

AIDHA

ROS Reg. No: 2112/2006

REPORT & FINANCIAL STATEMENTS

FOR THE PERIOD FROM 19 JULY 2006 TO 30 JUNE 2007

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LO HOCK LING & CO.

Certified Public Accountants

101A Upper Cross Street #11-22 People's Park Centre Singapore 058358

INDEPENDENT MEMBER OF

POLARIS™

INTERNATIONAL


Website: www.lohocklingco.com.sg

AIDHA


(Registered under the Societies Act Cap. 311)

Statement by The Management Committee

In our opinion, the accompanying financial statements set out on pages 3 to 11 drawn up so as to present fairly the state of affairs of the society as at 30 June 2007 and of the results, changes in accumulated fund and cash flows of the society for the period from 19 July 2006 to 30 June 2007.



Dr. Sarah Mavrinc
President



Claudine Lim
Honorary Treasurer

Singapore, 31 October 2007

(1)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AIDHA

(Registered under the Societies Act Cap. 311)

We have audited the accompanying financial statements of Aidha (the "Society") set out on pages 3 to 11, which comprise the balance sheet as at 30 June 2007, and the statement of income and expenditure, statement of changes in accumulated fund and cash flow statement for the period from 19 July 2006 to 30 June 2007, and a summary of significant accounting policies and other explanatory notes.

Management Committee Responsibility for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, 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.

LO HOCK LING & CO.
Certified Public Accountants

101A Upper Cross Street #11-22
People's Park Centre
Singapore 058358

Telephone: (65) 65356111
Telefax: (65) 65336960

Email: enquiry@lohocklingco.com.sg
Website: www.lohocklingco.com.sg

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AIDHA

(Registered under the Societies Act Cap. 311)

(continued)

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 30 June 2007 and the results, changes in accumulated fund and cash flows of the Society for the period from 19 July 2006 to 30 June 2007; and
- (b) the accounting and other records required by the Societies Act Cap. 311 to be kept by the Society have been properly kept in accordance with the provisions of the Act.

Singapore, 31 October 2007


LO HOCK LING & CO.
CERTIFIED PUBLIC ACCOUNTANTS

AIDHA

(Registered under the Societies Act, Cap. 311)

Balance Sheet as at 30 June 2007

| | <u>Notes</u> | <u>2007</u> |
|---------------------------------|--------------|---------------|
| | | \$ |
| <u>Accumulated fund</u> | | |
| General fund | | <u>9,535</u> |
| REPRESENTED BY | | |
| <u>NON-CURRENT ASSETS</u> | | |
| Property, plant and equipment | 4 | - |
| <u>CURRENT ASSETS</u> | | |
| Non-trade receivable | | 1,298 |
| Cash and bank balances | | 12,282 |
| | | <u>13,580</u> |
| <u>LESS CURRENT LIABILITIES</u> | | |
| Other payables | 5 | 3,598 |
| Current tax liabilities | | 447 |
| | | <u>4,045</u> |
| Net current assets | | <u>9,535</u> |
| Total net assets | | <u>9,535</u> |

The accompanying notes form an integral part of these financial statements.

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(Registered under the Societies Act Cap. 311)

Statement of Income and Expenditure for the period from 19 July 2006 to 30 June 2007

| | <u>Note</u> | <u>2007</u> |
|---|-------------|----------------|
| | | \$ |
| <u>INCOME</u> | | |
| Course fees received | | 6,760 |
| Donations received in kind | | 16,000 |
| General donations received | | 49,847 |
| Membership fees | | 800 |
| Merchandise sales | | <u>332</u> |
| | | 73,739 |
| <u>LESS EXPENDITURE</u> | | |
| Audit fee | | 2,300 |
| Bank charges | | 22 |
| Consultancy fees | | 6,019 |
| Depreciation on property, plant and equipment | | 16,000 |
| Entertainment | | 194 |
| Merchandising expenses | | 294 |
| Office maintenance | | 1,461 |
| Office supplies | | 5,610 |
| Outreach expenses | | 618 |
| Rental | | 2,000 |
| Consultant salaries | | 25,500 |
| Teaching and educational expenses | | 3,029 |
| Telephone charges | | 305 |
| Training expenses | | 213 |
| Transportation | | 192 |
| | | <u>63,757</u> |
| Surplus before tax | | 9,982 |
| Income tax expense | 6 | (<u>447</u>) |
| Surplus for the period | | <u>9,535</u> |

The accompanying notes form an integral part of these financial statements.

AIDHA

(Registered under the Societies Act Cap. 311)

Statement of Changes in Accumulated Fund for the period from 19 July 2006 to 30 June 2007

| | <u>General fund</u> |
|------------------------------------|-------------------------|
| | \$ |
| Balance as at date of registration | - |
| Surplus for the period | <u>9,535</u> |
| Balance as at 30 June 2007 | <u>9,535</u> |

The accompanying notes form an integral part of these financial statements.

