

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

**FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED 31 MARCH 2010**

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

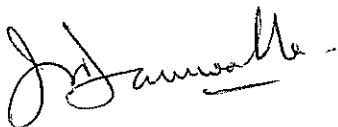
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

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In the opinion of the Management Council:

- (i) the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 March 2010 and of the results, changes in funds and cash flows for the reporting financial year ended; 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.

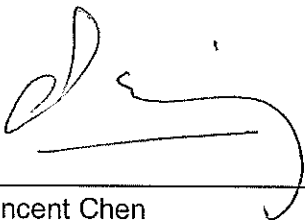
On behalf of the Association



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Jimmy Daruwalla

President



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Vincent Chen

Honorary Treasurer

Singapore, 9 September 2010

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
DYSLEXIA ASSOCIATION OF SINGAPORE  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

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We have audited the accompanying financial statements of Dyslexia Association of Singapore ("the Association"), which comprise the balance sheet as at 31 March 2010, and the statement of financial activities, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

*Council's Management Responsibility for the Financial Statements*

The Council'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.

The Council's management is also responsible for ensuring that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap 37 (Institute of a Public Character Regulation 2007) has not been exceeded.

*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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
DYSLEXIA ASSOCIATION OF SINGAPORE  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

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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 2010 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.

***Report on other legal and regulatory requirements***

During the course of our audit, nothing came to our attention that caused us to believe that the Association did not comply with the requirements of Regulation 15(1) of the Charities Act, Cap 37 (Institutions of a Public Character) Regulations 2007 which states that the total fund-raising and sponsorship expenses for the financial period should not exceed 30% of the total gross receipts from fund-raising and sponsorships for that period.

LTC LLP

LTC LLP  
Public Accountants and  
Certified Public Accountants

Singapore, 09 SEP 2010

**DISLEXIA ASSOCIATION OF SINGAPORE  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

2010	Note	← Unrestricted Funds →		← Restricted Funds →			Total Funds
		Income and Expenditure Account	General Fund	Education Fund	Roshen Daruwalla Fund	Parent Teacher Group Fund	
		\$	\$	\$	\$	\$	\$
<b>Income resources</b>							
<b>Income resources from generated funds:</b>							
<u>Voluntary income</u>							
		-	-	146,885	-	-	146,885
		-	-	10,200	-	-	10,200
<u>Income from fundraising trading activities</u>							
	4	37,423	-	-	-	-	37,423
<u>Activities for generating funds</u>							
		1,864	-	112,009	703	-	114,576
		-	-	9,500	-	-	9,500
<u>Charitable income</u>							
		3,393,127	-	-	-	-	3,393,127
	5	664,716	-	-	-	-	664,716
		3,465,398	-	-	-	-	3,465,398
	6	302,319	-	-	-	-	302,319
		1,955	-	-	-	-	1,955
		78,634	-	-	-	-	78,634
		55,314	-	-	-	-	55,314
<b>Total Income Resources</b>		<b>8,000,750</b>	<b>-</b>	<b>278,594</b>	<b>703</b>	<b>-</b>	<b>8,280,047</b>

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

**DISLEXIA ASSOCIATION OF SINGAPORE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

2010	Note	← Unrestricted Funds →		← Restricted Funds →			Total Funds
		Income and Expenditure Account	General Fund	Education Fund	Roshen Daruwalla Fund	Parent Teacher Group Fund	
		\$	\$	\$	\$	\$	\$
<b>Resources expended</b>							
<b>Cost of generating funds</b>							
Cost of generating voluntary income		-	-	2,610	-	-	2,610
<b>Fund raising trading expenses</b>							
Cost of resource books	4	21,964	-	-	-	-	21,964
Assets written off		-	-	-	-	-	-
<b>Charitable activities expenses</b>							
Advertisements		140,098	-	-	-	-	140,098
Audit fee		16,594	-	-	-	-	16,594
Bank charges		4,426	-	-	24	-	4,450
Bursary		586,880	-	-	-	-	586,880
Central Provident Fund and Skills Development Fund		565,686	-	-	-	-	565,686
Cleaning services		35,734	-	-	-	-	35,734
Cost of conference		68,322	-	-	-	-	68,322
Cost of workshops	5	237,385	-	-	-	-	237,385
Depreciation of fixed assets		294,336	-	-	-	-	294,336
Insurance – Staff		30,900	-	-	-	-	30,900
Insurance – Others		8,279	-	-	-	-	8,279
Rental of equipment & upgradings		23,755	-	-	-	-	23,755
Learning resource		29,252	-	-	-	-	29,252
Debts written off		2,186	-	-	-	-	2,186
NETS commission		7,082	-	-	-	-	7,082
Other expenses		51,025	-	-	-	132	51,157
Balance carried forward		2,123,904	-	2,610	24	132	2,126,670

