

AIDHA
ROS Reg. No.: 2112/2006

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

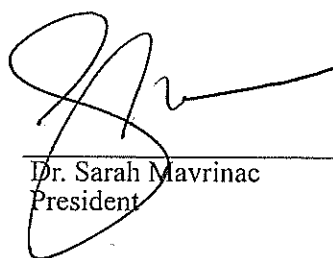
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AIDHA

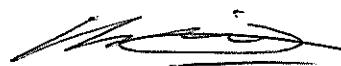
(Registered under the Societies Act Cap. 311)

Statement by The Executive Committee

In our opinion, the accompanying financial statements set out on pages 4 to 13 drawn up so as to present fairly the state of affairs of the Aidha (the "Society") as at 30 June 2008 and of the results, changes in accumulated funds and cash flows of the Society for the year ended on that date.



Dr. Sarah Mavrinac
President



Claudine Lim
Honorary Treasurer

Singapore, 19 August 2008

(2)

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 4 to 13, which comprise the balance sheet as at 30 June 2008, and the statement of income and expenditure, statement of changes in accumulated funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive Committee's Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 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.

(3)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AIDHA

(Registered under the Societies Act Cap. 311)

(continued)

Opinion

In our opinion,

- (a) the financial statements are properly drawn up in accordance with 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 2008 and the results, changes in accumulated funds and cash flows of the Society for the year ended on that date; 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, 19 August 2008


LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

AIDHA

(Registered under the Societies Act Cap. 311)

Balance Sheet as at 30 June 2008

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
		\$	\$
<u>ACCUMULATED FUNDS</u>			
General fund		38,552	9,535
Restricted fund	4	<u>15,740</u>	<u>-</u>
		<u>54,292</u>	<u>9,535</u>
REPRESENTED BY			
<u>NON-CURRENT ASSET</u>			
Property, plant and equipment	5	-	-
<u>CURRENT ASSETS</u>			
Inventories		22,831	-
Non-trade receivables		-	1,298
Cash and bank balances		41,589	12,282
		<u>64,420</u>	<u>13,580</u>
<u>LESS CURRENT LIABILITIES</u>			
Other payables	6	6,248	3,598
Current tax liabilities		3,880	447
		<u>10,128</u>	<u>4,045</u>
Net current assets		<u>54,292</u>	<u>9,535</u>
Total net assets		<u>54,292</u>	<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 year ended 30 June 2008

	2008			2007
	General fund	Restricted fund	Total	General fund
	\$	\$	\$	\$
INCOME				
Course fees received	17,720	-	17,720	6,760
Donations received in kind	10,500	-	10,500	16,000
Fundraising event	9,033	-	9,033	-
General donations received	32,541	55,005	87,546	49,847
Membership fees	1,100	-	1,100	800
Merchandise sales	7,896	-	7,896	332
Student advisory council	1,030	-	1,030	-
Student deposits forfeited	20	-	20	-
	<u>79,840</u>	<u>55,005</u>	<u>134,845</u>	<u>73,739</u>
LESS EXPENDITURE				
Accommodation	-	2,654	2,654	-
Airfare	-	5,096	5,096	-
Audit fee	3,000	-	3,000	2,300
Bank charges	96	50	146	22
Books, subscriptions, reference	300	38	338	-
Computer supplies and software	2,058	-	2,058	-
Consultancy fees	-	-	-	6,019
Consultant salaries	-	-	-	25,500
Cost of books sold	3,300	-	3,300	-
Depreciation on property, plant and equipment	10,500	-	10,500	16,000
Entertainment	344	342	686	194
Equipment rental and maintenance	392	-	392	-
Fundraising expense	6,114	-	6,114	-
Merchandising expenses	1,517	-	1,517	294
Office maintenance	-	-	-	1,461
Office supplies	3,868	3,576	7,444	5,610
Outreach expenses	1,438	1,500	2,938	618
Postages and mailing services	480	-	480	-
Professional fees	251	-	251	-
Rental	7,500	1,500	9,000	2,000
Research	-	8,885	8,885	-
Student advisory council expenses	482	-	482	-
Teaching and other educational expenses	3,746	4,590	8,336	3,029
Telephone charges	411	30	441	305
Training expenses	45	-	45	213
Transportation	1,070	1,244	2,314	192
Volunteer recognition expense	988	1,445	2,433	-
Volunteer stipend	697	7,108	7,805	-
	<u>48,597</u>	<u>38,058</u>	<u>86,655</u>	<u>63,757</u>
Surplus before tax	31,243	16,947	48,190	9,982
Income tax expense	7 (2,226)	(1,207)	(3,433)	(447)
Surplus for the year	<u>29,017</u>	<u>15,740</u>	<u>44,757</u>	<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 Changes in Accumulated Funds for the year ended 30 June 2008

	<u>General fund</u>	<u>Restricted fund</u>	<u>Total</u>
	\$	\$	\$
Balance as at date of registration	-	-	-
Surplus for the period	<u>9,535</u>	<u>-</u>	<u>9,535</u>
Balance as at 30 June 2007	9,535	-	9,535
Surplus for the year	<u>29,017</u>	<u>15,740</u>	<u>44,757</u>
Balance as at 30 June 2008	<u>38,552</u>	<u>15,740</u>	<u>54,292</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 year ended 30 June 2008

