

 NLB | National Library Board
Singapore

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STATEMENT BY BOARD MEMBERS

For the financial year ended 31 March 2016

In our opinion,

- (a) the accompanying financial statements of the National Library Board (the "Board") and its subsidiaries (the "Group") as set out on pages 4 to 52 are drawn up so as to present fairly, in all material respects, the state of affairs of the Group and of the Board as at 31 March 2016 and the results and changes in equity of the Group and the Board and cash flows of the Group for the financial year then ended in accordance with the provisions of the National Library Board Act (Chapter 197) (the "Act"), Singapore Charities Act (Chapter 37) and Singapore Statutory Board Financial Reporting Standards ("SB-FRS");
- (b) the receipts, expenditure and investment of moneys and the acquisition and disposal of assets by the Board during the financial year have been in accordance with the provisions of this Act; and
- (c) proper accounting and other records have been kept including all records of all assets of the Board whether purchased, donated or otherwise.

The Members of the Board have, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board



Chan Heng Kee

Chairman



Elaine Ng

Chief Executive Officer

20 JUN 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF THE NATIONAL LIBRARY BOARD

Report on the Financial Statements

We have audited the accompanying financial statements of National Library Board (the "Board") and its subsidiaries (the "Group") set out on pages 4 to 52, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Board as at 31 March 2016, the statements of comprehensive income and statements of changes in equity of the Group and the Board and the statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the National Library Board Act (Chapter 197) (the "Act"), Singapore Charities Act (Chapter 37) and Singapore Statutory Board Financial Reporting Standards ("SB-FRS"), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also 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.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Board are properly drawn up in accordance with the provisions of the Act, Singapore Charities Act (Chapter 37) and SB-FRS so as to present fairly, in all material respects, the state of affairs of the Group and the Board as at 31 March 2016 and the results and changes in equity of the Group and the Board and cash flows of the Group for the financial year ended on that date.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF THE NATIONAL LIBRARY BOARD *(cont'd)*

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditor's responsibility

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

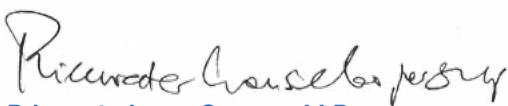
Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Board and of the subsidiaries incorporated in Singapore, of which we are the auditors, whether purchased, donated or otherwise.

During the course of our audit, nothing has come to our attention that caused us to believe that during the year:

- (a) the use of the donation moneys was not in accordance with the objectives of The Library Fund as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Library Fund has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore,

20 JUN 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

		GROUP	
		2015/2016	2014/2015
		\$	\$
	Note		
Equity			
Capital account	4	375,686,277	258,572,563
Heritage reserves	6	11,297,967	8,081,321
Accumulated surplus			
– General funds		32,767,563	35,973,633
– Restricted funds	7	67,310,311	69,478,138
Total equity		487,062,118	372,105,655
Non-current assets			
Property, plant and equipment	9	295,795,823	289,713,278
Heritage assets	6	15,566,484	12,037,491
		311,362,307	301,750,769
Current assets			
Financial assets at fair value through profit or loss	11	191,285,580	101,091,316
Trade and other receivables	12	45,514,213	11,419,212
Derivative financial instruments	14	–	75,442
Development grants receivables	18	563,700	–
Cash and cash equivalents	15	219,054,048	259,702,008
		456,417,541	372,287,978
Total assets		767,779,848	674,038,747
Current liabilities			
Trade and other payables	16	60,514,014	69,314,052
Current income tax liabilities	23	–	–
Provision for retirement benefits	17	501,000	1,362,000
Development grants received in advance	18	–	3,087,240
Deferred capital grants	19	17,457,420	17,449,771
		78,472,434	91,213,063
Non-current liabilities			
Provision for retirement benefits	17	6,424,128	5,657,713
Deferred capital grants	19	195,821,168	205,062,316
		202,245,296	210,720,029
Total liabilities		280,717,730	301,933,092
Net assets		487,062,118	372,105,655
Net assets of trust funds	8	39,458	36,777

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

		BOARD	
		2015/2016	2014/2015
		\$	\$
	Note		
Equity			
Capital account	4	375,686,277	258,572,563
Heritage reserves	6	11,297,967	8,081,321
Accumulated surplus			
– General funds		29,766,041	33,252,804
– Restricted funds	7	67,310,311	69,478,138
Total equity		484,060,596	369,384,826
Non-current assets			
Property, plant and equipment	9	295,565,924	289,706,099
Heritage assets	6	15,566,484	12,037,491
Investments in subsidiaries	10	506	506
		311,132,914	301,744,096
Current assets			
Financial assets at fair value through profit or loss	11	190,519,200	100,308,946
Trade and other receivables	12	44,990,288	10,879,702
Derivative financial instruments	14	–	75,442
Development grants receivables	18	563,700	–
Cash and cash equivalents	15	217,108,577	257,343,972
		453,181,765	368,608,062
Total assets		764,314,679	670,352,158
Current liabilities			
Trade and other payables	16	60,050,367	68,348,292
Provision for retirement benefits	17	501,000	1,362,000
Development grants received in advance	18	–	3,087,240
Deferred capital grants	19	17,457,420	17,449,771
		78,008,787	90,247,303
Non-current liabilities			
Provision for retirement benefits	17	6,424,128	5,657,713
Deferred capital grants	19	195,821,168	205,062,316
		202,245,296	210,720,029
Total liabilities		280,254,083	300,967,332
Net assets		484,060,596	369,384,826
Net assets of trust funds	8	39,458	36,777

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2016

Group	Note	General funds			Restricted funds			Total	
		2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	\$	\$
Income									
Consultancy and other services		5,987,547	7,690,870	-	-	5,987,547	-	7,690,870	
Professional library services		5,111,843	5,221,485	-	-	5,111,843	-	5,221,485	
Rental income		6,937,954	6,422,292	-	-	6,937,954	-	6,422,292	
Book fines and lost book charges		3,190,160	3,750,105	-	-	3,190,160	-	3,750,105	
Interest income		2,804,761	1,103,521	477,918	117,838	3,282,679	1,221,359	1,221,359	
Library services and programmes		1,737,082	1,643,495	-	-	1,737,082	-	1,643,495	
Membership fees		830,649	823,156	-	-	830,649	-	823,156	
Investment income	22	1,227,771	2,956,566	41,700	1,884,405	1,269,471	4,840,971	4,840,971	
Other income		4,718,067	2,184,453	-	109	4,718,067	2,184,562	2,184,562	
Donations ¹		262,929	249,330	335,483	3,974,460	598,412	4,223,790	4,223,790	
		32,808,763	32,045,273	855,101	5,976,812	33,663,864	38,022,085	38,022,085	
Expenditure									
Manpower and staff welfare	20	(95,849,413)	(88,843,047)	(16,627)	(5,620)	(95,866,040)	(88,848,667)	(88,848,667)	
Depreciation of property, plant and equipment	9	(31,087,593)	(30,019,986)	(508,160)	(435,892)	(31,595,753)	(30,455,878)	(30,455,878)	
Books, periodicals, films and serials		(22,520,420)	(21,961,838)	(355,057)	(242,431)	(22,875,477)	(22,204,269)	(22,204,269)	
General and administrative expenses		(43,906,407)	(44,324,797)	(1,422,754)	(1,078,516)	(45,329,161)	(45,403,313)	(45,403,313)	
Maintenance and other property expenses		(19,323,322)	(23,371,513)	(124,284)	(41,025)	(19,447,606)	(23,412,538)	(23,412,538)	
Rental expenses		(21,200,373)	(22,410,042)	(147,947)	(147,471)	(21,348,320)	(22,557,513)	(22,557,513)	
Agency and other professional fees		(18,670,706)	(18,265,353)	(195,361)	(161,028)	(18,866,067)	(18,426,381)	(18,426,381)	
Other expenses		(8,979,969)	(8,656,084)	(85,415)	(72,317)	(9,065,384)	(8,728,401)	(8,728,401)	
Allowance made for doubtful book fines and lost book charges	13	(457,872)	(607,177)	-	-	(457,872)	(607,177)	(607,177)	
Investment loss	22	-	-	(167,323)	-	(167,323)	-	-	
		(261,996,075)	(258,459,837)	(3,022,928)	(2,184,300)	(265,019,003)	(260,644,137)	(260,644,137)	
(Deficit)/surplus before grants		(229,187,312)	(226,414,564)	(2,167,827)	3,792,512	(231,355,139)	(222,622,052)	(222,622,052)	
Grants									
Operating grants	21	207,267,113	204,446,659	-	-	207,267,113	204,446,659	204,446,659	
Development grants	18	15,996	1,012,535	-	-	15,996	1,012,535	1,012,535	
Deferred capital grants amortised	19	21,914,779	20,001,473	-	-	21,914,779	20,001,473	20,001,473	
		229,197,888	225,460,667	-	-	229,197,888	225,460,667	225,460,667	
Surplus/(deficit) for the year before tax		10,576	(953,897)	(2,167,827)	3,792,512	(2,157,251)	2,838,615	2,838,615	
Income tax credit	23	-	-	-	-	-	-	-	
Net surplus/(deficit) for the year		10,576	(953,897)	(2,167,827)	3,792,512	(2,157,251)	2,838,615	2,838,615	
Transfer to heritage reserves		(3,216,646)	(167,299)	-	-	(3,216,646)	(167,299)	(167,299)	
		(3,206,070)	(1,121,196)	(2,167,827)	3,792,512	(5,373,897)	2,671,316	2,671,316	
Other comprehensive income/(loss)									
Funds for acquisition of heritage assets						3,216,646	167,299	167,299	
Remeasurement loss on defined benefit pension plans						-	(564,000)	(564,000)	
Total other comprehensive income/(loss) for the year						3,216,646	(396,701)	(396,701)	
Total comprehensive (loss)/income for the year						(2,157,251)	2,274,615	2,274,615	