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

**YSLEXIA ASSOCIATION OF SINGAPORE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

2010	Note	← Unrestricted Funds →		← Restricted Funds →			Total Funds
		Income and Expenditure Account	General Fund	Education Fund	Roshen Daruwalla Fund	Parent Teacher Group Fund	
		\$	\$	\$	\$	\$	\$
		2,123,904	-	2,610	24	132	2,126,670
		34,468					34,468
		76,116	-	-	-	-	76,116
		214,886	-	-	-	-	214,886
		32,004	-	-	-	-	32,004
		141,237	-	-	-	-	141,237
		12,523	-	-	-	-	12,523
		4,908,982	-	-	-	-	4,908,982
		67,641	-	-	-	-	67,641
		117,566	-	-	-	-	117,566
		30,956	-	-	-	-	30,956
		11,918	-	-	-	-	11,918
		73,044	-	-	-	-	73,044
		61,769	-	-	-	-	61,769
<b>Total Resources Expended</b>		<b>7,907,014</b>	<b>-</b>	<b>2,610</b>	<b>24</b>	<b>132</b>	<b>7,909,780</b>
Surplus/(deficit) for the year		93,736	-	275,984	679	(132)	370,267
Transfer to/(from) funds		(93,736)	-	93,736	-	-	-
Net surplus/(deficit) for the year		-	-	369,720	679	(132)	370,267

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

**DISLEXIA ASSOCIATION OF SINGAPORE  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

2009	Note	← Unrestricted Funds →		← Restricted Funds →			Total Funds
		Income and Expenditure Account	General Fund	Education Fund	Roshen Daruwalla Fund	Parent Teacher Group Fund	
		\$	\$	\$	\$	\$	\$
<b>Incoming resources</b>							
<b>Incoming resources from generated funds:</b>							
<u>Voluntary income</u>							
		-	-	587,950	13,000	-	600,950
		-	-	200,122	-	-	200,122
<u>Income from fundraising trading activities</u>							
	4	24,496	-	-	-	-	24,496
<u>Activities for generating funds</u>							
		-	-	62,779	2,861	-	65,640
<u>Charitable income</u>							
		2,287,374	-	-	-	-	2,287,374
	5	391,640	-	-	-	-	391,640
		3,027,829	-	-	-	-	3,027,829
	6	76,705	-	-	-	-	76,705
		1,200	-	-	-	-	1,200
		17,470	-	-	-	-	17,470
<b>Total Income Resources</b>		<b>5,826,714</b>	<b>-</b>	<b>850,851</b>	<b>15,861</b>	<b>-</b>	<b>6,693,426</b>

