

**NATIONAL BOOK DEVELOPMENT COUNCIL
OF SINGAPORE**

(Registered in the Republic of Singapore under the Societies Act, Cap. 311 & Charities Act, Cap. 37)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2012

Yeo Seng Lam & Co
*Public Accountants and
Certified Public Accountants, Singapore
111 North Bridge Road
#25-01 Peninsula Plaza Singapore 179098*

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

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NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

(Registered in the Republic of Singapore under the Societies Act, Cap. 311)

STATEMENT BY THE MANAGEMENT COMMITTEE

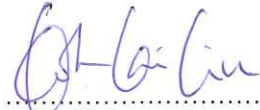
We, on behalf of the Management Committee, do hereby state that in our opinion, the financial statements set out on pages 5 to 14 are drawn up so as to give a true and fair view of the state of affairs of the National Book Development Council of Singapore ("the Council") as at 31 March 2012 and of the results and cash flows of the Council for the financial year ended on that date.

The financial statements of the Council for the financial year ended 31 March 2012 were authorized for issue in accordance with a resolution of the Management Committee dated 19 July 2012.

On behalf of the Management Committee
Mr Johnson Paul – Acting Chairman
Mr Johnson Paul – Vice Chairman
Ms Lim Li Koh – Honorary Secretary
Mrs Kiang-Koh Lai Lin – Honorary Treasurer



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MR JOHNSON PAUL
Acting Chairman



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MRS KIANG-KOH LAI LIN
Honorary Treasurer

Singapore

19 July 2012

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

Report on the Financial Statements

We have audited the financial statements of National Book Development Council of Singapore (the "Council"), which comprise the balance sheet as at 31 March 2012, and the statement of income and expenditure and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Committee's responsibility for the Financial Statements

The Council's Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Provisions of the Charities Act, Chapter 37 and the Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair income and expenditure account and balance sheet and to maintain accountability of assets.

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 include 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.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards, and so as to give a true and fair view of the state of affairs of the Council as at 31 March 2012 and the results, and cash flows of the Council for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required by the provisions of the Charities Act, Chapter 37 – Charities (Institutions of a Public Character) to be kept by the Council have been properly kept in accordance with those regulations.
- (b) Nothing has come to our attention that causes us to believe that during the year, the use of the donation moneys was not in accordance with the objectives of the Council.
- (c) The Council has complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of Public Character)



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Yeo Seng Lam & Co.
*Public Accountants and
Certified Public Accountants*
Singapore

20 July 2012


NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

BALANCE SHEET

As at 31 March 2012

	Note	2012 SGD	2011 SGD
Non-current assets			
Plant and equipment	4	7,673	-
		<u>7,673</u>	<u>-</u>
Current assets			
Trade and other receivables	5	25,839	34,578
Cash and cash equivalents	6	1,097,954	876,739
		<u>1,123,793</u>	<u>911,317</u>
Total assets		<u>1,131,466</u>	<u>911,317</u>
Funds			
Accumulated general funds	7	880,161	903,180
Total funds		<u>880,161</u>	<u>903,180</u>
Current liabilities			
Trade and other payables	8	19,581	8,137
Deferred income		231,724	-
Total liabilities		<u>251,305</u>	<u>8,137</u>
Total funds and liabilities		<u>1,131,466</u>	<u>911,317</u>

Certified true and fair by:



MR JOHNSON PUAL
 ACTING CHAIRMAN



MRS KIANG-KOH LAI LIN
 HONORARY TREASURER

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

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 31 March 2012

	Note	2012 SGD	2011 SGD
Income	9	574,671	546,394
Job Credit		-	648
Less: Direct expenditure		<u>(240,900)</u>	<u>(202,254)</u>
Activity surplus		333,771	344,788
Less: Indirect expenditure		<u>(356,790)</u>	<u>(261,087)</u>
(Deficit)/surplus for the year		<u><u>(23,019)</u></u>	<u><u>83,701</u></u>

Certified true and fair by:



