

*Committee's Report and
Audited Financial Statements*

Library Association Of Singapore

(UEN. S65SS0038H)

31 December 2011



KH GOH & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

Library Association of Singapore
(UEN. S65SS0038H)

General Information

Committee

President : Gene Tan Hwee Yong
Vice President : Lee Cheng Ean
Honorary Treasurer : Susan Song-Lim
Honorary Secretary : Soh Lin Li
Internal Auditor : Chia Wai Ying

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 2011 and the results and statement of changes in fund and cash flows of the Association for the financial year then ended.

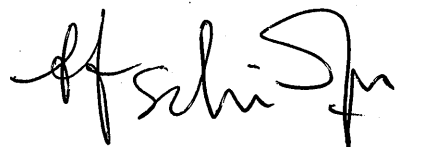
On behalf of the Committee,



Gene Tan Hwee Yong
President



Chia Wai Ying
Internal Auditor



Susan Song-Lim
Honorary Treasurer

Singapore
30 April 2012

**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 2011, 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 information.

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;

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 of financial statements that give a true and fair view 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 2011 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
30 April 2012

Library Association of Singapore
(UEN. S65SS0038H)

Balance Sheet as at 31 December 2011

	Note	2011 \$	2010 \$
Current assets			
Trade receivables		13,168	990
Other receivables	3	4,823	3,333
Fixed deposit	4	293,640	292,772
Cash and cash equivalents		180,048	171,007
		<u>491,679</u>	<u>468,102</u>
Current liabilities			
Accrued liabilities		4,000	3,400
Membership fees received in advance		2,300	6,450
Tax payable	5	1,991	1,041
		<u>8,291</u>	<u>10,891</u>
Net assets		<u>483,388</u>	<u>457,211</u>
Accumulated funds			
Development fund	6	—	88,771
General fund		483,388	368,440
		<u>483,388</u>	<u>457,211</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 2011

	Note	2011 \$	2010 \$
Income	7	160,917	76,414
Expenditure	8	(132,489)	(56,103)
Income before income tax		28,428	20,311
Income tax expense	9	(2,251)	(1,040)
Income after income tax		26,177	19,271
Other comprehensive income		—	—
Total comprehensive income for the year		<u>26,177</u>	<u>19,271</u>

Statement of Changes in Funds
Year ended 31 December 2011

	Development fund \$	General fund \$	Total \$
Balance at 1 January 2010	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
Transfer to General fund (Note 6)	(88,771)	88,771	—
Total comprehensive income for the year	—	26,177	26,177
Balance at 31 December 2011	<u>—</u>	<u>483,388</u>	<u>483,388</u>

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

Cash Flow Statement for the financial year ended 31 December 2011

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	28,428	20,311
Adjustment for:		
Interest income	(782)	(864)
Operating income before working capital charges	27,646	19,447
Increase in trade receivable	(12,178)	(990)
Increase in other receivable	(1,490)	(2,714)
Increase/(decrease) in other payables	600	(12,070)
(Decrease)/increase in fee received in advance	(4,150)	100
Cash generated from operations	10,428	3,773
Interest received	782	864
Income tax paid	(1,301)	(2,044)
Net cash flows generated from operating activities	9,909	2,593
CASH FLOWS FROM INVESTING ACTIVITY		
Increase in fixed deposits more than three months	(868)	(200,662)
Net cash flows used in investing activity	(868)	(200,662)
Net increase/(decrease) in cash and cash equivalents	9,041	(198,069)
Cash and cash equivalents at beginning of year	171,007	369,076
Cash and cash equivalents at end of year	180,048	171,007

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

Note to the Financial Statement – 31 December 2011

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 described in the accounting policies below.

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 in the current financial year, the Association has adopted the new and revised FRS and Interpretations of FRS ("INT FRS") listed in note 2(a)(i). The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Association except as indicated below.

(i) Adoption of FRS and INT FRS

Effective date
(Annual periods
beginning on or after)

Improvements to FRSs issued in 2010:
FRS 1 *Presentation of Financial Statements*
FRS 107 *Financial Instruments: Disclosures*

1 January 2011
1 January 2011

Note to the Financial Statement – 31 December 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

(ii) *Standards issued but not yet effective*

The Association has not adopted the following standards and interpretations which are potentially relevant to the Association that have been issued but not yet effective:

	Effective date (Annual periods beginning on or after)
Amendment to FRS 1	
– Presentations of Items of Other Comprehensive Income	1 July 2012
FRS 113 Fair Value Measurements	1 January 2013

Except for the Amendments to FRS 1 and FRS 113, the directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 and FRS 113 are described below.

Amendment to FRS 1 Presentation of Items of Other Comprehensive Income

The amendment to FRS 1 *Presentation of Items of Other Comprehensive Income* requires for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss. It is effective for annual periods beginning on or after 1 July 2012. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Association when implemented.

FRS 113 Fair Value Measurement

FRS 113 *Fair Value Measurement* provides guidance on how to measure fair values for including those for both financial and non-financial items and introduces significantly enhanced disclosures about fair values. It does not address or change the requirements on when fair values should be used. When measuring fair value, an entity is required to use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. It establishes a fair value hierarchy for doing this. This FRS is to be applied for annual periods beginning on or after 1 January 2013. The Association is in the process of assessing the impact on the financial statements. As for the disclosures, it will not have any impact on the financial performance or the financial position of the Association when implemented.