¹ Donations received of \$338,911 (FY14: \$3,975,060) relate to tax-deductible donations.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2016

Group	Note	Capital account		Accumulated surplus			Total
		Establishment account	Equity financing account	Heritage reserves	General funds	Restricted funds (see Note 7)	
		\$	\$	\$	\$	\$	\$
At 1 April 2014		10,334,137	122,827,099	7,914,022	37,658,829	65,685,626	244,419,713
Net (deficit)/surplus for the year		-	-	-	(953,897)	3,792,512	2,838,615
Remeasurement loss on defined benefit pension plans	17	-	-	-	(564,000)	-	(564,000)
Acquisition of heritage assets	6	-	-	167,299	(167,299)	-	-
Total comprehensive income/(loss) for the year		-	-	167,299	(1,685,196)	3,792,512	2,274,615
Issuance of shares	5	-	125,411,327	-	-	-	125,411,327
At 31 March 2015		10,334,137	248,238,426	8,081,321	35,973,633	69,478,138	372,105,655
At 1 April 2015		10,334,137	248,238,426	8,081,321	35,973,633	69,478,138	372,105,655
Net surplus/(deficit) for the year		-	-	-	10,576	(2,167,827)	(2,157,251)
Remeasurement loss on defined benefit pension plans	17	-	-	-	-	-	-
Acquisition of heritage assets	6	-	-	3,216,646	(3,216,646)	-	-
Total comprehensive income/(loss) for the year		-	-	3,216,646	(3,206,070)	(2,167,827)	(2,157,251)
Issuance of shares	5	-	117,113,714	-	-	-	117,113,714
At 31 March 2016		10,334,137	365,352,140	11,297,967	32,767,563	67,310,311	487,062,118

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2016

Note	Capital account		Accumulated surplus			Total \$	
	Establishment account \$	Equity financing account \$	Heritage reserves \$	General funds \$	Restricted funds (see Note 7) \$		
Board							
	At 1 April 2014	10,334,137	122,827,099	7,914,022	35,094,376	65,685,626	241,855,260
	Net (deficit)/surplus for the year	-	-	-	(1,110,273)	3,792,512	2,682,239
	Remeasurement loss on defined benefit pension plans	-	-	-	(564,000)	-	(564,000)
	Acquisition of heritage assets	-	-	167,299	(167,299)	-	-
	Total comprehensive income/(loss) for the year	-	-	167,299	(1,841,572)	3,792,512	2,118,239
	Issuance of shares	-	125,411,327	-	-	-	125,411,327
	At 31 March 2015	10,334,137	248,238,426	8,081,321	33,252,804	69,478,138	369,384,826
At 1 April 2015							
	Net deficit for the year	10,334,137	248,238,426	8,081,321	33,252,804	69,478,138	369,384,826
	Remeasurement loss on defined benefit pension plans	-	-	-	(270,117)	(2,167,827)	(2,437,944)
	Acquisition of heritage assets	-	-	-	-	-	-
	Total comprehensive income/(loss) for the year	-	-	3,216,646	(3,216,646)	-	-
	Issuance of shares	-	117,113,714	3,216,646	(3,486,763)	(2,167,827)	(2,437,944)
	At 31 March 2016	10,334,137	365,352,140	11,297,967	29,766,041	67,310,311	484,060,596

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2016

		GROUP	
	Note	2015/2016 \$	2014/2015 \$
Cash flows from operating activities			
Deficit before grants before tax		(231,355,139)	(222,622,052)
Adjustments for:			
Depreciation of property, plant and equipment	9	31,595,753	30,455,878
Interest income from fixed deposits with bank		(3,282,679)	(1,221,359)
Investment income – net	22	(1,102,148)	(4,840,971)
Fund management fees		178,482	228,015
Retirement benefits	20	174,000	119,000
Gain on disposal of property, plant and equipment		(25,427)	(2,994)
Property, plant and equipment written off		298,557	170,614
Donation-in-kind received		(228,520)	(118,249)
Deficit before working capital changes		<u>(203,747,121)</u>	<u>(197,832,118)</u>
Changes in working capital:			
Trade and other receivables		1,620,775	9,212,011
Trade and other payables		(10,206,470)	(19,553,689)
Derivative financial instruments		75,442	22,254
Cash utilised in operations		<u>(212,257,374)</u>	<u>(208,151,542)</u>
Pension paid		(268,585)	(1,074,515)
Income tax refund		–	–
Cash flows used in operating activities		<u>(212,525,959)</u>	<u>(209,226,057)</u>
Cash flows from investing activities			
Funds placed with fund managers		(188,000,000)	(20,000,000)
Proceeds from disposal of investments		99,706,970	23,504,149
Purchases of property, plant and equipment		(36,570,423)	(35,875,689)
Purchases of heritage assets		(3,300,473)	(172,226)
Proceeds from disposal of property, plant and equipment		25,427	2,994
Interest income received		1,932,132	796,318
Cash flows used in investing activities		<u>(126,206,367)</u>	<u>(31,744,454)</u>
Cash flows from financing activities			
Government grants received		185,287,894	215,672,401
Government grants refunded		(3,071,332)	(1,496,093)
Proceeds from equity financing		117,113,714	125,411,327
Cash flows provided by financing activities		<u>299,330,276</u>	<u>339,587,635</u>
Net (decrease)/increase in cash and cash equivalents		(39,402,050)	98,617,124
Cash and cash equivalents at beginning of the year		<u>258,456,098</u>	<u>159,838,974</u>
Cash and cash equivalents at end of the year	15	<u>219,054,048</u>	<u>258,456,098</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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

1. General information

National Library Board (the "Board") was established on 1 September 1995 under the National Library Board Act (Chapter 197). The address of its registered office and principal place of operations is at 100 Victoria Street #14-01, Singapore 188064.

The Board is subjected to the control of its supervisory ministry, Ministry of Communications and Information ("MCI"). The Board is required to follow the policies and instructions issued from time to time by MCI and other government ministries and departments such as the Ministry of Finance ("MOF"). With effect from 1 November 2012, the National Archives of Singapore ("NAS") was transferred from National Heritage Board to National Library Board.

The Board is also registered as a charity (Unique Entity No: T08GB0037J) under the Charities Act (Chapter 37) since 16 September 2002.

The principal activities of the Board are:

- (a) to establish and maintain libraries, and provide library information services;
- (b) to promote reading and encourage learning through the use of libraries and their services;
- (c) to provide a repository for library materials published in Singapore;
- (d) to acquire and maintain a comprehensive collection of library materials relating to Singapore and its people;
- (e) to establish standards for the training of library personnel in Singapore;
- (f) to provide advisory and consultancy services concerning libraries and library information services;
- (g) to compile and maintain a national union catalogue and a national bibliography;
- (h) to advise the Government on national needs and policies in respect of matters relating to publicly-funded libraries and library information services in Singapore;
- (i) to provide a permanent repository of records of national or historical significance and to facilitate access of those records;
- (j) to conduct records management programmes for the Government; and
- (k) to record, preserve and disseminate the history of Singapore through oral history methodology or other means.

The consolidated financial statements relate to the Group. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Statutory Board Financial Reporting Standards ("SB-FRS") and provisions of the National Library Act (Chapter 197), under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 April 2015, the Board adopted the new or amended mandatory SB-FRS and Interpretations to SB-FRS ("INT SB-FRS"). Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS. The adoption of the new or amended SB-FRS and INT SB-FRS did not result in substantial changes to the accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Subsidiaries

Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Board.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies *(cont'd)*

2.4 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if such obligation is incurred as a consequence of acquiring the asset or use of the assets. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over estimated useful lives as follows:

	Useful lives
Leasehold premises	30 to 60 years
Motor vehicles	5 years
Building improvements and renovation	5 years or lease period whichever is shorter
Furniture and fittings	5 years
Office equipment	5 years
Computer hardware and software	4 years

Leased assets are depreciated over the shorter of the lease term or their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Projects-in-progress and works-of-art are not depreciated.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other income".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies *(cont'd)*

2.5 Heritage assets

Heritage assets relate to rare books and other rare materials. Heritage assets purchased by the Group are measured at cost less impairment losses, if any. Heritage assets received by the Group as donations are recognised at the valuation determined by external valuers or the Group's panel of valuers consisting of professional staff at the time of receipt of the assets.

Subsequent expenditure relating to heritage assets that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The heritage assets are held in perpetuity with an indefinite economic lifespan and are not depreciated.

Grants received from government to fund purchases of heritage assets are recognised in the heritage reserve upon purchase of the heritage assets.

2.6 Impairment of non-financial assets

Property, plant and equipment, heritage assets and investment in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.7 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance sheet date.

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

Financial assets designated as fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

The Group's investments in marketable securities managed by professional fund managers are designated at fair value through profit or loss as the fund managers manage such investments based on their fair value in accordance with the Group's documented investment strategy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies *(cont'd)*

2.7 Financial assets *(cont'd)*

(a) **Classification** *(cont'd)*

(ii) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets. Loans and receivables are presented as “trade and other receivables” (Note 12) and “cash and cash equivalents” (Note 15) on the balance sheet.

