

*Committee's Report and  
Audited Financial Statements*

***Library Association Of Singapore***  
*(UEN. S65SS0038H)*

*31 December 2009*



**KH GOH & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

**Library Association of Singapore**  
(UEN. S65SS0038H)

**General Information**

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**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**

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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 2009 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  
31 March 2010



**Independent Auditors' Report**  
**to the members of Library Association of Singapore**  
*(UEN. S65SS003811)*

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We have audited the accompanying financial statements of Library Association of Singapore, which comprise the balance sheet as at 31 December 2009, 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. This responsibility includes:

- (a) 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;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances

*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. S65SS003811)*

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*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 2009 and of the results, changes in funds and cash flows of the Association for the year ended on that date; and

KH Goh & Associates  
Public Accountants and  
Certified Public Accountants

Singapore  
31 March 2010

**Library Association of Singapore**  
*(UEN. S65SS0038H)*

**Balance Sheet as at 31 December 2009**

	Notes	2009 \$	2008 \$
<b>Non-current asset</b>			
Plant and equipment	3	-	-
<b>Current assets</b>			
Other receivables	4	619	3,368
Cash and cash equivalents	5	461,186	430,286
		<u>461,805</u>	<u>433,654</u>
<b>Current liabilities</b>			
Accrued liabilities		3,300	2,500
Membership fees received in advance		18,520	13,490
Tax payable	6	2,045	-
		<u>23,865</u>	<u>15,990</u>
<b>Net Assets</b>		<u>437,940</u>	<u>417,664</u>
<b>Accumulated Funds</b>			
Development fund	7	88,771	88,771
General fund		349,169	328,893
		<u>437,940</u>	<u>417,664</u>

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

**Library Association of Singapore**  
(UEN. S65SS003811)

**Statement of Comprehensive Income for the financial year ended 31 December 2009**

	Notes	2009 \$	2008 \$
<b>Income</b>	8	87,594	139,178
Expenditure	9	<b>(58,541)</b>	<b>(59,374)</b>
<b>Income before income tax</b>		29,053	79,804
Income tax expense	10	<b>(8,777)</b>	<b>(7,579)</b>
<b>Income after income tax</b>		20,276	72,225
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>20,276</b>	<b>72,225</b>

**Statement of Changes in Funds**  
**Year ended 31 December 2009**

	Development fund \$	General fund \$	Total \$
Balance as 31 December 2007	88,771	256,668	345,439
Total comprehensive income for the year	-	72,225	72,225
Balance at 31 December 2008	88,771	328,893	417,664
Total comprehensive income for the year	-	20,276	20,276
Balance at 31 December 2009	<b>88,771</b>	<b>349,169</b>	<b>437,940</b>

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

Cash Flow Statement for the financial year ended 31 December 2009

	2009	2008
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	29,053	79,804
Adjustment for:		
Interest income	(762)	(1,233)
<b>Operating income before working capital charges</b>	<u>28,291</u>	<u>78,571</u>
Decrease/(increase) in other receivable	2,749	(2,106)
Increase/(decrease) in other payables	800	(15)
Increase in fee received in advance	5,030	8,390
<b>Cash generated from operations</b>	<u>36,870</u>	<u>84,840</u>
Interest received	762	1,233
Income tax paid	(6,732)	(7,579)
<b>Net cash flows from operating activities</b>	<u>30,900</u>	<u>78,494</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed deposits more than three months	21,164	(1,678)
<b>Net cash flows from/(used in) investing activities</b>	<u>21,164</u>	<u>(1,678)</u>
Net increase in cash and cash equivalents	52,064	76,816
Cash and cash equivalents at beginning of year	<u>317,012</u>	<u>240,196</u>
<b>Cash and cash equivalents at end of year (Note 5)</b>	<u>369,076</u>	<u>317,012</u>

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

Note to the Financial Statement – 31 December 2009

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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 the previous financial year except that during the year the Association has adopted the new and revised FRS which did not result in any significant changes in the accounting policies.

(i) *Adoption of FRS and INT FRS*

The association has adopted the following amended standards mandatory for annual financial periods beginning on or after 1 January 2009 which did not result in any significant change in accounting policies:

FRS 1	: Presentation of financial statements (revised)	1 January 2009
FRS 7	: Cash Flow Statement (revised)	1 January 2009
FRS 8	: Accounting Policies, Changes in Accounting Estimates and Errors (revised)	1 January 2009
FRS 36	: Impairment of Assets (revised)	1 January 2009
FRS 107	: Financial Instruments Disclosures – Improving Disclosures about Financial Instruments	1 January 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

(ii) *FRS and INT FRS that are relevant to the association but not yet effective*

The association has not applied the following FRS and INT FRS that have been issued but not yet effective:

	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>Statement of Cash Flows</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

The committee expect that the adoption of the above pronouncements 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's financial statement requires 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.

i) *Key Sources of estimation uncertainty*

There were no material 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 judgement 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.

