

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

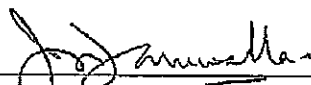
**FINANCIAL STATEMENTS**  
**FINANCIAL YEAR ENDED 31 MARCH 2008**

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

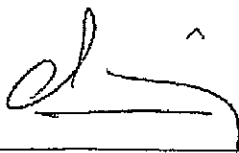
In the opinion of the Management Council:-

- (i) the accompanying financial statements are drawn up to give a true and fair view of the state of affairs of the Association as at 31 March 2008 and the statement of financial activities, 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



Jimmy Daruwalla  
President



Vincent Chen Wei Ching  
Honorary Treasurer

Singapore, 29 August 2008

# LTC LLP

Certified Public Accountants

LTC & Associates (Reg.No: 000359) was converted to  
LTC LLP with effect from 18 June 2008

1 Raffles Place  
#20-02 OUB Centre  
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(Registered with limited liability)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DYSLEXIA ASSOCIATION OF SINGAPORE For the financial year ended 31 March 2008

We have audited the accompanying financial statements of Dyslexia Association of Singapore ("the Association"), which comprise the balance sheet as at 31 March 2008, and the statement of financial activities, 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 notes.

### *Management's Responsibility for the Financial Statements*

The Association's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards. This responsibility includes:

- (a) 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 accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

### *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 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 judgment, 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 and fair presentation of the financial statements 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.

**LTC**

**& Associates**

Certified Public Accountants

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

**For the financial year ended 31 March 2008 (Cont'd)**

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*Opinion*

In our opinion,

- (a) The accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311, Charities Act (Chapter 37) (the "Acts") 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 2008 and the statement of 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 Acts 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 the Acts and proper accounts and other records have been kept of the fund-raising activities.



LTC LLP

Public Accountants and

Certified Public Accountants

Singapore, 29 August 2008

## DYSLEXIA ASSOCIATION OF SINGAPORE

BALANCE SHEET AS AT 31 MARCH 2008

	<u>Note</u>	<u>2008</u> \$	<u>2007</u> \$
<u>ACCUMULATED FUNDS</u>			
<u>AND LIABILITIES</u>			
Unrestricted Funds:-			
General fund	4	814,882	814,882
Restricted Funds:-			
Education fund	5	3,349,376	3,110,094
Roshen Daruwalla Trust fund	6	243,433	240,279
Parent Teacher Group fund	7	22,000	-
Library fund	8	36,205	36,205
Total accumulated funds		<u>4,465,896</u>	<u>4,201,460</u>
Current liabilities:-			
Accounts payables and accruals	9	865,066	683,992
Deposits received	10	72,084	60,006
Total current liabilities		<u>937,150</u>	<u>743,998</u>
Total accumulated funds and liabilities		<u>5,403,046</u>	<u>4,945,458</u>
<u>ASSETS</u>			
Non-current assets:-			
Plant and equipment	11	190,689	112,681
Financial assets, held to maturity	15	1,500,000	-
		<u>1,690,689</u>	<u>112,681</u>
Current assets: -			
Inventories	12	15,615	14,167
Accounts receivables	13	72,179	74,162
Other receivables, deposits and prepayments	14	164,362	88,804
Financial assets, held to maturity	15	-	1,500,000
Cash and bank balances	16	3,460,201	3,155,644
Total current assets		<u>3,712,357</u>	<u>4,832,777</u>
Total assets		<u>5,403,046</u>	<u>4,945,458</u>

*The accounting policies and explanatory notes form an integral part of the financial statements.*