(b) **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

(c) **Initial measurement**

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) **Subsequent measurement**

Financial assets at fair value through profit or loss are subsequently carried at fair value. Changes in fair values including the effects of currency translation, interest and dividends are recognised in profit or loss when the changes arise. Loans and receivables are subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(e) **Impairment**

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies *(cont'd)*

2.8 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Board's statement of financial position.

2.9 Derivative financial instruments

The Group is exposed primarily to the financial risk of foreign exchange fluctuations on debt and equity securities and cash and cash equivalents placed with fund managers. The Group enters into currency forwards and swaps through fund managers to manage the risk.

A derivative financial instrument, for which no hedge accounting is applied, is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Changes in its fair value are recognised in profit and loss.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.11 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of currency forwards and swaps are determined using actively quoted forward exchange rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.12 Provisions

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is calculated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies *(cont'd)*

2.13 Operating leases

(a) When the Group is the lessee:

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(b) When the Group is the lessor:

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

2.14 Revenue recognition

Income comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Income is presented, net of rebates and discounts, and after eliminating income within the Group.

The Group assesses its role as an agent or principal for each transaction and in all agency arrangements, the amounts collected on behalf of principal are excluded from revenue. The Group recognises income when the amount of income and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Professional library services

Professional library services are rendered to government ministries, statutory boards and other commercial entities and the income is recognised when the services are rendered.

(b) Consultancy and other services

Income from the provision of library consultancy services as well as library solutions including collection acquisition and library operation management is recognised upon service delivery based on rates specified in the respective service contracts.

(c) Library services and programmes

Income from library services and programme include the use of multi-media, programme delivery and reservation fee. They are recognised when the services are rendered.

(d) Rental income

Rental income from operating leases (net of any incentives given to lessees) is accounted for on a straight-line basis over the lease term.

(e) Membership fees

Membership fees include premium membership fees, registration fee for permanent resident and foreigners and annual foreign membership fees. They are accounted for on a receipt basis.

(f) Interest income

Interest income from bank deposits is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies *(cont'd)*

2.14 Revenue recognition *(cont'd)*

(g) Donations

Donations (cash or in kind) received are recognised as income upon receipt.

Donations in kind received by the Group are recognised based on market value or at the valuation determined by the Group's panel of valuers consisting of professional staff at the time of receipt of the donations in kind.

(h) Book fines and lost book charges

Income from book fines and lost book charges is recognised when library items are overdue, lost or damaged.

2.15 Government grants

Government grants and contributions from other organisations are recognised initially at their fair values where there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants received by the Group to meet the current year's operating expenses are recognised by the Group as income in the year these operating expenses are incurred. Other government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Such grants which are received but not utilised are included in the grants received in advance account in the statements of financial position.

Government grants and contributions from other organisations utilised for the purchase/construction of depreciable assets are initially recorded as "deferred capital grants" on the statement of financial position of the Group. Deferred capital grants are then recognised in profit or loss over the periods necessary to match the depreciation of the assets with the related grants.

On the disposal of the property, plant and equipment, the balance of the related deferred capital grants is recognised in profit or loss to match the net book value of the property, plant and equipment disposed or written off.

2.16 Funds

Assets and liabilities of the general fund and restricted fund are pooled in the statement of financial position.

(i) General fund

Income and expenditure relating to the main activities of the Group and the Board are accounted for in the "General Fund" in the consolidated statement of comprehensive income.

(ii) Restricted fund

Income and expenditure relating to funds received for specific purposes and for which separate disclosure is necessary as these funds are material and there are legal and other restrictions on the ability of the Board to distribute or otherwise apply these funds. They are accounted for in "Restricted Fund" and disclosed separately in Note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies *(cont'd)*

2.17 Trust funds

Trust funds are funds for which the Board acts as a custodian, trustee, manager or agent but does not exercise control over the funds.

The net assets of the trust funds are presented as a line item in the statements of financial position as prescribed by SB-FRS Guidance Note 1. The income and expenditure items relating to these funds are accounted for directly in these funds. Details of income, expenditure, assets and liabilities are disclosed in Note 8 to the financial statements.

2.18 Expenditure on book, periodicals, films and serials

Expenditure on books, periodicals, films and serials are charged to profit or loss in the year of purchase, except where the items purchased are rare books or other rare materials that will be accounted for as heritage assets.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Defined benefit plan*

The Group operates unfunded defined benefit schemes for certain employees under the provisions of the Pensions Act, (Chapter 225).

Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated once every two years by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using yield of 10-year government bonds and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

(c) *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(d) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies *(cont'd)*

2.20 Income taxes

The Group is tax-exempted under the provisions of the Income Tax Act (Chapter 134) except for one of its subsidiaries, which is subjected to local income tax legislation.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.21 Equity financing account

Ordinary shares are classified as equity in the equity financing account.

2.22 Cash and cash equivalents

Under the Accountant-General Circular No.4/2009 dated 2 November 2009, the Board is required to participate in the Centralised Liquidity Management Framework ("CLM"). Under the CLM, all bank accounts maintained with selected banks will be linked up with the bank accounts of Accountant-General's Department ("AGD") such that available excess cash can be automatically aggregated for central management on a daily basis. The Board will continue to own/act as trustees for their funds and operate its bank accounts, including giving instructions for payment and revenue collection. These balances are included in cash and cash equivalents as "Cash managed by AGD through Centralised Liquidity Management".

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and at bank, cash managed by AGD and short-term deposits with financial institutions which are subject to an insignificant risk in change in value.

2.23 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

(a) Impairment of book fines and lost book charges

The Group and Board maintain an allowance for doubtful book fines and lost book charges at a level considered adequate to provide for potential uncollectible book fines and lost book charges. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectibility of the accounts. These factors include, but are not limited to ageing of the outstanding arrears and the payment patterns of the patrons. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilised different estimates. An increase in the Group's and the Board's allowance for doubtful book fines and lost book charges would increase the Group's recorded operating expenses and decrease net receivables.

(b) Provision for retirement benefits

Pension expense is determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the defined benefit obligation and future expectations such as future salary increases, retirement date or age, and mortality and turnover rate of covered employees. Any change in management's estimates and assumptions directly influence the amount of the pension expense recognised in the financial statements.

The annual contribution to the pension plan consists of payments covering the current service cost for the year and payments towards funding the actuarial accrued liability.

4. Capital account

	Note	GROUP and BOARD	
		2015/2016	2014/2015
		\$	\$
Establishment account		10,334,137	10,334,137
Equity financing account	5	365,352,140	248,238,426
		375,686,277	258,572,563

The capital account comprises of the net book value of the assets held by the former National Library, which were transferred to the Board on its establishment on 1 September 1995 ("Establishment account") and "Equity Financing" received from the Ministry of Finance ("MOF") subsequently ("Equity Financing account").

The equity financing account comprises equity injections by the MOF in its capacity as shareholder under the debt-equity framework for statutory boards, implemented with effect from 1 September 2004. It also includes equity injection for Sinking Fund received for the replacement of fixed assets held by the Board. Under this framework, capital projects will be partially funded by the MOF as equity injection, and the balance through loans or general funds of the Board.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

4. Capital account *(cont'd)*

Capital management

Capital consists of capital account, heritage reserves and accumulated surplus of the Group. The Group proactively manages its capital structure to achieve efficiency in its cost of capital. The quantum of minimum and maximum cash reserve, taking into account working capital needs and long-term commitments, is reviewed and approved annually by the Finance Committee of the Board. To maintain the minimum cash reserve to meet working capital needs and achieve efficiency in management of capital, the cash reserve as at the balance sheet date was below one year's annual expenditure, within the minimum and maximum cash reserves.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

5. Equity financing account

GROUP and BOARD

Note	2015/2016 Number of shares	2014/2015	2015/2016 \$	2014/2015 \$
Issued and paid up:				
At 1 April	248,238,426	122,827,099	248,238,426	122,827,099
Issued as at 31 March	117,113,714	125,411,327	117,113,714	125,411,327
At 31 March	4 365,352,140	248,238,426	365,352,140	248,238,426

During the financial year, the Board received proceeds from equity financing of \$117,113,714 (2014/2015: \$125,411,327), which is represented by 117,113,714 (2014/2015: 125,411,327) ordinary shares at \$1 each. The shares are held by the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act (Chapter 183).

The holder of ordinary shares, Minister for Finance, is entitled to returns on equity as declared from time to time if the Board makes an accounting surplus.

6. Heritage reserves and assets

GROUP and BOARD

	2015/2016 \$	2014/2015 \$
Heritage reserves		
At 1 April	8,081,321	7,914,022
Movements during the year		
– Transferred from operating grants	3,170,873	105,348
– Processing fees	45,773	61,951
	3,216,646	167,299
At 31 March	11,297,967	8,081,321
Heritage assets		
At 1 April	12,037,491	11,752,016
Movements during the year		
– Donation in kind	228,520	113,249
– Funded by operating grants	3,170,873	105,348
– Processing fees	129,600	66,878
	3,528,993	285,475
At 31 March	15,566,484	12,037,491

The heritage reserve comprises grants from the government and donated funds for purchase of heritage assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

7. Accumulated surplus

(a) General fund

Income and expenditure relating to the main activities of the Group and the Board are accounted for in the "General Fund" in the consolidated statement of comprehensive income.

(b) Restricted fund

The Group's restricted fund comprises donations in the Library Fund and other donations and funds received for specific purposes for which there are restrictions on the Group in relation to the application of those funds. These include specific donations received for exhibitions and programs.

The Library Fund is a trust, which is separately registered as a charity (Unique Entity No: T03CC1744D) since 26 November 2003. The Library Fund has been conferred the status of an Institution of a Public Character to receive tax-deductible donations for the Board and other beneficiaries.