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





**YSLEXIA ASSOCIATION OF SINGAPORE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

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

← Unrestricted Funds → ← Restricted Funds →

**2009**

<u>Note</u>	<u>Income and Expenditure Account</u>	<u>General Fund</u>	<u>Education Fund</u>	<u>Roshen Daruwalla Fund</u>	<u>Parent Teacher Group Fund</u>	<u>Total Funds</u>
	\$	\$	\$	\$	\$	\$
Balance brought forward	1,218,693	-	63,819	50	467	1,283,029
Printing and supplies	66,391	-	-	-	-	66,391
Rental expenses	214,191	-	-	-	-	214,191
Repairs and maintenance	28,626	-	-	-	-	28,626
Seminar/ Exhibition	44,540	-	-	-	-	44,540
Staff accommodation	115,000	-	-	-	-	115,000
Staff medical expenses	23,140	-	-	-	-	23,140
Staff salary, allowances and bonuses	4,260,017	-	-	-	-	4,260,017
Staff training	103,223	-	-	-	-	103,223
Staff welfare	44,714	-	-	-	-	44,714
Telecommunications and Networks	25,820	-	-	-	-	25,820
Transport and traveling	11,957	-	-	-	-	11,957
Utilities	60,617	-	-	-	-	60,617
Unconsumed leave	77,298	-	-	-	-	77,298
<b>Total Resources Expended</b>	<b>6,294,227</b>	<b>-</b>	<b>63,819</b>	<b>50</b>	<b>467</b>	<b>6,358,563</b>
Surplus/(deficit) for the year	(467,513)	-	787,032	15,811	(467)	334,863
Transfer to/(from) funds	467,513	-	(467,513)	-	-	-
Net surplus/(deficit) for the year	-	-	319,519	15,811	(467)	334,863

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

**DYSLEXIA ASSOCIATION OF SINGAPORE**  
**BALANCE SHEET AS AT 31 MARCH 2010**

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<b>ASSETS</b>			
<b>Current assets:</b>			
Inventories	7	19,118	18,543
Accounts receivables	8	696,495	630,029
Other receivables, deposits and prepayments	9	196,966	146,287
Financial assets, held to maturity	10	-	250,000
Financial assets, at fair value through profit or loss	11	359,500	350,000
Cash and bank balances	12	3,610,552	2,821,285
Total current assets		<u>4,882,631</u>	<u>4,216,144</u>
<b>Non-current assets:</b>			
Plant and equipment	13	706,566	905,781
Financial assets, held to maturity	10	1,250,000	1,250,000
		<u>1,956,566</u>	<u>2,155,781</u>
Total assets		<u>6,839,197</u>	<u>6,371,925</u>
<b>ACCUMULATED FUNDS AND LIABILITIES</b>			
<b>Unrestricted Funds:</b>			
General fund	14	814,882	814,882
<b>Restricted Funds:</b>			
Education fund	15	4,038,615	3,668,895
Roshen Daruwalla Trust fund	16	259,923	259,244
Parent Teacher Group fund	17	21,401	21,533
Library fund	18	36,205	36,205
Total accumulated funds		<u>5,171,026</u>	<u>4,800,759</u>
<b>Current liabilities:</b>			
Accounts payables and accruals	19	1,571,112	1,490,946
Deposits received	20	97,059	80,220
Total current liabilities		<u>1,668,171</u>	<u>1,571,166</u>
Total accumulated funds and liabilities		<u>6,839,197</u>	<u>6,371,925</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 2010**

	General Fund \$	Education Fund \$	Roshen Daruwalla Fund \$	Library Fund \$	Parent Teacher Group Fund \$	Total Funds \$
<b>Total funds at 31 March 2010</b>	<b>814,882</b>	<b>4,038,615</b>	<b>259,923</b>	<b>36,205</b>	<b>21,401</b>	<b>5,171,026</b>
<b>Represented by:</b>						
Payables and accrued expenses	-	(1,571,112)	-	-	-	(1,571,112)
Deposits received	-	(97,059)	-	-	-	(97,059)
Plant and equipment	-	706,566	-	-	-	706,566
Inventories	-	19,118	-	-	-	19,118
Account receivables	-	696,495	-	-	-	696,495
Other receivables, deposits and prepayments	-	196,966	-	-	-	196,966
Investments in bonds	-	1,250,000	-	-	-	1,250,000
Investments in listed security	-	359,500	-	-	-	359,500
Cash and bank balances	814,882	2,478,141	259,923	36,205	21,401	3,610,552
<b>Total net assets at 31 March 2010</b>	<b>814,882</b>	<b>4,038,615</b>	<b>259,923</b>	<b>36,205</b>	<b>21,401</b>	<b>5,171,026</b>
<b>Total funds at 31 March 2009</b>	<b>814,882</b>	<b>3,668,895</b>	<b>259,244</b>	<b>36,205</b>	<b>21,533</b>	<b>4,800,759</b>
<b>Represented by:</b>						
Payables and accrued expenses	-	(1,490,946)	-	-	-	(1,490,946)
Deposits received	-	(80,220)	-	-	-	(80,220)
Plant and equipment	-	905,781	-	-	-	905,781
Inventories	-	18,543	-	-	-	18,543
Account receivables	-	630,029	-	-	-	630,029
Other receivables, deposits and prepayments	-	146,287	-	-	-	146,287
Investments in bonds	-	1,500,000	-	-	-	1,500,000
Investments in listed security	-	350,000	-	-	-	350,000
Cash and bank balances	814,882	1,689,421	259,244	36,205	21,533	2,821,285
<b>Total net assets at 31 March 2009</b>	<b>814,882</b>	<b>3,668,895</b>	<b>259,244</b>	<b>36,205</b>	<b>21,533</b>	<b>4,800,759</b>