MR JOHNSON PUAL
ACTING CHAIRMAN



MRS KIANG-KOH LAI LIN
HONORARY TREASURER

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

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

STATEMENT OF CASH FLOWS


For the financial year ended 31 March 2012

	2012 SGD	2011 SGD
(Deficit)/surplus for the year	(23,019)	83,701
Adjustments:		
Depreciation	3,836	-
Interest income	(207)	(2,297)
Prior period adjustment	-	(9,000)
Operating surplus before working capital changes	(19,390)	72,404
Decrease in trade and other receivables	8,739	18,245
(Decrease) in donations received in advance	-	(5,000)
(Decrease)/increase in trade and other payables	11,444	(4,501)
Increase in deferred income	231,724	-
Cash flows generated from operating activities	232,517	81,148
Cash flows from investing		
Purchase plant and equipment	(11,509)	-
Interest income	207	2,297
Net cash flows generated from investing activities	(11,302)	2,297
Net increase in cash and cash equivalents	221,215	83,445
Cash and cash equivalent at beginning of year (note 6)	876,739	793,294
Cash and cash equivalent at the end of year (note 6)	1,097,954	876,739

Certified true and fair by:



MR JOHNSON PUAL
ACTING CHAIRMAN



MRS KIANG-KOH LAI LIN
HONORARY TREASURER

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

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

These notes form an integral part of the financial statements.

1 General

The National Book Development Council of Singapore (the "Council") is registered as a society (Registration No. 0157/1968) under the Societies Act, Chapter 311. The Council is also registered as a charity (Registration No. 0391) under the Charities Act, Chapter 37 for a period of 3 years from 1 October 2009 to 30 September 2012.

The principal place of operations of the National Book Development Council of Singapore ("the Council") is at 50 Geylang East Avenue 1 Singapore 389777.

The principal objective of the Council is to promote the reading of books, improving book production and distribution and to encourage the growth of Singapore literature.

The financial statements of the Council for the financial year ended 31 March 2012 were authorized for issue in accordance with a resolution of the Management Committee dated 18 July 2012.

2 Significant accounting policies

a) *Basis of preparation of financial statements*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention.

b) *Plant and equipment and depreciation*

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on the straight line method so as to write off the cost of the plant and equipment over their estimated useful lives as follows:-

Computer equipment	3 years
Office equipment	5 years
Renovation	3 years

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

c) *Recognition of income*

Donations including offerings, pledges and other charitable contributions are recognized upon receipt. Pledges for donation are recognized upon receipt of the pledge and collection is certain.

Grants to fund operating expenses and income from services rendered are taken up on an accrual basis.

Interest income is recognized on receipt date.

Donations received are recognized as income in the period in which the donor has specified the income to be expensed or the period in which the Council has allocated the corresponding expenditure.

Cash donations which are designated for AFCC expenditure are taken to deferred income in the period of receipt. The donation income is recognized in the statement of income and expenditure when the relevant expenditure is incurred.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2 Significant accounting policies (cont'd)

d) *Employee benefits*

The Council contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. The Council's contributions to CPF are charged to the income and expenditure statement in the period in which the contributions relate.

Employee leave entitlement

Unutilized annual leave as a result of services rendered by employees up to the end of financial year will be carried forward for the next 12 months, after which the balance of the leave will be forfeited. No provision is made as at the balance sheet date.

e) *Impairment of assets*

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

f) *Lease commitment*

Leases of assets 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 are taken to the income statement 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 recognized as an expense in the period in which termination takes place.

g) *Functional and foreign currencies*

i) *Functional currency*

The currency of the primary economic environment in which the Council operates (the functional currency) is Singapore Dollars. The financial statements are presented in Singapore dollars which is the Council's functional and presentation currency.

ii) *Foreign currency transactions*

Foreign currency transactions during the financial year are recorded in the functional currency of the Council at the rate of exchange ruling at transaction date. Foreign currency monetary assets and liabilities are translated into the functional currency at the date of exchange prevailing at the balance sheet date. Exchange differences resulting from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognized in the income and expenditure statement.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2 Significant accounting policies (cont'd)

h) Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents comprise of cash on hand and deposits with financial institutions.

i) Trade receivables

Trade debtors are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

j) Provisions

Provisions are recognized when the Council has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

3 Critical accounting estimates and judgments

The financial statements are not subject to any major critical accounting estimates or judgments.