The Board of Trustees of the Library Fund ("TLF") comprise mainly the members of the Board of the National Library Board. As the Board of Trustees has the discretion/control over the application of the donations for the Board's projects (i.e. TLF is operated and managed by the Board), the Board is deemed to have control over TLF and in accordance with SB-FRS Guidance Note 1, TLF has been included in the financial statements of the Board with effect from 1 April 2009.

The use of the monies in the Library Fund is restricted to purposes specified in the trust deed and requires the approval of the trustees of the Library Fund.

The Board of Trustees of the Library Fund comprises the Board's Chairman, Board members and staff trustees. The objectives of the Library Fund are:

- (i) to support library services, facilities, collections and programmes which will promote reading and literacy and encourage learning through the use of libraries and their services;
- (ii) to support and promote equal access to reading, literacy and learning in libraries, thereby creating social good for the community, in particular, for special needs groups, the under privileged and under served; and
- (iii) to support and promote research, study programmes and scholarships in the fields of reading, literacy, learning and libraries and information sciences.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

7. Accumulated surplus *(cont'd)*

(b) **Restricted fund** *(cont'd)*

To align to NLB's Act, the objectives have been amended as follows after Commissioner of Charities' approval:

- (A) To support performance of any of the functions of the National Library Board as set out under sections 6, 14A and 14J of the National Library Board Act (Chapter 197); and
- (B) To exercise any of the powers of the National Library Board under section 7 of the National Library Board Act (Chapter 197).

The Library Endowment Fund was established under The Library Fund's trust deed on 1 December 2010 to ensure financial sustainability in the furtherance of its strategic objectives. An initial capital sum of \$12 million carved out from The Library Fund was further augmented by a sum of \$25 million government grant from Ministry of Communications and Information ("MCI").

The initial capital sum of \$12 million was reflected as a transfer of reserves from the Library Fund to The Library Endowment Fund, a sub-fund created under The Library Fund.

The key projects funded under The Library Fund in the current year comprise mainly the following:

Name of projects	Purpose
Early Literacy Programme	This project comprises programmes and a one-stop early literacy centre to inculcate pre-reading skills and enjoyment of reading among children, up to 6 years of age.
KidsREAD	This project aims to promote the love of reading and to cultivate good reading habits in children from an early age and at the same time, provide access to knowledge via literature for children from low-income families, thereby enriching their lives and enhancing opportunities for future success.
Library @ Chinatown	The library was set up and operated with donations from Kwan Im Thong Hood Cho Temple and CPI Pte Ltd, owner of Chinatown Point Retail. It carries a collection of books and audio visual materials on Chinese arts and culture largely in Chinese and English.
Mini MOLLYs	The two mini mobile library buses were set up and operated with the donation from Kwan Im Thong Hood Cho Temple. It brings the library experience to children in Childcare Centres and Kindergartens.
Development of the Big MOLLY	Development of one big mobile library bus including fitting out works and information technology equipment installation with donation from Kwan Im Thong Hood Cho Temple. It brings the library experience to those in Special Needs Schools, Homes and Orphanages, Welfare Homes and lower income groups.
George Lyndon Hicks Research Fellowship	This research fellowship program aims to award professionals to help grow and enhance the National Library of Singapore's (NL) Special Collections and to raise the capability of NL's librarians so as to elevate the standing of the National Library.
Renovation of the Pasir Ris Public Library	The renovation of the existing and expanded area for Pasir Ris Public Library is funded partially by corporate donation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

7. Accumulated surplus (cont'd) (b) Restricted fund (cont'd)

The breakdown of the income, expenditure, assets and liabilities of The Library Fund for the Group and the Board is as follows:

	Endowment fund		Other funds		Total	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$	\$	\$
Group and Board						
Income						
Interest income	353,409	63,081	124,509	54,757	477,918	117,838
Investment income	41,700	1,275,782	—	608,623	41,700	1,884,405
Other income	—	—	—	109	—	109
Donations ¹	—	—	335,483	3,974,460	335,483	3,974,460
	395,109	1,338,863	459,992	4,637,949	855,101	5,976,812
Expenditures						
Manpower and staff welfare	—	—	(16,627)	(5,620)	(16,627)	(5,620)
Depreciation of property, plant and equipment	—	—	(508,160)	(435,892)	(508,160)	(435,892)
Books, periodicals and serials	—	—	(355,057)	(242,431)	(355,057)	(242,431)
General and administrative expenses	—	—	(1,422,754)	(1,078,516)	(1,422,754)	(1,078,516)
Investment Loss	—	—	(167,323)	—	(167,323)	—
Maintenance and other property expenses	—	—	(124,284)	(41,025)	(124,284)	(41,025)
Rental expenses	—	—	(147,947)	(147,471)	(147,947)	(147,471)
Agency and other professional fees	—	(38,079)	(195,361)	(122,949)	(195,361)	(161,028)
Other expenses	—	—	(85,415)	(72,317)	(85,415)	(72,317)
	—	(38,079)	(3,022,928)	(2,146,221)	(3,022,928)	(2,184,300)
Surplus/(Deficit) before grants	395,109	1,300,784	(2,562,936)	2,491,728	(2,167,827)	3,792,512
Surplus/(Deficit) for the year	395,109	1,300,784	(2,562,936)	2,491,728	(2,167,827)	3,792,512
Other comprehensive loss						
Acquisition of heritage assets	—	—	—	—	—	—
Total comprehensive income/(loss) for the year	395,109	1,300,784	(2,562,936)	2,491,728	(2,167,827)	3,792,512
Accumulated surplus at 1 April	40,674,149	39,373,365	28,803,989	26,312,261	69,478,138	65,685,626
Accumulated surplus at 31 March	41,069,258	40,674,149	26,241,053	28,803,989	67,310,311	69,478,138
Heritage reserves at 31 March	—	—	444,044	444,044	444,044	444,044
Total capital and accumulated surplus	41,069,258	40,674,149	26,685,097	29,248,033	67,754,355	69,922,182
Represented by:						
Property, plant and equipment	—	—	10,425,304	9,782,540	10,425,304	9,782,540
Heritage assets	—	—	444,044	444,044	444,044	444,044
Financial assets at fair value through profit or loss	—	—	—	—	—	—
Cash and cash equivalents	40,828,184	16,996,950	16,417,873	12,243,902	57,246,057	29,240,852
Trade and other receivables	241,074	23,625,936	93,884	6,827,422	334,958	30,453,358
Derivative financial instruments	—	51,263	—	37,265	—	88,528
Trade and other payables	—	—	(696,008)	(87,140)	(696,008)	(87,140)
	41,069,258	40,674,149	26,685,097	29,248,033	67,754,355	69,922,182

¹ Donations received relate to tax-deductible donations for The Library Fund.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

8. Net assets of trust funds

The trust funds comprise three local and international funds (2014/2015: three local and international funds) managed by the Board on behalf of other agencies. The nature of the trust funds as at 31 March 2016 is as follows:

(a) The International Association of Metropolitan Libraries (“INTAMEL”)

Intamel is formed by a group of metropolitan libraries and established outside of Singapore. It aims to be a platform to encourage international cooperation between public libraries serving various cities and/or countries. The trust fund arrangement ceased with effect from 15 March 2016.

(b) The International Federation of Library Associations and Institutions (“IFLA-RASCAO”)

IFLA-RASCAO is the leading international body representing the interests of library and information services and their users. The expenditure for IFLA Regional Office of Asia and Oceania is recorded under this project fund.

(c) Tamil Digital Heritage Trust Fund (“TDH”)

The Tamil Digital Heritage Project is led by the Tamil Digital Heritage Group. It was launched on 12 October 2013 at the Asian Civilisations Museum by Mr. S Iswaran, then Minister (Prime Minister’s Office) & Second Minister (Home Affairs & Trade and Industry). Its aims are to create a digital collection of Singapore Tamil literary works published between 1965 and 2015 to be presented as the community’s gift to the nation in 2015.

Details of the trust funds are set out below and have been prepared from the records of the trust funds and reflect only transactions handled by the Group and the Board:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Statement of comprehensive income of trust funds		
Income		
Grant income	19,970	8,665
Donations	82,267	5,862
Other income	–	29
	102,237	14,556
Expenditure		
Other expenses	(99,556)	(15,403)
Net surplus/(deficit) for the year	2,681	(847)
Accumulated surplus at 1 April	36,777	37,624
Accumulated surplus at 31 March	39,458	36,777

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

8. Net assets of trust funds *(cont'd)*

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Statement of financial position of trust funds		
Equity		
Accumulated surplus	39,458	36,777
Represented by:		
Assets		
Cash and cash equivalents	52,610	49,779
	52,610	49,779
Liabilities		
Accruals for operating expenses	2,483	4,522
Other payables	10,669	8,480
	13,152	13,002
Net assets	39,458	36,777