## DYSLEXIA ASSOCIATION OF SINGAPORE

SUPPLEMENTARY BALANCE SHEET BY FUNDS  
AS AT 31 MARCH 2008

	General Fund	Education Fund	Roshen Darwalla Fund	Library Fund	Parent Teacher Group Fund	Total Funds
	\$	\$	\$	\$	\$	\$
<b>Total funds at 31 March 2007</b>	<b>814,882</b>	<b>3,110,094</b>	<b>240,279</b>	<b>36,205</b>	<b>-</b>	<b>4,201,460</b>
<b>Represented by:</b>						
Payables and accrued expenses	-	(683,992)	-	-	-	(683,992)
Deposits received	-	(60,006)	-	-	-	(60,006)
Plant & equipment	-	112,681	-	-	-	112,681
Inventories	-	14,167	-	-	-	14,167
Account receivables	-	74,162	-	-	-	74,162
Other receivables, deposits and prepayments	-	88,804	-	-	-	88,804
Investments in bonds	-	1,500,000	-	-	-	1,500,000
Cash and bank balances	814,882	2,064,278	240,279	36,205	-	3,155,644
<b>Total net assets at 31 March 2007</b>	<b>814,882</b>	<b>3,110,094</b>	<b>240,279</b>	<b>36,205</b>	<b>-</b>	<b>4,201,460</b>
<b>Total funds at 31 March 2008</b>	<b>814,882</b>	<b>3,349,376</b>	<b>243,433</b>	<b>36,205</b>	<b>22,000</b>	<b>4,465,896</b>
<b>Represented by:</b>						
Payables and accrued expenses	-	(865,066)	-	-	-	(865,066)
Deposits received	-	(72,084)	-	-	-	(72,084)
Plant & equipment	-	190,689	-	-	-	190,689
Inventories	-	15,615	-	-	-	15,615
Account receivables	-	72,179	-	-	-	72,179
Other receivables, deposits and prepayments	-	164,362	-	-	-	164,362
Investments in bonds	-	1,500,000	-	-	-	1,500,000
Cash and bank balances	814,882	2,343,681	243,433	36,205	22,000	3,460,201
<b>Total net assets at 31 March 2008</b>	<b>814,882</b>	<b>3,349,376</b>	<b>243,433</b>	<b>36,205</b>	<b>22,000</b>	<b>4,465,896</b>

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

DYSLEXIA ASSOCIATION OF SINGAPORE  
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

31 March 2008	Note	Unrestricted Funds		Restricted Funds			Total Funds 2008
		Income and Expenditure Account 2008	General Fund	Education Fund	Parent Teacher Group Fund	Roshen Daruwalla Fund	
		\$	\$	\$	\$	\$	\$
<b>Incoming resources</b>							
<b>Incoming resources from generated funds:</b>							
<u>Voluntary income</u>							
Donations		-	-	-	22,000	-	617,078
Fund raising activities		-	-	595,078	-	-	-
Income from fundraising trading activities		-	-	-	-	-	-
Sales of resource books	18	46,683	-	-	-	-	46,683
Sales of greeting cards	19	-	-	-	-	-	-
<u>Activities for generating funds</u>							
Interest received		-	-	-	-	-	-
Investment income		-	-	91,155	-	3,394	3,394
<u>Charitable income</u>							
Tuition and assessment fees		2,035,703	-	-	-	-	2,035,703
Proceeds from workshops conducted		619,425	-	-	-	-	619,425
Grant from Ministry of Education/		-	-	-	-	-	-
National Council of Social Service	17	2,075,949	-	-	-	-	2,075,949
Membership subscriptions		5,441	-	-	-	-	5,441
Sundry income		17,181	-	-	-	-	17,181
<b>Total Income</b>		<b>4,800,382</b>	<b>-</b>	<b>686,233</b>	<b>22,000</b>	<b>3,394</b>	<b>5,512,009</b>

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

DYSLEXIA ASSOCIATION OF SINGAPORE  
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

