

**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 2014

Yeo Seng Lam & Co
*Public Accountants and
Chartered 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 2014 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 2013 were authorized for issue in accordance with a resolution of the Management Committee dated 15 July 2014.

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



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MS LIM LI KOK
Chairperson



.....
MR LEO VINCENT
Honorary Treasurer

Singapore

15 JUL 2014



YEO SENG LAM & CO.,
CERTIFIED PUBLIC ACCOUNTANTS SINGAPORE

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師 司

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 2014, 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 2014 and the results, and cash flows of the Council for the year ended on that date.



YEO SENG LAM & CO.,
CERTIFIED PUBLIC ACCOUNTANTS SINGAPORE

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政府特許會計師
楊星南會計公司

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.


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

15 JUL 2014

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

BALANCE SHEET

As at 31 March 2014

	Note	2014 SGD	2013 SGD
Non-current assets			
Plant and equipment	4	<u>7,708</u>	<u>7,047</u>
		<u>7,708</u>	<u>7,047</u>
Current assets			
Trade and other receivables	5	<u>52,370</u>	<u>23,770</u>
Cash and cash equivalents	6	<u>916,546</u>	<u>1,188,260</u>
		<u>968,916</u>	<u>1,212,030</u>
Total assets		<u><u>976,624</u></u>	<u><u>1,219,077</u></u>
Funds			
Accumulated general funds	7	<u>653,272</u>	<u>955,784</u>
Total funds		<u>653,272</u>	<u>955,784</u>
Current liabilities			
Trade and other payables	8	<u>26,372</u>	<u>14,080</u>
Deferred income		<u>296,980</u>	<u>249,213</u>
Total liabilities		<u>323,352</u>	<u>263,293</u>
Total funds and liabilities		<u><u>976,624</u></u>	<u><u>1,219,077</u></u>

Certified true and fair by:


.....
MS LIM LI KOK
CHAIRPERSON


.....
MR LEO VINCENT
HONORARY TREASURER

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 31 March 2014

	Note	2014 SGD	2013 SGD
Income	9	847,173	968,233
Less: Direct expenditure		<u>(628,801)</u>	<u>(440,093)</u>
Activity surplus		218,372	528,140
Less: Indirect expenditure		<u>(520,884)</u>	<u>(452,517)</u>
(Deficit)/ Surplus for the year		<u><u>(302,512)</u></u>	<u><u>75,623</u></u>

Certified true and fair by:



.....
MS LIM LI KOK
CHAIRPERSON



.....
MR LEO VINCENT
HONORARY TREASURER

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

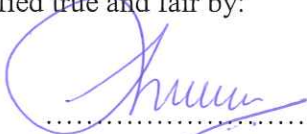
STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	2014	2,013
	SGD	SGD
Cash flows from operating activities		
(Deficit)/Surplus for the year	(302,512)	75,623
Adjustments:		
Depreciation	8,493	5,441
Interest income	(2,053)	(2,026)
Operating (deficit) /surplus before working capital changes	(296,072)	79,038
(Increase) / Decrease in trade and other receivables	(28,600)	2,069
Increase/(Decrease) in trade and other payables	12,292	(5,501)
Increase in deferred income	47,767	17,489
Net Cash flows (used in) / from operating activities	(264,613)	93,095
Cash flows from investing activities		
Purchase plant and equipment	(9,154)	(4,815)
Interest income	2,053	2,026
Net cash flows used in investing activities	(7,101)	(2,789)
Net (decrease) / increase in cash and cash equivalents	(271,714)	90,306
Cash and cash equivalent at beginning of year (note 6)	1,188,260	1,097,954
Cash and cash equivalent at the end of year (note 6)	916,546	1,188,260

Certified true and fair by:


.....
MS LIM LI KOK
CHAIRPERSON


.....
MR LEO VINCENT
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 2014

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 2012 to 30 September 2015.

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 2014 were authorized for issue in accordance with a resolution of the Management Committee dated 15 July 2014.

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 2014

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 2014

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
2014			
Cost			
At 01/04/2013	31,830	3,592	35,422
Additions	8,282	872	9,154
At 31/03/2014	40,112	4,464	44,576
Accumulated depreciation			
At 01/04/2013	25,250	3,125	28,375
Charge for the year	7,969	524	8,493
At 31/03/2014	33,219	3,649	36,868
Net book value			
At 31/03/2014	6,893	815	7,708
2013			
Cost			
At 01/04/2012	27,715	2,892	30,607
Additions	4,115	700	4,815
At 31/03/2013	31,830	3,592	35,422
Accumulated depreciation			
At 01/04/2012	20,042	2,892	22,934
Charge for the year	5,208	233	5,441
At 31/03/2013	25,250	3,125	28,375
Net book value			
At 31/03/2013	6,580	467	7,047

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

5 Trade and other receivables

	2014	2013
	SGD	SGD
Trade receivables	42,813	16,162
Rental deposit	7,133	7,133
Prepayments	443	475
Other receivables	1,981	-
	<u>52,370</u>	<u>23,770</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

	2014	2013
	SGD	SGD
Cash in hand	500	1,590
Cash at bank	687,849	960,526
Fixed deposits	228,197	226,144
	<u>916,546</u>	<u>1,188,260</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% (2013: 0.45% to 0.9%) per annum.

