National Library Board
Singapore

NATIONAL LIBRARY BOARD AND ITS SUBSIDIARY

FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

CONTENTS

STATEMENT BY THE NATIONAL LIBRARY BOARD

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

In the opinion of the National Library Board (the "Board"),

(a) the accompanying financial statements of the Board and its subsidiary (the "Group") as set out on pages 6 to 53 are drawn up so as to present fairly, the state of affairs of the Group and of the Board as at 31 March 2013 and the results and changes in equity of the Group and of 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 (Cap. 197, 1996 Revised Edition) (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

Yeoh Chee Yan
Chairman

Elaine Ng
Chief Executive Officer

21 June 2013

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 subsidiary (the "Group") set out on pages 6 to 53, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Board as at 31 March 2013, the statements of comprehensive income of the Group and the Board, statements of changes in equity of the Group and the Board and 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 (Cap. 197, 1996 Revised Edition) (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 2013 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF THE NATIONAL LIBRARY BOARD (CONT'D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONT'D)

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 subsidiary 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 causes 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

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants
Singapore, 21 June 2013

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	Note	Group 2012/2013 $	Group 2011/2012 $	Board 2012/2013 $	Board 2011/2012 $
Equity					
Capital account	4	**102,178,694**	92,722,420	**102,178,694**	92,722,420
Heritage reserves	6	**7,739,175**	6,994,007	**7,739,175**	6,994,007
Accumulated surplus					
- General funds		**41,959,370**	44,343,833	**39,615,437**	41,230,225
- Restricted funds	7	**66,530,434**	63,795,929	**66,530,434**	63,795,929
Total equity		**218,407,673**	207,856,189	**216,063,740**	204,742,581
Non-current assets					
Property, plant and equipment	9	**271,060,837**	274,291,790	**271,058,215**	274,291,748
Heritage assets	6	**11,545,263**	10,750,643	**11,545,263**	10,750,643
Investment in subsidiary	10	**-**	-	**1**	1
		282,606,100	285,042,433	**282,603,479**	285,042,392
Current assets					
Financial assets at fair value through profit or loss	11	**98,788,315**	76,304,225	**97,753,095**	76,304,225
Trade and other receivables	12	**44,105,753**	38,842,621	**44,440,310**	38,520,130
Derivative financial instruments	14	**136,030**	41,289	**136,030**	41,289
Cash and cash equivalents	15	**105,683,182**	99,390,661	**103,644,827**	96,300,550
		248,713,280	214,578,796	**245,974,262**	211,166,194
Total assets		**531,319,380**	499,621,229	**528,577,741**	496,208,586
Current liabilities					
Trade and other payables	16	**66,277,347**	44,698,743	**65,879,641**	44,402,518
Current income tax liabilities	23	**-**	2,810	**-**	-
Provision for retirement benefits	17	**1,788,000**	2,816,000	**1,788,000**	2,816,000
Development grants received in advance	18	**3,907,897**	437,611	**3,907,897**	437,611
Deferred capital grants	19	**14,513,442**	13,615,154	**14,513,442**	13,615,154
		86,486,686	61,570,318	**86,088,980**	61,271,283
Non-current liabilities					
Provision for retirement benefits	17	**7,019,000**	7,090,000	**7,019,000**	7,090,000
Deferred capital grants	19	**219,406,021**	223,104,722	**219,406,021**	223,104,722
		226,425,021	230,194,722	**226,425,021**	230,194,722
Total liabilities		**312,911,707**	291,765,040	**312,514,001**	291,466,005
Net assets		**218,407,673**	207,856,189	**216,063,740**	204,742,581
Net assets of trust funds	8	**230,117**	1,513,403	**230,117**	1,513,403

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	General funds 2012/2013 $	General funds 2011/2012 $	Restricted funds 2012/2013 $	Restricted funds 2011/2012 $	Total 2012/2013 $	Total 2011/2012 $
Group							
Income							
Consultancy and other services		**6,988,715**	5,092,763	**-**	-	**6,988,715**	5,092,763
Professional library services		**4,864,879**	4,993,053	**-**	-	**4,864,879**	4,993,053
Rental income		**6,496,444**	6,745,993	**-**	-	**6,496,444**	6,745,993
Book fines and lost book charges		**3,793,322**	3,814,852	**-**	-	**3,793,322**	3,814,852
Interest income		**542,198**	525,910	**29,944**	161,121	**572,142**	687,031
Library services and programmes		**2,102,197**	1,648,424	**-**	-	**2,102,197**	1,648,424
Membership fees		**932,662**	1,032,501	**-**	-	**932,662**	1,032,501
Investment income	22	**2,192,265**	869,290	**2,500,368**	743,715	**4,692,633**	1,613,005
Other income		**1,086,004**	516,535	**3,958**	-	**1,089,962**	516,535
Donations		**2,240,763**	53,407	**3,375,027**	76,020	**5,615,790**	129,427
		31,239,449	25,292,728	**5,909,297**	980,856	**37,148,746**	26,273,584
Expenditure							
Manpower and staff welfare	20	**(81,133,512)**	(74,771,730)	**(31,815)**	(51,221)	**(81,165,327)**	(74,822,951)
Depreciation of property, plant and equipment	9	**(36,913,505)**	(24,216,821)	**(273,203)**	(307,133)	**(37,186,708)**	(24,523,954)
Books, periodicals and serials		**(25,940,891)**	(30,406,637)	**(818,272)**	(5,434)	**(26,759,163)**	(30,412,071)
General and administrative expenses		**(42,552,118)**	(37,853,255)	**(467,459)**	(304,492)	**(43,019,577)**	(38,157,747)
Maintenance and other property expenses		**(17,836,094)**	(19,215,404)	**(482,583)**	(52,772)	**(18,318,677)**	(19,268,176)
Rental expenses		**(22,477,704)**	(21,102,203)	**(24,963)**	-	**(22,502,667)**	(21,102,203)
Agency and other professional fees		**(16,008,166)**	(15,716,655)	**(470,890)**	(163,725)	**(16,479,056)**	(15,880,380)
Other expenses		**(7,261,069)**	(7,188,283)	**(161,563)**	(16,257)	**(7,422,632)**	(7,204,540)
Allowance made for doubtful book fines and lost book charges	13	**(504,418)**	(427,764)	**-**	-	**(504,418)**	(427,764)
(Allowance made)/write-back of allowance for doubtful receivables	12	**(179,376)**	289,264	**-**	-	**(179,376)**	289,264
		(250,806,853)	(230,609,488)	**(2,730,748)**	(901,034)	**(253,537,601)**	(231,510,522)
(Deficit)/surplus before grants		**(219,567,404)**	(205,316,760)	**3,178,549**	79,822	**(216,388,855)**	(205,236,938)
Grants							
Operating grants	21	**197,167,948**	183,285,943	**-**	1,479,145	**197,167,948**	184,765,088
Development grants	18	**2,073,329**	6,271,851	**-**	-	**2,073,329**	6,271,851
Deferred capital grants amortised	19	**17,964,347**	13,509,997	**-**	-	**17,964,347**	13,509,997
		217,205,624	203,067,791	**-**	1,479,145	**217,205,624**	204,546,936
(Deficit)/surplus for the year before tax		**(2,361,780)**	(2,248,969)	**3,178,549**	1,558,967	**816,769**	(690,002)
Income tax credit	23	**8,052**	3,705	**-**	-	**8,052**	3,705
Net (deficit)/surplus for the year		**(2,353,728)**	(2,245,264)	**3,178,549**	1,558,967	**824,821**	(686,297)
Other comprehensive loss							
Transfer to heritage reserves		**(30,735)**	(25,147)	**(444,044)**	-	**(474,779)**	(25,147)
Funds for acquisition of heritage assets		**-**	-	**-**	-	**745,168**	79,892
Total other comprehensive loss		**(30,735)**	(25,147)	**(444,044)**	-	**270,389**	54,745
Total comprehensive (loss)/income for the year		**(2,384,463)**	(2,270,411)	**2,734,505**	1,558,967	**1,095,210**	(631,552)