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

**DISLEXIA ASSOCIATION OF SINGAPORE  
STATEMENT OF CHANGES IN FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

	General Fund	Education Fund	Roshen Daruwalla Fund	Parent Teacher Group Fund	Library Fund	Total Funds
	\$	\$	\$	\$	\$	
Balance at 1 April 2008	814,882	3,349,376	243,433	22,000	36,205	4,465,896
Surplus / (deficit) for the year	-	319,519	15,811	(467)	-	334,863
Balance at 31 March 2009	814,882	3,668,895	259,244	21,533	36,205	4,800,759
Surplus / (deficit) for the year	-	369,720	679	(132)	-	370,267
Balance at 31 March 2010	814,882	4,038,516	259,923	21,401	36,205	5,171,026

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

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

	<u>2010</u>	<u>2009</u>
	\$	\$
<b>Cash flows from operating activities:</b>		
Surplus for the year	370,267	334,863
Adjustments for:		
Depreciation of plant and equipment	294,337	274,577
Plant and equipment written off	-	10,288
Fair value gain on financial assets, at fair value through profit or loss	(9,500)	-
Provision for doubtful account receivables	34,468	-
Interest income	(114,576)	(65,640)
Operating surplus before working capital changes	574,996	554,088
Accounts receivables	(100,934)	(557,850)
Other receivables, deposits and prepaid expenses	(30,643)	18,075
Inventories	(575)	(2,928)
Payables and accrued expenses	80,166	625,880
Deposits received	16,839	8,136
Net cash from operating activities	<u>539,849</u>	<u>645,401</u>
<b>Cash flows from investing activities:</b>		
Purchase of plant and equipment	(95,122)	(999,956)
Withdrawal of restricted in use fixed deposits	2,230,000	8,740
Proceeds from maturity of financial assets, held-to-maturity	250,000	-
Purchases of financial assets, at fair value through profit or loss	-	(350,000)
Interest income received	94,540	65,640
Net cash used in investing activities	<u>2,479,418</u>	<u>(1,275,576)</u>
<b>Net decrease in cash and cash equivalents</b>	3,019,267	(630,175)
<b>Cash and cash equivalents at beginning of the year</b>	<u>591,285</u>	<u>1,221,460</u>
<b>Cash and cash equivalents at end of the year</b> <b>(Note 11)</b>	<u>3,610,552</u>	<u>591,285</u>

## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTE TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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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, 1 Jurong West Central 2, #05-01 Jurong Point, Singapore 648886.

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 eight training centres.

The financial statements of 31 March 2010 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.

## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTE TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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(l) Basis of preparation (Cont'd)

(a) Basis of accounting (Cont'd)

The financial statements are expressed in Singapore Dollar (SGD or \$) and prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

From 1 April 2009, the Association adopted the new or amended 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.

- FRS 1 (revised) Presentation of financial statements (effective from 1 April 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in funds. All non-owner changes in funds are shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Association has chosen to adopt the former alternative. Where comparative information is restated or reclassified, a restated balance sheet is required to be presented as at the beginning comparative period. There is no restatement of the balance sheet as at 1 April 2009 in the current financial year.
- Amendment to FRS 107 Improving disclosures about financial statements (effective from 1 April 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the accounting policies and measurement bases adopted by the Association.

