

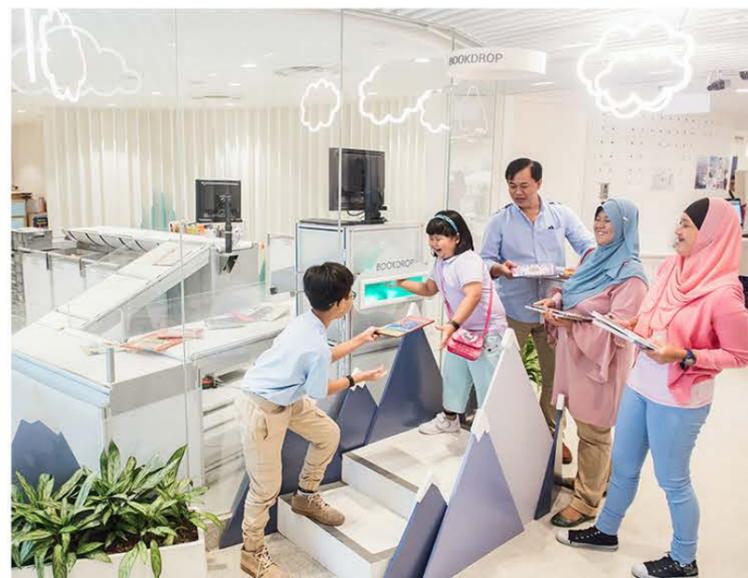


NATIONAL LIBRARY BOARD ANNUAL REPORT 2019/2020

A PLACE FOR EVERYONE



National Library Board
Singapore

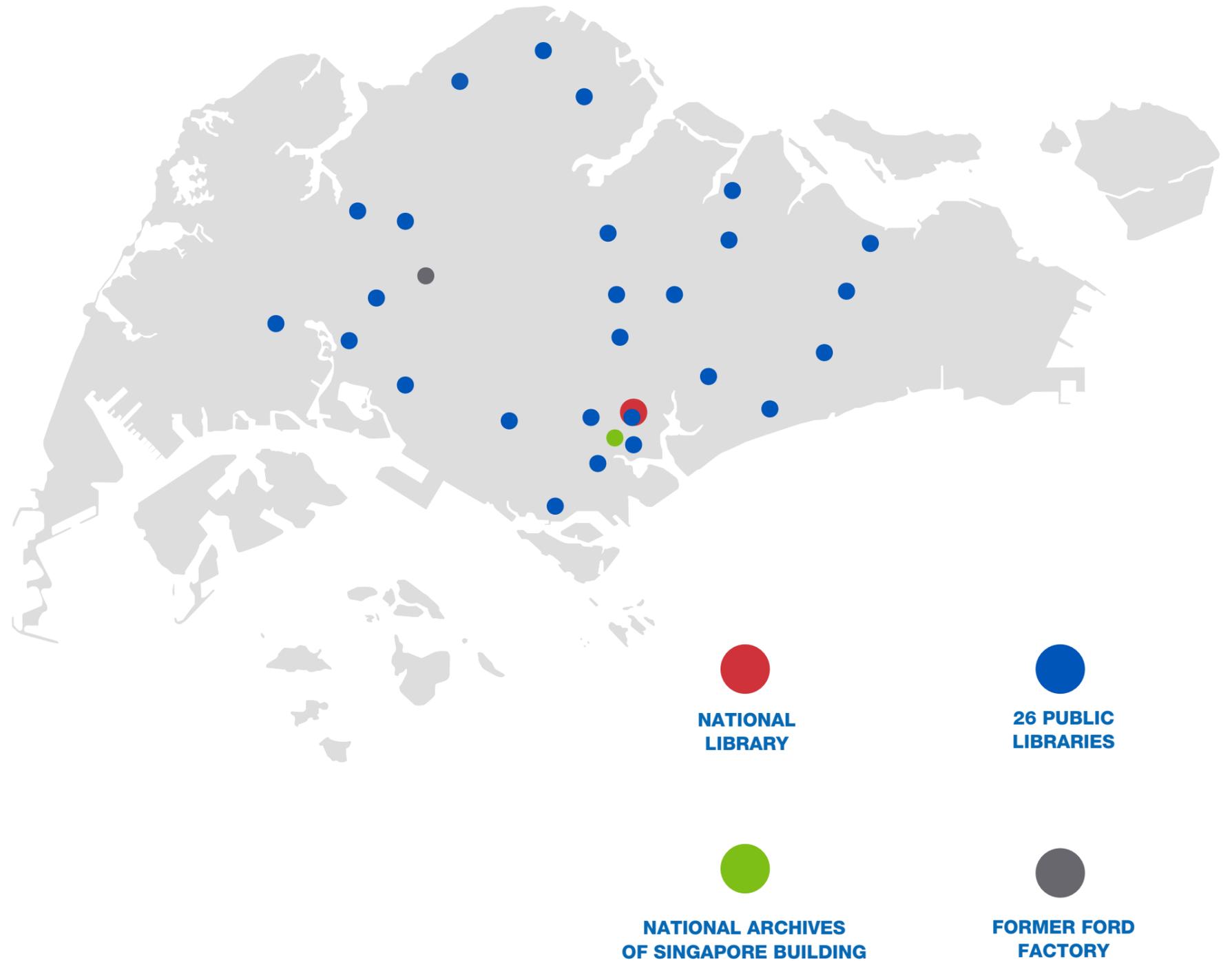


Contents





Our network of 26 public libraries is conveniently located across Singapore to ensure reading is made accessible to everyone. Besides promoting reading and learning, the National Library Board also offers reference services and preserves our nation's cultural and literary heritage under the National Library. We also welcome the public to tap on the rich resources in the National Archives of Singapore, comprising letters, government records, maps, photographs, oral history interviews and audio-visual recordings, with some documents dating as far back as the 1800s.





Joint Message from our Chairman & CEO

**Our Chairman, Mr Lee Seow Hiang and
Chief Executive Officer, Mr Ng Cher Pong
share about a year of remembering the past
while charting the future.**



The COVID-19 pandemic brought about unprecedented challenges across the world, affecting almost every single country and organisation. The National Library Board (NLB) was no exception. With the well-being of our library patrons and staff as priority, we moved quickly to enhance safety measures and digital offerings, to encourage reading and lifelong learning from home during the circuit breaker and beyond.

From Physical to Digital

Even before the onset of COVID-19, NLB had been progressively building our digital offerings. We have seen strong growth in digital loans from one-in-seven in 2018 to one-in-five loans in 2019. However, COVID-19 has accelerated our digital transformation. With the temporary closure of our libraries and archives, we doubled down on our digital strategy and were heartened to see digital loans surge from both existing and new patrons. Feedback was overwhelming, with eBook loans alone increasing by more than 150% over the circuit breaker period as compared to the same timeframe a year ago. More than half of our patrons switched to digital resources, with 1.4 million views across our curated online content (<https://go.gov.sg/nlb-highlights>).

As we all learned to make digital solutions part of our daily life, NLB strove to offer something online for everyone. We expanded

our digital library's collection of eBooks, audiobooks, eMagazines and eComics by almost 25%, including unlimited checkouts for selected children's titles. Our patrons were able to freely access eight Singapore Press Holdings English and vernacular eNewspapers from their homes, while those interested to learn about pandemics and other relevant topics could turn to our curated online learning packages. We also made discovering new online reads easier through eBook recommendations on our social media channels.

Beyond reading, we moved new and popular programmes and content online – from daily digital storytelling sessions for children, to workshops for adults and seniors conducted through video conferencing. Our librarians and archivists delivered inspiring talks and workshops via home-made videos, and we made topical archived videos available for the public to connect with and understand the past.

COVID-19 has left an indelible mark in Singapore's history. To document this chapter, we launched a joint collection drive in partnership with the National Museum of Singapore and encouraged everyone to contribute stories and records of their personal experiences. Collectively, they will form our memory of COVID-19 in Singapore.