Note to the Financial Statement – 31 December 2009

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Plant and equipment*

All items of plant and equipment are initially recorded at cost. The cost of an item of a plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use. Expenditure for additions, improvement and renewal are capitalised and expenditure for maintenance and repairs are charged to the statement of comprehensive income.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computer                    –            3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residue values, useful lives and depreciation method are reviewed each financial year end to ensure that the amount, method and period of depreciation are consistent with the previous estimates and the expected pattern of future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(d) *Financial assets*

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.

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.

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 has been recognised in other comprehensive income is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial assets (continued)*

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 market place concerned.

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

Financial assets held for trading are classified as financial assets at fair value through profit or loss. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

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 the profit or loss.

ii) *Held-to-maturity investments*

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 assets to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. 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*

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. 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 that are not classified in any other categories. After initial recognition, available-for-sale financial assets are measure at fair value. Any gains or losses changes in the fair value of the financial assets are recognised in other comprehensive income, except impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) *Financial liabilities*

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.

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

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives which are measured at fair value.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. 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.

(f) *Other receivables*

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(h).

(g) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and demand deposit.

(h) *Impairment of financial assets*

The association assesses at each balance sheet date 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)**

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

*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.

(i) *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.

(j) *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 :

*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.

Note to the Financial Statement – 31 December 2009

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) *Income 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 2009

3. PLANT AND EQUIPMENT

	Computer \$
<b>Cost:</b>	
At 1 January 2008	135
Written off	(135)
At 31 December 2008 and 1 January 2009	-
Addition	-
At 31 December 2009	-
<b>Accumulated depreciation:</b>	
At 1 January 2008	135
Written off	(135)
At 31 December 2008 and 1 January 2009	-
Charge for the year	-
At 31 December 2009	-
<b>Net carrying amount :</b>	
At 31 December 2008	-
At 31 December 2009	-

4. OTHER RECEIVABLES

	2009 \$	2008 \$
Deposit	329	329
Downpayment	-	1,352
Prepayment	50	1,199
Interest receivables	240	488
	<u>619</u>	<u>3,368</u>

5. CASH AND CASH EQUIVALENTS

Cash and bank balances	369,076	317,012
Fixed deposit with financial institutions	92,110	113,274
Cash and cash equivalents	461,186	430,286
Less: Fixed deposits over 3 months	(92,110)	(113,274)
Cash and cash equivalents as stated in cash flows	<u>369,076</u>	<u>317,012</u>

Cash at bank earns interest at rates based on daily bank deposits. Fixed deposits are placed for a varying periods of between one day and twelve months depending on the immediate cash requirements of the company and earn interests at the respective short term deposit rates.

Note to the Financial Statement – 31 December 2009

6. TAX PAYABLE

	2009	2008
	\$	\$
Balance at beginning of year	--	
Current year's tax expense on profit	2,045	--
Income tax paid	6,732	7,579
Under-provision of prior year	(6,732)	(7,579)
Balance at end of year	<u>2,045</u>	<u>--</u>

7. 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.

8. INCOME

Course fee	7,880	23,070
Income from conference	480	15,460
Income from programmes	7,282	7,450
Income from publications	650	1,067
Income from sponsorship	36,455	55,808
Interest income on fixed deposit	762	1,233
Membership fee	34,085	34,980
Sundry income	--	110
	<u>87,594</u>	<u>139,178</u>

9. EXPENDITURE

Accounting fee	1,600	1,600
Association membership fee	473	517
Auditors' remuneration	900	900
Awards and sponsorship	1,823	2,430
Bank charges	291	217
Bulletin and journal	2,064	3,133
Gift and entertainment	1,488	2,536
General expenses	492	173
Members' annual dinner	9,399	--
Postage and courier	474	94
Programmes	10,219	14,588
Printing and stationery	701	--
Rental	745	430
Tax fee - current	800	--
- under-provision in prior year	800	--
Training expense	24,009	31,663
Transportation	88	37
Traveling expense	905	543
Website maintenance	1,270	513
	<u>58,541</u>	<u>59,374</u>

Notes to the Financial Statements - 31 December 2009

10. 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 2009 and 2008 are:

Current tax	2,045	–
Under-provision in respect of prior year	6,732	7,579
	<u>8,777</u>	<u>7,579</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 2009 and 2008 is as follows:

Income before tax	<u>29,053</u>	<u>79,804</u>
Tax expense on income before tax at 17% (2008: 18%)	4,939	14,365
Tax exemption	(2,894)	(14,365)
Under-provision in respect of prior year	6,732	7,579
Income tax expense	<u>8,777</u>	<u>7,579</u>

11. 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.