4 Plant and equipment

	Computer Equipment SGD	Office Equipment SGD	Total SGD
2012			
Cost			
At 01/04/2011	16,206	2,892	19,098
Additions	11,509	-	11,509
At 31/03/2012	27,715	2,892	30,607
Accumulated depreciation			
At 01/04/2011	16,206	2,892	19,098
Charge for the year	3,836	-	3,836
At 31/03/2012	20,042	2,892	22,934
Net book value			
At 31/03/2012	7,673	-	7,673
2011			
Cost			
At 01/04/2010	16,206	2,892	19,098
Additions	-	-	-
At 31/03/2011	16,206	2,892	19,098
Accumulated depreciation			
At 01/04/2010	16,206	2,892	19,098
Charge for the year	-	-	-
At 31/03/2011	16,206	2,892	19,098
Net book value			
At 31/03/2011	-	-	-

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

5 Trade and other receivables

	2012 SGD	2011 SGD
Trade receivables	14,951	25,105
Rental deposit	7,133	5,681
Other receivables	3,755	3,792
	<u>25,839</u>	<u>34,578</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

The carrying amounts of the trade and other receivables approximate their fair values.

6 Cash and cash equivalents

	2012 SGD	2011 SGD
Cash in hand	780	780
Cash at bank	873,056	652,047
Fixed deposits	224,118	223,912
	<u>1,097,954</u>	<u>876,739</u>

The fixed deposits mature in varying periods within 18 months from the financial year end. The effective interest rate range from 0.375% to 0.8% (2011: 0.375% to 0.8%) per annum.

7 Accumulated general funds

	2012 SGD	2011 SGD
Balance at beginning of year	903,180	828,479
Over claimed of FTWIPI in prior year	-	(9,000)
(Deficit)/surplus for the year	(23,019)	83,701
Balance at end of year	<u>880,161</u>	<u>903,180</u>

8 Trade and other payables

	2012 SGD	2011 SGD
Trade creditors	10,415	-
Accruals	8,944	8,137
Others	222	-
	<u>19,581</u>	<u>8,137</u>

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

9 Income

	2012 SGD	2011 SGD
Donations received		
- Tax exempt	80,000	76,000
Grants received		
- Media Development Authority Staff Training Programmes	10,050	-
AFCC	10,000	54,095
- National Arts Council	173,125	155,500
- National Council of Social Service	20,116	-
Course fees, grants and sponsorship for specific events:		
SISF/ACS/ACWIC/YWC	79,877	68,282
CLAP courses	105,653	100,685
AFCC	91,965	23,985
Vernacular Programmes/ADSC	1,200	15,050
Interest incomes	207	2,297
Others	2,478	50,500
Total income	574,671	546,394

10 Lease commitment – Non-cancellable

	2012 SGD	2011 SGD
The minimum amount payable is as follows:		
Not later than one year	26,560	14,442
Later than one year not later than three years	37,626	22,340
	64,186	36,782

Operating lease payments represent rental payable by the council for its office premises.

11 Key management personnel compensation

- a) Key management personnel of the Council are those members having the authority and responsibility for planning, directing and controlling the activities of the Council. The Council's Management Committee is considered as key management personnel of the council. The Council's Management Committee did not receive any form of remuneration in the financial year.
- b) Remuneration of key management personnel is as follows:
Remuneration included salary, bonus and central provident fund contributions.

	2012 SGD	2011 SGD
Executive director	92,226	77,949

12 Financial instruments

- a) *Financial risk management*

Although the Council does not have a formal structured risk management programme, it is regularly reviews the overall risk on an informal basis.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

12 Financial instruments (cont'd)

a) Financial risk management (cont'd)

Interest rate risk

The Council's income and operating cash flows are substantially independent of changes in market interest rates. The Council does not have any interest-bearing loans or liabilities. However, the Council has fixed deposits placed with financial institutions for interest income which are substantially dependent on changes in interest rate.

The Council monitors movements in interest rates to ensure fixed deposits are placed with financial institutions offering optimal rates of return.

The interest rates and maturity dates are disclosed in note 6.

Credit risk

The Council has no significant concentration of credit risk due to the nature of its activities.

Liquidity risk

The Council exercises prudent liquidity and cash flow risk management policies and maintains a high level of liquidity and cash flow at all times.

b) Foreign exchange risk

The cash and cash equivalents, trade and other receivables, trade and other payables are all denominated in Singapore dollars.

c) Fair value

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Council approximate their fair values.