Innovative Libraries and Archives

Complementing this digital uptick, we maintained and improved our physical touchpoints. NLB sustained its high reach among Singapore residents in 2019, with total visitorship exceeding

26 million and total loans above 40 million. In particular, we opened library@harbourfront in January 2019 to much cheer, attracting 1.5 million visitors and generating 1.7 million loans in 2019.

Set against a magnificent backdrop of Sentosa island, library@harbourfront has many unique and conducive spaces for users to read and learn, and innovative features such as an intelligent book sorting system and shelf-reading robots, to cut down on manual processes.

Similarly, we have a new space for our archives. After an 18-month revamp, the National Archives of Singapore reopened in April 2019 to a brighter and better-equipped building, preserving Singapore's documentary heritage and collective memory under one roof.

Located at the foot of Fort Canning Hill, the rejuvenated building has been a lively hub for regular public talks, film screenings, tours of the conservation labs, and international conferences on archives.

An Ode to Singapore's History

The bicentennial year was another rich showcase of Singapore's history, which we contributed to through our 'On Paper: Singapore Before 1867' exhibition. Featuring 150 significant materials from collections all over the world, the exhibition told an engaging story of Singapore's development, including accounts from vernacular communities.

Many of these international loans were on public display in Singapore for the first time, made possible because of the strong partnerships we have forged with libraries, museums and archives globally.

Keeping Libraries and Archives Relevant

NLB continues to transform to meet the changing needs of the community in the 21st century. Six of our libraries were revamped recently, while eight more refurbishment projects and a fourth new regional library in Punggol are in the pipeline. To ensure that our seniors are not left behind in the digital age, libraries are also being transformed to serve as key community nodes under the new Seniors Go Digital initiative.

We continue to enhance the NLB mobile app, Archives Online collection, and National Library information databases, so that patrons can seamlessly access more personalised and comprehensive digital and physical collections.

As we push boundaries boldly on many different fronts, adaptability is key in today's age of disruptions. Experiment, fail, succeed – that is the spirit of innovation. We are adopting this approach in charting out the future of libraries and archives via our 5-year strategic Libraries and Archives Plan (2021-2025). We have drawn important lessons from the different initiatives we piloted during COVID-19 and the public responses to them. We are also reaching out to our partners and the community to seek their views. Through this plan, we look forward to continue making NLB a joyous place of learning and reading for all.



A Learning Concierge

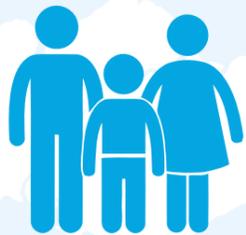
How have we transformed our services over the past year?



2019 Year-In-Review

OUR PATRONS

NLB OVERALL REACH 2019



72.5%

NLB reached 7 in 10 residents in 2019

OVERALL CUSTOMER SATISFACTION FOR 2019

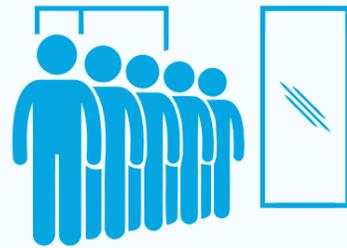


4.45

out of 5

OUR VISITORSHIP

OVERALL NUMBER OF VISITORS



26.7m

*Refers to the number of visits to the National Library Building, National Archives of Singapore Building, Former Ford Factory, and 26 public libraries. This includes visitorship to Choa Chu Kang Public Library up until its closure in June 2019 for renovations.

MOST VISITED LIBRARY



1.65m

Woodlands Regional Library was the most visited library in 2019 with more than 1.65m visitors.

OUR USAGE

OVERALL LOANS



40.52m

CUMULATIVE DOWNLOADS OF THE NLB MOBILE APP



610,000

DIGITAL USAGE



88.3m

*Digital Usage refers to the number of downloads from NLB's websites, subscribed databases and eBooks.

OUR POPULAR TITLES

TOP 5 PHYSICAL BOOKS OF 2019



1 *When Breath Becomes Air*
by Paul Kalanithi

2 *Harry Potter And The Prisoner Of Azkaban*
by J.K. Rowling

3 *Harry Potter And The Chamber Of Secrets*
by J.K. Rowling

4 *Japan*
by Dorling Kindersley

5 *Tokyo*
by Dorling Kindersley

TOP 5 E-BOOKS OF 2019



1 *Rich People Problems*
by Kevin Kwan

2 *Pachinko*
by Min-Jin Lee

3 *Becoming*
by Michelle Obama

4 *Billion Dollar Whale*
by Tom Wright and Bradley Hope

5 *Lonely Planet: Best Of Japan*
by Lonely Planet

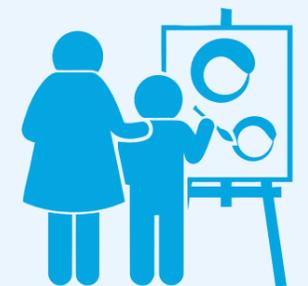
OUR PROGRAMMES & EXHIBITIONS

TOTAL NO. OF PARTICIPANTS WHO ATTENDED NLB'S PROGRAMMES & EXHIBITIONS



4.98m

TOTAL NUMBER OF NLB PROGRAMMES & EXHIBITIONS



13 Exhibitions 27,000 Programmes

HIGHLIGHTS OF NLB'S DIGITAL OFFERINGS DURING THE CIRCUIT BREAKER

A GROWING DIGITAL COMMUNITY OF READERS & LEARNERS

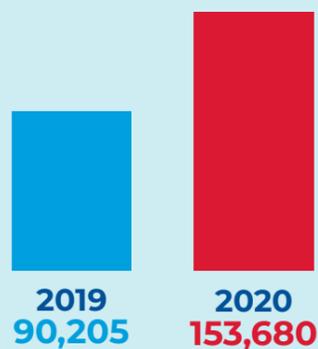
HIGHLIGHTS OF NLB'S DIGITAL OFFERINGS DURING CIRCUIT BREAKER

150%
INCREASE IN EBOOK LOANS
OVER THE SAME PERIOD IN
2019 (**587,230**) - 2020 (**1,488,260**)
(7 APR - 1 JUN)

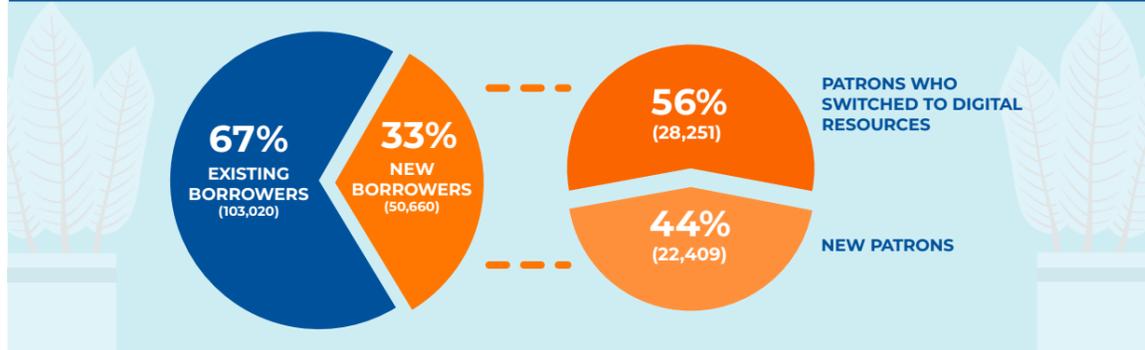


NOTE:
EBOOK LOANS
COMPRISE LOANS OF
EBOOKS, AUDIOBOOKS
AND EMAGAZINES.