31 March 2008	Note	Unrestricted Funds		Restricted Funds			Total Funds 2008
		Income and Expenditure Account 2008	General Fund	Education Fund	Parent Teacher Group Fund	Roshen Daruwalla Fund	
		\$	\$	\$	\$	\$	\$
<b>Resources expended</b>							
<b>Cost of generating funds</b>							
Cost of generating voluntary income		-	-	-	-	-	-
Fund raising/trading expenses							
Cost of resource books	18	34,686	-	-	-	-	34,686
Cost of greeting cards	19	-	-	-	-	-	-
Fixed assets written off		128	-	-	-	-	128
<b>Charitable activities expenses</b>							
Advertisements		6,151	-	-	-	-	6,151
Audit fee		9,411	-	-	-	-	9,411
Bank charges		2,067	-	-	-	54	2,121
Central Provident Fund and Skills Development Fund		367,179	-	-	-	-	367,179
Cleaning services		21,609	-	-	-	-	21,609
Cost of workshops		95,657	-	-	-	-	95,657
Depreciation of fixed assets		138,507	-	-	-	-	138,507
Insurance - Staff	17	11,952	-	-	-	-	11,952
Insurance - Others		7,465	-	-	-	-	7,465
Learning resource		47,778	-	-	-	-	47,778
Network Electronic Transfers Service commission		4,006	-	-	-	186	4,192
Other expenses		20,409	-	-	-	-	20,409
Balance carried forward		767,005	-	-	-	240	767,245

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



DYSLEXIA ASSOCIATION OF SINGAPORE  
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

31 March 2008	Note	Unrestricted Funds		Restricted Funds			Total Funds 2008
		Income and Expenditure Account 2008	General Fund	Education Fund	Parent Teacher Group Fund	Roshen Daruwalla Fund	
		\$	\$	\$	\$	\$	\$
Balance brought forward		767,005	-	-	-	240	767,245
Printing and supplies		54,998	-	-	-	-	54,998
Professional development		63,528	-	-	-	-	63,528
Rental of equipment		30,039	-	-	-	-	30,039
Rental of office		217,273	-	-	-	-	217,273
Repairs and maintenance		15,971	-	-	-	-	15,971
School project cost		30,166	-	-	-	-	30,166
Seminar/ Exhibition		50,405	-	-	-	-	50,405
Staff accommodation		60,250	-	-	-	-	60,250
Staff medical expenses		11,206	-	-	-	-	11,206
Staff salary, allowances and bonuses		3,749,254	-	-	-	-	3,749,254
Staff training		88,960	-	-	-	-	88,960
Staff welfare		33,949	-	-	-	-	33,949
Telecommunications		21,894	-	-	-	-	21,894
Transport and traveling		10,048	-	-	-	-	10,048
Utilities		42,387	-	-	-	-	42,387
<b>Total expenses</b>		<b>5,247,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240</b>	<b>5,247,573</b>
Surplus/(deficit) for the year		(446,951)	-	686,233	22,000	3,154	264,436
Transfer to/(from) funds		446,951	-	(446,951)	-	-	-
Net surplus/(deficit) for the year		-	-	239,282	22,000	3,154	264,436

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

DYSLEXIA ASSOCIATION OF SINGAPORE  
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

	Unrestricted Funds			Restricted Funds		
	Income and Expenditure Account 2007	General Fund	Education Fund	Daruwalla Fund	Roshen Library Fund	Total Funds 2007
Note	\$	\$	\$	\$	\$	\$
<b>Incoming resources</b>						
<b>Incoming resources from generated funds:</b>						
<u>Voluntary income</u>						
Donations	-	-	820,325	17,000	20,000	857,325
Fund raising activities	-	-	103,150	-	-	103,150
<u>Income from fundraising trading activities</u>						
Sales of resource books	18	37,478	-	-	-	37,478
Sales of greeting cards	19	343	-	-	-	343
<u>Activities for generating funds</u>						
Interest received		36	-	-	-	36
Investment income		-	96,652	4,239	-	100,891
<u>Charitable income</u>						
Tuition and assessment fees		1,713,134	-	-	-	1,713,134
Proceeds from workshops conducted		645,704	-	-	-	645,704
Grant from Ministry of Education/NCSS		1,648,797	-	-	-	1,648,797
Membership subscriptions		14,660	-	-	-	14,660
Staff compensation		17,650	-	-	-	17,650
Insurance claims		6,977	-	-	-	6,977
Sundry income		17,486	-	-	-	17,486
<b>Total Income</b>		4,102,265	1,020,127	21,239	20,000	5,163,631

