

*Committee's Report and
Audited Financial Statements*

Library Association Of Singapore

(UEN, S65SS0038H)

31 December 2010



KH GOH & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Library Association of Singapore
(UEN. S65SS0038H)

General Information

Committee

President	: Puspa Yeow
Vice President	: Gene Tan
Honorary Treasurer	: Yit Chin Chuan
Honorary Secretary	: Wong Choy Ming
Internal Auditor	: Mohd Kamil Yusoff

Independent Auditors

KH Goh & Associates

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Library Association of Singapore
(UEN. S65SS0038H)

Statement by the Committee

In our opinion, the accompanying balance sheet, statement of comprehensive income, statement of changes in fund and cash flow statement together with notes thereto are drawn up with provision of the Societies Act, Cap. 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of Library Association of Singapore as at 31 December 2010 and of the results and statement of changes in fund and cash flows of the Association for the financial year then ended.

On behalf of the Committee,



Puspa Yeow
President



Mohd Kamil Yusoff
Internal Auditor



Yit Chin Chuan
Honorary Treasurer

Singapore
13 April 2011

Independent Auditors' Report
to the members of Library Association of Singapore
(UEN. S65SS0038H)

Report on the Financial Statements

We have audited the accompanying financial statements of Library Association of Singapore, which comprise the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Committee's Responsibility for the Financial Statements

The committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provision of the Societies Act, Cap. 311 and 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 unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

Auditor's 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 includes 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.



KH GOH & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report
to the members of Library Association of Singapore (continued)
(UEN. S65SS0038H)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 December 2010 and of the results, changes in funds and cash flows of the Association for the year ended on that date.

Report on Other Legal and Regulatory Requirements

The accounting and other records required by the Act to be kept by the Association have been properly kept in accordance with the provisions of the Act.

KH Goh & Associates
Public Accountants and
Certified Public Accountants

Singapore
13 April 2011

Library Association of Singapore
(UEN. S65SS0038H)

Balance Sheet as at 31 December 2010

	Notes	31.12.2010 \$	31.12.2009 \$ (Reclassified)	01.01.2009 \$ (Reclassified)
Current assets				
Trade receivables		990	–	–
Other receivables	3	3,333	619	3,368
Fixed deposit	4	292,772	92,110	113,274
Cash and cash equivalents		171,007	369,076	317,012
		<u>468,102</u>	<u>461,805</u>	<u>433,654</u>
Current liabilities				
Accrued liabilities		3,400	3,300	2,500
Membership fees received in advance		6,450	18,520	13,490
Tax payable	5	1,041	2,045	–
		<u>10,891</u>	<u>23,865</u>	<u>15,990</u>
Net Assets		<u>457,211</u>	<u>437,940</u>	<u>417,664</u>
Accumulated Funds				
Development fund	6	88,771	88,771	88,771
General fund		368,440	349,169	328,893
		<u>457,211</u>	<u>437,940</u>	<u>417,664</u>

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

Library Association of Singapore
(UEN. S65SS0038H)

Statement of Comprehensive Income for the financial year ended 31 December 2010

	Notes	2010 \$	2009 \$
Income	7	76,414	87,594
Expenditure	8	(56,103)	(58,541)
Income before income tax		20,311	29,053
Income tax expense	9	(1,040)	(8,777)
Income after income tax		19,271	20,276
Other comprehensive income		–	–
Total comprehensive income for the year		19,271	20,276

Statement of Changes in Funds
Year ended 31 December 2010

	Development fund \$	General fund \$	Total \$
Balance as 31 December 2008	88,771	328,893	417,664
Total comprehensive income for the year	–	20,276	20,276
Balance at 31 December 2009	88,771	349,169	437,940
Total comprehensive income for the year	–	19,271	19,271
Balance at 31 December 2010	88,771	368,440	457,211

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

Cash Flow Statement for the financial year ended 31 December 2010

	2010	2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	20,311	29,053
Adjustment for:		
Interest income	(864)	(762)
Operating income before working capital charges	19,447	28,291
Increase in trade receivable	(990)	-
(Increase)/decrease in other receivable	(2,714)	2,749
(Decrease)/increase in other payables	(12,070)	800
Increase in fee received in advance	100	5,030
Cash generated from operations	3,773	36,870
Interest received	864	762
Income tax paid	(2,044)	(6,732)
Net cash flows generated from operating activities	2,593	30,900
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed deposits more than three months	(200,662)	21,164
Net cash flows (used in)/generated from investing activities	(200,662)	21,164
Net (decrease)/ increase in cash and cash equivalents	(198,069)	52,064
Cash and cash equivalents at beginning of year	369,076	317,012
Cash and cash equivalents at end of year (Note 5)	171,007	369,076

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

Note to the Financial Statement – 31 December 2010

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Library Association of Singapore (“LAS”) was constituted under provision of the Societies Act, Cap. 311.