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

9. Property, plant and equipment

Group	Leasehold premises	Motor vehicles	Building improvements and renovation	Furniture and fittings	Office equipment	Computer hardware and software	Works-of-art	Projects-in-progress	Total
Cost									
At 1 April 2014	249,935,889	523,847	176,152,921	17,401,766	18,141,903	104,792,220	3,672,904	25,220,166	595,841,616
Additions	-	479,296	2,716,063	90,257	2,130,671	6,287,419	5,000	24,066,153	35,774,859
Disposals/Write-offs	-	(51,360)	(3,828,363)	(95,241)	(819,128)	(12,467,060)	(1,675)	-	(17,262,827)
Transfer	-	107,782	9,149,749	659,809	18,899	591,158	-	(10,527,397)	-
At 31 March 2015	249,935,889	1,059,565	184,190,370	18,056,591	19,472,345	99,203,737	3,676,229	38,758,922	614,353,648
Additions	-	535,000	4,386,013	210,172	3,237,540	5,573,403	-	24,034,727	37,976,855
Disposals/Write-offs	-	(472,487)	(2,922,849)	(210,833)	(266,263)	(4,958,462)	-	(262,932)	(9,093,826)
Transfer	-	-	6,784,760	-	-	1,476,971	-	(8,261,731)	-
At 31 March 2016	249,935,889	1,122,078	192,438,294	18,055,930	22,443,622	101,295,649	3,676,229	54,268,986	643,236,677
Accumulated depreciation									
At 1 April 2014	55,580,928	307,290	149,995,641	15,121,700	10,197,376	80,073,770	-	-	311,276,705
Depreciation for the year	5,035,957	225,753	9,707,543	818,512	2,714,854	11,953,259	-	-	30,455,878
Disposals/Write-offs	-	(51,360)	(3,744,922)	(92,672)	(766,881)	(12,436,378)	-	-	(17,092,213)
At 31 March 2015	60,616,885	481,683	155,958,262	15,847,540	12,145,349	79,590,651	-	-	324,640,370
Depreciation for the year	5,035,958	215,851	12,326,982	534,572	2,655,466	10,826,924	-	-	31,595,753
Disposals/Write-offs	-	(472,487)	(2,897,202)	(202,240)	(265,668)	(4,957,672)	-	-	(8,795,269)
At 31 March 2016	65,652,843	225,047	165,388,042	16,179,872	14,535,147	85,459,903	-	-	347,440,854
Net book value									
At 1 April 2014	194,354,961	216,557	26,157,280	2,280,066	7,944,527	24,718,450	3,672,904	25,220,166	284,564,911
At 31 March 2015	189,319,004	577,882	28,232,108	2,209,051	7,326,996	19,613,086	3,676,229	38,758,922	289,713,278
At 31 March 2016	184,283,046	897,031	27,050,252	1,876,058	7,908,475	15,835,746	3,676,229	54,268,986	295,795,823

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

9. Property, plant and equipment (cont'd)

	Leasehold premises	Motor vehicles	Building improvements and renovation	Furniture and fittings	Office equipment	Computer hardware and software	Works-of-art	Projects-in-progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Board									
Cost									
At 1 April 2014	249,935,889	523,847	176,152,921	17,401,766	18,140,509	104,638,215	3,671,229	25,220,166	595,684,542
Additions	-	479,296	2,716,063	90,258	2,130,671	6,287,419	5,000	24,066,153	35,774,860
Disposals/Write-offs	-	(51,360)	(3,828,363)	(95,241)	(819,128)	(12,467,060)	-	-	(17,261,152)
Transfer	-	107,782	9,149,749	659,809	18,899	591,158	-	(10,527,397)	-
At 31 March 2015	249,935,889	1,059,565	184,190,370	18,056,592	19,470,951	99,049,732	3,676,229	38,758,922	614,198,250
Additions	-	535,000	4,386,013	210,172	3,223,514	5,560,917	-	23,826,889	37,742,505
Disposals/Write-offs	-	(472,487)	(2,922,849)	(210,833)	(266,263)	(4,958,462)	-	(262,932)	(9,093,826)
Transfer	-	-	6,784,760	-	-	1,476,971	-	(8,261,731)	-
At 31 March 2016	249,935,889	1,122,078	192,438,294	18,055,931	22,428,202	101,129,158	3,676,229	54,061,148	642,846,929
Accumulated depreciation									
At 1 April 2014	55,580,928	307,290	150,025,777	15,121,700	10,195,980	79,904,272	-	-	311,135,947
Depreciation for the year	5,035,957	225,753	9,707,543	818,513	2,714,854	11,945,797	-	-	30,448,417
Disposals/Write-offs	-	(51,360)	(3,744,922)	(92,672)	(766,881)	(12,436,378)	-	-	(17,092,213)
At 31 March 2015	60,616,885	481,683	155,988,398	15,847,541	12,143,953	79,413,691	-	-	324,492,151
Depreciation for the year	5,035,958	215,851	12,326,982	534,572	2,654,271	10,816,489	-	-	31,584,123
Disposals/Write-offs	-	(472,487)	(2,897,202)	(202,240)	(265,668)	(4,957,672)	-	-	(8,795,269)
At 31 March 2016	65,652,843	225,047	165,418,178	16,179,873	14,532,556	85,272,508	-	-	347,281,005
Net book value									
At 1 April 2014	194,354,961	216,557	26,127,144	2,280,066	7,944,529	24,733,943	3,671,229	25,220,166	284,548,595
At 31 March 2015	189,319,004	577,882	28,201,972	2,209,051	7,326,998	19,636,041	3,676,229	38,758,922	289,706,099
At 31 March 2016	184,283,046	897,031	27,020,116	1,876,058	7,895,646	15,856,650	3,676,229	54,061,148	295,565,924

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

10. Investments in subsidiaries

	BOARD	
	2015/2016 \$	2014/2015 \$
Unquoted ordinary shares, at cost	506	506

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation	Effective equity interest held		Cost of investment	
			2015/2016 %	2014/2015 %	2015/2016 \$	2014/2015 \$
Cybrarian Ventures Pte Ltd ¹	Provision of library consultancy services	Singapore	100	100	1	1
Asian Film Archive ¹	Preserves film heritage of Singapore and Asia	Singapore	100	100	505	505

¹ Audited by PricewaterhouseCoopers LLP, Singapore

11. Financial assets at fair value through profit or loss

	Note	GROUP		BOARD	
		2015/2016 \$	2014/2015 \$	2015/2016 \$	2014/2015 \$
Quoted debt securities managed by fund managers					
– Fixed interest rates		–	20,639,668	–	20,639,668
– Variable interest rates		–	6,091,849	–	6,091,849
	24	–	26,731,517	–	26,731,517
Quoted debt securities held by subsidiary		766,380	782,370	–	–
Quoted equity securities managed by fund managers	24	–	11,763,766	–	11,763,766
Quoted unit trusts	24	190,519,200	61,813,663	190,519,200	61,813,663
		191,285,580	101,091,316	190,519,200	100,308,946

In 2014/2015, the quoted debt securities managed by fund managers earned fixed interest rates ranging from 1.1% to 7.0% per annum as at the balance sheet date. Interest was received on a semi-annual basis. The maturity dates ranged from December 2015 to August 2027.

The quoted debt securities held by subsidiary earn fixed interest rate of 4.25% (2014/2015: 4.25%) per annum for financial year ended 31 March 2016. Interest is receivable on a semi-annual basis. There is no maturity date for the debt securities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

12. Trade and other receivables

	GROUP		BOARD	
	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$
Trade receivables				
Non-related parties	1,384,609	954,365	1,011,951	714,456
Subsidiaries	–	–	66,482	42,046
Trade receivables – net	1,384,609	954,365	1,078,433	756,502
Grant receivables	37,829,409	2,835,761	37,829,409	2,835,761
Deposits	824,489	730,704	823,189	730,404
Book fines and lost book charges (Note 13)	692,202	727,737	692,202	727,737
Accrued receivables	926,919	3,093,650	913,245	3,116,123
Other receivables	144,863	366,308	55,342	44,997
Loan to a subsidiary	–	–	25,000	25,000
Interest and dividend receivables	2,050,048	1,334,420	2,043,340	1,313,338
Loans and receivables	43,852,539	10,042,945	43,460,160	9,549,862
Prepayments	1,661,674	1,376,267	1,530,128	1,329,840
	45,514,213	11,419,212	44,990,288	10,879,702

The loan to a subsidiary by the Board is unsecured, non-interest bearing and repayable on demand when the subsidiary is in net surplus position. The loan shall be repayable in full by 23 February 2019 with the option to extend for a further term of five years based on mutual agreement.

(a) Impairment losses

The ageing of trade and grant receivables at the balance sheet date is:

	GROUP		BOARD	
	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$
Not past due	39,027,184	3,764,621	38,844,364	3,575,529
Past due < 30 days	96,552	13,734	35,455	5,784
Past due 30 – 60 days	88,024	6,402	25,765	5,581
Past due 61 – 90 days	413	3,239	413	3,239
Past due 91 – 120 days	–	970	–	970
Past due > 120 days	1,845	1,160	1,845	1,160
	39,214,018	3,790,126	38,907,842	3,592,263

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of these receivables. These receivables are mainly attributable to debtors that have a good payment record with the Group.

Concentration of credit risk relating to trade and grant receivables is limited due to the Group's many varied customers. These customers mainly consist of government statutory boards. The recorded allowance is based on the Group's historical experience in the collection of accounts receivable. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

12. Trade and other receivables (cont'd)

(b) Source of estimation uncertainty

The Group maintains an allowance for doubtful receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectibility of the receivables. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables, and identifies accounts which require allowance to be made on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates. An increase in the Group's allowance for doubtful receivables would increase the Group's recorded operating expenses and decrease trade receivables.

