

**NATIONAL BOOK DEVELOPMENT COUNCIL  
OF SINGAPORE**  
(Registered in the Republic of Singapore under the Societies Act, Cap. 311)  
**Registration No: 0157/1968**

**AUDITED FINANCIAL STATEMENTS**

*For the year ended 31 March 2011*

**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 4 to 12 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 2011 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 2011 were authorised for issue in accordance with a resolution of the Management Committee dated 15 July 2011.

On behalf of the Management Committee  
Ms Serene Wee – Chairman  
Ms Lim Li Kok – Vice Chairman  
Mr. Johnson Paul – Honorary Secretary  
Mrs. Kiang Koh Lai Lin – Honorary Treasurer



MS SERENE WEE  
CHAIRMAN



MRS. KIANG-KOH LAI LIN  
HONORARY TREASURER

Singapore

15 July 2011

## 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 2011, 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's responsibility for the Financial Statements***

The Council's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Cap. 311 (The "Act") 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 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 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,***

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and 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 2011 and the results, and cash flows of the Council for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Council have been properly kept in accordance with the provisions of the Act.

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

15 July 2011

# NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

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

## BALANCE SHEET

As at 31 March 2011

	Note	2011 SGD	2010 SGD
<b>Non-current assets</b>			
Plant and equipment	4	-	-
		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Trade and other receivables	5	34,578	52,823
Cash and cash equivalents	6	876,739	793,294
		<u>911,317</u>	<u>846,117</u>
<b>Total Assets</b>		<u>911,317</u>	<u>846,117</u>
<b>Funds</b>			
Accumulated general funds	7	903,180	828,479
Total Funds		<u>903,180</u>	<u>828,479</u>
<b>Current liabilities</b>			
Trade and other payables	8	8,137	12,638
Donations received in advance	9	-	5,000
Total Liabilities		<u>8,137</u>	<u>17,638</u>
<b>Total Funds and Liabilities</b>		<u>911,317</u>	<u>846,117</u>

Certified true and fair by:

  
.....  
**MS SERENE WEE**  
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**

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

**STATEMENT OF INCOME AND EXPENDITURE**

*For the financial year ended 31 March 2011*

	NOTE	2011 SGD	2010 SGD
Income	10	546,394	655,782
Jobs Credit		648	12,350
Less: Direct Expenditure		(202,254)	(319,629)
Activity Surplus		344,788	348,503
Less: Indirect Expenditure		(261,087)	(246,438)
Surplus for the year		<u>83,701</u>	<u>102,065</u>

Certified true and fair by:

  
.....  
**MS SERENE WEE**  
CHAIRMAN

  
.....  
**MRS KIANG-KOH LAI LIN**  
HONORARY TREASURER

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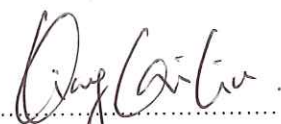
**NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE***(Registered in the republic of Singapore under the Societies Act, Cap.311)***STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2011*

	2011 SGD	2010 SGD
Surplus for the year	83,701	102,065
Adjustments:		
Depreciation	-	616
Interest Income	(2,297)	(3,269)
Over claimed of FTWIPI	(9,000)	-
Operating surplus before working capital changes	<u>72,404</u>	<u>99,412</u>
Decrease /(Increase) in trade and other receivables	18,245	(30,551)
(Decrease)/Increase in donations received in advance	(5,000)	2,000
(Decrease) trade and other payables	(4,501)	(17,896)
<b>Cash flows generated from operating activities</b>	<u>81,148</u>	<u>52,965</u>
Cash flows from investing activities		
Interest Income	2,297	3,269
<b>Net cash flows generated from investing activities</b>	<u>2,297</u>	<u>3,269</u>
Net Increase in cash and cash equivalents	83,445	56,234
Cash and cash equivalent at the beginning of year (note 6)	793,294	737,060
Cash and cash equivalent at the end of year (note 6)	<u>876,739</u>	<u>793,294</u>

Certified true and fair by:



MS SERENE WEE  
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 2011

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These notes form an integral part of the financial statements.