70%
INCREASE IN EBOOK BORROWERS



MORE ABOUT OUR EBOOK BORROWERS



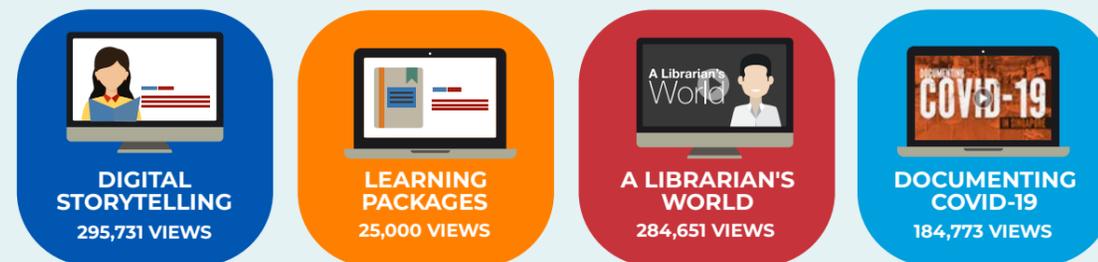
CONTENT CURATED BY NLB

NLB PRODUCED A VARIETY OF NEW DIGITAL OFFERINGS TO CATER TO ALL AGE GROUPS.

1.4 MILLION VIEWS
ACROSS OUR DIGITAL OFFERINGS



KEY HIGHLIGHTS



ACCESS TO SPH'S ENEWSPAPERS

29,000
DAILY AVERAGE VIEWS



25 APR - 1 JUN 2020



Accessed via the NLB mobile app
(go.nlb.gov.sg/nlbmobile)

While the libraries and archives were closed from 7 April to 30 June 2020, we took the opportunity to offer digital services so that our patrons could continue reading and learning from home. A review of the public response to our new digital offerings during this period can be viewed here: <https://go.gov.sg/nlb-highlights>.



Reading and Learning

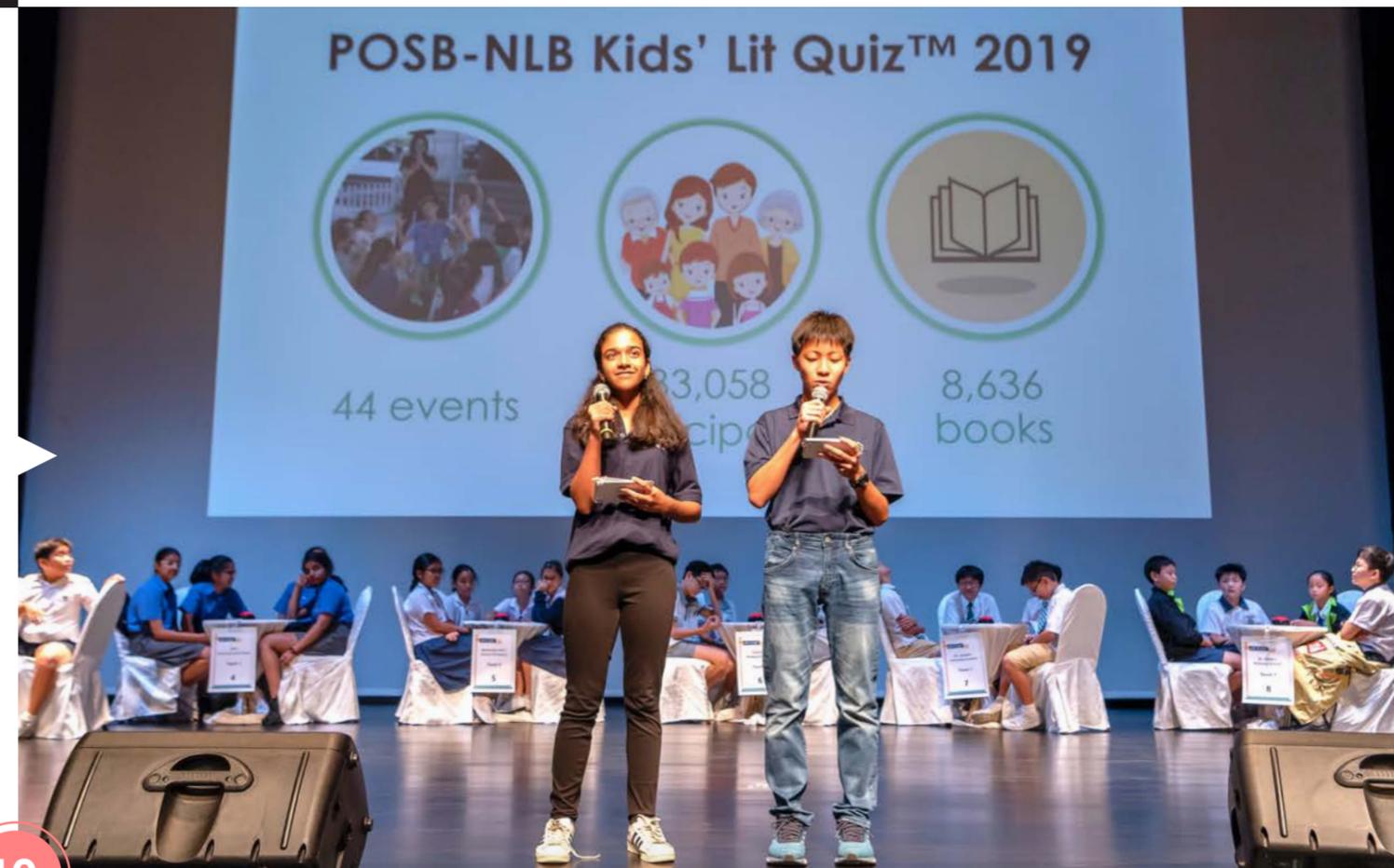


Read! Fest 2019 & National Reading Challenge

The 6th edition of our annual flagship Read! Fest saw the launch of our first National Reading Challenge. The festival has also seen a bigger reach than ever. Held between 22 June and 28 July last year, the month-long event – which is part of the National Reading Movement to promote reading widely – attracted some 296,513 participants. There were over 140 exciting programmes offered in English and the mother tongue languages for all to enjoy.

POSB-NLB Kids' Lit Quiz™ 2019 World Final

NLB hosted the annual POSB-NLB Kids' Lit Quiz™ 2019 World Final, an international literature competition for students aged ten to 13, for the first time in July. More than 130 teams of students from 74 Singapore schools also participated in the national round, a record number for our 6th year in the competition.



National Digital Storytelling Competition 2019

Held at library@harbourfront, the 2nd instalment of the National Digital Storytelling Competition saw 27 teams competing to take storytelling to the next level, by creating immersive stories using multimedia technology. The school tournament was jointly organised with Microsoft Singapore on 12 September, with a new category added for post-secondary institutions.



kidsREAD 15th Anniversary Celebrations

NLB celebrated 15 years of creating reading opportunities and instilling a love of reading among children through our kidsREAD programme. At the anniversary event last November, President Halimah Yacob presented awards to dedicated volunteers and partners who had supported kidsREAD since its inauguration, and read a special anniversary storybook to over 200 participating children.

Photo credit to Ministry of Communications and Information (MCI)



Supporting Digital Readiness in the Libraries

In line with the national goal to build a Smart Nation, NLB continues to focus on digital literacy programmes for more Singaporeans to be familiar and comfortable with technology. Targeting adults and seniors, well-received programmes like Future of Work, Makerday and Tech Showcases encourage the use of technology in everyday life. NLB will further develop these services to reach more than 300,000 Singaporeans over the next five years.

AskST@NLB and ZB Happy Read@NLB Talks

Into their 4th and 5th years respectively, the ZB Happy Read@NLB and askST@NLB talk series feature journalists from The Straits Times and Lianhe Zaobao, and experts in their own fields, on topics such as health, education, lifestyle and parenthood. The talks encourage everyone to read widely and discuss current affairs. Across the year, both talks saw close to 3,700 attendees and 214,000 livestream views!