13 Management of Council's funds

The objective of the Council's management of donors' funds is to ensure that it maintains healthy funds in order to support its activities. The Council regularly reviews and manages its funds to ensure optimal funds structure, taking into consideration the future funds requirements.

14 Future plans and commitments

For the next two years, the Council will be focusing on training and development of content creators for children and young adults (YA), CMT programmes and in-depth training of professionals as well those in the Industry. The Council will organize:

- 1) **Three festivals:** Asian Festival of Children's Content (AFCC), Singapore International Storytelling Festival (SISF), and All In! Young Writers Media Festival (ALL In), which focus on content for children and young adults.
- 2) **Four Awards:** Singapore Literature Prize (SLP for fiction), Scholastic Asian Book Awards (SABA), Hedwig Anuar Children's Book Award (HABA) and SEA Write Awards, which not only honour and promote the literary talents of Singaporeans and Asians but also recognize the creativity of writers from countries around the region.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

14 Future plans and commitments (cont'd)

- 3) **Community Outreach Activities:** Throughout the year the Council organizes a host of free activities/events aimed at encouraging writing efforts and fostering a greater understanding of the publishing process, such as Young Writers Club (YWC), Book Clubs, Publishers Writers Network (PWN), Talks and Forums as well as Book Launches.
- 4) **Industry/Capability Development:** The Council will develop the Academy of Literary Arts and Publishing (ALAP) as the training centre for Literary Arts and Publishing.
- 5) **Multilingual programmes:** The Council also organizes Creative Writing and Editing programmes (in Chinese, Malay and Tamil) and Asian Expressions (AEX), which focus on writing in languages other than the national language-English.

15 Management and avoidance of conflict of interest

The Council has established conflict of interest policy and declaration for EXCO members and staff. EXCO members and staff are required to make full disclosure of interests, relationships and holdings that could potentially result in a conflict of interest, and abstain from discussions, and decision making when faced with conflict of interest situations.

16 Post balance sheet event

Subsequent to year end, the Council will be provided with a funding totaling S\$243,500 under the NAC Major Grant Scheme for FY 2012 (1 April 2012 – 31 March 2013) for the agreed programme of activities.

The following management accounts do not form a part of the audited financial statement.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2012

	2012		2011	
	SGD	SGD	SGD	SGD
Income		574,671		546,394
Job Credit		-		648
Depreciation		574,671		547,042
LESS: DIRECT EXPENDITURE				
Activity cost - ACS	14,670		-	
Activity cost - AFCC	72,532		7,946	
Activity cost - CLAP	47,431		45,275	
Activity cost - HAA	10,231		-	
Activity cost - SABA	15,166		-	
Activity cost - SBC	283		-	
Activity cost - SCRIP	5,468		-	
Activity cost - SISF	48,621		51,461	
Activity cost - SWC	4,230		-	
Activity cost - VERN PRG/ADSC	1,867		15,707	
Activity cost - YWC	20,401		1,475	
Activity cost - SLP	-		46,048	
Activity cost - Others	-		34,342	
		240,900		202,254
Activity Surplus		333,771		344,788
LESS: INDIRECT EXPENDITURE				
Accounting fee	6,600		6,600	
Auditors' remuneration	3,500		3,500	
Bank charges	1,623		784	
CPF contribution	16,445		14,164	
Depreciation of fixed assets	3,836		-	
Entertainment	1,627		-	
General expenses	1,941		1,860	
Insurance	1,365		1,327	
Medical	26		55	
Office rental	27,649		20,498	
Office supplies and refreshment	2,753		534	
Postage and courier services	176		93	
Printing and stationery	25,345		2,477	
Professional fee	26,911		-	
Repairs and maintenance	225		-	
Salaries	185,340		181,446	
Skill development levy	501		362	
Staff bonuses	32,881		14,750	
Subcontract charges	5,224		2,387	
Telephone/fax/internet	5,751		3,452	
Transport and travelling	7,071		6,798	
Total expenditure		356,790		261,087
(DEFICIT)/SURPLUS FOR THE YEAR		(23,019)		83,701