FRIENDS OF THE DISABLED SOCIETY

(UEN: T00SS0207T)

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 30 APRIL 2011

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FINANCIAL STATEMENTS FOR
YEAR ENDED 30 APRIL 2011

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STATEMENT BY THE MANAGEMENT COMMITTEE

We, being two members on behalf of the Management Committee of the FRIENDS OF THE DISABLED SOCIETY, state that in the opinion of the Management Committee, the accompanying Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Funds, Statement of Cash Flows, together with the notes thereon, are properly drawn up in accordance with the Provisions of the Societies Act Cap. 311 and with the Rules and Regulations of the Charities Act, so as to give a true and fair view of the state of affairs of the Association as at 30 April 2011 and its results, changes in funds and cash flows for the year then ended.

On behalf of the Management Committee

....
Jastina Koh Siew Ping
President

....
Tan Kim Neo
Treasurer

Singapore, 14 June 2012

Elizabeth Leong & Co
Certified Public Accountants

87 Beach Road #04-04
Chye Sing Building, Singapore 189695
Tel: 63363220 Fax: 63363438
Email: e_lco@yahoo.com.sg

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIENDS OF THE DISABLED SOCIETY (UEN: T00SS0207T)

We have audited the accompanying financial statements of the FRIENDS OF THE DISABLED SOCIETY, which comprise the statement of financial position as at 30 April 2011, the statement of comprehensive income, statement of changes in fund and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory information. The financial statement for the year ended 30 April 2010 was not audited as the Society was not an Institute of Public Character and had availed itself of an exemption from audit requirements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards and the Societies Act, Chapter 311 (the Society Act), and the Singapore Charities Act, Chapter 37 (the "Charities Act"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the following paragraph.

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 judgement, 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 qualified audit opinion.

Basis for qualified opinion

We did not observe the counting of the physical inventories as of 30 April 2011. Since that date was prior to the time we were initially engaged as auditors of the Society. Owing to the nature of the Society's records, we were unable to satisfy ourselves as to inventory quantities by other audit procedures.

eL Elizabeth Leong & Co
Certified Public Accountants

87 Beach Road #04-04
Chye Sing Building, Singapore 189695
Tel: 63363220 Fax: 63363438
Email: e_lco@yahoo.com.sg

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FRIENDS OF THE DISABLED SOCIETY (UEN: T00SS0207T)– cont'd

Qualified Opinion

In our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to physical inventory quantities, the financial statements are properly drawn up in accordance with the Singapore Financial Reporting so as to present fairly, in all material respects, and the results, changes in funds and cash flows of the Society for the reporting year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion:

a) the accounting and other records required by the regulations enacted under the Societies Act (Cap.37) to be kept by the Society have been properly kept in accordance with these regulations;
b) the fund-raising appeals held during the reporting year have been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year the Charity has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals) Regulations and during the period from 1 March 2011 to 30 April 2011 the Charity did not organise any fund raising activities which need to comply with the requirements of regulations 15 (Fund-Raising expenses) of the Charities (Institute of a Public Character) Regulations.

ELIZABETH LEONG & CO.
Public Accountants and
Certified Public Accountants.

Singapore, 14 June 2012

FRIENDS OF THE DISABLED SOCIETY

(UEN: T00SS0207T)

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2011

	Note	2011 $	2010 $
ASSETS			
NON- CURRENT ASSETS			
Fixed Assets	3	2,106	3,452
CURRENT ASSETS			
Inventories	4	8,117	6,129
Other receivables	5	9,528	10,390
Fixed deposit	6	60,000	-
Cash and Bank balances	6	151,281	138,251
		228,926	154,770
TOTAL ASSETS		231,032	158,222
LIABILITIES			
CURRENT LIABILITIES			
Other payables	7	16,230	14,338
TOTAL LIABILITIES		16,230	14,338
NET ASSETS		214,802	143,884
FUND			
Accumulated fund		214,802	143,884

[The accompanying notes form an integral part of the financial statements.]

FRIENDS OF THE DISABLED SOCIETY

(UEN: T00SS0207T)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

	Note	2011 $	2010 $
INCOME			
Bank interest		408	177
Contributions and donations		22,387	4,501
Fund raising income	8	82,473	149,817
Grant-VCF		-	1,866
IRAS job credit		237	2,912
Office support		7,528	10,674
Program support		2,270	6,834
Sale of crafts		6,028	2,346
Sponsorship -			
Utilised donations-in-kind		6,175	375
Subscription fees		160	160
		127,666	179,662
Less:			
OPERATING EXPENSES			
Audit fee		2,000	-
Administrative expenses		-	40
Bank Charges		24	24
Computer expenses		172	2,463
CPF, SDL & CDAC		3,989	3,504
Depreciation of fixed assets		1,346	7,657
General expenses		1,105	300
Home visit expenses		19	36
Insurance		760	780
Interent charges		1,260	1,181
Lease charges		1,130	1,130
Loss of money		-	725
Membership fees		48	53
Postages		342	183
Printing & Stationery		861	329
Refreshments		28	10
Rent & conservancy charges		2,361	2,361
Salaries & bonus		34,410	31,674
SEP expenses		1,937	-
SIP expenses – CNY celebration		245	730
SIP expenses – National Day		21	19
Telephone charges		479	525
Training & course fees		56	1,054
Transport charges		137	82
Utilities		2,443	2,309
Volunteer Appreciation Day expenses		1,575	-
		56,748	57,169
Surplus and total comprehensive income for the year		70,918	122,493

[The accompanying notes form an integral part of the financial statements.]