7 Accumulated general funds

	2014	2013
	SGD	SGD
Balance at beginning of year	955,784	880,161
(Deficit) / Surplus for the year	(302,512)	75,623
Balance at end of year	<u>653,272</u>	<u>955,784</u>

8 Trade and other payables

	2014	2013
	SGD	SGD
Trade creditors	8,112	1,846
Accruals	18,260	12,234
	<u>26,372</u>	<u>14,080</u>

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

9 Income	2014	2013
	SGD	SGD
Donations received		
- Tax exempt	44,000	105,000
Grants received		
- National Arts Council (Grants, Boot camp, Golden point, Travel grant & London book fair).	400,809	453,025
Course fees, grants and sponsorship for specific events:		
SISF/ACS/ACWIC/YWC/AEX/SAB/SAP	108,231	137,394
CLAP courses	-	33,385
AFCC	214,104	107,441
ALAP	75,430	114,806
Interest income	2,053	2,026
Job credit	1,920	1,798
Others	626	13,358
Total income	847,173	968,233
10 Lease commitment – Non-cancellable	2014	2013
	SGD	SGD
The minimum amount payable is as follows:		
Within one year	11,067	24,822
After one year	-	12,411
	11,067	37,233
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.		
	2014	2013
	SGD	SGD
Executive director	95,973	84,863

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 2014

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) **Seven Awards:** Singapore Literature Prize (SLP for published Singaporean fiction, poetry, and non-fiction in the four national languages), Hedwig Anuar Children's Book Award (HABA for published Singaporean children's books), SEA Write Award (for an author's entire body of work), Scholastic Asian Book Award (SABA for unpublished children's book manuscripts), Scholastic Picture Book Award (SPBA for unpublished picture book manuscripts), Golden Point Award (GPA for unpublished poetry and short stories in the four national languages), and Samsung KidsTime Authors' Award (SKTAA for published and unpublished works from ASEAN authors in any language).

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

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

Under the NAC 3-year Major Grant Scheme, the Council received S\$255,000 in FY 2014. Due to an expanded project scope, NAC has increased the previously committed amount for FY 2015 from S\$315,000 to S\$360,000 and for FY 2016 from S\$240,000 to S\$330,000 totalling S\$945,000 for the 3 years.

NATIONAL BOOK DEVELOPMENT COUNCIL OF SINGAPORE

DETAILED STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 31 March 2014

	2014	2013
	SGD	SGD
Income	847,173	968,233
<u>LESS: DIRECT EXPENDITURE</u>		
Activity cost - ALAP	59,280	68,316
Activity cost - AEX	200	22,297
Activity cost - YWC	8,986	17,658
Activity cost - SISF	72,998	65,068
Activity cost - AFCC	159,716	137,329
Activity cost - SLP	320	44,277
Activity cost - ACS	36,457	2,825
Activity cost - HAA	11,261	1,367
Activity cost - SABA	2,603	12,563
Activity cost - SBC		26
Activity cost - ACWIC	36,547	22,665
Activity cost - SWC	2,678	2,052
Activity cost - SAPBA	13,059	1,947
Activity cost - GPA	137,971	-
Activity cost - Others	300	7,177
Activity cost - Overseas	86,425	34,526
	<u>628,801</u>	<u>440,093</u>
Activity Surplus	218,372	528,140

B/F

218,372

528,140

LESS: INDIRECT EXPENDITURE

Accounting fee	7,500	7,600
Auditors' remuneration	3,900	3,500
Bad debt write-off	450	420
Bank charges	3,216	773
CPF contribution	43,739	34,487
Depreciation of fixed assets	8,493	5,441
Entertainment	2,080	3,147
General expenses	2,471	3,092
Insurance	2,490	1,851
Medical	65	-
Office rental	26,560	26,560
Office supplies and refreshment	3,436	3,882
PayPal and Online ticketing charges	8,260	9,475
Postage and courier services	584	626
Printing and stationery	4,030	8,603
Professional fee	-	1,900
Repairs and maintenance	860	1,115
Salaries	325,607	277,570
Skill development levy& FWL	5,320	1,852
Staff bonuses	39,277	24,152
Subcontract charges	2,917	2,993
Telephone/fax/internet	11,654	4,898
Transport and travelling	17,975	26,578
Staff-training& development	-	2,002
Total expenditure	<u>520,884</u>	<u>452,517</u>
(DEFICIT)/SURPLUS FOR THE YEAR	<u><u>(302,512)</u></u>	<u><u>75,623</u></u>