### 1 General

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 council is approved as an institution of public character under the Charities Act (Chapter 37) Charities Regulations 2007 for a period of 3 years, from 1 October 2009 to 30 September 2012.

The financial statements of the Council for the financial year ended 31 March 2011 were authorised for issue in accordance with a resolution of the Management Committee dated 15 July 2011.

### 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 on an accrual basis when monies are received or pledged 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 in the period of receipt.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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**2 Summary of 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*

Unutilised annual leave as a result of services rendered by employees will be forfeited, as at the balance sheet date. 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 and expenditure 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 and expenditure 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 2011

**2 Summary of 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 judgements**

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

4 Plant and equipment	Computer Equipment SGD	Office Equipment SGD	Total SGD
<b>2011</b>			
<b>Cost</b>			
At 01/04/2010	16,206	2,892	19,098
Additions	-	-	-
At 31/03/2011	16,206	2,892	19,098
<b>Accumulated depreciation</b>			
At 01/04/2010	16,206	2,892	19,098
Charge for the year	-	-	-
At 31/03/2011	16,206	2,892	19,098
<b>Net book value</b>			
At 31/03/2011	-	-	-
	<b>Computer Equipment SGD</b>	<b>Office Equipment SGD</b>	<b>Total SGD</b>
<b>2010</b>			
<b>Cost</b>			
At 01/04/2009	16,206	2,892	19,098
Additions	-	-	-
At 31/03/2010	16,206	2,892	19,098
<b>Accumulated depreciation</b>			
At 01/04/2009	15,680	2,802	18,482
Charge for the year	526	90	6,16
At 31/03/2010	16,206	2,892	19,098
<b>Net book value</b>			
At 31/03/2010	-	-	-

INTERNATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

<b>5 Trade &amp; other receivables</b>	<b>2011</b>	<b>2010</b>
	<b>SGD</b>	<b>SGD</b>
Trade receivables	25,105	44,086
Rental deposit	5,681	5,041
Other receivables	3,792	3,696
	<u>34,578</u>	<u>52,823</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.

<b>6 Cash &amp; cash equivalents</b>	<b>2011</b>	<b>2010</b>
	<b>SGD</b>	<b>SGD</b>
Cash in hand	780	500
Cash at bank	652,047	571,179
Fixed deposits	223,912	221,615
	<u>876,739</u>	<u>793,294</u>

The fixed deposits mature in varying periods within 18 months from the financial year end. The effective interest rates range from 0.375% to 0.8% (2010: 0.625% to 1%) per annum.

<b>7 Accumulated general funds</b>	<b>2011</b>	<b>2010</b>
	<b>SGD</b>	<b>SGD</b>
Balance at beginning of year	828,479	726,414
Over claimed of FTWIPI in prior year	(9,000)	-
Surplus for the year	83,701	102,065
Balance at end of year	<u>903,180</u>	<u>828,479</u>

<b>8 Trade &amp; other payables</b>	<b>2011</b>	<b>2010</b>
	<b>SGD</b>	<b>SGD</b>
Trade creditors	-	2,676
Accruals	8,137	5,987
Others	-	3,975
	<u>8,137</u>	<u>12,638</u>

<b>9 Donations in advance</b>	<b>2011</b>	<b>2010</b>
	<b>SGD</b>	<b>SGD</b>
Modem Montessori International Pte Ltd	-	5,000
	<u>-</u>	<u>5,000</u>

<b>10 Income</b>	<b>2011</b>	<b>2010</b>
	<b>SGD</b>	<b>SGD</b>
Donations received-Tax exempt	76,000	113,100
Grants received		
-Media Development Authority		
CLAP	54,095	95,000
FTWIPI	-	79,365
-National Arts Council	155,500	50,000
-Singapore Totalisator Board and Singapore Turf Club	-	25,000
	<u>285,595</u>	<u>362,465</u>