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	General funds 2012/2013 $	General funds 2011/2012 $	Restricted funds 2012/2013 $	Restricted funds 2011/2012 $	Total 2012/2013 $	Total 2011/2012 $
Board							
Income							
Consultancy and other services		**6,554,506**	4,562,906	**-**	-	**6,554,506**	4,562,906
Professional library services		**5,351,954**	5,176,675	**-**	-	**5,351,954**	5,176,675
Rental income		**6,535,558**	6,771,931	**-**	-	**6,535,558**	6,771,931
Book fines and lost book charges		**3,793,322**	3,814,852	**-**	-	**3,793,322**	3,814,852
Interest income		**492,352**	515,491	**29,944**	161,121	**522,296**	676,612
Library services and programmes		**2,107,678**	1,648,423	**-**	-	**2,107,678**	1,648,423
Membership fees		**932,662**	1,032,501	**-**	-	**932,662**	1,032,501
Investment income	22	**2,185,566**	869,290	**2,500,368**	743,715	**4,685,934**	1,613,005
Other income		**1,033,882**	549,162	**3,958**	-	**1,037,840**	549,162
Donations		**2,240,763**	53,407	**3,375,027**	76,020	**5,615,790**	129,427
		31,228,243	24,994,638	**5,909,297**	980,856	**37,137,540**	25,975,494
Expenditure							
Manpower and staff welfare	20	**(81,047,269)**	(74,693,653)	**(31,815)**	(51,221)	**(81,079,084)**	(74,744,874)
Depreciation of property, plant and equipment	9	**(36,913,180)**	(24,214,303)	**(273,203)**	(307,133)	**(37,186,383)**	(24,521,436)
Books, periodicals and serials		**(25,940,891)**	(30,406,636)	**(818,272)**	(5,434)	**(26,759,163)**	(30,412,070)
General and administrative expenses		**(42,151,335)**	(37,495,757)	**(467,459)**	(304,492)	**(42,618,794)**	(37,800,249)
Maintenance and other property expenses		**(17,808,344)**	(19,195,371)	**(482,583)**	(52,772)	**(18,290,927)**	(19,248,143)
Rental expenses		**(22,477,704)**	(21,102,203)	**(24,963)**	-	**(22,502,667)**	(21,102,203)
Agency and other professional fees		**(15,942,192)**	(15,661,880)	**(470,890)**	(163,725)	**(16,413,082)**	(15,825,605)
Other expenses		**(7,232,587)**	(7,188,283)	**(161,563)**	(16,257)	**(7,394,150)**	(7,204,540)
Allowance made for doubtful book fines and lost book charges	13	**(504,418)**	(427,764)	**-**	-	**(504,418)**	(427,764)
		(250,017,920)	(230,385,850)	**(2,730,748)**	(901,034)	**(252,748,668)**	(231,286,884)
(Deficit)/surplus before grants		**(218,789,677)**	(205,391,212)	**3,178,549**	79,822	**(215,611,128)**	(205,311,390)
Grants							
Operating grants	21	**197,167,948**	183,285,943	**-**	1,479,145	**197,167,948**	184,765,088
Development grants	18	**2,073,329**	6,271,851	**-**	-	**2,073,329**	6,271,851
Deferred capital grants amortised	19	**17,964,347**	13,509,997	**-**	-	**17,964,347**	13,509,997
		217,205,624	203,067,791	**-**	1,479,145	**217,205,624**	204,546,936
(Deficit)/surplus for the year before tax		**(1,584,053)**	(2,323,421)	**3,178,549**	1,558,967	**1,594,496**	(764,454)
Income tax	23	**-**	-	**-**	-	**-**	-
Net (deficit)/surplus for the year		**(1,584,053)**	(2,323,421)	**3,178,549**	1,558,967	**1,594,496**	(764,454)
Other comprehensive loss							
Transfer to heritage reserves		**(30,735)**	(25,147)	**(444,044)**	-	**(474,779)**	(25,147)
Funds for acquisition of heritage assets		**-**	-	**-**	-	**745,168**	79,892
Total other comprehensive loss		**(30,735)**	(25,147)	**(444,044)**	-	**(270,389)**	54,735
Total comprehensive (loss)/income for the year		**(1,614,788)**	(2,348,568)	**2,734,505**	1,558,967	**1,864,885**	(709,709)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	Capital account		Heritage reserves	Accumulated surplus		Total
		Establishment account	Equity financing account		General funds	Restricted funds (see Note 7)	
		$	$	$	$	$	$
Group							
At 1 April 2011		10,334,137	72,576,889	6,914,115	46,614,244	62,236,962	198,676,347
Net (deficit)/surplus for the year		-	-	-	(2,245,264)	1,558,967	(686,297)
Acquisition of heritage assets	6	-	-	79,892	(25,147)	-	54,745
Total comprehensive income/(loss) for the year		-	-	79,892	(2,270,411)	1,558,967	(631,552)
Issuance of shares	5	-	9,811,394	-	-	-	9,811,394
At 31 March 2012		10,334,137	82,388,283	6,994,007	44,343,833	63,795,929	207,856,189
At 1 April 2012		10,334,137	82,388,283	6,994,007	44,343,833	63,795,929	207,856,189
Net (deficit)/surplus for the year		-	-	-	(2,353,728)	3,178,549	824,821
Acquisition of heritage assets	6	-	-	745,168	(30,735)	(444,044)	270,389
Total comprehensive income/(loss) for the year		-	-	745,168	(2,384,463)	2,734,505	1,095,210
Issuance of shares	5	-	9,456,274	-	-	-	9,456,274
At 31 March 2013		10,334,137	91,844,557	7,739,175	41,959,370	66,530,434	218,407,673

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	Capital account Establishment account $	Capital account Equity financing account $	Heritage reserves $	Accumulated surplus General funds $	Accumulated surplus Restricted funds (see Note 7) $	Total $
Board							
At 1 April 2011		10,334,137	72,576,889	6,914,115	43,578,793	62,236,962	195,640,896
Net (deficit)/surplus for the year		-	-	-	(2,323,421)	1,558,967	(764,454)
Acquisition of heritage assets	6	-	-	79,892	(25,147)	-	54,745
Total comprehensive income/(loss) for the year		-	-	79,892	(2,348,568)	1,558,967	(709,709)
Issuance of shares	5	-	9,811,394	-	-	-	9,811,394
At 31 March 2012		10,334,137	82,388,283	6,994,007	41,230,225	63,795,929	204,742,581
At 1 April 2012		10,334,137	82,388,283	6,994,007	41,230,225	63,795,929	204,742,581
Net (deficit)/surplus for the year		-	-	-	(1,584,053)	3,178,549	1,594,496
Acquisition of heritage assets	6	-	-	745,168	(30,735)	(444,044)	270,389
Total comprehensive income/(loss) for the year		-	-	745,168	(1,614,788)	2,734,505	1,864,885
Issuance of shares	5	-	9,456,274	-	-	-	9,456,274
At 31 March 2013		10,334,137	91,844,557	7,739,175	39,615,437	66,530,434	216,063,740

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	Group 2012/2013 $	Group 2011/2012 $
Cash flows from operating activities			
Deficit before grants		**(216,388,855)**	(205,236,938)
Adjustments for:			
Depreciation of property, plant and equipment	9	**37,186,708**	24,523,954
Interest income from fixed deposits with bank		**(572,142)**	(687,031)
Net gain from financial assets at fair value through profit or loss	22	**(4,692,633)**	(1,613,005)
Fund management fees		**263,453**	205,131
Retirement benefits	20	**615,407**	454,563
Gain on disposal of property, plant and equipment		**(15,877)**	(87,308)
Property, plant and equipment written off		**14,037**	599,209
Donation-in-kind received		**(2,241,757)**	(3,936)
Income tax refunded		**8,052**	6,515
Deficit before working capital changes		**(185,823,607)**	(181,838,846)
Changes in working capital:			
Trade and other receivables		**(4,481,716)**	955,172
Trade and other payables		**7,160,854**	(2,943,813)
Derivative financial instruments		**(94,741)**	(121,733)
Cash utilised in operations		**(183,239,210)**	(183,949,220)
Pension paid		**(1,714,407)**	(70,564)
Cash flows used in operating activities		**(184,953,617)**	(184,019,784)
Cash flows from investing activities			
Funds placed with fund managers		**(11,000,000)**	(57,647,000)
Funds withdrawn from fund managers		**-**	20,978,080
Purchases of quoted debt securities		**(1,028,521)**	-
Purchases of property, plant and equipment		**(11,674,777)**	(13,555,019)
Purchases of heritage asset		**(727,133)**	(84,336)
Proceeds from disposal of property, plant and equipment		**15,877**	87,308
Interest income received		**611,917**	672,703
Cash flows used in investing activities		**(23,802,637)**	(49,548,264)
Cash flows from financing activities			
Government grants received		**212,233,405**	191,093,738
Government grants refunded		**-**	(34,129)
Proceeds from equity financing		**9,196,533**	9,811,394
Cash flows from financing activities		**221,429,938**	200,871,003
Net increase/(decrease) in cash and cash equivalents		**12,673,684**	(32,697,045)
Cash and cash equivalents at beginning of the year		**88,707,487**	121,404,532
Cash and cash equivalents at end of the year	15	**101,381,171**	88,707,487

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 (Cap. 197, 1996 Revised Edition). The Board's 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"). On 1 November 2012, there was restructuring of Ministry of Information, Communications and the Arts ("MICA") and Ministry of Community Development, Youth and Sports ("MCYS") and MICA was renamed 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").

