

**NATIONAL BOOK DEVELOPMENT COUNCIL
OF SINGAPORE**
(UEN No S68SS0042H)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2016

MJMA PAC
*Public Accountants and
Chartered Accountants, Singapore
3791, Jalan Bukit Merah
#04-07 E-Centre @Redhill, Singapore 159471*

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

(UEN No S68SS0042H)

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NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

(UEN S68SS0042H)

STATEMENT BY THE AUDIT & FINANCE COMMITTEE

We, on behalf of the Audit & Finance 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 financial position and performance of the National Book Development Council of Singapore ("the Council") as at 31 March 2016 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 2016 were authorized for issue in accordance with a resolution of the Audit & Finance Committee dated 1 July 2016.

On behalf of the Audit & Finance Committee
Ms Chiang See Ngoh – Chairperson
Mr Chua Hong Koon – Vice Chairman
Mrs Kiang-Koh Lai Lin – Honorary Secretary
Mr Leo Vincent – Honorary Treasurer



MS CHIANG SEE NGOH
Chairperson



MR LEO VINCENT
Honorary Treasurer

Singapore,
1 July 2016

MJMA PAC

(Reg. No. 200719634W)

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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 2016, and the statement of financial activities and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Audit & Finance Committee's responsibility for the Financial Statements

The Audit & Finance Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Charities Accounting Standard (CAS), 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 financial statements 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 about 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 financial position of the Council as at 31 March 2016 and the financial performance and cash flows of the Council for the year ended on that date.

MJMA PAC

(Reg. No. 200719634W)

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

Other matters

The financial statements of the Council for the financial year ended 31st March 2015 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 16 July 2015.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Council under Section 12 of the Charities Act, Chapter 37 –have been properly kept in accordance with those regulations.



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MJMA PAC
Public Accountants and Chartered
Accountants
Singapore

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

BALANCE SHEET

As at 31 March 2016

	Note	2016 SGD	2015 SGD
Non-current assets			
Plant and equipment	4	<u>1,944</u>	6,940
		<u>1,944</u>	<u>6,940</u>
Current assets			
Trade and other receivables	5	73,824	35,059
Cash and cash equivalents	6	<u>692,608</u>	<u>854,487</u>
		<u>766,432</u>	<u>889,546</u>
Total assets		<u><u>768,376</u></u>	<u><u>896,486</u></u>
Funds			
Accumulated general funds	7	<u>419,288</u>	543,168
Total funds		<u>419,288</u>	<u>543,168</u>
Current liabilities			
Trade and other payables	8	56,691	60,921
Deferred income		<u>292,397</u>	<u>292,397</u>
Total liabilities		<u>349,088</u>	<u>353,318</u>
Total funds and liabilities		<u><u>768,376</u></u>	<u><u>896,486</u></u>

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

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2016

	Note	2016 SGD	2015 SGD
Income	9	1,194,554	1,462,625
Less: Direct expenditure		<u>(695,352)</u>	<u>(921,983)</u>
Activity surplus		499,202	540,642
Less: Indirect expenditure		<u>(623,082)</u>	<u>(650,746)</u>
(Deficit) for the year		<u><u>(123,880)</u></u>	<u><u>(110,104)</u></u>

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 2016

	2016 SGD	2015 SGD
Cash flows from operating activities		
(Deficit) for the year	(123,880)	(110,104)
Adjustments:		
Depreciation	4,996	6,601
Interest income	(2,068)	(507)
Operating (deficit) before working capital changes	(120,952)	(104,010)
Trade and other receivables	(38,765)	17,311
Trade and other payables	(4,230)	34,549
Deferred income	-	(4,583)
Net Cash flows (used in) operating activities	(163,947)	(56,733)
Cash flows from investing activities		
Purchase plant and equipment	-	(5,833)
Interest income	2,068	507
Net cash flows from/ (used in) investing activities	2,068	(5,326)
Net decrease in cash and cash equivalents	(161,879)	(62,059)
Cash and cash equivalent at beginning of year (note 6)	854,487	916,546
Cash and cash equivalent at the end of year (note 6)	692,608	854,487

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 2016

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 under the Societies Act, Chapter 311 and as an Institution of Public Character ("IPC") under the Charities Act, Chapter 37 for a period of 2 years from 1 October 2015 to 30 September 2017.

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

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 2016 were authorized for issue in accordance with a resolution of the Audit & Finance Committee dated 1 July 2016.