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

10 Income (cont'd)	2011 SGD	2010 SGD
Course fees, grants and sponsorship for specific events:		
SISF/FTWIPI/Publications/YWC	68,282	162,461
Vemacular/AFCC/ADSC	39,035	-
CLAP courses	100,685	92,124
Interest Income	2,297	3,269
Others	50,500	35,463
	<u>260,799</u>	<u>293,317</u>
<b>Total Income</b>	<u>546,394</u>	<u>655,782</u>

11 Lease commitment - Non-cancellable	2011 SGD	2010 SGD
The minimum amount payable is as follows:		
Not later than one year	14,442	19,435
Later than one year not later than three years	22,340	8,098
	<u>36,782</u>	<u>27,533</u>

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

12 Key management personnel compensation

- a) Key management personnel of the Council are those members and executive director for responsibility 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.

	2011 SGD	2010 SGD
Executive director	<u>77,949</u>	<u>76,230</u>

13 Financial instruments

- a) *Financial risk management*  
Although the Council does not have a formal structured risk management programme, it irregularly 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 optional 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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2011*

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**13 Financial instruments (cont'd)**

a) *Financial risk management*

*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, and donations in advance 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.

**14 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.

**15 Post balance sheet events**

Subsequent to year end, the Council will be provided with a funding totaling S\$161,500 under the NAC Major Grant Scheme for FY 2011 (1 April 2011 – 31 March 2012) for the agreed programme of activities.

On 1<sup>st</sup> September 2011, the principal place of operations of the Council is at Goodman Road, Block M, #03-52, Singapore 439053.

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

**NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE**  
*(Registered in the republic of Singapore under the Societies Act, Cap.311)*

**DETAILED STATEMENT OF INCOME AND EXPENDITURE**  
*For the financial year ended 31 March 2011*

	2011		2010	
	SGD	SGD	SGD	SGD
Income		546,394		655,782
Jobs Credit		648		12,350
		<u>547,042</u>		<u>668,132</u>
<b><u>LESS: DIRECT EXPENDITURE</u></b>				
Activity cost - SISF	51,461		126,457	
Activity cost - VERN/ADSC	15,707		-	
Activity cost - CLAP	45,275		41,036	
Activity cost - SLP	46,048		-	
Activity cost - FTWIPI	-		29,715	
Activity cost-YWC	1,475		12,135	
Activity cost - Others	34,342		28,608	
Activity cost-AFCC	7,946		17,591	
Activity cost-Publication of Sharing Borders	-		31,565	
Activity cost-Publication of NUS Book	-		32,522	
		<u>202,254</u>		<u>319,629</u>
<b>ACTIVITY SURPLUS</b>		<b>344,788</b>		<b>348,503</b>
<b><u>LESS: INDIRECT EXPENDITURE</u></b>				
Accounting fee	6,600		5,500	
Auditors' remuneration	3,500		3,500	
Bank Charges	784		1,046	
Bad Debts	-		85	
CPF Contribution	14,164		13,153	
Depreciation of fixed assets	-		617	
General Expenses	1,860		1,064	
Insurance	1,327		1,331	
Medical	55		50	
Office rental	20,498		18,068	
Office supplies and refreshment	534		1,047	
Postage and courier services	93		59	
Printing and Stationery	2,477		3,476	
Repairs and maintenance	-		730	
Salaries	181,446		167,512	
Skill development levy	362		349	
Staff bonuses	14,750		13,719	
Subcontract charges	2,387		8,641	
Telephone/fax/internet	3,452		4,258	
Transport & Travelling	6,798		2,233	
Total Expenditure		<u>261,087</u>		<u>246,438</u>
<b>SURPLUS FOR THE YEAR</b>		<b><u>83,701</u></b>		<b><u>102,065</u></b>