The Board is also registered as a charity (Registration No: 001608) under the Charities Act (Cap. 37, 1995 Revised Edition) since 16 September 2002.

The Board's primary functions are to:

(a) establish and maintain libraries, and provide library information services;

(b) promote reading and encourage learning through the use of libraries and their services;

(c) provide a repository for library materials published in Singapore;

(d) acquire and maintain a comprehensive collection of library materials relating to Singapore and its people;

(e) establish liaison with overseas library authorities and information providers to secure maximum collaboration of all activities relevant to its function;

(f) provide advisory and consultancy services concerning libraries and library information services;

(g) compile and maintain a national union catalogue and a national bibliography;

(h) advise the Government on national needs and policies in respect of matters relating to publicly-funded libraries and library information services in Singapore; and

(i) take appropriate measures to obtain, maintain and preserve library materials deposited.

The principal activities of the subsidiary are disclosed in Note 10 to the financial statements.

In line with the restructuring of MCI to focus on improving government's information and public communications, the National Archives of Singapore ("NAS") was transferred from National Heritage Board to National Library Board with effect from 1 November 2012.

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 (Cap. 197, 1996 Revised Edition). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

The preparation of these 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 estimates and assumptions are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2012

On 1 April 2012, 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 these new or amended SB-FRS and INT SB-FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Basis of consolidation

Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities. This is embodied generally by a shareholding that accords a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Transactions eliminated on consolidation

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 for subsidiaries

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

2.3 Currency translation

The financial statements are presented in Singapore Dollar, which is the functional currency of the Board.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Property, plant and equipment

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

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is attributable to bringing the asset to the location and condition necessary for it to be 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 the obligation for the dismantlement, removal or restoration 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.

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.

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.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. Leased assets are depreciated over the shorter of the lease term and 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 estimated useful lives are 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

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.

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.

2.5 Heritage assets

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Heritage assets (cont'd)

Subsequent expenditure relating to heritage assets that has been recognised is added to the carrying amount of the asset only when it is probably 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 subsidiary are reviewed for impairment whenever there is any 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 Loans and receivables

Bank balances and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

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. 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.

These assets 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial assets, at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. 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. 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 strategies.

Financial assets at fair value through profit or loss are initially recognised at fair value, with the transaction costs incurred recognised immediately as expenses. Changes in fair values including the effects of currency translation, interest and dividends are recognised in profit or loss when the changes arise.

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. These fund managers hold currency forwards and swaps to hedge the risk.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining useful life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

2.10 Trade and other payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Group prior to the end of financial year. 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). If not, 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 current assets and liabilities carried at amortised cost approximate their carrying amounts.

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 forward currency exchange contracts are determined using actively quoted forward foreign currency rates.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

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.

2.13 Operating leases

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.

Contingent rents are recognised as an expense in profit or loss when incurred.

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.

Contingent rents are recognised as income in profit or loss when earned.

2.14 Income 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 recognises income when the amount of income and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Income recognition (cont'd)

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.

Library services and programmes

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

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.

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.

Interest income

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

Donations

Donations (cash or donations 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 an external expert and other professional staff at the time of receipt of the donations in kind.

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 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 required conditions associated with the grant.

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 period necessary to match the intended costs. Such grants which are received but not utilised are included in the grants received in advance account in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Grants (cont'd)

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

General fund

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

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.

2.17 Trust funds

Funds are set up to account for contributions received from external sources for specific purpose which the Group does not exercise control over.

The net assets of the trust funds are presented as a line item on the statements of financial position as prescribed by SB-FRS Guidance Note 1. Income and expenditure 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 and serials

Expenditure on books, periodicals 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 benefits

Defined contribution plans

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Employee benefits (cont'd)

Defined benefit plan

The Group operates unfunded defined benefit schemes for certain employees under the provisions of the Pension Act, (Cap. 225, 2004 Revised Edition).

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and any unrecognised past service costs is deducted. The discount rate is the yield on 5-year government bonds at the balance sheet date. The calculation is performed by a qualified actuary once every two years using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans in profit or loss.

Short-term benefits

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

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrued 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.

2.20 Income taxes

The National Library Board is a tax-exempted institution under the provisions of the Income Tax Act (Cap. 134, 2004 Revised Edition). The subsidiary of the Board is subject 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.

A deferred income tax liability is recognised on temporary differences arising on investment in subsidiary, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Income taxes (cont'd)

Deferred income tax is measured:

(i) at the tax rate that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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 AGD's bank accounts such that excess available 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.

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.

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 judgement or utilised different estimates. An increase in the Group's and Board's allowance for doubtful book fines and lost book charges would increase the Group's recorded operating expenses and decrease net receivables.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

(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 plus payments towards funding the actuarial accrued liability.

4 CAPITAL ACCOUNT

		Group and Board	
	Note	**2012/2013**	2011/2012
		$	$
Establishment account		**10,334,137**	10,334,137
Equity financing account	5	**91,844,557**	82,388,283
		102,178,694	92,722,420

The Capital Account comprises 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 term "Equity Financing" refers to 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. Under this framework, capital projects will be partially funded by the MOF as equity injection, and the remaining through loans or general funds of the Board.

Capital management

Capital consists of capital account, equity 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.

There were no changes to the Group's approach to capital management during the year.

Neither the Board nor its subsidiary is subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

5 EQUITY FINANCING ACCOUNT

	Note	Group and Board			
		2012/2013	2011/2012	**2012/2013**	2011/2012
		Number of shares		$	$
Issued and paid up:					
At 1 April		**82,388,283**	72,576,889	**82,388,283**	72,576,889
Issued as at 31 March		**9,456,274**	9,811,394	**9,456,274**	9,811,394
At 31 March	4	**91,844,557**	82,388,283	**91,844,557**	82,388,283

During the financial year, the Board received proceeds from equity financing of $9,456,274 (2011/2012: $9,811,394), which is represented by 9,456,274 (2011/2012: 9,811,394) 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, 1985 Revised Edition).

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

	Note	Group and Board	
		2012/2013	2011/2012
		$	$
Heritage reserves			
At 1 April		**6,994,007**	6,914,115
Movements during the year			
- Transferred from restricted funds	7	**444,044**	-
- Transferred from development grants	18	**270,389**	54,745
- Processing fees		**30,735**	25,147
		745,168	79,892
At 31 March		**7,739,175**	6,994,007
Heritage assets			
At 1 April		**10,750,643**	10,662,371
Movements during the year			
- Donation in kind		**67,487**	3,936
- Funded by restricted funds	7	**444,044**	-
- Funded by development grants	18	**270,389**	54,745
- Processing fees		**12,700**	29,591
		794,620	88,272
At 31 March		**11,545,263**	10,750,643

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

7 ACCUMULATED SURPLUS

(a) General fund

Income and expenditure relating to the main activities of the Group and Board are accounted for through the general fund.

(b) Restricted funds

The Group's restricted funds comprised the undisbursed balance of donations in the Library Fund and other donations and funds received for specific purposes for which there are restrictions on the Board in relation to the application of those funds.

The Library Fund is a trust, which is separately registered as a charity (Registration No: 01744) since 26 November 2003. The Library Fund has been conferred the status of an Institution of a Public Character (IPC No: 000069) to receive tax-exempt 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 comprise the Board's Chairman, Board members and staff trustees. The objects 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.

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.