Understanding Our Past



Official Reopening of the National Archives of Singapore Building

The revamped National Archives of Singapore Building is a lively hub for present and future generations of Singaporeans to connect with history and heritage. It boasts new facilities such as three oral history recording studios, expanded conservation laboratories and a refurbished Oldham Theatre which now sits up to 132 people – three times its previous capacity.

Official Opening of the Southeast Asia Regional Branch of International Council in Archives (SARBICA) International Symposium

The National Archives of Singapore capped off its 50th anniversary celebrations in June, as host to a major international forum – the 2019 SARBICA International Symposium. Themed "Rethinking Archives: Reframing Boundaries, Imagining Possibilities", the event attracted over 200 global leaders and experts in archives and records management. Through workshops, keynotes speeches, presentations and performances, the symposium provided the delegates with a holistic view of pertinent issues faced by the profession.



Signing of MOUs with the National Library of Turkey and the National Archives of Indonesia

As part of the 50th anniversary of diplomatic relations between Singapore and Turkey, NLB signed a Memorandum of Understanding (MOU) with the National Library of Turkey in April 2019, to cooperate in the sharing of expertise and the exchange of books. In February 2019, the National Archives of Singapore (NAS) and the Directorate of State Archives of the Presidency of the Republic of Turkey signed another MOU to promote collaboration on research and exchange of experts in the field of archives.

In addition, NAS signed an MOU with the National Archives of the Republic of Indonesia during the Singapore – Indonesia Leader’s Retreat in October 2019. The agreement promotes archives cooperation, joint research, knowledge sharing and professional exchanges. NLB also signed an MOU with the National Library of Indonesia in February 2019 to collaborate and share information on library operations and collections.





Donors' Appreciation Night

Early accounts of European voyages to Southeast Asia donated by Dr Farish A Noor, handwritten scores by musician Dick Lee, ration cards from the Japanese Occupation donated by Mr Chiang Poh Long and private photographs of 20th century Singapore from senior British government official Mike Gorrie's collection – these were some of the precious heritage materials donated to NLB this past year. We thanked our supportive donors at our annual Donors' Appreciation Night on 1 July last year.

Official Opening of On Paper: Singapore Before 1867 exhibition

NLB's On Paper: Singapore Before 1867 exhibition showcased some of the earliest records of Singapore's history, captured through rare books, paintings, maps and manuscripts. From September 2019 to March 2020, over 100 items from NLB and more than 50 artefacts from overseas institutions traced the history of Singapore from the 17th century to 1867, when the Straits Settlements was made a British Crown Colony with Singapore as its capital.



Our Stories: National Library Day

A weekend of fun-filled activities last November celebrated our shared histories through exhibitions, talks, tours and more. The event, which was titled “Our Stories”, invited the public to explore the National Library’s collections and learn about its role as custodian of Singapore’s cultural and literary heritage in an interactive manner for all ages.



Completion of the Digital Archive of Singapore Tamil Arts project

With the launch of the Digital Archive of Singapore Tamil Dance at the end of November, NLB and the Centre for Singapore Tamil Culture completed the fourth and final component of the collaborative project to digitise materials related to Singapore Tamil arts, including literature, theatre and music. These resources can be accessed on the National Online Repository of the Arts (NORA - <https://eresources.nlb.gov.sg/arts>).





Asian Film Archive's State of Motion 2020: Rushes of Time

Rushes of Time was the 5th edition of Asian Film Archive's annual film and art event, State of Motion. Held from 10 January to 2 February, 2020's theme reflected on the relations between ideas of time, bodies of memory and the moving image through site-specific installations, live performances and film screenings.

Official Opening of The News Gallery: Beyond Headlines exhibition

NLB promotes information and media literacy through our programmes and rich collections. Officially opened on 13 March 2020, this permanent exhibition at the National Library Building challenges visitors to discern fact from fiction through case studies on falsehoods, and comparisons of how different newspapers reported events in Singapore's history.





Charting the Future

5th Enabling Employers

A W A R D S

Host

Mr Desmond Lee

Minister for Social and Family Development

July 2019

Organised by

SG ENABLE

Inclusive society. Enabled lives.



Enabling Employers Awards

For its inclusive hiring and ethos of reaching out to the community, NLB was among the two organisations that clinched the highest accolade of the biennial Enabling Employers Awards by SG Enable on 26 July 2019. The Leader Award recognised NLB's continued efforts in training and upskilling people with special needs, such as those with developmental, sensory or physical challenges.



Photo credit to Ministry of Communications and Information (MCI)

Libraries and Archives Plan 2021-2025

The Libraries and Archives Plan outlines NLB's strategic plan from 2021 to 2025, as we look ahead to the future needs and aspirations of Singaporeans. At our inaugural engagement session during the 1st anniversary of library@harbourfront in January 2020, we gathered feedback from the community on how to deepen existing partnerships, and discussed the progress of libraries and archives.

Enhanced digital offerings during the circuit breaker period

Supporting reading and learning from home has been a key priority during the COVID-19 pandemic. NLB added 100,000 eBooks to bring our eBook collection to 850,000. We enhanced our digital library with new eMagazines, learning packages, as well as home access to Singapore Press Holdings newspapers. Popular programmes such as daily storytelling for children, workshops for adults and seniors, and talks by librarians and archivists were moved to the digital space, attracting 1.4 million views. To document this unprecedented event, we also launched a joint collection drive with the National Museum of Singapore, encouraging the public to document and contribute records of their everyday experiences during COVID-19.





NLB's Board and Management

BOARD MEMBERS



Mr Lee Seow Hiang

Chairman, NLB Board

*Chief Executive Officer,
Changi Airport Group*



Assoc Prof Albert Lau

*Chairman, Collections
and Programmes Committee*

*Associate Professor,
Department of History,
National University of Singapore*



Dr Elmie Nekmat

*Chairman, Digital Services and
Customer Experiences Committee*

*Assistant Professor,
Communications and New Media,
National University of Singapore*



Mr Khor Un-Hun

Chairman, Finance Committee

*Director,
ESR Funds Management (S) Limited*



Ms Lim Wan Yong

*Chairman, People and Workplace
Transformation Committee*

*Deputy Secretary (Planning),
Ministry of National Development*



Mr Michael Koh

*Chairman, Community Engagement
and Partnerships Committee*

*Executive Fellow,
Centre for Liveable Cities,
Ministry of National Development*



Mr Sajjad Akhtar

*Chairman, Audit and
Risk Committee*

*Executive Chairman,
PKF-CAP LLP*

Our Board and Management - Board Members



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Member, Collections and Programmes Committee

*Chief Executive Officer,
Singapore Symphony Group*



Mr Dennis Goh

Member, Digital Services and Customer Experiences Committee

*Co-Founder / Executive Chairman,
Lyte Ventures Pte Ltd*



Ms Janice Goh

Member, Finance Committee and Community Engagement and Partnerships Committee

*Member, Advisory Panel
Society for WINGS*



Ms Lim Bee Kwan

Member, Audit and Risk Committee

*Assistant Chief Executive
(Governance & Cybersecurity),
Government Technology Agency*



Mr Ling Tok Hong

Member, Finance Committee

*Partner, Deals Leader
PricewaterhouseCoopers Singapore*



Ms Melissa Kwee

Member, Community Engagement and Partnerships Committee

*Chief Executive Officer,
National Volunteer &
Philanthropy Centre*



Mr Ong Sin Wei

Member, Audit and Risk Committee

Partner, WongPartnership LLP



Dr Shashi Jayakumar

Member, Collections and Programmes Committee

*Head, Centre of Excellence for
National Security, S Rajaratnam
School of International Studies*



Mrs Sylvia Lee

Member, People and Workplace Transformation Committee

*Founder and Director,
EmancipAsia Ltd*

**SENIOR
MANAGEMENT
COMMITTEE**



Mr Ng Cher Pong

Chief Executive Officer



Ms Catherine Lau

*Assistant Chief Executive,
Public Library Services*



Mr William Tan

*Assistant Chief Executive,
Corporate*



Mr Gene Tan

*Senior Director (Special Duties),
International Relations & Partners
Management*



