PARKINSON'S DISEASE SOCIETY (SINGAPORE)
(Registered in Singapore)
(UEN: S96SS0203J)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009
TOGETHER WITH REPORTS OF EXECUTIVE COMMITTEE AND AUDITORS

PARKINSON'S DISEASE SOCIETY (SINGAPORE)
(Registered in Singapore)
(UEN: S96SS0203J)
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Registered office	26 Dunearn Road Singapore National Stroke of Singapore Singapore 309423		
Committee Members	Lau Meow Hoon, Julie	-	President
	Frank Schulz Utermoehl	-	Vice-President
	Tan Chew Seng, Louis	-	Treasurer
	Lim Hong Siang, Diana	-	Secretary
	Dr Tan Eng King	-	Committee Member
	Dr Adrian Tan Keng Yew	-	Committee Member
	Dr Au Wing Lok	-	Committee Member
	Dr Christopher Lien	-	Committee Member
	Cindy Lee Siew Wan	-	Committee Member
	Tan Siok Bee	-	Committee Member
	Cheng Lay Tin	-	Committee Member
	Melvyn Chiang	-	Committee Member
	Reggie Thein	-	Committee Member
	Theresa Goh	-	Committee Member
	Emily Guo	-	Committee Member
	Amy Woo	-	Committee Member
Bankers	Oversea Chinese Banking Corporation		
Independent Auditors	Horwath Firth Trust LLP Certified Public Accountants 7 Temasek Boulevard #11-01 Suntec Tower One Singapore 038987		

PARKINSON'S DISEASE SOCIETY (SINGAPORE)
(Registered in Singapore)
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FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Contents

STATEMENT BY THE EXECUTIVE COMMITTEE

In the opinion of the Executive Committee:

(a) the financial statements set out on pages 4 to 16 are drawn up in accordance with the Constitution of the Society, Singapore Societies Act, Chapter 311 and Singapore Financial Reporting Standards so as to present fairly the state of affairs of the Society as at 31 December 2009 and of the income and expenditure, changes in statement of fund and reserves accounts and cash flow of the Society for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Executive Committee authorised the issue of these financial statements.

On behalf of the Executive Committee

Lau Meow Hoon, Julie
President

Dr Tan Chew Seng, Louis
Treasurer

26 April 2010

Horwath First Trust

Horwath First Trust LLP
Certified Public Accountants

7 Temasek Boulevard
#11-01 Suntec Tower One
Singapore 038987

Tel: (65) 6221 0338
Fax: (65) 6221 1080
www.horwath.com.sg

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARKINSON'S DISEASE SOCIETY (SINGAPORE)

We have audited the accompanying financial statements of Parkinson's Disease Society (Singapore) (the "Society") set out on pages 4 to 16, which comprise the balance sheet of the Society as at 31 December 2009, and the income and expenditure account, statement of changes in fund and reserve accounts and cash flow statement of the Society, and a summary of significant accounting policies and other explanatory notes.

The financial statements for the financial year ended 31 December 2008 were audited by another firm of certified public accountants whose report dated 7 May 2009 expressed an unqualified opinion on those financial statements.

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 the provisions of the Singapore Societies Regulations, Chapter 311 (the "Regulations"), Charities Act, Chapter 37 (the "Act") 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 Executive Committee is also responsible to ensure that the 30% cap in Regulations 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 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 Executive 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.

Horwath First Trust

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARKINSON'S DISEASE SOCIETY (SINGAPORE) (Continued)

Opinion

In our opinion,

(a) the financial statements are properly drawn up in accordance with the provisions of the Regulations, the Act and Singapore Financial Reporting Standards so as to present fairly in all material aspects the state of affairs of the Society as at 31 December 2009, and of the results, changes in fund and reserve accounts and cash flow for the financial year ended on that date; and

(b) the accounting and other records, including records of all assets and liabilities of the Society, required by the Regulations and the Act to be kept by the Society have been properly kept in accordance with the provisions of the Regulations and Act.

Report on Other Legal and Regulations Requirements

During the course of our audit, nothing has come to our attention to cause us to believe that:-

(a) the Society did not comply with Regulations 15 of the Charities (Institutions of a Public Character) Regulations 2007 and Regulation 6 of the Societies Regulations; and

(b) the donation monies have not been used in accordance with the objective of the Society as an Institution of Public Character.