7 ACCUMULATED SURPLUS (CONT'D)

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

Name of projects	Purpose
Arts Alive	This project archives, preserves and provides access to Singapore's performing arts heritage.
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.
Family History Exhibitions	This project comprises two exhibitions that focus on family history and genealogy as a means for promoting learning and knowledge of our nation's history and heritage. The exhibitions will showcase the rich variety of collections that the library has amassed, that are helpful for family history research.
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.
Lee Kong Chian Research Fellowship (Phase II)	This research fellowship enables distinguished scholars, practitioners and librarians to undertake collection related research and publication on LKC's prized collection.
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.
National Library Heritage Publications	This project comprises two publications under the publication masterplan to promote scholarship in the fields of history and social sciences; and promote research and learning in local history and heritage.
Project Khoo Seok Wan	This project comprises of an exhibition, publication and online bibliography of the famous cultural personality in early Singapore – Khoo Seok Wan. It supports and promotes greater public awareness and appreciation in the Singapore history and heritage.
Raffles Letter Exhibition	This project comprises an exhibition and supporting activities that focus on hitherto unpublished letters of Raffles relating to the founding of Singapore.
Rare Materials acquisition of David Parry's collection of SouthEast Asia Maps	This project comprises the purchase of a collection of 250 Southeast Asia maps spanning from 15th to the 19th centuries. This addition enhances the rare maps collection at Lee Kong Chian Reference Library and strengthens the Asia-centric research content.
Singapore Literary Heritage Series	The project comprises seminars, exhibitions at Lee Kong Chian Reference Library and other public library sites as well as publication of monographs of the pioneer writers.
10,000 & More Fathers Reading! Turns 5	A continuous effort from an earlier initiative - "10,000 & More Fathers Reading!" that involves annual reading programmes with the aim to draw attention to the key roles father play in their children's lives. This initiative aims to reach out to father figures in the new targeted industries like the aviation, shipping and property sector.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

7 ACCUMULATED SURPLUS (CONT'D)

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

	Endowment Fund		Other funds		Total	
	2012/2013 $	2011/2012 $	**2012/2013 $**	2011/2012 $	**2012/2013 $**	2011/2012 $
Group and Board						
Income						
Interest income	**2,036**	129,526	**27,908**	31,595	**29,944**	161,121
Investment income	**1,828,142**	490,714	**672,226**	253,001	**2,500,368**	743,715
Other income	**-**	-	**3,958**	-	**3,958**	-
Donations[1]	**-**	-	**3,375,027**	76,020	**3,375,027**	76,020
	1,830,178	620,240	**4,079,119**	360,616	**5,909,297**	980,856
Expenditure						
Manpower and staff welfare	**-**	-	**(31,815)**	(51,221)	**(31,815)**	(51,221)
Depreciation of property, plant and equipment	**-**	-	**(273,203)**	(307,133)	**(273,203)**	(307,133)
Books, periodicals and serials	**-**	-	**(818,272)**	(5,434)	**(818,272)**	(5,434)
General and administrative expenses	**(10)**	(40)	**(467,449)**	(304,452)	**(467,459)**	(304,492)
Maintenance and other property expenses	**-**	-	**(482,583)**	(52,772)	**(482,583)**	(52,772)
Rental expenses	**-**	-	**(24,963)**	-	**(24,963)**	-
Agency and other professional fees	**(75,955)**	(27,547)	**(394,935)**	(136,178)	**(470,890)**	(163,725)
Other expenses	**-**	-	**(161,563)**	(16,257)	**(161,563)**	(16,257)
	(75,965)	(27,587)	**(2,654,783)**	(873,447)	**(2,730,748)**	(901,034)
Surplus/(deficit) before grants	**1,754,213**	592,653	**1,424,336**	(512,831)	**3,178,549**	79,822
Operating Grants	**-**	1,479,145	**-**	-	**-**	1,479,145
Surplus/(deficit) for the year	**1,754,213**	2,071,798	**1,424,336**	(512,831)	**3,178,549**	1,558,967
Other comprehensive income/(loss)						
Acquisition of heritage assets	**-**	-	**(444,044)**	-	**(444,044)**	-
Total comprehensive income/(loss) for the year	**1,754,213**	2,071,798	**980,292**	(512,831)	**2,734,505**	1,558,967
Accumulated surplus at 1 April	**37,562,281**	35,490,483	**26,233,648**	26,746,479	**63,795,929**	62,236,962
Accumulated surplus at 31 March	**39,316,494**	37,562,281	**27,213,940**	26,233,648	**66,530,434**	63,795,929
Heritage reserves at 31 March	**-**	-	**444,044**	-	**444,044**	-
Total capital and accumulated surplus	**39,316,494**	37,562,281	**27,657,984**	26,233,648	**66,974,478**	63,795,929
Represented by:						
Property, plant and equipment	**-**	-	**9,751,882**	9,888,656	**9,751,882**	9,888,656
Heritage assets	**-**	-	**444,044**	-	**444,044**	-
Financial assets at fair value through profit or loss	**38,863,905**	34,772,282	**11,501,225**	10,829,000	**50,365,130**	45,601,282
Cash and cash equivalents	**659,800**	3,804,827	**6,471,614**	5,660,895	**7,131,414**	9,465,722
Trade and other receivables	**283**	34,074	**15,401**	11,837	**15,684**	45,911
Derivative financial instruments	**108,116**	38,800	**-**	-	**108,116**	38,800
Trade and other payables	**(315,610)**	(1,087,702)	**(526,182)**	(156,740)	**(841,792)**	(1,244,442)
	39,316,494	37,562,281	**27,657,984**	26,233,648	**66,974,478**	63,795,929

[1] Donations received relate to tax-exempt donations for The Library Fund.

8 NET ASSETS OF TRUST FUNDS

The trust funds comprise three international funds (2011/2012: four local and three international funds) managed by the Board on behalf of other agencies. The nature of the trust funds as at 31 March 2013 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.

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. International Federation of Library Associations and Institutions World Library and Information Congress 2013 ("IFLA WLIC 13")

Singapore is the host country for the IFLA WLIC 13 to be held from 16 August 2013 to 23 August 2013. It is the leading professional event for the international library and information services sector. At the WLIC, information professionals have the valuable opportunity to share insights and shape policies that address global challenges affecting the international library and information services sector.

IFLA Conference 2 BV, an independent legal entity incorporated in The Netherlands, is the executor of IFLA WLIC 13. The National Library Board and the Library Association of Singapore (LAS) is the National Committee for IFLA WLIC 13, assisting IFLA with the recruitment of local sponsors, volunteers and organisation of the Congress and related events. The Trust is set up to account for sponsorships and expenditure relating to IFLA WLIC 13.

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	
	2012/2013	2011/2012
	$	$
Statement of comprehensive income of trust funds		
Income		
Grant income	**1,457,596**	1,765,250
Donation income	**268,157**	178,447
Other income	**298**	16,031
	1,726,051	1,959,728
Expenditure		
Manpower expenses	**-**	(56,795)
Other expenses	**(1,014,167)**	(2,032,542)
	(1,014,167)	(2,089,337)
Net surplus/(deficit) for the year	**711,884**	(129,609)
Transfer from Trust Funds to other statutory board[1]	**(1,995,170)**	-
Total comprehensive loss for the year	**(1,283,286)**	(129,609)
Accumulated surplus at 1 April	**1,513,403**	1,643,012
Accumulated surplus at 31 March	**230,117**	1,513,403

[1] The transferred amount relates to funds managed by the Board on behalf of the Language Councils Secretariats. They included the funds for the Speak Good English Movement, Promote Mandarin Council, Malay Language Council of Singapore and Tamil Language Council and were transferred to National Heritage Board with effect from 1 November 2012.