Mr Spencer Heng

*Director,
People Management
& Development*



Ms Sabitri Devi

*Director,
Communications, Relations &
Development*



Mr Eric Chin

*General Counsel,
Executive Office*



Mr Dominic Teo

*Director,
Properties &
Facilities Management*



Ms Sharon Heng

*Director,
Internal Audit*

Our Board and Management - Senior Management Committee



Ms Raneetha d/o Rajaratnam

*Director,
Content & Services*



Mr Lim Peng Ching

*Director,
Finance & Administration*



Ms Wendy Ang

*Director,
National Archives of Singapore*



Ms Tan Huism

*Director,
National Library*



Ms Valerie Cheng

*Director,
Strategic Planning & Research*



Mr Stanley Tan

*Director,
Library Planning &
Development*

*Director,
Transformation Office*



Mr Ian Yap

*Director,
Public Library Operations*

*Director,
National Reading Movement*



Mr Lee Kee Siang

*Director,
Resource Discovery & Management*



Mr Siow Shong Seng

*Chief Information Officer,
Technology & Digital Services*



Mr Ramachandran Narayanan

*Director and Deputy Chief Information
Officer, Technology & Digital Services*



**A big thank you
to our donors, sponsors and partners
who supported us over the past year.**

Donors

who enriched our collections & archives

National Library's Rare Collection

Individuals

Mr Chan Peng Ann
Mr Chew Ah Wang and Mr Ng Seng Chye
Mr Foo Kwee Horng
Family of Sergeant Gordon Laing
Ms Ho Siew Kiat
Mr and Mrs John and Cynthia Koh
Family of Jun Shao
Mr Koh Beng Swee and Dr Angeline Koh
Mr Koh Seow Chuan
Mr and Mrs Lee Kip Lee
Messrs Lee Kip Lee and Lee Kip Lin
Family Archives
Family of Lee Wai Ming, Francis
Mr Lim Shao Bin
Family of Liu Kang
Mr Ng Ching Huei
Mr Paramjeet Singh
Mr Rabi Doraisamy
Family of Stanley and Therese Stewart
Ms Sundusia Rosdi and
Mr Burhanuddin Asnawi
Family of Tay Kheng Sin
Mr Yeo Oi Sang

Organisations/Groups

Kim Mui Hoey Kuan
MOE Heritage Centre

National Library's Singapore & Southeast Asia Collections

Individuals

Mr Alvin Pang
Family of Chan Keen Choon
Mr Chan Sui Him
Ms Chitra Shankar
Family of Chon Ah Kau
Mr Christopher A. Bobin
Dr Chua Ai Lin
Mr Dick Lee
Ms Durga Mani Maran
Mr E.F. Kamaludin
Family of Foo Chin Kwok
Mr and Mrs George Hicks
Mr Gilles Massot
Family of Haji Hassan bin Haji Hassan
Mdm Helen Ng Bee Loon
Mr Jack Kemp
Mr Jean-Claude Chabanis
Mr Jonathan Gilbert Jefferis
Family of Dr K. Ramiah
Ms Kavitha Krishnan (Maya Dance Theatre Ltd)
Family of the late Kavithaivel Ka Perumal
Mr Kelvin Ang Kah Eng
Mrs Kim Keene
Family of Mr Kwok Chan Kwan and
Mrs Kwok Swee Ying
Kwok Kian Chow
Ms Lena St George-Sweet MBE

Datuk Seri Lim Chong Keat
Dr Low Wye Mun
Mr Michael Chiang
Mrs Miyoko Sato
Mr Ng Yi-Sheng
Mr Ong Teong Pin
Family of Ong Yih
Ms Patricia Wee
Mr Paul Piollet
Ms Priyalatha Arun
Family of Quek Kai Kee
Mr Richard Hale
Mr Seah Kok Thim
Ms Shantha Ratii
Dr Siri Rama
Sri. S. Sathyalingam, Viswa Kala Bharathi 1995 and Smt. Neila Sathyalingam, Cultural Medallion Singapore 1989
Mr Tan Joon Yang
Family of Tan Kee Chua
Mr Tan Swie Hian
Mdm Vardhini Subramanian
Family of Yeo Kim Kee

Organisations/Groups

Gunong Sayang Association
Sri Warisan Som Said Performing Arts Ltd
Teater Artistik
Teater Ekamatra
William Lim Associates and W Architects Pte Ltd
WILD RICE LTD

Archival Collections

Individuals

Ms Dolly Cheung Yuen Ai Knapp
Mr Eelke Wolters
Mr Ernest James Simcock
Mr Gan Cheong Or
Mr Jan van den Bogaert
Mr Koh Kim Chay
Dr Loh Kah Seng
Ms Lian Jiayuan
Ms Margaret Loe Soh Hun
Ms Ong Gek Jin Sharon
Mr Paul Piollet
Dr Ritu Jain

Organisations/Groups

MUIS

Sponsors

of libraries & archives

Chinese Children's Collection in Tampines Regional Library

Chou Sing Chu Foundation

library@chinatown

CP1 Pte Ltd

Kwan Im Thong Hood Cho Temple

library@harbourfront

Mapletree Commercial Trust

Mobile Libraries

Kwan Im Thong Hood Cho Temple

"My Tree House", The World's First Green Library for Kids

City Developments Limited

National Reading Movement: Read for Books

Prudential Assurance Company

Singapore (Pte) Ltd

Scholastic Education International

(Singapore) Pte Ltd

POSB – NLB Kids' Lit Quiz™

Kinokuniya Book Stores of Singapore

Pte Ltd

POSB

kidsREAD 15th Anniversary

Scholastic Education International
(Singapore) Pte Ltd

kidsREAD Programme

UOL Group Limited

2019 International Symposium of the SARBICA – Rethinking Archives: Reframing Boundaries, Imagining Possibilities

Asian Film Archive

Broadcast Engineering Services Pte Ltd

Bukit View Primary School

Civica Pte Ltd

Dalet Digital Media Systems

Dell EMC

Fotohub

Heritage Conservation Centre

Lee Foundation

Lee Kong Chian Natural History
Museum

Mick Newnham

M'Ode Wind Quintet

National Gallery Singapore

National Heritage Board

Public Utilities Board

Singapore Tourism Board

Partners

who brought our books to the less privileged at home & abroad

Project Deliver Me

Asian Women's Welfare Association

Disabled People's Association

Handicaps Welfare Association

Muscular Dystrophy Association

(Singapore)

Singapore Association of the Visually

Handicapped

SPD

The Singapore Cheshire Home

Community-owned Libraries and Reading Spaces

4PM Childcare

Admiralty Medical Centre

All Saints Home (Jurong East)

AWWA Rehab & Daycare Centre

Basic Student Care, Sengkang

Beyond Social Services

Boon Tiong Residents' Committee

Bukit Merah Community Centre

Care Corner Seniors Services Ltd –
SAC (WL569A)

Changi Simei Community Club

Choa Chu Kang Zone 7 Residents'
Committee

Covenant Evangelical Church

Dornier Med Tech Asia Pte Ltd

Enabling Village

Fei Yue Senior Care Centre

(Bukit Batok)

Jalan Besar Boon Keng Ville Residents'
Committee

Leng Kee Community Club

Limbang Park Residents' Committee

Mendaki @ Choa Chu Kang

NTUC Health Active Ageing Hub

(Jurong Plaza)

NTUC Health Active Ageing Hub

(Kampung Admiralty)

NTUC Health SILVERACE

(Boon Lay)

NTUC Health SILVERACE

(Bukit Merah)

NTUC Health SILVERACE

(Lengkok Bahru)

NTUC Health SILVERACE

(Mount Faber)

NTUC Health SILVERACE

(Redhill)