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

**DYSLEXIA ASSOCIATION OF SINGAPORE  
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007**

31 March 2007	Note	← Unrestricted Funds →		Restricted Funds →			Total Funds 2007
		Income and Expenditure Account 2007	General Fund	Education Fund	Roshen Daruwalla Fund	Library Fund	
		\$	\$	\$	\$	\$	\$
<b>Resources expended</b>							
<b>Cost of generating funds</b>							
<u>Cost of generating voluntary income</u>				33,391	8,052	-	41,443
<u>Fund raising trading expenses</u>	18	35,591	-	-	-	-	35,591
<u>Cost of resource books</u>	19	-	-	-	-	-	-
<u>Cost of greeting cards</u>		-	-	-	-	-	-
<b>Charitable activities expenses</b>							
Advertisements		8,626	-	-	-	-	8,626
Audit fee		8,694	-	-	-	-	8,694
Bank charges		1,901	-	-	50	-	1,951
Central Provident Fund and Skills Development Fund		318,100	-	-	-	-	318,100
Cleaning services		11,380	-	-	-	-	11,380
Cost of workshops		152,748	-	-	-	-	152,748
Depreciation of fixed assets	17	118,562	-	-	-	-	118,562
Insurance – Staff		12,233	-	-	-	-	12,233
Insurance – Others		3,177	-	-	-	-	3,177
Internet charges		12,642	-	-	-	-	12,642
Learning resource		43,420	-	-	-	-	43,420
NETS commission		1,854	-	-	-	-	1,854
Other expenses		15,039	-	-	-	-	15,039
<b>Balance carried forward</b>		<b>743,967</b>	<b>-</b>	<b>33,391</b>	<b>8,102</b>	<b>-</b>	<b>785,460</b>

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

**DYSLEXIA ASSOCIATION OF SINGAPORE  
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007**

31 March 2007	Note	Unrestricted Funds		Restricted Funds			Total Funds 2007
		Income and Expenditure Account 2007	General Fund	Education Fund	Daruwalla Fund	Roshen Library Fund	
		\$	\$	\$	\$	\$	\$
Balance brought forward		743,967	-	33,391	8,102	-	785,460
Printing and supplies		58,497	-	-	-	-	58,497
Professional development		28,121	-	-	-	-	28,121
Rental		212,699	-	-	-	-	212,699
Repairs and maintenance		16,883	-	-	-	-	16,883
Seminar/ Exhibition		-	-	-	-	-	-
Staff accommodation		51,600	-	-	-	-	51,600
Staff medical expenses		9,418	-	-	-	-	9,418
Staff salary, allowances and bonuses		2,875,490	-	-	-	-	2,875,490
Staff training		23,927	-	-	-	-	23,927
Staff welfare		16,085	-	-	-	-	16,085
Telecommunications		22,775	-	-	-	-	22,775
Transport and traveling		7,523	-	-	-	-	7,523
Utilities		35,496	-	-	-	-	35,496
<b>Total expenses</b>		<b>4,102,481</b>	<b>-</b>	<b>33,391</b>	<b>8,102</b>	<b>-</b>	<b>4,143,974</b>
Surplus/(deficit) for the year		(216)	-	966,736	13,137	20,000	1,019,657
Transfer to/(from) funds		216	-	(216)	-	-	-
Net surplus/(deficit) for the year		-	-	966,520	13,137	20,000	1,019,657