13. Book fines and lost book charges

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Book fines and lost book charges	6,098,262	6,120,415
Less: Allowance for doubtful book fines and lost book charges	(5,406,060)	(5,392,678)
	<u>692,202</u>	<u>727,737</u>

Movement in allowance for doubtful book fines and lost book charges during the year is as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
At 1 April	(5,392,678)	(5,385,723)
Allowance made	(457,872)	(607,177)
Allowance utilised	444,490	600,222
At 31 March	<u>(5,406,060)</u>	<u>(5,392,678)</u>

Allowance for doubtful book fines and lost book charges

The ageing of doubtful book fines and lost book charges at the balance sheet date is:

	2015/2016	2014/2015
	\$	\$
Group and Board (Gross)		
Past due 1 – 90 days	501,261	571,403
Past due 91 – 180 days	404,269	398,267
Past due 181 – 270 days	244,076	240,923
Past due 271 – 365 days	195,491	216,250
More than 365 days	4,753,165	4,693,572
	<u>6,098,262</u>	<u>6,120,415</u>
Less: Allowance for impairment	(5,406,060)	(5,392,678)
	<u>692,202</u>	<u>727,737</u>

The allowance for doubtful book fines and lost book charges is computed based on the historical trend for the rate of default payment pattern.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

13. Book fines and lost book charges *(cont'd)*

Concentration of credit risk relating to doubtful book fines and lost book charges is limited due to the Group's many varied customers. These customers mainly consist of individual library patrons. The recorded allowance is based on Group's historical experience in the collection of book fines and lost book charges. Due to these factors, management believes that no additional credit risk beyond amounts provided for the impairment losses is inherent in the Group's book fines and lost book charges receivables.

14. Derivative financial instruments

	Contract notional Amount \$	Fair value Asset \$	Liability \$
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Group and Board

2015/2016

Currency forwards and swaps	—	—	—
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	Contract notional Amount \$	Fair value Asset \$	Liability \$
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Group and Board

2014/2015

Currency forwards and swaps	21,439,314	75,442	—
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In 2014, currency forwards and swaps were entered into by the fund managers to hedge highly probable forecast transactions denominated in foreign currencies expected to occur at various dates within 2 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

15. Cash and cash equivalents

	GROUP		BOARD	
	2015/2016 \$	2014/2015 \$	2015/2016 \$	2014/2015 \$
Cash at bank and on hand	1,227,530	2,621,606	264,549	1,220,070
Cash managed by AGD through Centralised Liquidity Management	216,844,028	255,624,337	216,844,028	255,624,337
Short-term deposits	982,490	1,456,065	–	499,565
	219,054,048	259,702,008	217,108,577	257,343,972

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Note	GROUP	
		2015/2016 \$	2014/2015 \$
Cash and bank balances (as above)		219,054,048	259,702,008
Less: Cash managed by fund managers	24	–	(746,345)
Less: Fixed deposits managed by fund managers	24	–	(499,565)
Cash and cash equivalents per consolidated statement of cash flows		219,054,048	258,456,098

16. Trade and other payables

	GROUP		BOARD	
	2015/2016 \$	2014/2015 \$	2015/2016 \$	2014/2015 \$
Trade payables	9,067,484	8,661,406	8,754,773	8,259,661
Accrued operating expenses	30,694,800	38,715,939	30,512,810	38,504,746
Provision for restoration costs	18,272,437	16,962,694	18,272,437	16,962,694
Retention payable	208,236	111,547	208,236	111,547
Receipts-in-advance	268,129	1,382,305	194,500	1,076,317
Security and other deposits	1,837,666	2,450,424	1,844,266	2,454,624
Other payables				
– Subsidiaries	–	–	166,486	–
– Third parties	165,262	1,029,737	96,859	978,703
	60,514,014	69,314,052	60,050,367	68,348,292

Other payables to subsidiaries are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

17. Provision for retirement benefits

The Board operates an unfunded defined retirement benefit plan for certain employees under the provisions of the Pension Act (Chapter 225). Benefits are payable based on the last drawn salaries of the respective employees and the employees' cumulative service period with the Board at the time of retirement.

The Board performed an actuarial valuation to determine the liability of the Board in respect of its defined retirement benefit plans. Based on the actuarial valuation performed by Towers Watson Singapore Pte Ltd, the present value of unfunded obligations is recognised.

The amounts recognised in the statement of financial position are as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Present value of unfunded obligations	6,925,128	7,019,713
Comprised:		
– Current	501,000	1,362,000
– Non-current	6,424,128	5,657,713
	6,925,128	7,019,713

The weighted average duration of the defined benefit obligation is 10 years (2014/2015: 10 years).

(a) Movement in the defined benefit obligations is as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
At 1 April	7,019,713	7,411,228
Current service costs and interest	174,000	119,000
Remeasurement loss on defined benefits pension plans	–	564,000
Retirement benefits paid	(268,585)	(1,074,515)
At 31 March	6,925,128	7,019,713

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

17. Provision for retirement benefits *(cont'd)*

(b) The amounts charged to profit or loss are as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Current service cost	28,000	94,000
Interest cost	146,000	25,000
	<u>174,000</u>	<u>119,000</u>

(c) The amounts charged to other comprehensive income are as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Remeasurement loss on defined benefits pension plans	–	564,000

(d) Principal actuarial assumptions used are as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	%	%
Discount rate	2.3	2.3
Future salary increases	1	1

The mortality rate assumed for pensioners at age 60, based on the latest published Singapore mortality table S04/08 is as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	% p.a.	% p.a.
Female	0.241	0.241
Male	<u>0.425</u>	<u>0.425</u>

This means that out of 10,000 pensioners, it is assumed that 24 females and 43 males will pass on before their 60th birthday (2014/2015: 24 females and 43 males).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

17. Provision for retirement benefits (cont'd)

(d) Principal actuarial assumptions used are as follows: (cont'd)

This defined retirement benefit plan provides a lump sum benefit or a lifetime pension that are both defined by salary and length of service. This plan exposes the Board to risks such as life expectancy and interest rate used for discounting in the principal actuarial assumptions. The sensitivity of the provision for retirement benefits to changes in the principal actuarial assumptions is as follows:

	GROUP and BOARD	
	Impact on Provision for retirement benefits	
	2015/2016	2014/2015
	%	%
Discount rate		
0.5% (2014/2015: 0.5%) increase	(310,000)	(328,000)
0.5% (2014/2015: 0.5%) decrease	341,000	361,000
Future salary increases		
0.5% (2014/2015: 0.5%) increase	23,000	22,000
0.5% (2014/2015: 0.5%) decrease	(23,000)	(22,000)
Life expectancy		
1 year increase	163,000	158,000
1 year decrease	(164,000)	(161,000)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the provision for retirement benefits to significant actuarial assumptions, the same method has been applied as when calculating the provision for retirement benefits recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Historical information are as follows:

	GROUP and BOARD				
	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
	\$	\$	\$	\$	\$
Present value of the defined benefit obligation	6,925,128	7,019,713	7,411,228	8,807,000	9,906,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

18. Development grants (receivables)/received in advance

		GROUP and BOARD	
		2015/2016	2014/2015
		\$	\$
	Note		
At 1 April		3,087,240	6,164,849
Development grants received during the year		1,061,781	4,695,203
		4,149,021	10,860,052
Less:			
Development grants refunded during the year		(3,038,795)	(8,859)
Amount transferred to deferred capital grants	19	(1,657,930)	(6,751,418)
Development grants utilised during the year		(15,996)	(1,012,535)
At 31 March		(563,700)	3,087,240
Development grants utilised comprise:			
Manpower and staff welfare		–	72,122
Books, periodicals and serials		–	464,152
General and administrative expenses		11,574	169,525
Maintenance and other property expenses		1,925	84,334
Agency and other professional services		–	140,660
Rental expenses		–	2,860
Other expenses		2,497	78,882
		15,996	1,012,535

The development grants of \$1,061,781 received during the year were disbursed by the Ministry of Finance and the Infocomm Development Authority of Singapore. The development grants of \$4,695,203 received in 2014/2015 were disbursed by the Ministry of Communications and Information.

19. Deferred capital grants

		GROUP and BOARD	
		2015/2016	2014/2015
		\$	\$
	Note		
At 1 April		222,512,087	230,639,856
Amount transferred from development grants	18	1,657,930	6,751,418
Amount transferred from operating grants	21	11,023,350	4,633,498
Operating grants transferred from other statutory board		–	488,788
		235,193,367	242,513,560
Less: Deferred capital grants amortised during the year		(21,914,779)	(20,001,473)
At 31 March		213,278,588	222,512,087
Comprised:			
Current		17,457,420	17,449,771
Non-current		195,821,168	205,062,316
		213,278,588	222,512,087

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

20. Manpower and staff welfare

	GROUP		BOARD	
	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$
Board members' allowances	129,588	203,060	126,773	202,242
Wages and salaries	80,314,193	75,888,497	79,199,658	75,079,624
Employer's contribution to Central Provident Fund	10,291,232	8,756,329	10,105,506	8,628,654
Retirement benefits	174,000	119,000	174,000	119,000
Other employee benefits	4,957,027	3,881,781	4,937,275	3,866,946
	95,866,040	88,848,667	94,543,212	87,896,466

21. Operating grants

	Note	GROUP and BOARD	
		2015/2016	2014/2015
		\$	\$
Operating grants received during the year		181,390,352	207,731,630
Operating grant receivables as at 31 March		36,932,648	2,835,761
Less: Amount transferred to deferred capital grants	19	(11,023,350)	(4,633,498)
Less: Amount refunded		(32,537)	(1,487,234)
Operating grants utilised during the year		207,267,113	204,446,659

The operating grants of \$207,267,113 (2014/2015: \$204,446,659) utilised during the year were disbursed by Ministry of Communications and Information and Ministry of Culture, Community and Youth.