Management anticipates that the adoption of the other FRS, INT FRS and amendments to FRS that were issued but effective only in future periods will not have a material impact on the financial statements of the foundation in the period of their initial adoption.



## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTE TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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(II) Summary of significant accounting policies

(a) Revenue recognition

Revenue for 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:

- (i) Tuition and test fees are recognised over the period of instruction.
- (ii) Membership subscriptions are recognised over the period of the subscription. Life membership subscriptions are recognised when they are received.
- (iii) 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.
- (iv) 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.

(b) Plant and equipment and depreciation

All other items of plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on other items of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Equipment and furniture	33%
Renovation	20%
Software	20%

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of financial activities when the changes arise.

Subsequent expenditure relating to 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 Association and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of financial activities when incurred.

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of financial activities. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

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

(c) Impairment of non-financial assets

*Plant and equipment*

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) 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, the recoverable amount is determined for the CGU to which the asset belongs.

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 difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities.

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 asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated 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 the statement of financial activities, a reversal of that impairment is also recognised in the statement of financial activities.

(d) Financial assets

(i) Classification

The Association classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable.

## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTE TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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

(d) Financial assets (cont'd)

(i) Classification (cont'd)

1) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as noncurrent assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

2) 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.

3) Financial assets at fair value through profit and loss

Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term. These assets are carried at fair value by reference to the transaction price or current bid prices in an active market. All changes in fair value relating to assets at fair value through profit and loss are recognised directly in the statement of financial activities. They are classified as non-current assets unless management intends to dispose of the investment within 12 months of the end of the financial year.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Association commits to purchase or sell the asset.

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 a 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.

## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTE TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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

(d) Financial assets (Cont'd)

(i) Classification (Cont'd)

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised immediately in the statement of financial activities.

(iv) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and financial assets, held-to-maturity are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in the statement of financial activities when the changes arise.

Interest and dividend income on financial assets, available-for-sale are recognised separately in the statement of financial activities.

(v) Impairment

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.

Loans and receivables/ Financial assets, held-to-maturity

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.

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

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

(d) Financial assets (Cont'd)

(v) Impairment (cont'd)

Loans and receivables/ Financial assets, held-to-maturity (Cont'd)

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.

(e) Trade and other payables

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

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

(f) Provisions

Provisions are recognised when: the Association has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of financial activities as finance expense.

Changes in the estimated timing or amount of expenditure or discount rate are recognised in the statement of financial activities when the changes arise.

(g) Leases

The Association leases premises, office equipment and staff's accommodation under operating leases from non-related parties.

Operating leases

Leases of the premises, office equipment and staff's accommodation where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of financial activities when incurred.

## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTE TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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

(h) 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.

(i) 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.

(j) Employee compensation

The Association's contributions are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

(i) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Association pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Association has no further payment obligations once the contributions have been paid.

(ii) 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.

(k) 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.

(2) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and expenditure.

## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTE TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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

(k) Currency translation (Cont'd)

(2) Transactions and balances (cont'd)

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items at historical cost in foreign currency are not re-translated.

(l) 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.

(m) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the foundation will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

(n) 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.

(o) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices.

## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTE TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Association uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Impairment and collectability of trade and other receivables

The Association follows the guidance of FRS 39 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.