The registered address is located at 100 Victoria Street #14-01 Singapore 188064.

The principal activity of the Association is to unite and promote the interests of all persons engaged in library and information work and those interested in libraries and information centres.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on a historical cost basis, except where otherwise indicated in the accounting policies.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest one dollar unless otherwise stated.

The accounting policies have been consistently applied by the Association and are consistent with those used in previous financial year except in the current financial year, the Association has adopted the new and revised FRS and Interpretations of FRS (“INT FRS”) that are effective for annual financial periods beginning on or after 1 January 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the corporation except as indicated below.

i) *Adoption of FRS and INT FRS*

	Effective date (Annual periods beginning on or after)
Improvements to FRSs issued in 2009: .	
– Amendments to FRS 1 <i>Presentation of Financial Statements</i>	1 January 2010
– Amendments to FRS 7 <i>Cash Flow Statement</i>	1 January 2010
– Amendments to FRS 17 <i>Leases</i>	1 January 2010
– Amendments to FRS 36 <i>Impairment of Assets</i>	1 January 2010
– FRS 39 <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010

Note to the Financial Statement – 31 December 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

ii) *Standards issued but not yet effective*

The Association have not adopted the following standards and interpretations that have been issued but not yet effective:

	Effective date (Annual periods beginning on or after)
FRS 24 (revised): Related party disclosures Improvements to FRSs issued in 2010:	1 January 2011
FRS 101 <i>First-time Adoption of Financial Reporting Standards</i>	1 January 2011
FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2011
FRS 1 <i>Presentation of Financial Statements</i>	1 January 2011

The Committee expect that the adoption of the above pronouncements, if applicable, will have no material impact to the financial statements in the period of initial application.

(b) *Significant accounting estimates and judgements*

The preparation of the Association financial statements require management to make judgements, estimates, assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future period.

i) *Key sources of estimation uncertainty*

There were no material key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ii) *Critical judgements made in applying accounting policies*

There were no material judgements made by management in the process of applying the Association's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(c) *Financial assets*

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Association becomes a party to the contractual provision of the financial instrument. The Association determines the classification of its financial assets of initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Financial assets(continued)*

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term

The Association has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss.

ii) *Held-to-maturity investment*

Non-derivatives financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Association has the positive intention and ability to hold the investments to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

iii) *Loans and receivables*

Non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

iv) *Available-for-sale financial assets*

Available-for-sale financial assets are financial assets include equity and debt securities. Equity investment classified as available for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

Note to the Financial Statement – 31 December 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Financial assets(continued)*

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses changes in the fair value of the financial asset are recognised in other comprehensive income, except that impairment losses,

foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss

All regular way purchases and sales of financial assets recognised or derecognised on the trade date i.e. the date that the Association commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(d) *Impairment of non financial asset*

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. The Association determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of generating profit from short-term fluctuation in price or dealer's margin.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or loss arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Notes to the Financial Statements - 31 December 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) ***Impairment of non financial asset (continued)***

The Association has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(e) ***Trade receivables and other receivables***

Trade receivables and other receivables are classified and accounted for as loans and receivables under FRS 39. They are recognised and carried at original invoiced amount, which represents their fair value on initial recognition, less allowance for any uncollectible amounts.

An allowance is made for uncollectible amounts when there is objective evidence that the Association will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2(g).

(f) ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and cash at bank.

(g) ***Impairment of financial assets***

The Association assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

(i) ***Assets carried at amortised cost***

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) *Impairment of financial assets (continued)*

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(ii) *Assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) *Available-for-sale financial assets*

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investments classified as available-for-sale financial assets are impaired.

If an available-for-sale financial assets is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit or loss, is transferred from equity to the profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in the profit or loss.

(h) *Provisions*

Provisions are recognised when the association has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

(i) *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised :

Note to the Financial Statement – 31 December 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) **Revenue (continued)**

i) *Members' subscriptions*

Members' subscriptions are recognised as revenue on a cash basis. All other income is recognised as revenue on an accrual basis.

ii) *Rendering of services*

Revenue from rendering of services that are of short duration is recognised when the services are completed.

iii) *Interest income*

Interest income is recognised using the effective interest method.

(j) **Taxes**

i) *Current tax*

The Association is assessed under Section 11(2) of the Singapore Income Tax Act ("ITA") where it is deemed to be carrying on a business if more than 50% of receipts by way of entrance fees or subscriptions from Singapore members are from those who claim or are entitled to claim a deduction under Section 14 of ITA. As such, the whole income for both Singapore members and non-members are deemed to be receipts from a business and subject to tax.