	<u>Note</u>	<u>2008</u>	<u>2007</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Surplus before tax		48,190	9,982
Adjustments for:			
Depreciation on property, plant and equipment		10,500	16,000
Donations received in kind		(10,500)	(16,000)
Operating surplus before working capital changes		48,190	9,982
Increase in inventories		(22,831)	-
Decrease/(increase) in receivables		1,298	(1,298)
Increase in payables		2,650	3,598
Net cash from operating activities		29,307	12,282
Cash and cash equivalents at beginning of the year		<u>12,282</u>	<u>-</u>
Cash and cash equivalents at end of the year	8	<u>41,589</u>	<u>12,282</u>

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

AIDHA

(Registered under the Societies Act Cap. 311)

NOTES TO THE FINANCIAL STATEMENTS - 30 June 2008

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

1. SOCIETY INFORMATION

The society is registered in the 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 Accounting Standards Council, as required by the Constitution of Aidha.

During the financial year, the society adopted all the applicable FRSs which are effective on or before 1 July 2007. The adoption of these 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) Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the society's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Depreciation on Property, Plant and Equipment*

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment are disclosed in note 2(d). Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of property, plant and equipment and the depreciation charge for the year are disclosed in note 5 to the financial statements.

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(Registered under the Societies Act Cap. 311)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)(b) Accounting Estimates and Judgements (continued)*Key sources of estimation uncertainty (continued)*(ii) *Income Taxes*

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of activities. The society recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax in the period in which such determination is made. The carrying amount of the society's tax payables is disclosed in notes 7.

(c) 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 does 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.

(d) 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%
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(e) Inventories

Inventories are stated at the lower of cost and net realisable value after adequate allowance has been made for deteriorated, damaged, obsolete or slow-moving inventories. Cost is determined on the weighted average basis.

(f) 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.

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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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.

(h) Other Payables

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

(i) Income Taxes

Income tax on the surplus or deficit 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 surplus 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 is 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.

(j) Revenue Recognition

(i) Course fees and donations are recognised upon receipt.

(ii) Membership fees and subscriptions are recognised on accrual basis.

(iii) Gifts-in-Kind ("GIK")

Gifts-in-kind received through private donations are recorded in accordance with industry standards, referred to as the interagency GIK standards, as developed by an interagency taskforce appointed by the Association of Evangelical Relief and Development Organisations ("AERDO"). Gifts-in-kind are valued and recorded as revenue at their estimated fair values as provided by the donors or, in the absence of donors' valuations, estimated by the society at wholesale values considering their condition and utility for use at the time the goods are received from the donor. The recognition of gifts-in-kind revenue is limited to donations where the society takes possession or constructive title of the gift-in-kind and the society is the original recipient of the gift.

Gifts-in-kind expense is recorded when the goods are distributed for program use. While it is the society's policy to distribute gift-in-kind as promptly as possible, undistributed gifts-in-kind are recorded as inventory. The inventory is valued at wholesale values estimated by the society. The society believes that this approximates the lower of cost or market.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)(k) 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.

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. RESTRICTED FUND

The restricted fund comprises donations received (net of direct expenses) that the Society received for specific projects from sponsors and donors.

5. PROPERTY, PLANT AND EQUIPMENT

	<u>Computers</u>
	\$
<u>Cost</u>	
At date of registration	-
Additions	16,000
Disposal	(2,500)
At 30 June 2007 and 1 July 2007	13,500
Additions	10,500
Disposal	(1,500)
At 30 June 2008	<u>22,500</u>

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(Registered under the Societies Act Cap. 311)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	<u>Computers</u>
	\$
<u>Accumulated depreciation</u>	
At date of registration	-
Charge for the period	16,000
Disposal	(2,500)
At 30 June 2007 and 1 July 2007	13,500
Charge for the year	10,500
Disposal	(1,500)
At 30 June 2008	<u>22,500</u>
<u>Carrying amount</u>	
At 30 June 2008	<u>-</u>
At 30 June 2007	<u>-</u>

6. OTHER PAYABLES

	<u>2008</u>	<u>2007</u>
	\$	\$
Non-trade payable	508	1,298
Accruals	3,090	2,300
Student deposits	2,650	-
	<u>6,248</u>	<u>3,598</u>

7. INCOME TAX EXPENSE

	<u>2008</u>	<u>2007</u>
	\$	\$
Provision for current taxation	3,880	447
Over-provision in prior year	(447)	-
	<u>3,433</u>	<u>447</u>

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(Registered under the Societies Act Cap. 311)

7. INCOME TAX EXPENSE (continued)

Reconciliation of income tax expense:

	<u>2008</u>	<u>2007</u>
	\$	\$
Surplus before tax	<u>48,190</u>	<u>9,982</u>
Tax at statutory rate of 18%	8,674	1,797
Tax effects of:-		
Statutory stepped income exemption	(4,787)	(1,350)
Over-provision in prior year	(447)	-
Others	<u>(7)</u>	<u>-</u>
	<u>3,433</u>	<u>447</u>

8. CASH AND CASH EQUIVALENTS

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

9. COMPARATIVE FIGURES

The comparative figures in the financial statements cover the period from 19 July 2006 (date of registration) to 30 June 2007.

10. 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.

11. 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.