22. Investment income/(loss) – net

The following items have been included in arriving at the investment income/(loss) for the year:

	GROUP		BOARD	
	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$
Interest income from				
– Fund manager's fixed deposits and bank deposits	–	14,309	–	14,309
– Quoted debt securities	717,238	1,053,656	717,238	1,053,656
Dividend income from quoted equity securities	183,056	314,028	183,056	314,028
(Loss)/gain from sale of investments				
– Quoted equity securities	(2,493,826)	1,175,712	(2,493,826)	1,175,712
– Quoted debt securities	39,884	(283,198)	39,884	(283,198)
– Unit Trusts	(444,711)	–	(444,711)	–
Net gain from financial assets at fair value through profit or loss	2,542,199	2,929,435	2,558,189	2,907,565
Foreign exchange gain/(loss) – net	558,308	(362,971)	558,308	(362,971)
	1,102,148	4,840,971	1,118,138	4,819,101

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

23. Income taxes

Income tax expense

The Group is tax exempted under the provision of the Income Tax Act except for one of its subsidiaries, which is subject to tax under Singapore income tax legislation.

	GROUP		BOARD	
	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$
Reconciliation of effective tax rate				
(Deficit)/Surplus before tax	(2,157,251)	2,838,615	(2,437,944)	2,682,239
Tax calculated at tax rate at 17%	(366,733)	482,565	(414,450)	455,981
Effects of:				
– deficit/(surplus) exempted from tax	376,156	(461,867)	414,450	(455,981)
– non-deductible expenses	3,791	2,280	–	–
– statutory stepped income exemption	(843)	(8,482)	–	–
– income not subject to tax	(12,090)	(6,864)	–	–
– utilisation of previously unrecognised tax losses	(281)	(7,632)	–	–
	–	–	–	–

As at balance sheet date, a subsidiary has unutilised tax losses amounting to \$522,641 (2014/2015: \$524,294) available for offsetting against future taxable profits. As at 31 March 2016 and 2015, deferred income tax assets were not recognised in respect of the unutilised tax losses as there are no probable future profits. The utilisation of these tax losses are subject to provision in the Income Tax Act and agreement by the Inland Revenue Authority of Singapore.

24. Investments with fund managers and unit trusts

The Group placed its surplus funds with fund managers and unit trusts. The fund managers are given discretion in managing their respective portfolios, subject to the investment guidelines and the mandate set out in the external fund management agreements.

As part of its risk management activities, the fund managers use currency forwards and swaps for hedging purposes. They are not used for speculative purposes.

As at the balance sheet date, the funds managed by fund managers and unit trusts comprise the following assets and liabilities:

	Note	GROUP and BOARD	
		2015/2016	2014/2015
		\$	\$
Financial assets at fair value through profit or loss			
– Quoted debt securities	11	–	26,731,517
– Quoted equity securities	11	–	11,763,766
Cash balances	15	–	746,345
Fixed deposits	15	–	499,565
Net other receivable/(payable) relating to investment transactions		15,367	(328,417)
Currency forwards and swaps	14	–	75,442
		15,367	39,488,218
Financial assets at fair value through profit or loss			
– Quoted unit trusts	11	190,519,200	61,813,663
		190,534,567	101,301,881

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

24. Investments with fund managers and unit trusts *(cont'd)*

The investments with fund managers and unit trusts are designated at fair value through profit or loss as the Group manages such investments based on their fair value in accordance with the Group's documented investment strategy.

In 2014/2015, investments with fund managers included quoted debt securities issued by statutory boards and organs of states of \$7,149,378.

Sales and redemption of debt securities, and purchases of investments carried out by the fund managers with statutory boards, educational institutions and other government agencies amounted to \$25,318,578 (2014/2015: \$36,128,220) and \$18,051,962 (2014/2015: \$31,750,167) respectively.

25. Commitments

(a) Operating lease commitments – where the Board is a lessee

The Board leases certain properties under non-cancellable operating lease agreements. These leases have no purchase options. These leases, most of which have renewal options, expire at various dates up to the year 2034 and contain provisions for rental adjustments and provisions to restrict the Board to the usage of the premises.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Not later than one year	10,057,776	10,138,962
Between one and five years	21,624,577	17,795,334
Later than five years	19,643,916	14,196,104
	51,326,269	42,130,400

(b) Operating lease commitments – where the Board is a lessor

The Board leases out certain commercial property space to non-related parties under non-cancellable operating leases. The non-cancellable leases have remaining non-cancellable lease terms of between one and five years.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Not later than one year	5,674,228	4,484,800
Between one and five years	5,543,193	7,959,018
	11,217,421	12,443,818

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

25. Commitments (cont'd)

(c) Collection commitment

Purchase order on book collections approved by the Board at the balance sheet date but not provided for in the Group's financial statements is as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Amount approved and contracted	1,877,300	83,207

(d) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	GROUP and BOARD	
	2015/2016	2014/2015
	\$	\$
Amount approved and contracted	5,950,177	379,500

26. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

(a) Transactions with Ministries, Organs of State, Statutory Boards, Educational Institutions and other Government Agencies

	GROUP	
	2015/2016	2014/2015
	\$	\$
Consultancy service income	4,704,424	6,741,016
Professional service income	3,908,021	3,992,279
Rental expenses	(10,699,465)	(12,908,346)
IT services	(1,939,463)	(1,933,260)

(b) Transactions with subsidiaries

	BOARD	
	2015/2016	2014/2015
	\$	\$
Consultancy and other services	224,038	75,428
Professional library services	90,755	261,916
Rental income	93,972	53,965
Other income	–	428
General and administrative expenses	–	(2,656)
Agency and other professional fees	(600)	–
Disbursement of grant	(1,066,881)	(671,069)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

26. Related party transactions (cont'd)

(c) Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The chief executive and the group heads are considered by the Group to be key management personnel.

The key management personnel compensation is as follows:

	GROUP		BOARD	
	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$
Salaries, bonuses and other short-term benefits	1,820,035	1,285,724	1,467,275	1,070,890
Employer's contribution to defined contribution plans, including Central Provident Fund	112,784	52,230	76,455	27,700
	1,932,819	1,337,954	1,543,730	1,098,590

27. Financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, unit trusts as well as debt securities, equity securities and currency forwards and swaps managed by fund managers. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which are directly attributable to its operations. The Group does not hold or issue derivative financial instruments for trading purposes. The Group's exposure to risk predominantly arises from its fund placed with fund managers.

Funds with fund managers

The Group established an investment policy which governs the overall investment guidelines including the overarching investment objectives as well as asset allocations and restrictions with an appropriate risk management framework. The investment contracts with the fund managers were established based on approved policies and guidelines. Regular investment performance reports are sent to the members of the National Library Board for monitoring purposes. Review sessions with the fund managers are held once in every six months.

The fund managers appointed are held responsible in achieving the investment objectives set forth in their respective fund manager agreements entered into with the Group. All income and realised capital gains are to be reinvested by the fund managers unless otherwise instructed by the Group.

The fund managers' overall risk management program seeks to maximise the returns derived for the level of risk to which they are exposed and seeks to minimise the potential adverse effects on the fund manager's financial performance.

The management of these risks carried out by the fund managers is governed by the mandate set forth in the fund manager agreement approved by the Group's Finance Committee. The mandate provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk, the use of derivative and non-derivative financial instruments which are stipulated below.

The Finance Committee has reviewed and agreed on policies for managing each of these risks in relation to the funds with fund managers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

27. Financial risk management *(cont'd)*

(a) Credit risk

Credit risk refers to the risk that counterparty to a financial instrument will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and the Board are unit trusts, investment in debt securities, cash and cash equivalents and trade and other receivables.

For investments in debt securities managed by professional fund managers, the Group adopts the policy of dealing only with counterparties of a minimum credit rating of "BBB" (Standard and Poor) or equivalent, further subject to industry and geographical limits.

For financial instruments, the management regularly monitors the recoverability of its financial assets and believes that it has adequately provided for any exposure to potential losses.

For cash and fixed deposits, the Group adopts the policy of dealing only with regulated high credit quality counterparties.

Credit exposure to fund managers are restricted by credit policies in place and based on ongoing credit evaluation.

At the balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Please see details of aging of trade and grant receivables and book fines and lost book charges, including the movement in the related allowance for impairment in Notes 12 and 13.

(b) Liquidity risk

The Board has minimal exposure to liquidity risk as its operations are funded by government grants. The Group has ensured sufficient liquidity through the holding of highly liquid assets in the form of cash and cash equivalents at all times to meet its financial obligations.

(c) Market risk

(i) Price risk

The Group is exposed to price risk arising from quoted equity securities and unit trusts held by the fund managers. Where non-monetary financial instruments such as equity securities are denominated in currencies other than the functional currency of the Group, the price initially expressed in foreign currency and then converted into the functional currency will also fluctuate because of changes in foreign exchange rates.

To manage its price risk, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group's Finance Committee.

The overall market position of these investments is reviewed on a semi-annual basis by the Finance Committee. Compliance with the Group's fund management mandate is reported to the Finance Committee on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

27. Financial risk management (cont'd)

(c) Market risk (cont'd)

(i) Price risk (cont'd)

A 3% (2014/2015: 3%) increase/decrease in the underlying unit trust prices and a 6% increase/decrease in the underlying equity in 2014 at the balance sheet date would increase/decrease portfolio gains and the fair value of the equity securities and unit trusts in profit or loss by the following amounts:

	GROUP and BOARD	
	Net surplus for the year	
	2015/2016	2014/2015
	\$	\$
Financial assets at fair value through profit or loss		
– Quoted equity securities	–	705,826
– Quoted unit trusts	5,715,576	1,854,410

The above sensitivity analysis assumes that all other variables are held constant.