2 Significant accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities Accounting Standards ("CAS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

b) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation. 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

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 recognised or the period in which the Council has allocated the corresponding expenditure.

Cash donations which are designated for Asian Festival of Children's Content ("AFCC") expenditure are taken to deferred income in the period of receipt. The donation income is recognized in the statement of financial activities ("SOFA") when the relevant expenditure is incurred.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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 SOFA 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) *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 SOFA 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.

f) *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 the 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 SOFA statement.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Significant accounting policies (cont'd)

g) 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.

h) 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.

i) 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	Office equipment	Total
2016	SGD	SGD	SGD
Cost			
At 01/04/2015	43,095	7,314	50,409
Additions	-	-	-
At 31/03/2016	43,095	7,314	50,409
Accumulated depreciation			
At 01/04/2015	38,346	5,123	43,469
Charge for the year	3,755	1,241	4,996
At 31/03/2016	42,101	6,364	48,465
Net book value			
At 31/03/2016	994	950	1,944
2015	SGD	SGD	SGD
Cost			
At 01/04/2014	40,112	4,464	44,576
Additions	2,983	2,850	5,833
At 31/03/2015	43,095	7,314	50,409
Accumulated depreciation			
At 01/04/2014	33,219	3,649	36,868
Charge for the year	5,127	1,474	6,601
At 31/03/2015	38,346	5,123	43,469
Net book value			
At 31/03/2015	4,749	2,191	6,940

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

5 Trade and other receivables

	2016	2015
	SGD	SGD
Trade receivables	61,345	22,986
Rental deposit	8,088	8,087
Prepayments	4,391	3,986
	<u>73,824</u>	<u>35,059</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

	2016	2015
	SGD	SGD
Cash in hand	500	500
Cash at bank	461,335	625,283
Fixed deposits	230,773	228,704
	<u>692,608</u>	<u>854,487</u>

The fixed deposits mature in varying periods within 18 months from the financial year end. The effective interest rate range from 0.45% to 0.9% (2015: 0.45% to 0.9%) per annum.

7 Accumulated general funds

	2016	2015
	SGD	SGD
Balance at beginning of year	543,168	653,272
Deficit for the year	<u>(123,880)</u>	<u>(110,104)</u>
Balance at end of year	<u>419,288</u>	<u>543,168</u>

8 Trade and other payables

	2016	2015
	SGD	SGD
Trade creditors	31,290	28,632
Accruals	15,401	23,709
Grants/ sponsorship in advance	10,000	8,580
	<u>56,691</u>	<u>60,921</u>

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

9	Income	2016 SGD	2015 SGD
	Donations received		
	- Tax exempt	92,754	101,040
	- Tax non-exempt	1,186	-
	Grants received		
	- National Arts Council (Grants, Frankfurt Book Fair, New Delhi Book Fair, Cultural Matching Fund, Others)	626,392	915,311
	Course fees and sponsorship for specific events:		
	AFCC	238,573	231,001
	AP Writer	6,048	-
	SISF	-	41,487
	LKY	5,000	14,406
	Beyond Words	-	2,326
	Bulan Bahasa	1,100	-
	NDWBF	-	8,308
	ALAP	72,191	67,786
	All In!	17,722	7,095
	HDB (Pix Book)	-	13,171
	Tamil language	1,864	-
	LBF	-	2,169
	SLP	-	24,000
	Interest income	2,068	507
	Media mart booth	11,043	-
	Programmes other than the above	91,980	1,630
	Sale of books	1,968	787
	Special employment credit	4,437	31,601
	Wage credit scheme	20,228	-
	Total income	<u>1,194,554</u>	<u>1,462,625</u>
10	Lease commitment – Non-cancellable	2016 SGD	2015 SGD
	The minimum amount payable is as follows:		
	Within one year	28,638	28,638
	After one year	11,934	40,572
		<u>40,572</u>	<u>69,210</u>

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

11 Audit & Finance Committee personnel compensation

- a) Audit and Finance Committee 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 Audit & Finance Committee is considered as key management personnel of the Council. The Council's Audit & Finance Committee did not receive any form of remuneration in the financial year.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

11 Audit & Finance Committee personnel compensation (cont'd)

- b) Remuneration of key management personnel is as follows:

Remuneration included salary, bonus and central provident fund contributions.

	2016	2015
	SGD	SGD
Executive director	103,326	101,302
Deputy director	79,371	73,366
	<u>182,697</u>	<u>174,668</u>

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.

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

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Council.