FRIENDS OF THE DISABLED SOCIETY

(UEN: T00SS0207T)

STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

	Accumulated Fund $
Balance as at 01.05.09	21,391
Total comprehensive income for the year	122,493
Balance as at 30.04.10	143,884
Total comprehensive income for the year	70,918
Balance as at 30.04.11	214,802

[The accompanying notes form an integral part of the financial statements.]

FRIENDS OF THE DISABLED SOCIETY

(UEN: T00SS0207T)

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

	Note	2011 $	2010 $
<u>Cash flows from operating activities</u>			
Surplus for the year		70,918	122,493
Adjustment for:			
Depreciation of fixed assets		1,346	7,656
Operating surplus before working capital changes		72,264	130,149
Changes in working capital			
Increase in stocks		(1,988)	(335)
Decrease/ increase in other receivables		862	(9,615)
Increase in other payables		1,892	6,415
Net cash generated from operations		73,030	126,614
<u>Cash flows from investing activities</u>			
Purchase of fixed assets		-	(3,510)
Net cash (used in) investing activities		-	(3,510)
Net increase in cash and cash equivalent		73,030	123,104
Cash and cash equivalents at beginning of the year		138,251	15,147
Cash and cash equivalents at end of the year	6	211,281	138,251

[The accompanying notes form an integral part of the financial statements.]

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

1. GENERAL INFORMATION

Friends of the Disabled Society is a Society established in Singapore. Its registered office and principal place of business is at Block 75, Whampoa Drive #01-374, Singapore 320075.

The Society is registered as a Charity under the Charities Act on 1 May 2007. The Charity Registration Number is 002070.

The principal activities of the Society are to meet the social needs of the disabled, to serve and help the severely disabled and homebound, to encourage independence in them.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements which are expressed in Singapore dollars, which is also its functional currency are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared in accordance with the historical cost convention except as disclosed in accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgment or complexity of areas where estimates and assumptions are significant to the financial statements.

In the current financial year, the Society has adopted all the new and revised FRS that are relevant to its operations and effective for this financial year. The adoption of these new and revised FRS has no material effect on the financial statements.

The Society has not applied any of the FRS and INT FRS that have been issued but not yet effective.

The Management do not expect that the adoption of these FRS and INT FRS will have any significant impact on the Society's financial statements.

b) Fixed Assets

Fixed assets are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of fixed assets initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Subsequent expenditure relating to fixed assets that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

On disposal of an item of fixed assets, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES

b) Fixed assets– (cont'd)

Depreciation is calculated on a straight line basis to write off the cost of the assets over their estimated useful lives as follows:-

Office equipment	5 years
Equipment	5 years
Furniture & fittings	5 years
Renovation	5 years

Useful life and depreciation method are reviewed at each year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of fixed assets.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

c) Inventories

Inventories are carried at the lower of cost and net realisable value. Raw material cost is determined using the first-in, first-out method.The cost of completed products comprises raw materials. Net realisation value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

d) Impairment of non-financial assets

Assets are review for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income or as a revaluation increase. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior year.

e) Financial assets

(i) Classification

Loans and receivables

The Society classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

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

2. SIGNIFICANT ACCOUNTING POLICIES

e) Financial assets (cont'd)

(ii) Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Society 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 Society has transferred substantially all risks and rewards of ownership. On disposedal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in statement of comprehensive income. Any amount in the fair value reserve relating to that asset is also taken to the income or expenditure.

(iii) Initial measurement

Fiancial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through income or expenditure, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss recognised as expenses.

(iv) Subsequent measurement

Loans and receivables are carried at amotised cost using the effective interest method.

Interest income on financial assets are recognised separately in income or expenditure.

(v) Impairment

The Society assess at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment loss recognised in income or expenditure. The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

f) Financial Liabilities

Financial liabilities include trade and other payables and accruals. Financial liabilities are recognised on the statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligations under the liability is discharged or cancelled or expired.

g) Income recognition

Income is recognised to the extent that is probable that the economic benefits will flow to the Society and the income can be reliably measured.

i) Donations & contributions	- When received
ii) Fundraising income	- In the period the event occurred
iii) Office/Programme support income	- Over the period of provision of services to clients

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits which are subject to insignificant risk of changes in value.

i) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefits under which the Society pays fixed contributions into separate entities such as Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee service in the current or preceding years. The Society's contribution to defined contribution plans are recognised in the year to which they relate.

j) Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

k) Lease

Operating lease

Leases 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 profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