8 NET ASSETS OF TRUST FUNDS (CONT'D)

	Group and Board	
	2012/2013	2011/2012
	$	$
Statement of financial position of trust funds		
Equity		
Accumulated surplus	**230,117**	1,513,403
Represented by:		
Assets		
Cash and cash equivalents	**234,347**	1,214,668
Other receivables	**-**	305,885
	234,347	1,520,553
Liabilities		
Accruals for operating expenses	**4,230**	7,150
Net assets	**230,117**	1,513,403

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold premises $	Motor vehicles $	Building improvements and renovation $	Furniture and fittings $	Office equipment $	Computer hardware and software $	Works-of-art $	Projects-in-progress $	Total $
Group									
Cost									
At 1 April 2011	248,547,074	51,360	146,616,812	17,102,640	13,963,929	86,066,077	3,669,229	8,378,199	524,395,320
Additions	-	-	4,044,261	39,182	3,651,214	5,141,174	2,000	1,730,037	14,607,868
Disposals/Write-offs	-	-	-	(20,490)	(3,330,160)	(5,342,854)	-	-	(8,693,504)
Transfer	-	-	1,242,388	30,000	40,660	3,386,882	-	(4,699,930)	-
At 31 March 2012	248,547,074	51,360	151,903,461	17,151,332	14,325,643	89,251,279	3,671,229	5,408,306	530,309,684
Additions	1,388,815	472,487	19,786,828	82,661	2,299,431	6,104,354	-	3,835,216	33,969,792
Disposals/Write-offs	-	-	(27,055)	(55,089)	(1,562,876)	(2,552,501)	-	-	(4,197,521)
Transfer	-	-	1,061,344	-	-	3,052,260	-	(4,113,604)	-
At 31 March 2013	249,935,889	523,847	172,724,578	17,178,904	15,062,198	95,855,392	3,671,229	5,129,918	560,081,955
Accumulated depreciation									
At 1 April 2011	40,559,567	35,952	116,787,585	12,703,871	11,104,807	58,396,453	-	-	239,588,235
Depreciation for the year	4,986,133	10,272	6,690,195	873,136	773,210	11,191,008	-	-	24,523,954
Transfer	-	-	-	(20,146)	(3,318,462)	(4,755,687)	-	-	(8,094,295)
At 31 March 2012	45,545,700	46,224	123,477,780	13,556,861	8,559,555	64,831,774	-	-	256,017,894
Depreciation for the year	4,999,271	142,945	16,967,922	874,344	1,842,689	12,359,537	-	-	37,186,708
Disposals/Write-offs	-	-	(27,055)	(52,178)	(1,552,265)	(2,551,986)	-	-	(4,183,484)
At 31 March 2013	50,544,971	189,169	140,418,647	14,379,027	8,849,979	74,639,325	-	-	289,021,118
Net book value									
At 1 April 2011	207,987,507	15,408	29,829,227	4,398,769	2,859,122	27,669,624	3,669,229	8,378,199	284,807,085
At 31 March 2012	203,001,374	5,136	28,425,681	3,594,471	5,766,088	24,419,505	3,671,229	5,408,306	274,291,790
At 31 March 2013	199,390,918	334,678	32,305,931	2,799,877	6,212,219	21,216,067	3,671,229	5,129,918	271,060,837

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 2011	248,547,074	51,360	146,616,812	17,102,640	13,962,535	85,934,458	3,669,229	8,378,200	524,262,308
Additions	-	-	4,044,261	39,182	3,651,214	5,141,174	2,000	1,730,037	14,607,868
Disposals/Write-offs	-	-	-	(20,490)	(3,330,160)	(5,342,854)	-	-	(8,693,504)
Transfer	-	-	1,242,388	30,000	40,660	3,386,882	-	(4,699,930)	-
At 31 March 2012	248,547,074	51,360	151,903,461	17,151,332	14,324,249	89,119,660	3,671,229	5,408,307	530,176,672
Additions	1,388,815	472,487	19,786,828	82,661	2,299,431	6,101,448	-	3,835,216	33,966,886
Disposals/Write-offs	-	-	(27,055)	(55,089)	(1,562,876)	(2,552,501)	-	-	(4,197,521)
Transfer	-	-	1,061,344	-	-	3,052,260	-	(4,113,604)	-
At 31 March 2013	249,935,889	523,847	172,724,578	17,178,904	15,060,804	95,720,867	3,671,229	5,129,919	559,946,037
Accumulated depreciation									
At 1 April 2011	40,559,567	35,952	116,817,722	12,703,871	11,103,411	58,237,260	-	-	239,457,783
Depreciation for the year	4,986,133	10,272	6,690,195	873,136	773,210	11,188,490	-	-	24,521,436
Disposals/Write-offs	-	-	-	(20,146)	(3,318,462)	(4,755,687)	-	-	(8,094,295)
At 31 March 2012	45,545,700	46,224	123,507,917	13,556,861	8,558,159	64,670,063	-	-	255,884,924
Depreciation for the year	4,999,271	142,945	16,967,922	874,344	1,842,689	12,359,212	-	-	37,186,383
Disposals/Write-offs	-	-	(27,056)	(52,178)	(1,552,265)	(2,551,986)	-	-	(4,183,485)
At 31 March 2013	50,544,971	189,169	140,448,783	14,379,027	8,848,583	74,477,289	-	-	288,887,822
Net book value									
At 1 April 2011	207,987,507	15,408	29,799,090	4,398,769	2,859,124	27,697,198	3,669,229	8,378,200	284,804,525
At 31 March 2012	203,001,374	5,136	28,395,544	3,594,471	5,766,090	24,449,597	3,671,229	5,408,307	274,291,748
At 31 March 2013	199,390,918	334,678	32,275,795	2,799,877	6,212,221	21,243,578	3,671,229	5,129,919	271,058,215

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

10 INVESTMENT IN SUBSIDIARY

	Board	
	2012/2013	2011/2012
	$	$
Unquoted ordinary shares, at cost	**1**	1

Details of the subsidiary are as follows:

Name of Subsidiary	Principal Activities	Place of incorporation	Effective equity interest held		Cost of investment	
			2012/2013	2011/2012	**2012/2013**	2011/2012
			%	%	**$**	$
Cybrarian Ventures Pte Ltd [1]	Provision of library consultancy services	Singapore	**100**	100	**1**	1

[1] Audited by PricewaterhouseCoopers LLP Singapore

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Group		Board	
	Note	**2012/2013**	2011/2012	**2012/2013**	2011/2012
		$	$	**$**	$
Quoted debt securities managed by fund managers	24	**44,320,932**	41,572,586	**44,320,932**	41,572,586
Quoted debt securities held by subsidiary		**1,035,220**	-	**-**	-
Quoted equity securities managed by fund managers	24	**14,720,415**	8,617,039	**14,720,415**	8,617,039
Quoted unit trusts	24	**38,711,748**	26,114,600	**38,711,748**	26,114,600
		98,788,315	76,304,225	**97,753,095**	76,304,225

The quoted debt securities managed by fund managers earn fixed interest rates ranging from 0.8% to 7.3% (2011/2012: 1.0% to 7.3%) per annum as at the balance sheet date. Interest is receivable on a semi-annual basis. The maturity dates range from April 2013 to August 2049 (2011/2012: June 2012 to August 2049).

The quoted debt securities held by subsidiary earn fixed interest rates ranging from 2.875% to 4.25% (2011/2012: Nil) per annum for financial year ended 31 March 2013. Interest is receivable on a semi-annual basis. The maturity dates range from September 2016 to March 2049 (2011/2012: Nil).

12 TRADE AND OTHER RECEIVABLES

	Note	Group		Board	
		2012/2013	2011/2012	2012/2013	2011/2012
		$	$	$	$
Trade receivables					
- Third parties		**2,230,858**	1,292,704	**2,017,732**	970,283
- Subsidiary		**-**	-	**412,387**	29,846
		2,230,858	1,292,704	**2,430,119**	1,000,129
Impairment losses		**(179,376)**	-	**-**	-
Trade receivables-net		**2,051,482**	1,292,704	**2,430,119**	1,000,129
Grant receivables		**37,847,833**	32,845,604	**37,847,833**	32,845,604
Deposits		**801,460**	704,807	**801,460**	704,807
Book fines and lost book charges	13	**553,470**	565,408	**553,470**	565,408
Accrued receivables		**118,682**	130,768	**143,558**	186,198
Other receivables		**112,387**	101,280	**55,051**	17,523
Interest and dividend receivables		**209,936**	247,111	**207,596**	245,865
Loans and receivables		**41,695,250**	35,887,682	**42,039,087**	35,565,534
Prepayments		**2,410,503**	2,954,939	**2,401,223**	2,954,596
Trade and other receivables		**44,105,753**	38,842,621	**44,440,310**	38,520,130

Impairment losses

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

	Group		Board	
	2012/2013	2011/2012	2012/2013	2011/2012
	$	$	$	$
Not past due	**39,517,027**	33,660,734	**39,732,662**	33,636,589
Past due <30 days	**355,720**	217,925	**519,318**	138,190
Past due 30 – 60 days	**5,587**	22,682	**4,442**	5,542
Past due 61 – 90 days	**6,769**	85,399	**2,489**	40,771
Past due 91 – 120 days	**4,280**	122,486	**-**	96
Past due > 120 days	**189,308**	29,082	**19,041**	24,545
	40,078,691	34,138,308	**40,277,952**	33,845,733
Less: Allowance for impairment	**(179,376)**	-	**-**	-
	39,899,315	34,138,308	**40,277,952**	33,845,733

12 TRADE AND OTHER RECEIVABLES (CONT'D)

Movement of impairment losses in respect of trade and grant receivables during the year are as follows:

	Group		Board	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
At 1 April	**-**	289,264	**-**	-
Allowance made/(write-back)	**179,376**	(289,264)	**-**	-
At 31 March	**179,376**	-	**-**	-

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of receivables not past due or not provided for. 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.