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

DYSLEXIA ASSOCIATION OF SINGAPORE  
 STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	General Fund	Education Fund	Roshen Daruwalla Fund	Parent Teacher Group Fund	Library Fund	Total Funds
	\$	\$	\$	\$	\$	\$
Balance at 1 April 2006	814,882	2,123,574	227,142	-	16,205	3,181,803
Surplus for the year	-	986,520	13,137	-	20,000	1,019,657
Balance at 31 March 2007	814,882	3,110,094	240,279	-	36,205	4,201,460
Surplus for the year	-	239,282	3,154	22,000	-	264,436
Balance at 31 March 2008	814,882	3,349,376	243,433	22,000	36,205	4,465,896

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

## DYSLEXIA ASSOCIATION OF SINGAPORE

**CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008**

	<u>2008</u>	<u>2007</u>
	\$	\$
Cash flows from operating activities:-		
Surplus for the year	264,436	1,019,657
Adjustments for:		
Depreciation of plant and equipment	138,507	118,562
Plant and equipment written off	128	-
Investment and interest income	<u>(94,549)</u>	<u>(100,927)</u>
Operating surplus before working capital changes	308,522	1,037,292
Accounts receivables	1,983	(21,280)
Other receivables, deposits and prepaid expenses	(75,558)	(15,554)
Inventories	(1,448)	(13,186)
Payables and accrued expenses	181,074	276,899
Deposits received	<u>12,078</u>	<u>4,916</u>
Cash generated from operations	426,651	1,269,087
Interest received	<u>3,394</u>	<u>36</u>
Net cash from operating activities	<u>430,045</u>	<u>1,269,123</u>
Cash flows from investing activities:-		
Purchase of plant and equipment	(216,643)	(46,225)
Financial assets, held to maturity	-	(1,500,000)
Fixed deposits	(534,194)	795,492
Interest income received from funds	<u>91,155</u>	<u>100,891</u>
Net cash used in investing activities	<u>(659,682)</u>	<u>(649,842)</u>
Net (decrease)/ increase in cash and cash equivalents	(229,637)	619,281
Cash and cash equivalents at beginning of the year	<u>1,451,097</u>	<u>831,816</u>
Cash and cash equivalents at end of the year (Note 16)	<u>1,221,460</u>	<u>1,451,097</u>

*The accounting policies and explanatory notes form an integral part of the financial statements.*

**DYSLEXIA ASSOCIATION OF SINGAPORE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008**

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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 an Institute of Public Character (IPC) and 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 has five training centres.

The financial statements were approved and authorised for issue by the management council on the date indicated in the statement by the management council.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(l) Basis of preparation

(a) Basis of accounting

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") as issued by the Singapore Accounting Standards Council as well as all related Interpretations to FRS ("INT FRS"), the Societies Act, Cap. 37, and the Statement of Recommended Accounting Practice 6 "Accounting and Reporting by Charities" issued by the Institute of Certified Public Accountants of Singapore. The Association is also subject to the provisions of the Charities Act, Cap. 37. Where presentation guidance set out in the Statement of Recommended Accounting Practice 6 is consistent with the requirements of FRS, the Association has sought to prepare the financial statements on a basis compliant with the recommendations of RAP 6. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS require an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

- (l) Basis of preparation (Cont'd)
- (a) Basis of accounting (Cont'd)

The financial statements are expressed in Singapore Dollar (SGD or \$).

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

On 1 April 2007, the Association adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Association's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The adoption of the above FRS and INT FRS did not result in any substantial 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 April 2008. 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.

(b) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated 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 on 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:

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

Fully depreciated plant and equipment 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 plant and equipment.

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

(II) Summary of significant accounting policies (Cont'd)

(c) Income tax

As a charity, the Association is exempt from tax on income and gains falling within section 13U(1) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen in the Association.