NTUC Health SILVERACE

(Telok Blangah)

OUE Downtown Gallery

Our West Coast Library

Pearl's Hill Care Home

Punggol West Citizens' Consultative
Committee

Raffles Student Care Learning Centre
LLP

REACH Seniors Care @

Bukit Gombak Vista

Ren Ci Hospital

Sengkang Community Hospital

Sengkang West Zone K Residents'
Committee

Acknowledgement

Singapore Hokkien Huay Kuan Cultural Academy
Singapore Prison Service
Sree Narayana Mission Nursing Home
St Andrew's Senior Care (Henderson)
St Andrew's Community Hospital
St Luke's ElderCare Ang Mo Kio Polyclinic Centre
St Luke's ElderCare Ltd – Marine Parade
T-Net Club @ Bukit Merah
Taman Jurong Community Club
THK Seniors Services @ Taman Jurong
Tiong Bahru Community Centre
Tsao Foundation ComSA Whampoa Centre
Ulu Pandan Community Club
UOL Property Investments Pte Ltd
WeLL Centre
Wellness Kampung @ 115 c/o Yishun Health
Wellness Kampung @ 260 c/o Yishun Health
Wisma Geylang Serai
Yew Tee Community Club

WondeRead Partners

Alphajoy Student Care Centre @ Ang Mo Kio Primary School
Ananias Centre (Ang Mo Kio)
Ananias Centre (Choa Chu Kang)
Ananias Centre (Clementi)
Ang Mo Kio Family Service Centre
Big Heart Student Care @ Evergreen Primary School

Big Heart Student Care @ Innova Primary School
Big Heart Student Care @ Lianhua Primary School
Big Heart Student Care @ Unity Primary School
CampusImpact
Carehut @ Eunos
Chen Su Lan Methodist Children's Home
Children's Wishing Well
Children's Wishing Well @ Eunos Community Club
Children's Wishing Well @ Fuhua Primary School
Credit Suisse (Singapore) Ltd
Ernst & Young LLP
Hanbaobao Pte Ltd (Licensee of McDonald's)
Hearty Care Centre
Hougang Sheng Hong Student Care Centre
Kiehl's (Singapore)
Lakeside Family Services (Jurong East Centre)
Lakeside Family Services (Jurong West Centre)
Land Transport Authority
Life Community Services Society
Life Student Care Centre @ Ahmad Ibrahim Primary School
Mapletree Commercial Trust Management Ltd
Mediacorp Pte Ltd
Mighty Kids, Families & Community
Morning Star Community Services

Prudential Assurance Company Singapore (Pte) Ltd
ReadAble Ltd
Singapore Boys' Home (Youth Residential Service by Ministry of Social and Family Development)
Singapore Girls' Home (Youth Residential Service by Ministry of Social and Family Development)
Social Service Office @ Bedok & Geylang Serai
Star Values Learning Place
The GRIT Project (Children & Youth Centre) by Lakeside Family Services
The Learning Lab
The Ritz-Carlton Residences Singapore
Thong Kheng Student Care Centre
UOL Group Limited
Yishun Student Care Centre
YMCA Kindergarten Care Centre @ Oasis Primary School
YMCA Kindergarten Care Centre @ Sengkang Green Primary School
YMCA Kindergarten Care Centre @ Springdale Primary School
YMCA Kindergarten Care Centre @ Valour Primary School
YMCA Student Care Centre @ Beacon Primary School
YMCA Student Care Centre @ CHIJ (Kellock)
YMCA Student Care Centre @ St. Anthony's Primary School
YMCA Student Care Centre @ St. Hilda's Primary School

YMCA Student Care Centre @ Valour Primary School
YMCA Student Care Centre @ Zhenghua Primary School



Corporate Governance

The National Library Board (NLB) is a statutory board established under the National Library Board Act (Chapter 197) (NLB Act). The NLB Act sets out the NLB's functions and powers. As a statutory board, the NLB is also subject to the governance framework set out under the Public Sector (Governance) Act (No. 5 of 2018).

A Board comprising the Chairman and 15 non-executive members from sectors such as academia, the finance and social sectors, and public institutions, guides NLB in the performance of its functions and the provision of services to the public. With their diverse backgrounds and experience, members of the Board are well placed to provide NLB with strategic leadership, as well as to put in place effective controls to meet the highest standards of governance.

The Board reviews and oversees NLB's plans, performance and policies, ensures accountability in its operations, and develops mechanisms for gathering and responding to stakeholders' feedback. Board members helm six committees. These are the Audit and Risk Committee, the Finance Committee, the People and Workplace Transformation Committee, the Collections and Programmes Committee, the Community Engagement and Partnerships Committee, and the Digital Services and Customer Experiences Committee.

An Internal Audit Unit further strengthens NLB's corporate governance. Reporting directly to the Chairman of the Audit and Risk Committee and administratively to the Chief Executive Officer, the Internal Audit Unit reviews the adequacy and effectiveness of NLB's internal control system. This includes evaluating policies, procedures and systems to assess the integrity of financial and operating information, compliance with laws and regulations, and economical and efficient use of resources.

All NLB staff also uphold public trust by complying with a Code of Ethics and Conduct. NLB staff are empowered to report potential ethical breaches confidentially to the Chief Executive Officer, Director (People Management and Development), or the Internal Audit Unit.

As a charity, NLB adheres to the recommended guidelines set out in the Code of Governance for Charities and Institutions of Public Character proposed by the Charity Council (the Code). NLB openly discloses its corporate governance practices covering board governance, conflict of interest policy and other relevant governance practices and controls on an annual basis. Any deviations from the Code are also explained as part of this annual submission. NLB continually seeks to improve governance to maintain the trust and confidence of our stakeholders.

The members of the Board are paid allowances based on a tiered structure, which takes into consideration the different workload and responsibilities held by the various members. Six of our Board members receive an annual allowance of between \$10,000 and \$25,000, while ten members receive an annual allowance of less than \$10,000. The annual remuneration of our three highest paid executives is between \$300,000 and \$400,000. This comprises their salary, bonus, benefits and employers' CPF contribution.

NLB manages its reserves proactively to ensure funding sustainability for operating expenditure as well as long-term commitments. 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. Our Board regularly reviews our financial results and position via management reports. The cash reserve as at the balance sheet date was below one year's annual expenditure.



National Library Board

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National Library Board



National Library Board

National Library Board

Annual Report

2019/2020

Unique Entity No. T08GB0037J

National Library Board and its subsidiaries
for the financial year ended 31 March 2020.



National Library Board
Singapore

National Library Board and its subsidiaries

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National Library Board and its subsidiaries

**Statement by board members
For the financial year ended 31 March 2020**

In our opinion,

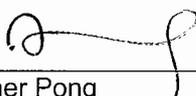
- (a) the accompanying financial statements of the National Library Board (the "Board") and its subsidiaries (collectively, the "Group") are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (Act 5 of 2018) (the "PSG Act"), National Library Board Act (Chapter 197) (the "NLB Act"), Singapore Charities Act (Chapter 37) and other relevant regulations (the "Charities Act and Regulations") and Singapore Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and of the Board as at 31 March 2020 and the financial performance and changes in equity of the Group and the Board and cash flows of the Group for the financial year then ended on that date;
- (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 the PSG Act and the NLB Act; and
- (c) proper accounting and other records have been kept, including 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,



Lee Seow Hiang
Chairman



Ng Cher Pong
Chief Executive Officer

16 July 2020

National Library Board and its subsidiaries

Independent auditor's report For the financial year ended 31 March 2020

Independent auditor's report to the members of the board of the National Library Board

