROCEEDS FROM SALES OF GREETING CARDS

	<u>2006</u>	<u>2005</u>
	\$	\$
Collection from sale of greeting cards	57	3,390
Less: Cost of sales		
Opening inventories	4,307	4,799
Purchases	-	-
	<hr/>	<hr/>
	4,307	4,799
Less: Inventories written off	(3,659)	-
Inventories distributed during seminar	(618)	-
Closing inventories	-	(4,308)
	<hr/>	<hr/>
	30	491
	<hr/>	<hr/>
Profit from sales of greeting cards	27	2,899

## 17. TAXATION

No provision for taxation is required as the income derived is exempted from taxation subject to agreement with the Inland Revenue Authority of Singapore and compliance with conditions of the provision of Section 13M(2)(b) of the Singapore Income Tax Act.

## 18. (A) STAFF COST

	<u>2006</u>	<u>2005</u>
	\$	\$
Salaries and bonus	2,443,327	1,935,168
Employer's contribution to Central Provident Fund	260,851	200,765
Other staff related expenses	126,726	120,578
126726	<u>2,830,904</u>	<u>2,256,511</u>

## (B) KEY MANAGEMENT COMPENSATION \*

	<u>2006</u>	<u>2005</u>
	\$	\$
Salaries and bonus	455,218	373,377
Employers' contribution to Central Provident Fund	22,858	18,740
Other staff related expenses	51,600	54,000
	<u>529,676</u>	<u>446,117</u>

\* Key management includes Executive Director, Head of Finance, Head of Corporate Services, Head of Learning Centres and Head of Training.

It is not the normal practice for the office bearers, or people connected with them, to receive remuneration, or other benefits, from the Association for which they are responsible, or from institutions connected with the Association.

The Association has not met individual expenses incurred by office bearers for services provided to the Association, either by reimbursement of the office bearer or by providing the office bearer with an allowance or by direct payment to a third party.

## 19. OPERATING LEASE COMMITMENTS

At the balance sheet date, the commitments in respect of non-cancellable operating leases were as follows:

	<u>2006</u>	<u>2005</u>
	\$	\$
Within one year	264,224	215,244
Within two to five years	<u>245,646</u>	<u>352,210</u>

The rental charges for the year with respect to the above lease amounted approximately \$236,561 (2005: \$242,106).

## 20. COMPARATIVE FIGURES

The financial statements for the last year were reported on by auditor other than LTC & Associates whose report dated 23 August 2005 expressed a qualified opinion as follows: "The Association derives a substantial proportion of its income from donations received. Because of the nature of these donations, the association cannot provide accounting controls over these donations prior to the initial entry in the accounting records."