Note to the Financial Statement – 31 December 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 revenue, expenses, assets, liabilities, and disclosure of contingent liabilities at the end of each reporting period. 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 periods.

(i) Key sources of estimation uncertainty

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

(ii) 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.

(c) Financial assets

Initial recognition and measurement

Financial assets are recognised 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 at initial recognition.

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. This category includes derivative financial instruments entered into by the Association that are not designated as hedging instruments in hedge relationships defined by FRS 39. Derivatives including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Financial assets (continued)*

Subsequent measurement (continued)

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

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-derivative 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-derivative 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 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.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses 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.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Financial assets (continued)*

Subsequent measurement (continued)

Derecognition

A financial asset is derecognised when 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 are 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 financial assets*

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

(i) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Association first assesses whether objective evidence of impairment exists individually for financial asset that are individually significant, or collectively for financial assets that are not individually significant. If the Association determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has 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. If a loan has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount is charged to the allowance account, the amounts charged to the allowance account is written off against the carrying value of the financial asset.

Note to the Financial Statement – 31 December 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) *Financial assets carried at amortised cost (continued)*

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Association considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) *Financial assets carried at cost*

If there is objective evidence that an impairment loss on a financial asset carried at cost has been incurred (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) the impairment loss is recognised and 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*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

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 profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised 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, and in case of other financial liability not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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

(i) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include 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 selling in the near term.

Subsequent to initial recognition, financial liabilities 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 liabilities are recognised in profit or loss.

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

(ii) *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 expired. 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) *Cash and cash equivalents*

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) *Provisions*

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

Provisions are reviewed at the end of each reporting period 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. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability, when discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates and sales taxes. 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.

(i) *Taxes*

(i) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Note to the Financial Statement – 31 December 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Taxes (continued)

(i) Current income tax (continued)

Current taxes are recognised in the profit or loss except to the extent that tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in 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 end of the reporting period.

Deferred tax relating to items outside profit or loss is recognised either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Note to the Financial Statement – 31 December 2011

3. OTHER RECEIVABLES

	2011 \$	2010 \$
Deposit	2,024	2,447
Prepayment	1,194	13
Interest receivables	355	441
Paypal account	1,250	432
	<u>4,823</u>	<u>3,333</u>

4. FIXED DEPOSITS

Fixed deposits with financial institutions	<u>293,640</u>	<u>292,772</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 2011 were \$200,699 and \$92,941 (2010: \$200,248 and \$92,524) at 2.0% and 3.5% respectively (2010: 2.5% and 4.5%) per annum.

5. TAX PAYABLE

Balance at beginning of year	1,041	2,045
Current year's tax expense on profit	1,991	1,041
Income tax paid	(1,301)	(2,044)
Under/(over)-provision of prior year	260	(1)
Balance at end of year	<u>1,991</u>	<u>1,041</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.

During the year, the committee approved the transfer of \$88,771 to General Fund on Annual General Meeting held on 14 May 2011, as these funds were no longer required to be set aside.

7. INCOME

Course fee	–	17,490
Income from conference	95,593	11,500
Income from event	323	–
Income from programmes	–	11,220
Income from publications	24	165
Income from sponsorship	30,370	–
Interest income on fixed deposit	782	864
Membership fee	33,765	35,055
Income from advertisement	60	120
	<u>160,917</u>	<u>76,414</u>

Note to the Financial Statement – 31 December 2011

8. EXPENDITURE

	2011 \$	2010 \$
Accounting fee	1,900	1,600
Association membership fee	456	490
Auditors' remuneration	1,300	1,000
Awards and sponsorship	6,625	8,580
Bank charges	151	177
Gift and entertainment	1,221	88
Members' annual dinner	6,499	7,846
Members' welfare	7,820	1,736
Paypal charges	319	207
Postage and courier	102	70
Programmes	22,086	12,227
Printing and stationery	156	1,225
Rental	790	745
Subscription fee	712	–
Tax fee - current	800	800
Training expense	80,513	19,274
Telecommunication	950	–
Traveling expense	–	–
Website maintenance	89	38
	<u>132,489</u>	<u>56,103</u>

9. INCOME TAX EXPENSE

(i) Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2011 and 2010 are:

Statement of comprehensive income:

Current tax	1,991	1,041
Under/(over)-provision in respect of prior year	260	(1)
	<u>2,251</u>	<u>1,040</u>

(ii) Relationship between tax expense and accounting profit

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the year ended 31 December 2011 and 2010 are as follows:

Profit before tax	<u>28,428</u>	<u>20,311</u>
Tax expense on profit before tax at 17% (2010: 17%)	4,832	3,453
Adjustments:		
Tax exemption	(2,841)	(2,152)
Under/(over)-provision in respect of prior year	260	(1)
CIT rebate at 20%	–	(260)
Tax expense	<u>2,251</u>	<u>1,040</u>

Note to the Financial Statement – 31 December 2011

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

	2011 \$	2010 \$
<i>Loans and receivables</i>		
Other receivables	3,629	3,320
Fixed deposits	293,640	292,772
Cash and cash equivalents	180,048	171,007
	<u>477,317</u>	<u>467,099</u>
<i>Financial liabilities at amortised cost</i>		
Other payables	4,000	3,400
	<u>4,000</u>	<u>3,400</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.