Horwath First Trust LLP

Horwath First Trust LLP
Public Accountants and
Certified Public Accountants

Singapore
26 April 2010

PARKINSON'S DISEASE SOCIETY (SINGAPORE)
(Registered in Singapore)
(UEN: S96SS0203J)

BALANCE SHEET
AS AT 31 DECEMBER 2009
(Amounts in Singapore dollars)

	Note	2009 $	2008 $
ASSETS			
Current assets			
Interest receivable		259	259
Cash and cash equivalents	3	405,030	228,311
Total Assets		405,289	228,570
LIABILITY AND FUND			
Current liability			
Accrued expenses		3,973	1,034
Fund			
Unrestricted fund		401,316	227,536
Total Liability and Fund		405,289	228,570

The accompanying notes are an integral part of the financial statements.

PARKINSON'S DISEASE SOCIETY (SINGAPORE)
(Registered in Singapore)
(UEN: S96SS0203J)

INCOME AND EXPENDITURE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009
(Amounts in Singapore dollars)

	Note	2009	2008
		$	$
INCOME			
Donations		202,330	57,838
Subscriptions		3,235	5,735
Fixed deposit interest		1,315	1,111
Sales of books and caps		7,141	3,374
Miscellaneous income		6,046	12,574
Total income		220,067	80,632
LESS: EXPENDITURE			
Administrative fees		5,200	5,522
Audit fees		3,000	-
Bank charges		30	-
Printing, stationery, postages and transport		1,120	273
IPC renewal		50	-
RYSC Charity Golf event		29,809	-
Promotion, communication and publications		5,457	5,457
Events - outings		1,421	674
Patients Welfare Fund		200	1,050
Total expenditure		46,287	12,976
Surplus before tax		173,780	67,656
Income tax	4	-	-
Surplus for the year		173,780	67,656
Other comprehensive income		-	-
Total comprehensive income for the year		173,780	67,656

The accompanying notes are an integral part of the financial statements.

PARKINSON'S DISEASE SOCIETY (SINGAPORE)
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STATEMENT OF CHANGES IN FUND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009
(Amounts in Singapore dollars)

	Unrestricted fund
	$
Balance at 1 January 2008	159,880
Total comprehensive income for the year	67,656
Balance at 31 December 2008	227,536
Total comprehensive income for the year	173,780
Balance at 31 December 2009	401,316

The accompanying notes are an integral part of the financial statements.

PARKINSON'S DISEASE SOCIETY (SINGAPORE)
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009
(Amounts in Singapore dollars)

	Note	2009	2008
		$	$
Cash flows from operating activities			
Surplus for the year		173,780	67,656
Adjustments for			
Interest income		(1,315)	(1,111)
Operating cash flows before changes in working capital		172,465	66,545
Other receivables		259	59,741
Other payables		2,939	(9,881)
Net cash generated from operating activities		175,663	116,405
Cash Flows from Investing Activity			
Interest received		1,056	1,111
Net cash generated from investing activity		1,056	1,111
Net increase in cash and cash equivalents		176,719	117,516
Cash and cash equivalents at the beginning of the year		228,311	110,795
Cash and cash equivalents at the end of the year	3	405,030	228,311

The accompanying notes are an integral part of the financial statements.

1. GENERAL INFORMATION

Parkinson's Disease Society (Singapore) (the "Society) was registered as a society under the Singapore Societies Act, Chapter 311 and is domiciled in Singapore. The Society is registered as an exempt charity and is also subject to the provisions of the Charities Act, Chapter 37. The registered office and place of operations of the Society is at 26 Dunearn Road, c/o Singapore National Stroke of Singapore, Singapore 309423.

The Society is conferred the Institute of Public Character status (IPC No: HEF0080/G). Accordingly, qualifying donors are granted tax deduction for the donations made to the Society.

The Society's principal activities are providing financial care and other assistance to patients affiliated with Parkinson's disease. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements of the Society for the year ended 31 December 2009 were authorised for issue by the Executive Committee on the date of the statement by the Executive Committee.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Societies Act, Chapter 311, Charities Act, Chapter 37 and the Singapore Financial Reporting Standards ("FRS").

The financial statements are presented in Singapore dollars unless otherwise indicated.

The preparation of financial statements in conformity with FRS requires the management to exercise its judgment in the process of applying the Society's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditure during the financial year. Although these estimates are based on the management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised standards

On 1 January 2009, the Society adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The following are the new or revised FRS and INT FRS that are relevant to the Society:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of new and revised standards (Continued)

(a) FRS 1 (revised) Presentation of financial statements

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 equity. All non-owner changes in equity 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 Society has chosen to adopt the former alternative. In addition, 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 January 2008 in the current financial year.