(d) Revenue recognition

Revenue for the Association comprises the fair value of the consideration received or receivable for the rendering of services, net of Goods and Services Tax, 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. Life membership subscriptions are recognized when they are received.

Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement.. The Association has voluntary donations. Because of the nature of these donations it is impractical to recognise them until the receipts are recorded.

A gift in kind is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be 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. Grant relating to an expense item is recognised in the statement of financial activities over the periods necessary to match them on a systematic basis, to the cost, which it is intended to compensate.

(II) Summary of significant accounting policies (Cont'd)

(f) Currency translation

(1) 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 Dollar, which is the Association's functional and presentation currency.

The Association conducts all its transactions in Singapore Dollar.

(g) Financial assets, Held-to-maturity

Investments that are intended to be held-to-maturity, such as bonds, are initially measured at fair value, plus directly attributable transaction costs. They 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) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the statement of financial activities.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in volume.

(II) Summary of significant accounting policies (Cont'd)

(j) Impairment of financial assets

The Association assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of financial activities.

The allowance for impairment loss account is reduced through the statement of financial activities in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(k) Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership. On disposal of financial asset, the difference between the carrying amount and the sale proceeds is recognised in the statement of financial activities. Any amount in the fair value reserve relating to that asset is transferred to the statement of financial activities.

(l) Trade Payables

Trade payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

(m) 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.

(II) Summary of significant accounting policies (Cont'd)

(n) Derecognition of financial liabilities

The Association derecognises its financial liabilities when, and only when, the Association's obligations are discharged, cancelled or they expire.

(o) Impairment of non financial assets

Tangible and intangible assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the statement of financial activities, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in statement of financial activities, a reversal of that impairment is also recognised in statement of financial activities.

(II) Summary of significant accounting policies (Cont'd)

(p) 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.

(q) Fair values of financial assets and liabilities

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

(r) 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. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical judgements in applying the entity's accounting policies

In the process of applying the Association's accounting policies, which are described in Note 2(II), management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Management is of the opinion that any instances of applications of judgements are not expected to have significant effect on the amounts recognized in the financial statements (apart from those involving estimations, which is dealt with below).

Impairment and collectibility of trade and other receivables

The Association follows the guidance of FRS 39 (revised 2005) to determine when trade and other receivables are impaired. This determination requires certain level of judgement. The Association first assesses whether objective evidence of impairment exists for individually significant debtors and collectively for debtors which are not individually significant. The Association evaluates, among other factors, financial status of the debtor, any changes in the collection status and changes in industry conditions that affect the debtors. Trade and other receivables that are collectively evaluated for impairment are based on historical loss experience for receivables with similar credit risk characteristics.

The methodology and assumptions used for estimating potential impairment loss are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Useful Lives Of Plant And Equipment

The estimates for the useful lives and related depreciation charges for plant and equipment is based on commercial and production factors which could change significantly as a result of technical innovations and competitor actions in response to severe market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete or non-strategic assets that have been abandoned or sold.

4. GENERAL FUND

The general fund is used for the general purposes of the association.

5. EDUCATION FUND

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.

6. ROSHEN DARUWALLA TRUST FUND

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.

7. PARENT TEACHERS GROUP FUND

The fund is for activities co-organised with the Parent Teachers Group.

8. LIBRARY FUND

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

9. ACCOUNTS PAYABLES AND ACCRUALS

	<u>2008</u>	<u>2007</u>
	\$	\$
Outside parties	<u>865,066</u>	<u>683,992</u>

The carrying amounts are denominated in Singapore Dollar.

10. DEPOSITS RECEIVED

The students' deposits are security for tuition fees.



