

RESERVE POLICY

The Group's and the Association's primary objective is helping dyslexic people achieve. It aims to build a world class organisation dedicated to helping dyslexic people and those with specific learning differences in Singapore.

Pursuant to the Code of Governance for Charities and IPCs Guideline 6.4.1, the Executive Committee ('EXCO') has established a Reserve Policy for the Group to provide financial stability and the means for the development of the principal activity. The Group will use the reserves for the operating purposes not subject to commitments, planned expenditure and spending limits. Reserves include Education Fund and Unrestricted Funds.

The Board reviews the amount of reserves on an annual basis that is required to ensure that it is adequate to fulfil our continuing obligations.

The Group will build its reserves towards a level which is at least equivalent to: Total Reserves = (Total Expenditure – 75% of Government Grant – Net Fees) x 3 years.

LOANS POLICY

Any loans, donations, grants or financials assistance provided by the DAS to staff or third party must be approved by the EXCO Finance Committee.

INVESTMENT POLICY

DAS has to set aside liquid funds for its normal operations. It is to maintain liquid funds equivalent to three (3) months of operational expenses and foreseeable requirements (such as capital expenditures). These funds can be held as cash in current account or one (1) month fixed deposits. The balance of its funds can be regarded as investible funds with a portion placed in fixed deposits or investment funds, and a smaller portion in bonds. As the total investible funds in DAS will vary from time to time, and taking into account the trade-off between liquidity and yield, and the yield difference at the time of investment, the portion invested fixed deposits, investment funds and bonds may shift accordingly. DAS will invest in bonds which satisfy the following guideline:

- a. Singapore dollar denominated bonds to avoid foreign exchange risks,
- b. Restricted to corporate bonds that are issued by Singapore banks or major Singapore companies linked to Temasek Holdings and bonds that are rated investment grade to minimise credit risk.
- c. Restricted to bonds with 5 years or less to maturity. Preference shares that have the above characteristics of bonds can also be considered. Investments in bonds which vary from the above guidelines must be specifically approved by the Finance Committee and EXCO.