(b) Amendments to FRS 107 Improving disclosures about financial statements

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 Society.

New accounting standards and FRS interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Society's accounting periods beginning on or after 1 January 2010 or later periods and which the Society has not early adopted.

Description	Effective for annual periods beginning on or after
Amendments to FRS 27 *Consolidated and Separate Financial Statements*	1 July 2009
Amendments FRS 39 *Financial Instruments: Recognition and Measurement* - Eligible Hedged Items	1 July 2009
Revised FRS 103 *Business Combinations*	1 July 2009
Amendments to FRS 105 *Non-current Assets Held-for-sale and Discontinued Operations*	1 July 2009
INT FRS 117 *Distributions of Non-cash Assets to Owners*	1 July 2009
INT FRS 118 *Transfer of Assets to Customers*	1 July 2009
Improvements to FRS issued in 2009	
- Amendments to FRS 38 *Intangible Assets*	1 July 2009
- Amendments to FRS 102 *Share-based Payment*	1 July 2009
- Amendments to INT FRS 109 *Reassessment of Embedded Derivatives*	1 July 2009
- Amendments to INT FRS 116 *Hedges of a Net Investment in a Foreign Operation*	1 July 2009
- Amendments to FRS 1 *Presentation of Financial Statements*	1 January 2010
- Amendments to FRS 7 *Statement of Cash Flows*	1 January 2010
- Amendments to FRS 17 *Leases*	1 January 2010
- Amendments to FRS 36 *Impairment of Assets*	1 January 2010
- FRS 39 *Financial Instruments: Recognition and Measurement*	1 January 2010
- Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting standards and FRS interpretations (Continued)

The Society's assessment of the impact of adopting these standards, amendments and interpretations that are relevant to the Society is set out below:

(a) Amendments to FRS 39 Financial Instruments: *Recognition and Measurement – Eligible Hedged Items* (effective for annual periods beginning on or after 1 July 2009)

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations.

(b) Amendments to FRS 1 *Presentation of Financial Statements*

The Amendments to FRS 1 clarify that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.

(c) Amendments to FRS 39 and INT FRS 109 *Embedded Derivatives*

The Amendments require an entity to designate the entire hybrid (combined) contract as at fair value through profit or loss if an entity is required by this standard to separate an embedded derivative from its host contract, but is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period. Similarly, if an entity is unable to measure separately the embedded derivative that would have to be separated on reclassification of a hybrid (combined) contract out of the fair value through profit or loss category, that reclassification is prohibited. In such circumstances the hybrid (combined) contract remains classified as at fair value through profit or loss in its entirety.

The initial application of these standards (and its consequential amendments) is not expected to have any material impact on the Society.

Financial assets

Financial assets are recognised on the statement of assets used in and liabilities arising out of the Society's operation when the Society becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income and expenditure account.

All regular way purchases and sales of financial assets are recognised and derecognised on trade date basis where the purchase or sale of financial assets are under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

A. Classification

The Society classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available-for-sale financial assets. 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, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

The Society has no financial assets at fair value through profit or loss, held to maturity investments and available-for-sale financial assets at the respective balance sheet date.

(i) 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 arise when the Society provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except those maturing more than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as trade and other receivables and cash and cash equivalents on the balance sheet.

B. Subsequent measurement

At subsequent reporting dates, loans and receivables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in income and expenditure account when the loans and receivables are derecognised or impaired, and through the amortisation process.

Impairment of financial assets

The Society assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired and recognised the impairment loss when such evidence exists.

(i) Financial assets carried at amortised cost

An impairment loss is recognised in income and expenditure account when there is objective evidence that the asset is impaired, and is measure as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income and expenditure account.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

(i) Financial assets carried at amortised cost (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 is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in income and expenditure account.

The Society assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired and recognised the impairment loss when such evidence exists.

(ii) Assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Cash and cash equivalents

Cash and cash equivalent comprises cash on hand and in banks and fixed deposits. Cash and cash equivalents are short term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

Financial liabilities

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities, other than derivatives, gains and losses are recognised in income and expenditure account when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income and expenditure account. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income and expenditure account.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds

Unrestricted funds are available for use at the discretion of the Executive Committee in furtherance of the Society's objects.

Provisions

A provision is recognised when there is 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 regularly at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, the amount of provision is discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sales of goods

Revenue from sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Others

Donations are recognised in the income and expenditure account on an accrual basis when the donations are committed to the Society. Subscriptions in cash are recognised on receipt basis. Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.