### 4. NET PROCEEDS FROM SALES OF RESOURCE BOOKS

	<u>2010</u>	<u>2009</u>
	\$	\$
Collection from sale of books	37,423	24,496
Less: Cost of sales		
Opening inventories	18,543	15,615
Purchases	22,539	14,919
	41,082	30,534
Less: Closing inventories	(19,118)	(18,543)
	21,964	11,991
Profit from sales of resource books	15,459	12,505



**DYSLEXIA ASSOCIATION OF SINGAPORE**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

5. NET PROCEEDS FROM WORKSHOPS CONDUCTED

	<u>2010</u> \$	<u>2009</u> \$
Enrichment course workshops	51,668	57,969
Less: Expenses incurred	<u>(20,185)</u>	<u>(67,830)</u>
(Deficit)/Surplus from enrichment course workshops	<u>31,306</u>	<u>(9,861)</u>
OG workshops	-	77,246
Less: Expenses incurred	<u>-</u>	<u>(10,832)</u>
Surplus from OG workshops	<u>-</u>	<u>66,414</u>
DAS Support course workshops	241,480	129,485
Less: Expenses incurred	<u>(210,164)</u>	<u>(38,406)</u>
Surplus from DAS Support course workshops	<u>31,315</u>	<u>91,079</u>
SNO workshops	259,200	66,960
Less: Expenses incurred	<u>(413)</u>	<u>(3,329)</u>
Surplus from SNO workshops	<u>258,787</u>	<u>63,631</u>
Overseas workshop	112,368	59,980
Less: Expenses incurred	<u>(6,623)</u>	<u>(3,942)</u>
Surplus from overseas workshop	<u>105,745</u>	<u>56,038</u>
Total income from workshops conducted	664,716	391,640
Less: Total expenses from workshops conducted	<u>(237,385)</u>	<u>(124,339)</u>
Total Surplus from workshops conducted	<u>427,331</u>	<u>267,301</u>

6. JOBS CREDIT

	<u>2010</u> \$	<u>2009</u> \$
Government grant – Job Credit scheme	<u>302,319</u>	<u>76,705</u>

The Jobs credit scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs.

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

7. INVENTORIES

	<u>2010</u>	<u>2009</u>
	\$	\$
Merchandise	19,118	18,543

The cost of inventories recognised as an expense and included in the cost of sales disclosed in the Note 4 to the financial statements.

8. ACCOUNTS RECEIVABLES

	<u>2010</u>	<u>2009</u>
	\$	\$
Outside parties	198,323	55,883
Less: Allowance for doubtful receivables	(34,468)	-
	<u>163,855</u>	<u>55,883</u>
Grant due from Ministry of Education	184,249	189,734
Care given fund from National Council of Social Service (NCSS)	7,380	9,775
Tuition fees billed in advance	341,011	374,637
	<u>696,495</u>	<u>630,029</u>

The credit period generally granted to receivable customers is about 90 days (2009: 90 days) and are non-interest bearing. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Current receivables with a short-term duration are not discounted and the carrying amounts are assumed to be a reasonable approximation of fair values.

Receivables that are impaired

The Association's account receivables that are impaired at the balance sheet and the movement of the allowance accounts used to record the impairment are as follows:

	<u>2010</u>	<u>2009</u>
	\$	\$
Account receivables	34,468	-
Less: Allowance for doubtful receivables	(34,468)	-
	<u>-</u>	<u>-</u>

	<u>2010</u>	<u>2009</u>
	\$	\$
Movements in allowance account		
At 1 April	-	-
Charge for the year	34,468	-
At 31 March	34,468	-

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2010</u>	<u>2009</u>
	\$	\$
Other receivables	26,236	24,824
Deposits to secure services	102,891	103,352
Prepayments	67,839	15,411
Staff loan	-	2,700
	<u>196,966</u>	<u>146,287</u>

10. FINANCIAL ASSETS, HELD TO MATURITY

	<u>2010</u>	<u>2009</u>
	\$	\$
<u>Current</u>		
Quoted debts securities		
- Bonds with fixed interest of 2.60% and maturity date on 3 March 2010	-	250,000
	<u>-</u>	<u>250,000</u>
<u>Non-current</u>		
Quoted debts securities		
- Bonds with fixed interest of 3.85% and maturity date of 12 October 2011	250,000	250,000
- Bonds with fixed interest of 3.34% and maturity date of 15 May 2012	250,000	250,000
- Bonds with fixed interest of 4.14% and maturity date of 19 May 2014	250,000	250,000
- Bonds with fixed interest of 3.35% and maturity date of 11 June 2019	250,000	250,000
- Bonds with fixed interest of 3.52% and maturity date of 26 October 2020	250,000	250,000
	<u>1,250,000</u>	<u>1,250,000</u>