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	
	2012/2013	2011/2012
	$	$
Book fines and lost book charges	**5,991,724**	6,486,694
Less: allowance for doubtful book fines and lost book charges	**(5,438,254)**	(5,921,286)
	553,470	565,408

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

	Group and Board	
	2012/2013	2011/2012
	$	$
At 1 April	**(5,921,286)**	(6,079,188)
Allowance made	**(504,418)**	(427,764)
Allowance utilised	**987,450**	585,666
At 31 March	**(5,438,254)**	(5,921,286)

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:

	2012/2013	2011/2012
	$	$
Group and Board (Gross)		
Past due 1 – 90 days	**363,943**	349,788
Past due 91 – 180 days	**250,246**	245,100
Past due 181 – 270 days	**188,956**	195,194
Past due 271 – 365 days	**156,911**	157,594
More than 365 days	**5,031,668**	5,539,018
	5,991,724	6,486,694
Less: Allowance for impairment	**(5,438,254)**	(5,921,286)
	553,470	565,408

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

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

As at balance sheet date, the fair value and notional amounts of these derivative financial instruments held by the fund managers are as follows:

Group and Board

	Contract notional Amount	Fair value	
		Asset	Liability
	$	$	$
2012/2013			
Currency forwards and swaps	**26,989,163**	**136,030**	-

Group and Board

	Contract notional Amount	Fair value	
		Asset	Liability
	$	$	$
2011/2012			
Currency forwards and swaps	15,623,979	41,289	-

Currency forwards and swaps are entered into by the fund managers to hedge probable investment transactions denominated in foreign currencies expected to occur within the two months (2011/2012: 2 months) from the balance sheet date.

15 CASH AND CASH EQUIVALENTS

	Group		Board	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
Cash at bank and on hand	**1,692,067**	1,010,881	**1,206,547**	797,914
Cash managed by AGD through Centralised Liquidity Management	**100,436,677**	88,003,143	**100,436,677**	88,003,143
Short-term deposits	**3,554,438**	10,376,637	**2,001,603**	7,499,493
	105,683,182	99,390,661	**103,644,827**	96,300,550

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

	Note	Group	
		2012/2013	2011/2012
		$	$
Cash and bank balances (as above)		**105,683,182**	99,390,661
Less: Cash managed by fund managers	24	**(2,300,408)**	(3,183,681)
Less: Fixed deposits managed by fund managers	24	**(2,001,603)**	(7,499,493)
Cash and cash equivalents in the statement of cash flows		**101,381,171**	88,707,487

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

16 TRADE AND OTHER PAYABLES

	Group		Board	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
Trade payables	**11,753,871**	10,321,920	**11,620,129**	10,111,902
Accrued operating expenses	**33,082,846**	29,223,394	**32,931,997**	29,184,569
Provision for restoration costs	**17,168,390**	1,740,380	**17,168,390**	1,740,380
Receipts-in-advance	**1,034,438**	614,866	**943,385**	571,115
Security and other deposits	**2,008,480**	1,326,776	**2,008,480**	1,326,776
Other payables				
- Subsidiary	**-**	-	**3,376**	-
- Third parties	**1,229,322**	1,471,407	**1,203,884**	1,467,776
	66,277,347	44,698,743	**65,879,641**	44,402,518

17 PROVISION FOR RETIREMENT BENEFITS

The Board operates an unfunded defined retirement benefit plan for certain employees under the provisions of the Pension Act (Cap. 225, 2004 Revised Edition). 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	
	2012/2013	2011/2012
	$	$
Present value of unfunded obligations	**8,807,000**	9,906,000
Comprised:		
- Current	**1,788,000**	2,816,000
- Non-current	**7,019,000**	7,090,000
	8,807,000	9,906,000

17 PROVISION FOR RETIREMENT BENEFITS (CONT'D)

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

	Group and Board	
	2012/2013	2011/2012
	$	$
At 1 April	**9,906,000**	9,522,001
Current service costs and interest	**375,000**	455,000
Actuarial (gain)/ loss	**240,407**	(437)
Retirement benefits paid	**(1,714,407)**	(70,564)
At 31 March	**8,807,000**	9,906,000

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

	Group and Board	
	2012/2013	2011/2012
	$	$
Current service cost	**286,000**	354,000
Interest cost	**89,000**	101,000
Actuarial (gain)/ loss	**240,407**	(437)
	615,407	454,563

(c) Principal actuarial assumptions used are as follows:

	Group and Board	
	2012/2013	2011/2012
	%	%
Discount rate	**0.4**	1.2
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	
	2012/2013	2011/2012
	% p.a.	% p.a.
Female	**0.241**	0.345
Male	**0.425**	0.599

This means that out of 10,000 pensioners, it is assumed that 24 females and 43 males will die before their 60th birthday (2011/2012: 35 females and 60 males).

17 PROVISION FOR RETIREMENT BENEFITS (CONT'D)

(d) Historical information are as follows:

	<---------- Group and Board				---------->
	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
	$	$	$	$	$
Present value of the defined benefit obligation	**8,807,000**	9,906,000	9,522,001	11,301,150	12,131,686

18 DEVELOPMENT GRANTS RECEIVED IN ADVANCE

		Group and Board	
	Note	**2012/2013**	2011/2012
		$	$
At 1 April		**437,611**	3,138,139
Development grants received during the year		**8,199,354**	10,189,945
		8,636,965	13,328,084
Less:			
Development grants refunded during the year		**-**	(34,129)
Amount transferred to deferred capital grants	19	**(2,385,350)**	(6,529,748)
Development grants utilised during the year		**(2,073,329)**	(6,271,851)
Amount transferred to heritage reserves	6	**(270,389)**	(54,745)
At 31 March		**3,907,897**	437,611
Development grants utilised comprise:			
Manpower and staff welfare		**345,217**	2,149,017
Books, periodicals and serials		**(15,185)**	2,028,328
General and administrative expenses		**1,173,610**	1,272,261
Maintenance and other property expenses		**341,243**	360,963
Agency and other professional services		**106,339**	263,098
Other expenses		**122,105**	198,184
		2,073,329	6,271,851

The development grants of $8,199,354 (2011/2012: $10,189,945) received during the year were disbursed by the Ministry of Communications and Information.

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19 DEFERRED CAPITAL GRANTS

	Note	Group and Board	
		2012/2013	2011/2012
		$	$
At 1 April		**236,719,876**	239,854,401
Amount transferred from development grants	18	**2,385,350**	6,529,748
Amount transferred from operating grants	21	**7,687,293**	3,845,724
Development grants transferred from other statutory board		**3,259,627**	-
Operating grants transferred from other statutory board		**1,831,664**	-
		251,883,810	250,229,873
Less:			
Deferred capital grants amortised during the year		**(17,964,347)**	(13,509,997)
At 31 March		**233,919,463**	236,719,876
Comprised:			
- Current		**14,513,442**	13,615,154
- Non-current		**219,406,021**	223,104,722
		233,919,463	236,719,876

20 MANPOWER AND STAFF WELFARE

	Group		Board	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
Board members' allowances	**182,026**	136,563	**182,026**	136,563
Wages and salaries	**68,028,960**	63,042,483	**67,969,075**	62,995,422
Employer's contribution to Central Provident Fund	**8,197,206**	7,435,589	**8,175,045**	7,404,573
Retirement benefits	**615,407**	454,563	**615,407**	454,563
Other employee benefits	**4,141,728**	3,753,753	**4,137,531**	3,753,753
	81,165,327	74,822,951	**81,079,084**	74,744,874

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21 OPERATING GRANTS

		Group and Board	
	Note	**2012/2013**	2011/2012
		$	$
Operating grants received during the year		**172,739,127**	157,315,889
Operating grant receivables as at 31 March		**32,116,114**	31,294,923
Less: Amount transferred to deferred capital grants	19	**(7,687,293)**	(3,845,724)
Operating grants utilised during the year		**197,167,948**	184,765,088

The operating grants of $197,167,948 (2011/2012: $184,765,088) utilised during the year were disbursed by Ministry of Communications and Information.