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(Registered under the Societies Act Cap. 311)

Cash Flow Statement for the period from 19 July 2006 to 30 June 2007

| | <u>Note</u> | <u>2007</u> |
|--|-------------|---------------|
| | | \$ |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | | |
| Surplus before tax | | 9,982 |
| Adjustment for: | | |
| Depreciation on property, plant and equipment | | 16,000 |
| Donations received in kind | | (16,000) |
| Operating surplus before working capital changes | | 9,982 |
| Increase in receivables | | (1,298) |
| Increase in payables | | 3,598 |
| Cash generated from operating activities | | 12,282 |
| Cash and cash equivalents at beginning of the period | | - |
| Cash and cash equivalents at end of the period | 7 | <u>12,282</u> |

The accompanying notes form an integral part of these financial statements.

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(Registered under the Societies Act Cap. 311)

NOTES TO THE FINANCIAL STATEMENTS – 30 June 2007

The following notes form an integral part of the financial statements.

1. SOCIETY INFORMATION

The society is registered in Republic of Singapore under the Societies Act Cap. 311. Its registered office is located at 2, Nassim Road, Singapore 258373.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The society presents its financial statements in Singapore dollars, which is also its functional currency. These financial statements are prepared in accordance with the historical cost convention and comply with Singapore Financial Reporting Standards (FRS), including related Interpretations promulgated by the Council on Corporate Disclosure and Governance, as required by the Companies Act.

During the financial period, the society adopted all the applicable new/revised FRSs which are effective on or before 19 July 2006. The adoption of these new/revised FRSs did not have any material effect on the society's financial statements and did not result in substantial changes to the society's accounting policies.

(b) FRS and INT FRS not yet effective

The society has not applied any new FRS or INT FRS (Interpretations of Financial Reporting Standards) that has been issued as at the balance sheet date but is not yet effective. The executive committee do not anticipate the adoption of the new FRS and INT FRS in future financial periods to have any material impact on the society's financial statements in the period of initial application.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss, if any. Depreciation is calculated on the straight line basis so as to write off the cost of the assets over their estimated useful lives. The annual rates of depreciation are as follows:

| | |
|-----------|------|
| Computers | 100% |
|-----------|------|

(d) Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Receivables with a short duration are not discounted.

When there is objective evidence that the society will not be able to collect all amounts due according to the original terms of the receivables, an impairment loss is recognised. The amount of the impairment loss is measured as the difference between the carrying value of the receivable and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the receivable is reduced directly or through the use of an allowance account. The amount of the loss is recognised in the income statement.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Other receivables (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The amount of the reversal shall be recognised in the income statement.

(e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and cash at bank which are subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

(f) Other Payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(g) Income Taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to accumulated fund, in which case, it is recognised in accumulated fund.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax are charged or credited to accumulated fund if the tax relates to items that are credited or charged, in the same or a different period, directly to accumulated fund.

(h) Revenue Recognition

Donations are recognised upon receipt.

Membership fees and subscriptions are recognised on accrual basis.

(i) Impairment of Assets

The carrying amounts of the society's assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)(i) Impairment of Assets (continued)

An impairment loss is charged to the income statement unless it reverses a previous revaluation, in which case, it will be charged to accumulated fund. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

3. OBJECTS OF THE SOCIETY

The objects of the society are to promote, generate, foster, and develop among migrant workers, both in Singapore and internationally, a greater understanding and skill in the basic management of their money, savings and economic future.

4. PROPERTY, PLANT AND EQUIPMENT

| | <u>Computers</u> |
|---------------------------------|------------------|
| | \$ |
| <u>Cost</u> | |
| At date of registration | - |
| Additions | 16,000 |
| Disposal | (2,500) |
| At 30 June 2007 | <u>13,500</u> |
| <u>Accumulated depreciation</u> | |
| At date of registration | - |
| Charge for the period | 16,000 |
| Disposal | (2,500) |
| At 30 June 2007 | <u>13,500</u> |
| <u>Carrying amount</u> | |
| At 30 June 2007 | <u>-</u> |

5. OTHER PAYABLES

| | <u>2007</u> |
|-------------------|--------------|
| | \$ |
| Non-trade payable | 1,298 |
| Accruals | 2,300 |
| | <u>3,598</u> |

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6. INCOME TAX EXPENSE

| | <u>2007</u> |
|---------------------------------------|------------------|
| | \$ |
| Provision for current taxation | <u>673</u> |
| Reconciliation of income tax expense: | |
| | <u>2007</u> |
| | \$ |
| Surplus before tax | <u>9,982</u> |
| Tax at statutory rate of 18% | 1,796 |
| Tax effects of:- | |
| Statutory stepped income exemption | (<u>1,349</u>) |
| | <u>447</u> |

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the cash flow statement comprise cash and bank balances as shown in the balance sheet.

8. FINANCIAL RISK MANAGEMENT

The main risks arising from the society's financial statements are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarised below:

(i) Credit risk

Management monitors the society's exposure to credit risks on an ongoing basis.

Cash and cash equivalents are placed with financial institutions with good credit ratings.

As at the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(ii) Liquidity risk

The society actively manages its operating cash flows so as to ensure that a sufficient level of cash equivalents is maintained to meet its working capital requirement.

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9. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of cash and cash equivalents and payables approximate their fair values due to their short term nature.

10. COMPARATIVE FIGURES

No comparative figures are shown in these financial statements as this is the first set of financial statements prepared by the society since its registration on 19 July 2006.