The fair values of the bonds (Level 1) at the balance sheet date are as follow:

	<u>2010</u>	<u>2009</u>
	\$	\$
<u>Current</u>		
Quoted debts securities		
- Bonds with fixed interest of 2.60% and maturity date of 3 March 2010	-	247,825
	<u>-</u>	<u>247,825</u>

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

10. FINANCIAL ASSETS, HELD TO MATURITY (CONT'D)

The fair values of the bonds (Level 1) at the balance sheet date are as follow:

Non-current

Quoted debts securities

- Bonds with fixed interest of 3.85% and maturity date of 12 October 2011	255,804	246,564
- Bonds with fixed interest of 3.34% and maturity date of 15 May 2012	248,525	233,000
- Bonds with fixed interest of 4.14% and maturity date of 19 May 2014	250,690	213,198
- Bonds with fixed interest of 3.35% and maturity date of 11 June 2019	262,613	268,600
- Bonds with fixed interest of 3.52% and maturity date of 26 October 2020	260,825	273,300
	260,825	273,300
Total	1,278,457	1,234,662

11. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2010</u>	<u>2009</u>
	\$	\$
<i>At fair value on initial recognition</i>		
Listed securities:		
- Equity securities - Singapore	359,500	350,000

12. CASH AND BANK BALANCES

	<u>2010</u>	<u>2009</u>
	\$	\$
Cash in hand and at bank	2,410,552	591,285
Fixed deposits - restricted in use	-	2,230,000
- not restricted in use	1,200,000	-
Cash and bank balances	3,610,552	2,821,285
Less: Fixed deposits restricted in use	-	(2,230,000)
Cash and cash equivalents	3,610,552	591,285

The above fixed deposits have an effective interest rate ranging from 0.10% to 0.55% (2009: 1.19% to 1.60%). The maturity days of the fixed deposits range from 4 to 110 days.

DYSLEXIA ASSOCIATION OF SINGAPORE

NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

13. PLANT AND EQUIPMENT

	Equipment and furniture	Renovations	Software	Total
	\$	\$	\$	\$
<b>Cost:</b>				
At 1 April 2008	265,485	527,216	-	792,701
Additions	116,391	742,165	141,400	999,956
Written off	(9,414)	(327,360)	-	(336,774)
At 31 March 2009	372,462	942,021	141,400	1,455,883
Additions	71,503	15,611	8,008	95,122
At 31 March 2010	443,965	957,632	149,408	1,551,005
<b>Accumulated depreciation:</b>				
At 1 April 2008	218,039	383,972	-	602,011
Depreciation for the year	61,894	184,403	28,280	274,577
Written off	(4,290)	(322,196)	-	(326,486)
At 31 March 2009	275,643	246,179	28,280	550,102
Depreciation for the year	76,931	187,524	29,882	294,337
At 31 March 2010	352,574	433,703	58,162	844,439
<b>Net carrying value:</b>				
At 31 March 2010	91,391	523,929	91,246	706,566
At 31 March 2009	96,819	695,842	113,120	905,781

14. GENERAL FUND

The general fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Council.

15. EDUCATION FUND

The educational fund can only be used for educational purposes of the Association.

16. 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.

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

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17. PARENT TEACHER GROUP FUND

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

18. LIBRARY FUND

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

19. ACCOUNTS PAYABLES AND ACCRUALS

	<u>2010</u>	<u>2009</u>
	\$	\$
<u>Trade payables:</u>		
Outside parties	220,493	70,680
Advance billings	748,522	558,306
Accruals	449,396	682,840
<u>Other payables:</u>		
Outside parties	22,642	28,530
Goods and services tax payables	68,290	73,292
Provision for unconsumed leave	61,769	77,298
	<u>1,571,112</u>	<u>1,490,946</u>

20. DEPOSITS RECEIVED

The students' deposits are for tuition fees.

21. INCOME TAX

The Association is registered as a charity under the Charities Act, Chapter 37 and it 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.