22 INVESTMENT INCOME

The following items have been included in arriving at the investment income for the year:

	Group		Board	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
Interest income from				
- Fund manager's fixed deposits and bank deposits	**9,748**	19,756	**9,748**	19,756
- Quoted debt securities	**1,328,419**	672,636	**1,328,419**	672,636
Dividend income from quoted equity securities	**326,490**	149,015	**326,490**	149,015
Gain from sale of investments				
- Quoted equity securities	**534,375**	456,869	**534,375**	456,869
- Quoted debt securities	**467,046**	343,963	**467,046**	343,963
Net gain from financial assets at fair value through profit or loss[1]	**2,213,995**	26,047	**2,207,296**	26,047
Foreign exchange loss - net[2]	**(187,440)**	(55,281)	**(187,440)**	(55,281)
	4,692,633	1,613,005	**4,685,934**	1,613,005

1 Net gain from financial assets through profit or loss includes $1,861,893 (2011/2012: $173,458) relating to The Library Fund

2 Foreign exchange loss – net includes unrealised exchange gain on quoted equity and debt securities of $69,316 (2011/2012: $9,227 loss) relating to The Library Fund.

23 INCOME TAX

The Board is a tax exempted institution under the provision of the Income Tax Act (Cap.134, 2004 Revised Edition). The Library Fund (a restricted fund of the Board) is exempted from income tax under Section 13 (1)(zm) of the Income Tax Act (Cap. 134, 2007 Revised Edition). The subsidiary of the Board is subject to tax under Singapore income tax legislation.

	Group		Board	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
The expense attributable to profit is made up of:				
- current income tax	**-**	2,810	**-**	-
- over provision in prior years	**(8,052)**	(6,515)	**-**	-
	(8,052)	(3,705)	**-**	-
Reconciliation of effective tax rate				
Surplus/(deficit) before tax	**816,769**	(690,002)	**1,594,496**	(764,454)
Tax calculated at tax rate at 17%	**138,851**	(117,300)	**271,064**	(129,957)
Effects of:				
- (deficit)/surplus of the Board exempted from tax	**(271,064)**	129,957	**(271,064)**	129,957
- income not subject to tax	**(851)**	(5,612)	**-**	-
- deferred income tax asset not recognised on unused tax losses	**133,064**	(4,235)	**-**	-
	-	2,810	**-**	-

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.

24 INVESTMENTS WITH FUND MANAGERS AND UNIT TRUSTS (CONT'D)

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	
		2012/2013	2011/2012
		$	$
Financial assets at fair value through profit or loss			
- Quoted debt securities	11	**44,320,932**	41,572,586
- Quoted equity securities	11	**14,720,415**	8,617,039
Cash balances	15	**2,300,408**	3,183,681
Fixed deposits	15	**2,001,603**	7,499,493
Net other payable relating to investment transactions		**(1,201,284)**	(1,467,776)
Currency forwards and swaps	14	**136,030**	41,289
		62,278,104	59,446,312
Financial assets at fair value through profit or loss			
- Quoted unit trusts	11	**38,711,748**	26,114,600
		100,989,852	85,560,912

The investments with fund managers and unit trusts that are designated at fair value through profit or loss are investments that the Group intends to hold for the medium term. These investments 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.

Investments with fund managers include quoted debt securities issued by statutory boards and organs of states of $6,828,178 (2011/2012: $11,454,742).

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 $39,768,367 (2011/2012: $45,889,072) and $35,039,494 (2011/2012: $52,691,689) respectively.

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25 COLLECTION HOLDINGS

The Board's total collection of 15,690,632 (2011/2012: 8,672,486) items comprises books, audio-visual materials, microfilm items, serials, and other library materials as follows:

	Public Libraries	Lee Kong Chian Reference Library	Rare Materials	National Archives of Singapore	Total
Number of items					
At 1 April 2011	8,080,827	503,083	10,893	-	8,594,803
Additions	1,329,583	109,556	236	-	1,439,375
Disposals	(1,331,408)	(30,284)	-	-	(1,361,692)
At 31 March 2012	8,079,002	582,355	11,129	-	8,672,486
At 1 April 2012	8,079,002	582,355	11,129	-	8,672,486
Additions	1,044,080	26,660	98	7,657,060	8,727,898
Disposals	(1,697,188)	(12,563)	(1)	-	(1,709,752)
At 31 March 2013	7,425,894	596,452	11,226	7,657,060	15,690,632

26 COMMITMENTS

Operating lease commitments – as 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 payments payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group and Board	
	2012/2013	2011/2012
	$	$
Less than one year	**11,274,886**	8,502,483
More than one year but less than five years	**20,119,066**	17,520,405
More than five years	**14,160,170**	16,326,890
	45,554,122	42,349,778

26 COMMITMENTS (CONT'D)

Operating lease commitments – as lessor

The Board has entered into cancellable and non-cancellable commercial property leases. The cancellable commercial property leases can be cancelled by way of the lessees giving notice in advance to the Board and vice versa. The non-cancellable leases have remaining non-cancellable lease terms of between 1 to 7 years.

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

	Group and Board	
	2012/2013	2011/2012
	$	$
Less than one year	**4,060,995**	4,058,565
More than one year but less than five years	**6,428,580**	3,028,147
More than five years	**1,975,237**	-
	12,464,812	7,086,712

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	
	2012/2013	2011/2012
	$	$
Amount approved and contracted	**1,257,269**	428,350

Capital commitment

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

	Group and Board	
	2012/2013	2011/2012
	$	$
Amount approved and contracted	**11,620,381**	9,749,733

27 RELATED PARTY DISCLOSURES

a) Significant related party transactions

During the financial year, other than as disclosed elsewhere in the financial statements, the significant transactions with related parties which were carried out in the normal course of business are as follows:

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

	Group and Board	
	2012/2013	2011/2012
	$	$
Consultancy service income	**6,991,211**	4,093,804
Professional service income	**4,708,842**	4,831,471
Rental expenses	**(12,362,141)**	(10,712,983)
IT services	**(1,869,532)**	(2,049,757)

(ii) Transactions with subsidiary

	Board	
	2012/2013	2011/2012
	$	$
Income		
Consultancy and other services	**120,576**	386,425
Professional library services	**487,075**	326,904
Rental income	**39,115**	30,580
Other income	**5,667**	573

(b) 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	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
Salaries, bonuses and other short-term benefits	**1,773,009**	2,209,365	**1,595,289**	2,045,201
Defined benefit plan	**45,163**	53,801	**45,163**	53,801
	1,818,172	2,263,166	**1,640,452**	2,099,002

28 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 under the global fixed income mandate and the global equities mandate 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.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group. The fund managers have credit policies in place and the exposure to credit risk is monitored on an on-going basis.

At the balance sheet date , the following financial assets are exposed to credit risk/settlement risk: investment in debt securities, receivables on sale of financial instruments, derivative receivables, cash and cash equivalents and trade and other receivables.

At the balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Management regularly monitors the recoverability of its financial assets and believes that it has adequately provided for any exposure to potential losses.

Cash and fixed deposits are placed with banks and reputable financial institutions, which are regulated. Investments are managed by professional fund managers, which are regulated. In a bid to manage its credit/settlement risk exposure, the Group has imposed certain limits in respect of investments in debt and equity securities, namely industry limits, geographical limits and that investments must be of a minimum credit rating of "BBB" (Standard and Poor) or equivalent.

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28 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

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.

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.

Price risk

The Group is exposed to quoted equity securities price risk arising from investments 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.

The Group's policy to manage price risk is via diversification of the portfolio done within limits set under the investment policy approved by the Finance Committee. The overall market position of these equity investments is monitored on a daily basis by the fund managers and 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.

Sensitivity analysis

A 10% (2011/2012: 10%) increase/decrease in the underlying equity and unit trust prices 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	
	2012/2013	2011/2012
	$	$
Financial assets at fair value through profit or loss		
- Quoted equity securities	**1,472,041**	861,704
- Quoted unit trusts	**3,871,175**	2,611,460

This analysis assumes that all other variables remain constant.

28 FINANCIAL RISK MANAGEMENT (CONT'D)

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 Carrying amount		Board Carrying amount	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
Fixed rate instruments				
Fixed deposits managed by fund managers	**2,001,603**	7,499,493	**2,001,603**	7,499,493
Fixed deposits at bank	**1,552,835**	2,877,144	**-**	-
Quoted debt securities	**45,356,152**	41,572,586	**44,320,932**	41,572,586
	48,910,590	51,949,223	**46,322,535**	49,072,079

Fair value sensitivity analysis for fixed rate instruments

Changes in interest rates would not affect fixed rate instruments (ie. 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.