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the National Library Board (the "Board") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Board as at 31 March 2020, the statements of comprehensive income and the statements of changes in equity of the Group and the Board and the consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, 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 Public Sector (Governance) Act 2018 (Act 5 of 2018) (the "PSG Act"), the National Library Board Act (Chapter 197) (the "NLB Act"), the Singapore Charities Act (Chapter 37) and other relevant regulations (the "Charities Act and Regulations") and Singapore Statutory Board Financial Reporting Standards ("SB-FRS") so as to give a true and fair view of the financial position of the Group and the Board as at 31 March 2020 and of the financial performance and changes in equity of the Group and the Board and cash flows of the Group for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Statement by Board Members set out on page 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

National Library Board and its subsidiaries

Independent auditor's report For the financial year ended 31 March 2020

Independent auditor's report to the members of the board of the National Library Board

Report on the audit of the financial statements (cont'd)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the PSG Act, the NLB Act, the Charities Act and Regulations and SB-FRS, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Group or for the Group to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

National Library Board and its subsidiaries

Independent auditor's report For the financial year ended 31 March 2020

Independent auditor's report to the members of the board of the National Library Board

Report on the audit of the financial statements (cont'd)

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion

In our opinion:

- (a) the receipts, expenditure and investment of moneys and the acquisition and disposal of assets by the Board during the financial year are, in all material respects, in accordance with the provisions of the PSG Act, the NLB Act and the requirements of any other written law applicable to moneys of or managed by the Board.
- (b) proper accounting and other records have been kept, including records of all assets of the Board, 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 financial year:

- (a) the Library Fund has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Library Fund has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

Basis for opinion

We concluded our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Compliance Audit section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

National Library Board and its subsidiaries

**Independent auditor's report
For the financial year ended 31 March 2020**

Independent auditor's report to the members of the board of the National Library Board

Report on other legal and regulatory requirements (cont'd)

Responsibilities of management 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 PSG Act, the NLB Act and the requirements of any other written law applicable to moneys of or managed by the Board. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's responsibilities for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. 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 PSG Act, the NLB Act and the requirements of any other written law applicable to moneys of or managed by the Board.

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 Board's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

16 July 2020

National Library Board and its subsidiaries

**Consolidated statement of financial position
As at 31 March 2020**

	Note	Group 2019/2020 \$	2018/2019 \$
Equity			
Capital account	4	645,756,036	613,289,963
Heritage reserves	6	18,967,985	18,299,168
Accumulated (deficit)/surplus			
- General funds		(22,281,538)	5,334,049
- Restricted funds	7	64,981,348	65,195,685
Total equity		707,423,831	702,118,865
Non-current assets			
Property, plant and equipment	9	369,500,486	356,152,249
Heritage assets	6	18,967,985	18,299,168
Restricted cash and deposits	15(b)	484,855	484,855
		388,953,326	374,936,272
Current assets			
Investment securities at fair value through profit or loss	11	448,512,490	446,692,189
Trade and other receivables	12	34,965,920	7,315,005
Derivative financial instruments	14	100,047	–
Cash and cash equivalents	15(a)	117,708,552	130,165,820
		601,287,009	584,173,014
Total assets		990,240,335	959,109,286
Current liabilities			
Derivative financial instruments	14	–	26,572
Trade and other payables	16	65,163,573	65,554,959
Provision for retirement benefits	17	210,275	437,207
Development grants received in advance	18	3,774	29,250
Deferred capital grants	19	11,739,611	13,298,907
		77,117,233	79,346,895
Non-current liabilities			
Trade and other payables	16	34,409,743	–
Provision for retirement benefits	17	4,766,017	4,913,490
Deferred capital grants	19	166,523,511	172,730,036
		205,699,271	177,643,526
Total liabilities		282,816,504	256,990,421
Net assets		707,423,831	702,118,865
Net assets of trust fund	8	–	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Library Board and its subsidiaries

Statement of financial position As at 31 March 2020

	Note	Board	
		2019/2020 \$	2018/2019 \$
Equity			
Capital account	4	645,756,036	613,289,963
Heritage reserves	6	18,967,985	18,299,168
Accumulated (deficit)/surplus			
- General funds		(26,112,884)	1,539,717
- Restricted funds	7	64,981,348	65,195,685
Total equity		703,592,485	698,324,533
Non-current assets			
Property, plant and equipment	9	369,407,623	355,905,206
Heritage assets	6	18,967,985	18,299,168
Investments in subsidiaries	10	506	506
		388,376,114	374,204,880
Current assets			
Investment securities at fair value through profit or loss	11	448,512,490	446,692,189
Trade and other receivables	12	34,451,251	6,839,631
Derivative financial instruments	14	100,047	–
Cash and cash equivalents	15(a)	115,108,203	126,897,668
		598,171,991	580,429,488
Total assets		986,548,105	954,634,368
Current liabilities			
Derivative financial instruments	14	–	26,572
Trade and other payables	16	65,302,689	64,874,373
Provision for retirement benefits	17	210,275	437,207
Development grants received in advance	18	3,774	29,250
Deferred capital grants	19	11,739,611	13,298,907
		77,256,349	78,666,309
Non-current liabilities			
Trade and other payables	16	34,409,743	–
Provision for retirement benefits	17	4,766,017	4,913,490
Deferred capital grants	19	166,523,511	172,730,036
		205,699,271	177,643,526
Total liabilities		282,955,620	256,309,835
Net assets		703,592,485	698,324,533
Net assets of trust fund	8	–	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Library Board and its subsidiaries

Consolidated statement of comprehensive income For the financial year ended 31 March 2020

Group	Note	General funds		Restricted funds		Total	
		2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$
Income							
Consultancy and other services	25	4,369,165	5,620,890	–	–	4,369,165	5,620,890
Professional library services	25	3,123,684	3,124,307	–	–	3,123,684	3,124,307
Rental income		5,679,083	5,667,788	–	–	5,679,083	5,667,788
Book fines and lost book charges	25	2,448,416	2,690,972	–	–	2,448,416	2,690,972
Interest income		1,889,221	1,476,237	149,735	129,879	2,038,956	1,606,116
Library services and programmes	25	928,064	903,598	–	–	928,064	903,598
Membership fees	25	770,423	869,223	–	–	770,423	869,223
Investment income	22	8,021,382	7,844,913	468,650	918,845	8,490,032	8,763,758
Other income		1,283,135	1,356,948	–	–	1,283,135	1,356,948
Donations ¹		102,735	252,466	1,258,934	871,582	1,361,669	1,124,048
		28,615,308	29,807,342	1,877,319	1,920,306	30,492,627	31,727,648
Expenditure							
Manpower and staff welfare	20	(103,819,296)	(105,730,948)	(11,752)	(14,375)	(103,831,048)	(105,745,323)
Depreciation of property, plant and equipment	9	(68,969,579)	(49,944,187)	(584,105)	(698,047)	(69,553,684)	(50,642,234)
Books, periodicals, films and serials		(25,199,557)	(24,291,069)	(127,837)	(105,402)	(25,327,394)	(24,396,471)
General and administrative expenses		(53,188,592)	(50,174,981)	(554,700)	(636,778)	(53,743,292)	(50,811,759)
Maintenance and other property expenses		(37,058,060)	(37,814,877)	(368,929)	(242,103)	(37,426,989)	(38,056,980)
Rental expenses		(3,739,777)	(13,594,376)	(798)	(1,914)	(3,740,575)	(13,596,290)
Agency and other professional fees		(14,614,745)	(16,080,901)	(375,044)	(352,945)	(14,989,789)	(16,433,846)
Other expenses		(8,677,947)	(8,871,346)	(68,491)	(70,691)	(8,746,438)	(8,942,037)
Interest expense on lease liabilities	26	(1,344,150)	–	–	–	(1,344,150)	–
Allowance for expected credited losses of book fines and lost book charges	13	(467,395)	(425,765)	–	–	(467,395)	(425,765)
		(317,079,098)	(306,928,450)	(2,091,656)	(2,122,255)	(319,170,754)	(309,050,705)
Deficit before grants		(288,463,790)	(277,121,108)	(214,337)	(201,949)	(288,678,127)	(277,323,057)
Grants							
Operating grants	21	247,985,127	250,067,912	–	–	247,985,127	250,067,912
Deferred capital grants amortised	19	13,531,893	14,602,417	–	–	13,531,893	14,602,417
		261,517,020	264,670,329	–	–	261,517,020	264,670,329
Deficit for the financial year before tax		(26,946,770)	(12,450,779)	(214,337)	(201,949)	(27,161,107)	(12,652,728)
Income tax expense	23	–	–	–	–	–	–
Net deficit for the financial year		(26,946,770)	(12,450,779)	(214,337)	(201,949)	(27,161,107)	(12,652,728)
Other comprehensive income							
Re-measurement loss on defined benefit pension plan	17	–	(143,433)	–	–	–	(143,433)
Total other comprehensive income for the financial year		–	(143,433)	–	–	–	(143,433)
Total comprehensive income for the financial year		(26,946,770)	(12,594,212)	(214,337)	(201,949)	(27,161,107)	(12,796,161)