22. STAFF COST

	<u>2010</u>	<u>2009</u>
	\$	\$
Salaries and bonus	4,908,982	4,260,017
Employer's contribution to Central Provident Fund	565,686	468,826
Other staff related expenses	369,867	196,371
	<u>5,844,535</u>	<u>4,925,214</u>

DYSLEXIA ASSOCIATION OF SINGAPORE

NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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22. STAFF COST (CONT'D)

KEY MANAGEMENT COMPENSATION

	<u>2010</u>	<u>2009</u>
	\$	\$
Salaries and bonus	909,604	842,589
Employers' contribution to Central Provident Fund	25,242	28,864
Other staff related expenses	209,372	115,000
	<u>1,144,218</u>	<u>985,453</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.

23. 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. For donations made to the Association in calendar years 2009 and 2010, tax deduction will be increased from double to 2.5 times.

During the financial year, the Association issued tax-exempt receipts for donations collected amounting to \$157,085 (2009: \$783,088).

24. OPERATING LEASE COMMITMENTS

The future minimum lease payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	<u>2010</u>	<u>2009</u>
	\$	\$
Within one year	343,367	244,200
Within two to five years	221,885	212,294
	<u>365,236</u>	<u>329,191</u>

Operating lease payments are for rentals payables by the Association for its premises, equipment and staff's accommodation. The lease rental terms are negotiated for an average term of three to five years and rentals are subject to an escalation clauses but the amount of the rent increase is not to exceed a certain percentage. Such increases are not included in the above amounts.

DYSLEXIA ASSOCIATION OF SINGAPORE

NOTE TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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25. CAPITAL COMMITMENTS

	<u>2010</u>	<u>2009</u>
	\$	\$
Amount contracted for but not provided for in the financial statements		
- Renovation at Parkway Centre	-	10,930

26. FINANCIAL RISK MANAGEMENT

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Association's operating, investing and financing activities. There is exposure to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The management has certain practices for the management of financial risks. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

(a) Credit risk

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, certain investments and other financial assets. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the financial year.

For credit risk on receivables an ongoing credit evaluation is performed of the debtors' financial condition and a loss from impairment is recognised in the statement of financial activities. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and students.

Financial assets that are neither past due nor impaired

Account receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Association. The Association places its managed investment portfolio and cash balances that are neither past due nor impaired are placed with or entered into with reputable financial institutions which high credit ratings and no history of default. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

Financial assets that are past due and/or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 8 (Account receivables).



## DYSLEXIA ASSOCIATION OF SINGAPORE

### NOTE TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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#### 26. FINANCIAL RISK MANAGEMENT (CONT'D)

##### (b) Currency risk

Currency risk arises from a change in foreign currency exchange rate, which is expected to have adverse effect on the Association in the current reporting period and in future years.

The Association's maintain its books in Singapore Dollar, which is the Association's functional and presentation currency. Fluctuations in the exchange rate between the foreign currency and Singapore Dollar may have an impact on the Association.

The Association's currency exposure is as follows:

	GBP \$	
	31 March 2010	31 March 2009
<b>Finance Liabilities</b>		
Account payables and accruals	-	21,615
Net financial liabilities	-	(21,615)
Currency exposure	-	(21,615)

The exposure to currency risk is not significant.

##### (c) Interest rate risk

The Association is exposed to interest rate risk as changes in interest rates affect the market value of its investment portfolio. The Association has no interest bearing financial liabilities.

The Association manages its interest rate risks on its interest income by placing the cash balances in varying maturities and interest rate terms. The interest rates are disclosed in Note 10 and 12.

The exposure to interest rate risk is not significant.

##### (d) Liquidity risk

The Association manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

##### (e) Capital risk

The Association's objective when managing capital is to safeguard the Association's ability to continue as a going concern. The Association monitors capital based on annual budgets which require approval from the General Committee. The Association projects income and expenditure for the following year in advance, and ensures that all operating expenditure is prudent and reasonable.

**DYSLEXIA ASSOCIATION OF SINGAPORE**

**NOTE TO THE FINANCIAL STATEMENTS  
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