(ii) Interest rate risk

Exposure to interest rate risk relate primarily to the Group's investment portfolio managed by fund managers and the fixed deposits placed with banks.

The Group relies on fund managers to monitor and mitigate the adverse effects of interest rate changes on its investment portfolios. The fund managers have absolute discretion in managing the funds within the Group's investment guidelines. A portfolio diversification approach is adopted.

At the balance sheet date, the interest rate profile of the interest-earning financial instruments is as follows:

	GROUP		BOARD	
	Carrying amount		Carrying amount	
	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$
Fixed rate instruments				
Fixed deposits managed				
by fund managers	–	499,565	–	499,565
Fixed deposits at bank	982,490	956,500	–	–
Quoted debt securities	766,380	27,513,887	–	26,731,517
	1,748,870	28,969,952	–	27,231,082

Fair value sensitivity analysis for fixed rate instruments

Changes in interest rates would not affect fixed rate instruments (i.e. fixed deposits managed by fund managers and fixed deposits at bank) measured at amortised costs.

Debt securities are the only fixed rate instrument which is accounted for at fair value through profit or loss by the Group. This analysis assumes that all other variables remain constant and there is an inverse linear relationship between interest rates and bond prices.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

27. Financial risk management (cont'd)

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

Therefore, an increase of 50 (2014/2015: 50) basis points in interest would decrease the fair value of debt securities and net surplus as follows:

	GROUP		BOARD	
	Carrying amount		Carrying amount	
	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$
Debt securities	3,832	137,569	–	133,658

(iii) Currency risk

The Group operates in Singapore and income and expenditure are primarily incurred in its functional currency.

Currency risk arises when transactions are denominated in foreign currencies such as the United States Dollar ("USD"). To manage the currency risk, the Group enters into currency forwards and swaps through fund managers. Please see details disclosed in Note 14 to the financial statements.

In addition, the Group is exposed to currency translation risk on the assets or liabilities denominated in foreign currencies.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD	USD	Others	Total
	\$	\$	\$	\$
At 31 March 2016				
Financial assets				
Quoted debt securities	766,380	–	–	766,380
Trade and other receivables	43,830,024	9,705	12,810	43,852,539
Cash and cash equivalents	218,986,467	67,581	–	219,054,048
	263,582,871	77,286	12,810	263,672,967
Financial liabilities				
Trade and other payables	(41,309,832)	(585,458)	(78,158)	(41,973,448)
	(41,309,832)	(585,458)	(78,158)	(41,973,448)
Net financial assets/ (liabilities)	222,273,039	(508,172)	(65,348)	221,699,519
Less: Currency forwards and swaps	–	–	–	–
Less: Net financial assets in functional currency	(222,273,039)	–	–	(222,273,039)
Currency exposure of financial (liabilities)/ assets net of those denominated in the functional currencies	–	(508,172)	(65,348)	(573,520)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

27. Financial risk management (cont'd)

(c) Market risk (cont'd)

(iii) Currency risk (cont'd)

	SGD \$	USD \$	Others \$	Total \$
At 31 March 2015				
Financial assets				
Quoted debt securities	17,862,452	7,792,655	1,858,780	27,513,887
Trade and other receivables	9,408,909	598,745	35,291	10,042,945
Cash and cash equivalents	259,407,748	260,965	33,295	259,702,008
	286,679,109	8,652,365	1,927,366	297,258,840
Financial liabilities				
Trade and other payables	(49,846,178)	(989,030)	(133,845)	(50,969,053)
	(49,846,178)	(989,030)	(133,845)	(50,969,053)
Net financial assets	236,832,931	7,663,335	1,793,521	246,289,787
Less: Currency forwards and swaps	–	(7,407,151)	(1,806,016)	(9,213,167)
Less: Net financial assets in functional currency	(236,832,931)	–	–	(236,832,931)
Currency exposure of financial assets/ (liabilities) net of those denominated in the functional currencies	–	256,184	(12,495)	243,689

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

27. Financial risk management (cont'd)

(c) Market risk (cont'd)

(iii) Currency risk (cont'd)

The Board's currency exposure based on the information provided to key management is as follows:

	SGD \$	USD \$	Others \$	Total \$
At 31 March 2016				
Financial assets				
Quoted debt securities	–	–	–	–
Trade and other receivables	43,437,645	9,705	12,810	43,460,160
Cash and cash equivalents	217,108,577	–	–	217,108,577
	260,546,222	9,705	12,810	260,568,737
Financial liabilities				
Trade and other payables	(40,942,952)	(562,320)	(78,158)	(41,583,430)
	(40,942,952)	(562,320)	(78,158)	(41,583,430)
Net financial assets/ (liabilities)	219,603,270	(552,615)	(65,348)	218,985,307
Less: Currency forwards and swaps	–	–	–	–
Less: Net financial assets in functional currency	(219,603,270)	–	–	(219,603,270)
Currency exposure of financial (liabilities)/ assets net of those denominated in the functional currencies	–	(552,615)	(65,348)	(617,963)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

27. Financial risk management (cont'd)

(c) Market risk (cont'd)

(iii) Currency risk (cont'd)

	SGD \$	USD \$	Others \$	Total \$
At 31 March 2015				
Financial assets				
Quoted debt securities	17,080,082	7,792,655	1,858,780	26,731,517
Trade and other receivables	8,915,826	598,745	35,291	9,549,862
Cash and cash equivalents	257,216,784	93,893	33,295	257,343,972
	283,212,692	8,485,293	1,927,366	293,625,351
Financial liabilities				
Trade and other payables	(49,293,773)	(881,663)	(133,845)	(50,309,281)
	(49,293,773)	(881,663)	(133,845)	(50,309,281)
Net financial assets				
	233,918,919	7,603,630	1,793,521	243,316,070
Less: Currency forwards and swaps	–	(7,407,151)	(1,806,016)	(9,213,167)
Less: Net financial assets in functional currency	(233,918,919)	–	–	(233,918,919)
Currency exposure of financial assets/ (liabilities) net of those denominated in the functional currencies	–	196,479	(12,495)	183,984

If the USD change against SGD by 5% (2014/2015: 5%), with all other variables including interest rates being held constant, the effects arising from the net financial asset/(liability) position will be as follows:

	(Decrease)/Increase in Accumulated Surplus	
	2015/2016 \$	2014/2015 \$
Group		
USD against SGD		
Strengthened	(25,409)	12,809
Weakened	25,409	(12,809)
Board		
USD against SGD		
Strengthened	(27,631)	9,824
Weakened	27,631	(9,824)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

27. Financial risk management *(cont'd)*

(d) Fair value measurements

The following table presents financial instruments measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Group				
At 31 March 2016				
Financial assets at fair value through profit or loss				
– Quoted debt securities	766,380	–	–	766,380
– Quoted equity securities	–	–	–	–
– Quoted unit trusts	190,519,200	–	–	190,519,200
Derivative financial instruments	–	–	–	–
	191,285,580	–	–	191,285,580

At 31 March 2015

Financial assets at fair value through profit or loss				
– Quoted debt securities	27,513,887	–	–	27,513,887
– Quoted equity securities	11,763,766	–	–	11,763,766
– Quoted unit trusts	61,813,663	–	–	61,813,663
Derivative financial instruments	–	75,442	–	75,442
	101,091,316	75,442	–	101,166,758

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

27. Financial risk management (cont'd)

(d) Fair value measurements (cont'd)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Board				
31 March 2016				
Financial assets at fair value through profit or loss				
– Quoted debt securities	–	–	–	–
– Quoted equity securities	–	–	–	–
– Quoted unit trusts	190,519,200	–	–	190,519,200
Derivative financial instruments	–	–	–	–
	190,519,200	–	–	190,519,200
31 March 2015				
Financial assets at fair value through profit or loss				
– Quoted debt securities	26,731,517	–	–	26,731,517
– Quoted equity securities	11,763,766	–	–	11,763,766
– Quoted unit trusts	61,813,663	–	–	61,813,663
Derivative financial instruments	–	75,442	–	75,442
	100,308,946	75,442	–	100,384,388

The fair values of financial instruments traded in active markets (such as exchange traded and over-the-counter securities and derivatives) are based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets held by the Group are the current bid prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used, where appropriate. Other techniques, such as discounted cash flow analysis, are used to determine fair value of the remaining financial instruments.

The fair value of currency forwards is determined using actively quoted forward currency rates at the statement of financial position date. The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

27. Financial risk management (cont'd)

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 11 and Note 14 to the financial statements, except for the following:

	GROUP		BOARD	
	2015/2016 \$	2014/2015 \$	2015/2016 \$	2014/2015 \$
Loans and receivables	262,906,587	269,744,953	260,568,737	266,893,834
Financial liabilities at amortised cost	41,973,448	50,969,053	41,583,430	50,309,281

(f) Offsetting financial assets and financial liabilities

The Group and Board have the following financial instruments subject to enforceable master netting arrangements or similar agreement as follows:

Related amounts set off in the balance sheet

	Gross amounts – financial assets (a) \$	Gross amounts – financial liabilities (b) \$	Net amounts – financial assets presented in balance sheet (c) = (a)-(b) \$
At 31 March 2016			
Currency swaps	–	–	–
Derivative financial instruments	–	–	–
At 31 March 2015			
Currency swaps	10,751,479	(10,676,037)	75,442
Derivative financial instruments	10,751,479	(10,676,037)	75,442

28. New or revised accounting standards and interpretations

The Group has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Group's accounting periods beginning on or after 1 April 2016. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

29. Authorisation of financial statements

These financial statements were authorised for issue by the Members of the Board on 20 June 2016.