Therefore, any increase of 50 (2011/2012: 50) basis points in interest would decrease the fair value of debt securities and net surplus as follows:

	Group Carrying amount		Board Carrying amount	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
Debt securities	**226,781**	207,863	**221,605**	207,863

Foreign currency risk

The Group's income and expenditure are primarily incurred in Singapore dollars, except for the debt and equity securities and unit trusts denominated in foreign currencies. Consequently, the Group is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Group's assets or liabilities denominated in currencies other than the functional currency.

Fund managers use currency forwards and swaps to hedge foreign currency exposure as and when required. Details are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

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28 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk (cont'd)

The Group's and Board's currency exposures are as follows:

	2012/2013				2011/2012			
	SGD $	**USD $**	**Others $**	**Total $**	**SGD $**	**USD $**	**Others $**	**Total $**
Group								
Quoted debt securities	**21,709,581**	**17,005,376**	**6,641,195**	**45,356,152**	26,264,846	11,384,661	3,923,079	41,572,586
Trade and other receivables	**44,105,938**	**99**	**(284)**	**44,105,753**	23,237,218	11,894,180	3,711,223	38,842,621
Cash and cash equivalents	**105,421,348**	**116,322**	**145,512**	**105,683,182**	99,186,413	169,967	34,281	99,390,661
Trade and other payables	**(65,160,202)**	**(982,124)**	**(135,021)**	**(66,277,347)**	(42,546,919)	(1,701,747)	(450,077)	(44,698,743)
Net financial assets	**106,076,665**	**16,139,673**	**6,651,402**	**128,867,740**	106,141,558	21,747,061	7,218,506	135,107,125
Less: Currency forwards and swaps	**-**	**(15,463,819)**	**(6,401,460)**	**(21,865,279)**	-	(10,984,212)	(3,675,931)	(14,660,143)
Less: Net financial assets denominated in functional currency	**(106,076,665)**	**-**	**-**	**(106,076,665)**	(106,141,558)	-	-	(106,141,558)
Currency exposure of net financial assets	**-**	**675,854**	**249,942**	**925,796**	-	10,762,849	3,542,575	14,305,424
Board								
Quoted debt securities	**20,674,361**	**17,005,376**	**6,641,195**	**44,320,932**	26,264,846	11,384,661	3,923,079	41,572,586
Trade and other receivables	**44,440,495**	**99**	**(284)**	**44,440,310**	23,201,493	11,607,414	3,711,223	38,520,130
Cash and cash equivalents	**103,405,114**	**94,201**	**145,512**	**103,644,827**	96,246,004	20,265	34,281	96,300,550
Trade and other payables	**(64,762,496)**	**(982,124)**	**(135,021)**	**(65,879,641)**	(42,499,824)	(1,455,871)	(446,823)	(44,402,518)
Net financial assets	**103,757,474**	**16,117,552**	**6,651,402**	**126,526,428**	103,212,519	21,556,469	7,221,760	131,990,748
Less: Currency forwards and swaps	**-**	**(15,463,819)**	**(6,401,460)**	**(21,865,279)**	-	(10,984,212)	(3,675,931)	(14,660,143)
Less: Net financial assets denominated in functional currency	**(103,757,474)**	**-**	**-**	**(103,757,474)**	(103,212,519)	-	-	(103,212,519)
Currency exposure of net financial assets	**-**	**653,733**	**249,942**	**903,675**	-	10,572,257	3,545,829	14,118,086

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk (cont'd)

Sensitivity analysis

If the USD change against SGD by 10% (2011/2012: 10%), with all other variables including interest rates being held constant, the effects arising from the net financial asset position will be as follows:

	Group $	Board $
31 March 2013		
USD against SGD		
- Strengthened	**67,585**	**65,373**
- Weakened	**(67,585)**	**(65,373)**
31 March 2012		
USD against SGD		
- Strengthened	1,076,285	1,057,226
- Weakened	(1,076,285)	(1,057,226)

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

Fair values measurements

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 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 that are existing at each statement of financial position date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of currency forwards 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.

Fair value hierarchy

The table below analyses financial instruments measured at fair values, and classified by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Valuation 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 3: Valuation inputs for the asset or liability that are not based on observable market data (unobservable inputs)

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy (cont'd)

	Level 1 $	Level 2 $	Level 3 $	Total $
31 March 2013				
Group				
Financial assets at fair value through profit or loss				
- Quoted debt securities	**45,356,152**	**-**	**-**	**45,356,152**
- Quoted equity securities	**14,720,415**	**-**	**-**	**14,720,415**
- Quoted unit trusts	**38,711,748**	**-**	**-**	**38,711,748**
- Derivative financial instruments	**-**	**136,030**	**-**	**136,030**
	98,788,315	**136,030**	**-**	**98,924,345**
31 March 2012				
Group				
Financial assets at fair value through profit or loss				
- Quoted debt securities	41,572,586	-	-	41,572,586
- Quoted equity securities	8,617,039	-	-	8,617,039
- Quoted unit trusts	26,114,600	-	-	26,114,600
- Derivative financial instruments	-	41,289	-	41,289
	76,304,225	41,289	-	76,345,514

	Level 1 $	Level 2 $	Level 3 $	Total $
31 March 2013				
Board				
Financial assets at fair value through profit or loss				
- Quoted debt securities	**44,320,932**	**-**	**-**	**44,320,932**
- Quoted equity securities	**14,720,415**	**-**	**-**	**14,720,415**
- Quoted unit trusts	**38,711,748**	**-**	**-**	**38,711,748**
- Derivative financial instruments	**-**	**136,030**	**-**	**136,030**
	97,753,095	**136,030**	**-**	**97,889,125**
31 March 2012				
Board				
Financial assets at fair value through profit or loss				
- Quoted debt securities	41,572,586	-	-	41,572,586
- Quoted equity securities	8,617,039	-	-	8,617,039
- Quoted unit trusts	26,114,600	-	-	26,114,600
- Derivative financial instruments	-	41,289	-	41,289
	76,304,225	41,289	-	76,345,514

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Financial instruments by category

The aggregate carrying amount of the different categories of financial instruments is as follows:

	Group		Board	
	2012/2013	2011/2012	**2012/2013**	2011/2012
	$	$	**$**	$
Loans and receivables	**147,378,432**	135,278,343	**145,683,914**	131,866,084
Derivative financial instruments	**136,030**	41,289	**136,030**	41,289
Financial assets at fair value through profit or loss	**98,788,315**	76,304,225	**97,753,095**	76,304,225
Financial liabilities at amortised cost	**65,242,909**	44,083,877	**64,936,256**	43,831,403

29 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Board's accounting periods beginning on or after 1 April 2013 or later periods and which the Board has not early adopted:

- **Annual Improvements 2012** (effective for annual periods beginning on or after 1 January 2013)

  These annual improvements includes changes to SB-FRS 101 *First time adoption*, SB-FRS 1 *Presentation of Financial Statements*, SB-FRS 16 *Property, plant and equipment*, SB-FRS 32 *Financial Instruments: Presentation* and SB-FRS 34 *Interim Financial Reporting*.

- **Amendment to SB-FRS 1 *Presentation of Items of Other Comprehensive Income*** (Effective for annual period beginning on or after 1 July 2012)

  The amendment requires items presented in other comprehensive income ("OCI") to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

- **SB-FRS 19 (revised 2011) – *Employee Benefits*** (effective for annual periods beginning on or after 1 January 2013)

  The revised standard makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosure for all employee benefits. The revised standard is effective for annual periods beginning on or after 1 January 2013.

- **SB-FRS 110 *Consolidated Financial Statements*** (effective for annual periods beginning on or after 1 January 2014)

  SB-FRS 110 replaces all of the guidance on control and consolidation in SB-FRS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess.

29 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

- **SB-FRS 112 *Disclosure of Interests in Other Entities*** (effective for annual periods beginning on or after 1 January 2014)

  SB-FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities.

- **SB-FRS 113 *Fair Value Measurement*** (effective for annual periods beginning on or after 1 January 2013)

  SB-FRS 113 provides consistent guidance across IFRSs on how fair value should be determined and which disclosures should be made in the financial statements.

  The management anticipates that the adoption of the SB-FRSs and amendments to SB-FRS in the future periods will not have a material impact on the financial statements of the Group and of the Board in the period of their initial adoption.

30 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Members of the Board on 21 June 2013.

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