3. FIXED ASSETS

	Computers $	Equipment $	Furniture & Fittings $	Renovation $	Total $
Cost:					
At 01.05.10 & 30.04.11	6,764	6,866	4,477	22,145	40,252
Accumulated depreciation:					
At 01.05.10	3,907	6,779	3,969	22,145	36,800
Charge for the year	751	87	508	-	1,346
At 30.04.11	4,658	6,866	4,477	22,145	38,146
Net book value:					
At 30.04.11	2,106	-	-	-	2,106
Cost:					
At 01.05.09	4,123	6,866	4,740	22,145	37,874
Additions	3,510	-	-	-	3,510
Written off	(869)	-	(263)	-	(1,132)
At 30.04.10	6,764	6,866	4,477	22,145	40,252
Accumulated depreciation					
At 01.05.09	3,731	5,405	3,424	17,716	30,276
Charge for the year	1,046	1,374	808	4,429	7,657
Written off	(870)	-	(263)	-	(1,133)
At 30.04.10	3,907	6,779	3,969	22,145	36,800
Net book value:					
At 30.04.10	2,857	87	508	-	3,452

4. INVENTORIES

	2011 $	2010 $
Raw materials	6,662	5,213
Completed products	1,455	916
	8,117	6,129

5. OTHER RECEIVABLES

	2011 $	2010 $
Unutilised donations-in-kind	3,450	4,625
Deposit	444	364
Prepayments	467	649
Other debtors	5,167	4,712
Subscription-in-arrears	-	40
	9,528	10,390

6. CASH AND CASH EQUIVALENTS

	2011 $	2010 $
Cash at bank	150,451	137,656
Cash on hand	830	595
	151,281	138,251
Fixed deposit	60,000	-
	211,281	138,251

Fixed deposit are placed for twelve months and earned interest at rate of 0.75% per annum.

7. OTHER PAYABLES

	2011 $	2010 $
Accrued expenses	6,535	3,468
Other creditors	6,245	6,245
Unutilised donations-in-kind	3,450	4,625
	16,230	14,338

8. FUND RAISING INCOME

	2011 $	2010 $
Flag day		
Collections	88,824	116,477
Less: Expenses	(7,782)	(9,524)
	81,042	106,953
Third party fund raising		
Collections	-	59,830
Less: Expenses	-	(17,949)
	-	41,881
Yoga class		
Collections	1,926	1,280
Less: Expenses	(495)	(297)
	1,431	983
Total	82,473	149,817

9. EMPLOYEEE BENEFITS COMPENSATION

	2011 $	2010 $
Staff salaries & bonus	34,410	31,674
Staff CPF, SDL & CDAC	3,989	3,504
	38,399	35,178

10. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Society has committed to making the following payments in respect of operating lease:-

	2011	2010
	$	$
Not later than one year	1,130	1,130
Later than one year but not later than five years	1,412	2,542

11. INCOME TAX

The Society is registered under the Charities Act (Registration No:002070) and its income is exempt from Income Tax.

12. DONATIONS AND FUND RAISING PROJECTS

The Society has been approved as an Institution of a Public Character (IPC) under the Charities Act for a period of 1 year, with effect from 1 March 2011. The Society did not issue any tax deductible receipts from 1 March 2011 to 30 April 2011.

13. COMPARATIVE FIGURES

The financial statement for the year ended 31 April 2010 was not audited as the Society was not an Institute of Public Character and had availed itself of an exemption from audit requirements.

14. FINANCIAL RISK MANAGEMENT

The Society's activities expose it to a variety of financial risk: interest rate risk, credit risk and liquidity risk. The Society's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Society's financial performance.

i) Interest rate risk

The Society's income and operating cash flows are substantially independent of changes in market interest rates although it has significant interest-bearing deposit with financial institution. The Society has no interest-bearing liabilities.

The Society's policy is to obtain the most favourable interest rates. Surplus funds are placed with reputable banks.

ii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Society's exposure to credit risk arises primarily from other receivables and cash and bank balances.

The Society's objective is to minimise losses incurred due to credit exposure. Credit risk is managed through the application of credit evaluation and monitoring procedures.

At balance sheet date, the Society has no significant concentration of credit risk. The Society's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

14. FINANCIAL RISK MANAGEMENT (cont'd)

ii) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are credit worthy debtors with good payment record with the Society. Fixed deposit and bank balances that are neither past due nor impaired are placed with financial institutions with high credit ratings and no history of default.

There is no other class of financial assets that is past due and/or impaired except for other receivables.

The age analysis of other receivables past due but not impaired is as follows:

	2011 $	2010 $
Past due over 6 months	5,167	4,712
	=====	=====

iii) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds.

The objective of liquidity management is to ensure that the Society has sufficient funds to meet its contractual and financial obligations. To manage liquidity risk, the Society's policy is to monitor its net operating cash flows and to maintain an adequate level of cash and bank balances to meet its working capital requirement.

Fair values

The carrying amounts of the financial assets and liabilities included in the financial statements approximate their fair values due to the relatively short term nature of these financial instruments.

15. FUND MANAGEMENT

The primary objective of the Society's fund management is to safeguard its assets and to optimise the effectiveness of its usage towards supporting the Society's principal and related activities.

16. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Society for the financial year ended 30 April 2011 were authorised for issue on the date the report by the Management Committee of the Society was signed.