## 11. PLANT AND EQUIPMENT

	<u>Equipment and furniture</u>	<u>Renovations</u>	<u>Total</u>
<u>2008</u>	\$	\$	\$
Cost:			
At beginning of year	250,020	381,305	611,325
Additions	50,732	165,911	216,643
Written off	(35,267)	-	(35,267)
	<hr/>		
At end of year	285,485	527,216	792,701
Accumulated depreciation:			
At beginning of year	216,110	282,534	498,644
Depreciation charge for the year	37,069	101,438	138,507
Written off	(35,140)	-	(35,140)
	<hr/>		
At end of year	218,039	383,972	602,011
Net carrying value: -			
At end of year	47,446	143,244	190,690
	<hr/>		
	<u>Equipment and furniture</u>	<u>Renovations</u>	<u>Total</u>
<u>2007</u>	\$	\$	\$
Cost:			
At beginning of year	215,562	349,538	565,100
Additions	34,458	11,767	46,225
	<hr/>		
At end of year	250,020	361,305	611,325
Accumulated depreciation:			
At beginning of year	172,318	207,764	380,082
Depreciation charge for the year	43,792	74,770	118,562
	<hr/>		
At end of year	216,110	282,534	498,644
Net carrying value: -			
At end of year	33,910	78,771	112,681
	<hr/>		

## 12. INVENTORIES

	<u>2008</u>	<u>2007</u>
	\$	\$
Merchandise	<u>15,615</u>	<u>14,167</u>

## 13. ACCOUNTS RECEIVABLES

	<u>2008</u>	<u>2007</u>
	\$	\$
Grant due from Ministry of Education	32,098	46,305
Outside parties	<u>40,081</u>	<u>27,857</u>
	<u>72,179</u>	<u>74,162</u>

The carrying amounts are denominated in Singapore Dollar.

## 14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2008</u>	<u>2007</u>
	\$	\$
Other receivables	23,688	2,207
Deposits to secure services	120,893	65,663
Prepayments	<u>19,781</u>	<u>20,934</u>
	<u>164,362</u>	<u>88,804</u>

The carrying amounts are denominated in Singapore Dollar.

## 15. FINANCIAL ASSETS, HELD TO MATURITY

The bonds are stated at cost. These are Straights Bonds (2007: Archer 1 Ltd ABCP S947 fixed interest rate bonds), bearing interest ranging from 2.6% to 4.14% (2007: 3.47%), which are due from 3 March 2010 to 26 October 2020 (2007: on 28 May 2007). The fair value approximates the book value.

## 16. CASH AND BANK BALANCES

	<u>2008</u>	<u>2007</u>
	\$	\$
Cash in hand and at bank	494,509	593,532
Fixed deposits – restricted in use	2,238,741	1,704,547
- not restricted in use	<u>726,951</u>	<u>857,565</u>
Cash and bank balances	3,460,201	3,155,644
Less: Fixed deposits restricted in use	<u>(2,238,741)</u>	<u>(1,704,547)</u>
Cash and cash equivalents	<u>1,221,460</u>	<u>1,451,097</u>

The above fixed deposits have an effective interest rate ranging from 1.10% to 3.47% (2007: 2.72% to 3.47%). The maturity dates of the fixed deposits range from 3 April 2008 to 31 January 2012 (2007: 5 April 2007 to 31 January 2012).

The carrying amounts are denominated in Singapore Dollar.

## 17. NET PROCEEDS FROM WORKSHOPS CONDUCTED

	<u>2008</u>	<u>2007</u>
	\$	\$
Enrichment course workshops	90,820	147,104
Less: Expenses incurred	<u>(14,112)</u>	<u>(59,584)</u>
Surplus from enrichment course workshops	<u>76,708</u>	<u>87,520</u>
OG workshops	134,615	95,237
Less: Expenses incurred	<u>(5,064)</u>	<u>(10,788)</u>
Surplus from OG workshops	<u>129,551</u>	<u>84,449</u>
DAS Support course workshops	125,790	156,569
Less: Expenses incurred	<u>(65,171)</u>	<u>(70,721)</u>
Surplus from DAS Support course workshops	<u>60,619</u>	<u>85,848</u>
SNO workshops	268,200	246,794
Less: Expenses incurred	<u>(11,310)</u>	<u>(11,655)</u>
Surplus from SNO workshops	<u>256,890</u>	<u>235,139</u>
Total income from workshops conducted	619,425	645,704
Less: Total expenses from workshops conducted	<u>(95,657)</u>	<u>(152,748)</u>
Total Surplus from workshops conducted	<u>523,768</u>	<u>492,956</u>