The income tax payable is determined under the effective company tax rate (after tax rebate) or under the progressive rates for bodies of persons whichever is lower.

ii) *Deferred tax*

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Note to the Financial Statement – 31 December 2010

3. OTHER RECEIVABLES

	2010	2009
	\$	\$
Deposit	2,447	329
Prepayment	13	50
Interest receivables	441	240
Paypal Account	432	–
	<u>3,333</u>	<u>619</u>

4. FIXED DEPOSITS

Fixed deposits with financial institutions	<u>292,772</u>	<u>92,110</u>
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Short-term deposits are made for a varying periods of between one day and one year depending on the immediate cash requirements of the Association, and earn interests at the respective short term deposit rates. The weighted average effective interest rates as at 31 December 2010 were: \$ 200,248 and \$ 92,524 at 2.5% and 4.5% respectively (2009: 4.5%) per annum.

5. TAX PAYABLE

Balance at beginning of year	2,045	–
Current year's tax expense on profit	1,041	2,045
Income tax paid	(2,044)	6,732
Over-provision of prior year	(1)	(6,732)
Balance at end of year	<u>1,041</u>	<u>2,045</u>

6. DEVELOPMENT FUND

Development fund relates to fund set aside for: (i) provision of awards for contributions to the profession, (ii) the sponsorship for professional development of LAS members, and (iii) the development of the LAS Secretariat.

7. INCOME

	2010	2009
	\$	\$
Course fee	17,490	7,880
Income from conference	11,500	480
Income from programmes	11,220	7,282
Income from publications	165	650
Income from sponsorship	–	36,455
Interest income on fixed deposit	864	762
Membership fee	35,055	34,085
Income from Advertisement	120	–
	<u>76,414</u>	<u>87,594</u>

Note to the Financial Statement – 31 December 2010

8. EXPENDITURE

	2010	2009
	\$	\$
Accounting fee	1,600	1,600
Association membership fee	490	473
Auditors' remuneration	1,000	900
Awards and sponsorship	8,580	1,823
Bank charges	177	291
Bulletin and journal	–	2,064
Gift and entertainment	88	1,488
General expenses	–	492
Members' annual dinner	7,846	9,399
Members' welfare	1,736	–
Paypal charges	207	–
Postage and courier	70	474
Programmes	12,227	10,219
Printing and stationery	1,225	701
Rental	745	745
Tax fee - current	800	800
- under-provision in prior year	–	800
Training expense	19,274	24,009
Transportation	–	88
Traveling expense	–	905
Website maintenance	38	1,270
	<u>56,103</u>	<u>58,541</u>

9. INCOME TAX EXPENSE

As the effective rate of tax based on progressive rate for bodies of persons exceeds the effective rate of tax if it were to be taxed as a company. Thus the tax payable is limited to the effective rate of tax which is essentially the same as it were to be taxed as a company.

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2010 and 2009 are:

Current tax	1,041	2,045
(Over)/under-provision in respect of prior year	(1)	6,732
	<u>1,040</u>	<u>8,777</u>

Relationship between tax expense and accounting profit

A reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the year ended 31 December 2010 and 2009 is as follows:

Income before tax	20,311	29,053
Tax expense on income before tax at 17% (2009: 17%)	3,453	4,939
Tax exemption	(2,152)	(2,894)
(Over)/under-provision in respect of prior year	(1)	6,732
CIT rebate at 20%	(260)	–
Income tax expense	<u>1,040</u>	<u>8,777</u>

Note to the Financial Statement – 31 December 2010

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk policies not significant effects

The Association's financial assets and liabilities are stated at nominal values and are not subject to significant risk of change in values as there are no significant financial risks involved. As a result, a financial risk policy is not considered necessary.

Net fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair value.

11. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

	2010	2009
<i>Loans and receivables</i>	\$	\$
Other receivables	3,320	569
Fixed Deposit	292,772	92,110
Cash and cash equivalents	171,007	369,076
	<u>467,099</u>	<u>461,755</u>
 <i>Financial liabilities at amortised cost</i>		
Other payables	3,400	3,300
Fee received in advance	6,450	18,520
	<u>9,850</u>	<u>21,820</u>

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amount of financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of reporting date.

However, the Association does not anticipate that the carrying amounts recorded at end of reporting date would be significantly different from the values that would eventually be received or settled.

At the reporting period, the Association does not have any other financial instruments carried at fair value.

Note to the Financial Statement – 31 December 2010

13. RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements. As a result, certain line items have been amended on the face of the statement of balance sheet and the related notes to the financial statements. Comparative figures have been adjusted to conform with current year's presentation. The reclassifications were not significant.

The items reclassified were as follows:

	Previously reported	Reclassification	After Reclassification
	\$	\$	\$
	<u> </u>	<u> </u>	<u> </u>
<i>Balance Sheet</i>			
Fixed deposit	–	92,110	92,110
Cash and cash equivalents	461,186	(92,110)	369,076
	<u>461,186</u>	<u> </u>	<u>461,186</u>
	<u> </u>	<u> </u>	<u> </u>