The Council's major classes of financial assets are bank deposits and trade receivables.

Bank deposits are mainly deposits with banks with high credit, ratings assigned by international credit rating agencies.

The Council by the nature of its activities as a charity recognizes trade receivables as confirmed pledges where defaults are rare. They are neither past due nor impaired.

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.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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

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 and others in the Industry. The Council will organize:

- 1) **Two Festivals:** The Asian Festival of Children's Content (AFCC) which focuses on content for children, and the All In! Young Writers Media festival (All In!), which focuses on teens and young adults who want to be writers.
- 2) **Six Awards:** Singapore Literature Prize (SLP for published Singapore fiction, non-fiction, and poetry in the four national languages), Hedwig Anuar Children's Book Award (HABA for published Singaporean children's books), SEA Write Awards (recognising a Singaporean author's entire body of work), Scholastic Asian Book Award (SABA for unpublished children's book manuscripts), Scholastic Picture Book Award (SPBA for unpublished children's picture book manuscripts and illustrations) and Asian Children's Book Award (ACBA for published children's book from Asia)
- 3) **Community Outreach Activities:** Throughout the year, the Council organises a host of free activities/events aimed at encouraging writing efforts and fostering a greater understanding of the publishing process, such as 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 professionals and others in the industry.
- 5) **Multilingual Programmes :** The council also organises programmes in Chinese, Malay and Tamil regularly, some in conjunction with the other organisations.

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.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

DETAILED STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 31 March 2016

	2016	2015
SGD	SGD	SGD
Income	1,194,554	1,462,625
<u>LESS: DIRECT EXPENDITURE</u>		
Activity cost - ALAP	52,653	56,896
Activity cost – All in	19,585	16,555
Activity cost – AP Writer	-	14,874
Activity cost – 16 Stories	15,049	-
Activity cost - Bilingual	9,607	17,094
Activity cost - BCA	4,000	4,000
Activity cost - SISF	45	74,320
Activity cost - AFCC	351,049	246,642
Activity cost - SLP	37,460	267,772
Activity cost – Mother Tongue	1,565	-
Activity cost – HDB	-	16,089
Activity cost – HABA	11	-
Activity cost – SABA	11	10,657
Activity cost – Beyond Words	33,789	3,914
Activity cost - NDWBF	12,264	133,539
Activity cost –CMF	27	-
Activity cost – Samsung Book Award	24,265	-
Activity cost – SBC	(15)	-
Activity cost – Bulan Bahasa	1,082	-
Activity cost – FBF	83	-
Activity cost – Twilight tales	83	-
Activity cost – Scholastic Picbook Award	542	-
Activity cost – PUB	14,993	4,000
Activity cost – LBF	104,896	47,936
Activity cost – Let's read together	5,629	1,365
Activity cost – Others	4,815	6,330
Activity cost – Tamil language	1,864	-
	695,352	921,983
Activity Surplus	499,202	540,642

The above detailed income and expenditure account does not form part of the audited financial statements.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

DETAILED STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 31 March 2016

	2016	2015
	SGD	SGD
B/F	499,202	540,642
<u>LESS: INDIRECT EXPENDITURE</u>		
Accounting fee	6,000	6,880
Auditors' remuneration	3,900	3,900
Bad debt write-off	2,860	-
Bank charges	332	530
CPF contribution	60,827	53,993
Depreciation of fixed assets	4,996	6,601
Domain and website expense	4,467	1,203
Donation and gifts	18	-
Entertainment	522	1,016
Fines	183	-
Leasing expenses	2,041	-
Insurance	3,838	3,732
Medical	-	77
Office rental	30,643	28,949
Office supplies and refreshment	1,965	9,173
Online ticketing expense	-	6,855
Postage and courier services	630	1,796
Printing and stationery	5,384	4,655
Printing of books	-	35,500
Books, sub, ref	709	1,174
Professional fee	5,000	1,228
Repairs and maintenance	-	2,405
Salaries	436,511	419,194
Skill development levy& FWL	5,748	4,480
Sponsorship	480	-
Staff bonuses	40,050	40,017
Subcontract charges	450	1,309
Telephone/fax/internet	4,394	4,308
Transport and travelling	1,134	9,588
Staff-training& development	-	2,183
Total expenditure	<u>623,082</u>	<u>650,746</u>
(DEFICIT) FOR THE YEAR	(123,880)	(110,104)

The above detailed income and expenditure account does not form part of the audited financial statements.