## 18. NET PROCEEDS FROM SALES OF RESOURCE BOOKS

	<u>2008</u>	<u>2007</u>
	\$	\$
Collection from sale of books	<u>46,683</u>	<u>37,478</u>
Less: Cost of sales		
Opening inventories	14,167	981
Purchases	<u>36,134</u>	<u>48,777</u>
	50,301	49,758
Less: Closing inventories	<u>(15,615)</u>	<u>(14,167)</u>
	<u>34,686</u>	<u>35,591</u>
Profit from sales of resource books	<u>11,997</u>	<u>1,887</u>

## 19. NET PROCEEDS FROM SALES OF GREETING CARDS

	<u>2008</u>	<u>2007</u>
	\$	\$
Collection from sale of greeting cards	<u>-</u>	<u>343</u>
Profit from sales of greeting cards	<u>-</u>	<u>343</u>

There are no expenses relating to the sale of greeting cards.

## 20. INCOME TAX

As a charity, the Association is exempt from tax on income and gains falling within section 13U(1) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen in the Association.

## 21. (A) STAFF COST

	<u>2008</u>	<u>2007</u>
	\$	\$
Salaries and bonus	4,062,512	2,838,312
Employer's contribution to Central Provident Fund	409,185	318,100
Other staff related expenses	<u>206,316</u>	<u>105,343</u>
	<u>4,678,013</u>	<u>3,261,755</u>

## (B) KEY MANAGEMENT COMPENSATION \*

	<u>2008</u>	<u>2007</u>
	\$	\$
Salaries and bonus	610,216	471,192
Employers' contribution to Central Provident Fund	27,653	20,887
Other staff related expenses	<u>59,400</u>	<u>51,600</u>
	<u>697,269</u>	<u>543,679</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.

## 22. TAX-EXEMPT RECEIPTS

The Association enjoys a concessionary tax treatment whereby qualifying donors are granted double tax deduction for the donations made to the Association.

During the financial year, the Association issued tax-exempt receipts for donations collected amounting to \$601,394 (2007: \$839,488).

## 23. OPERATING LEASE COMMITMENTS

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

	<u>2008</u>	<u>2007</u>
	\$	\$
Within one year	302,191	184,086
Within two to five years	258,488	55,595
	<u>277,523</u>	<u>264,299</u>
Rental expense for the year	<u>277,523</u>	<u>264,299</u>

The leases are negotiated for an average term of five years and are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage. Such increases are not included in the above amounts.

## 24. CAPITAL COMMITMENTS

	<u>2008</u>	<u>2007</u>
	\$	\$
Amount contracted for but not provided for in the financial statements		
- Renovation at Woodlands Learning Centre	<u>282,480</u>	-
Amount approved but not contracted for		
- Renovation at Bishan Learning Centre	-	<u>165,000</u>

25. FINANCIAL RISK MANAGEMENT POLICIES AND PROCEDURES

The Association's activities expose it to a variety of financial risks. The Association's overall operations strategies, tolerance of risk and general risk management philosophy are determined by management council in accordance with prevailing economic and operating conditions.

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.

The Association places its cash and investments with reputable financial institutions.

Cash flow risk

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

26. SUBSEQUENT EVENTS

Subsequent to the financial year end, a new centre at Woodlands will be set-up with the intention of having the centre up and running from Term 4 2008 and the Association has entered into a contract to purchase students' database software in June 2008 for \$105,570.