Functional and foreign currency

Functional currency

The management has determined the currency of the primary economic environment in which the Society operates (i.e. functional currency) to be Singapore dollars. Major operating expenses are primarily influenced by fluctuations in Singapore dollars.

Foreign currency transactions

Transactions in foreign currencies are measured in functional currency of the Society and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in income and expenditure account.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

A related party includes members of the Executive Committee who are the key management personnel of the Society. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel or close members of the family of any individual referred to herein and other who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

Critical accounting estimates and judgements

The Executive Committee are of the opinion that there are no key sources of estimation uncertainty at the balance sheet date and no critical judgements involved that have a significant effect on the amount recognised in the financial statements.

3. CASH AND CASH EQUIVALENTS

	2009 $	2008 $
Cash at bank	207,088	31,685
Fixed deposits	197,942	196,626
Cash and cash equivalents	405,030	228,311

The fixed deposits at balance sheet date have a maturity of 2 to 8 months (2008: 2 to 8 months) from the end of the financial year end. The effective interest rates for the fixed deposits range from 0.15% to 0.55% (2008: 0.25% to 0.93%) per annum.

4. INCOME TAX

The Society is registered as a charity under the Charities Act, Chapter 37. With effect from Year of Assessment 2008, all registered charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule.

5. TAX-EXEMPT RECEIPTS DONATION

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

During the financial year, the Society has issued tax-exempt receipts for donations collected amounting to $200,982 (2008: $57,818).

6. RELATED PARTY TRANSACTIONS

Key management personnel comprise members of the Executive Committee. The Executive Committee members, or people connected with them, have not received any monetary remuneration, or other benefits, from the Society for their contribution.

There is no claim by the Executive Committee members for services provided to the Society, either by reimbursement to the Executive Committee members or by providing the Executive Committee members with an allowance or by direct payment to a third party.

7. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Society's activities expose it to a variety of financial risks primarily liquidity risk and interest rate risk. Overall risk management is determined by the Executive Committee. The Society does not have a formal overall risk management policy. There has been no significant change in the manner in which it manages and measures the risk. The Society's overall strategy remains unchanged from 2008.

(a) Market risk

(i) Foreign currency risk

The Society is not exposed to any foreign currency risk. Accordingly, sensitivity analysis is not necessary.

(ii) Interest rate risk

The Society constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at 31 December 2009, there were no interest rate swap contracts or other derivative instruments outstanding.

The Society has no interest-bearing financial liabilities. The following table sets out the carrying amount, by maturity, of the Society's financial instruments, that are exposed to interest rate risk:

	2009 $	2008 $
Within one year – fixed rates		
Fixed deposits	197,942	196,626

Interests on financial instruments are fixed until the maturity of the instruments. The other financial instruments of the Society that are not included in the above table are not subject to interest rate risks.

<u>Interest risk sensitivity</u>

The Society's income and expenditure account and reserve are not significantly affected by changes in interest rates as the interest-bearing financial instruments carry fixed interest rates. As such, sensitivity analysis is not necessary.

7. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(b) Liquidity risk

The Society is primarily funded by general donations received. The Society monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by Executive Committee to finance the Society's operations and to mitigate the effects of fluctuations in cash flows. Typically the Society ensures that it has sufficient cash on demand to meet expected operational expenses.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Society can be required to pay.

	On demand or within 1 year
	$
As at 31 December 2009	
Accrued expenses	973
As at 31 December 2008	
Accrued expenses	1,034

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. Credit risk is limited to the risk arising from cash at bank and fixed deposit at the balance sheet date. The bank balance and fixed deposits are placed with a financial institution of high credit standing. No other financial assets carry a significant exposure to credit risks.

As the Society does not hold any collateral, the carrying amount of financial assets recorded in the financial statements represents the Society's maximum exposure to credit risk.

Fair values of financial assets and financial liabilities

Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of the financial assets and financial liabilities reported on the balance sheet approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Capital risk management policies and objectives

The Executive Committee reviews its fund regularly to ensure that the Society will be able to continue as a going concern. The Society's reserves policy focuses on the level of the unrestricted fund. The Society relies on cash donations, which by their nature are unpredictable. The Society needs reserves to ensure that the operation of its programmes can continue in the event of fluctuations in its donations.

8. COMPARATIVES

Prior year comparatives have been audited by another firm of certified public accountants.