¹ Of the total donations received, \$1,487,579 (2018/2019: \$1,357,635) related to tax-deductible donations. This included cash donations received under The Library Fund (“TLF”) amounting to \$1,474,248 (2018/2019: \$1,348,323) of which \$692,055 (2018/2019: \$476,741) were being accounted for as deferred income as disclosed under Note 7(c) to the financial statements. The deferred income represents unutilised donations as at 31 March 2020 available for use in the following financial year.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Library Board and its subsidiaries

Statement of comprehensive income For the financial year ended 31 March 2020

Board	Note	General funds		Restricted funds		Total	
		2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$
Income							
Consultancy and other services	25	4,096,165	5,563,518	–	–	4,096,165	5,563,518
Professional library services	25	2,109,170	1,795,904	–	–	2,109,170	1,795,904
Rental income		6,251,519	5,857,307	–	–	6,251,519	5,857,307
Book fines and lost book charges	25	2,448,416	2,690,972	–	–	2,448,416	2,690,972
Interest income		1,853,260	1,432,920	149,735	129,879	2,002,995	1,562,799
Library services and programmes	25	928,064	903,598	–	–	928,064	903,598
Membership fees	25	770,423	869,223	–	–	770,423	869,223
Investment income	22	8,021,382	7,849,676	468,650	918,845	8,490,032	8,768,521
Other income		1,146,540	862,418	–	–	1,146,540	862,418
Donations ²		88,994	240,240	1,258,934	871,582	1,347,928	1,111,822
		27,713,933	28,065,776	1,877,319	1,920,306	29,591,252	29,986,082
Expenditure							
Manpower and staff welfare	20	(102,054,566)	(104,204,508)	(11,752)	(14,375)	(102,066,318)	(104,218,883)
Depreciation of property, plant and equipment	9	(68,790,954)	(49,808,020)	(584,105)	(698,047)	(69,375,059)	(50,506,067)
Books, periodicals and serials		(24,569,397)	(23,161,912)	(127,837)	(105,402)	(24,697,234)	(23,267,314)
General and administrative expenses		(52,466,029)	(49,483,971)	(554,700)	(636,778)	(53,020,729)	(50,120,749)
Maintenance and other property expenses		(37,044,919)	(37,809,981)	(368,929)	(242,103)	(37,413,848)	(38,052,084)
Rental expenses		(3,729,232)	(13,677,244)	(798)	(1,914)	(3,730,030)	(13,679,158)
Agency and other professional fees		(14,542,437)	(15,978,207)	(375,044)	(352,945)	(14,917,481)	(16,331,152)
Other expenses		(11,205,658)	(10,866,249)	(68,491)	(70,691)	(11,274,149)	(10,936,940)
Interest expense on lease liabilities	26	(1,344,150)	–	–	–	(1,344,150)	–
Allowance for expected credit losses of book fines and lost book charges	13	(467,395)	(425,765)	–	–	(467,395)	(425,765)
		(316,214,737)	(305,415,857)	(2,091,656)	(2,122,255)	(318,306,393)	(307,538,112)
Deficit before grants		(288,500,804)	(277,350,081)	(214,337)	(201,949)	(288,715,141)	(277,552,030)
Grants							
Operating grants	21	247,985,127	250,067,912	–	–	247,985,127	250,067,912
Deferred capital grants amortised	19	13,531,893	14,602,417	–	–	13,531,893	14,602,417
		261,517,020	264,670,329	–	–	261,517,020	264,670,329
Deficit for the financial year before tax		(26,983,784)	(12,679,752)	(214,337)	(201,949)	(27,198,121)	(12,881,701)
Income tax expense	23	–	–	–	–	–	–
Net deficit for the financial year		(26,983,784)	(12,679,752)	(214,337)	(201,949)	(27,198,121)	(12,881,701)
Other comprehensive income							
Re-measurement loss on defined benefit pension plan	17	–	(143,433)	–	–	–	(143,433)
Total other comprehensive income for the financial year		–	(143,433)	–	–	–	(143,433)
Total comprehensive income for the financial year		(26,983,784)	(12,823,185)	(214,337)	(201,949)	(27,198,121)	(13,025,134)

² During the financial year, The Library Fund ("TLF") received cash donations amounting to \$1,474,248 (2018/2019: \$1,348,323) of which \$692,055 (2018/2019: \$476,741) were being accounted for as deferred income as disclosed under Note 7(c) to the financial statements. The deferred income represents unutilised donations as at 31 March 2020 available for use in the following financial year.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Library Board and its subsidiaries

Consolidated statement of changes in equity
For the financial year ended 31 March 2020

Group	Note	Capital account		Heritage reserves	Accumulated surplus/(deficit)		Total
		Establishment account	Equity financing account		General funds	Restricted funds (Note 7)	
		\$	\$	\$	\$	\$	\$
At 1 April 2018		10,334,137	575,354,433	17,349,090	18,878,339	65,397,634	687,313,633
Net deficit for the financial year		–	–	–	(12,450,779)	(201,949)	(12,652,728)
Re-measurement loss on defined benefit pension plan	17	–	–	–	(143,433)	–	(143,433)
Total comprehensive income for the financial year		–	–	–	(12,594,212)	(201,949)	(12,796,161)
Issuance of shares	5	–	27,601,393	–	–	–	27,601,393
Transfer to heritage reserves	6	–	–	950,078	(950,078)	–	–
At 31 March 2019		10,334,137	602,955,826	18,299,168	5,334,049	65,195,685	702,118,865
At 1 April 2019		10,334,137	602,955,826	18,299,168	5,334,049	65,195,685	702,118,865
Net deficit for the financial year		–	–	–	(26,946,770)	(214,337)	(27,161,107)
Total comprehensive income for the financial year		–	–	–	(26,946,770)	(214,337)	(27,161,107)
Issuance of shares	5	–	32,466,073	–	–	–	32,466,073
Transfer to heritage reserves	6	–	–	668,817	(668,817)	–	–
At 31 March 2020		10,334,137	635,421,899	18,967,985	(22,281,538)	64,981,348	707,423,831

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Library Board and its subsidiaries

**Statement of changes in equity
For the financial year ended 31 March 2020**

	Note	Capital account		Accumulated surplus/(deficit)			Total
		Establishment account	Equity financing account	Heritage reserves	General funds	Restricted funds (Note 7)	
Board		\$	\$	\$	\$	\$	\$
At 1 April 2018		10,334,137	575,354,433	17,349,090	15,312,980	65,397,634	683,748,274
Net deficit for the financial year		–	–	–	(12,679,752)	(201,949)	(12,881,701)
Re-measurement loss on defined benefit pension plan	17	–	–	–	(143,433)	–	(143,433)
Total comprehensive income for the financial year		–	–	–	(12,823,185)	(201,949)	(13,025,134)
Issuance of shares	5	–	27,601,393	–	–	–	27,601,393
Transfer to heritage reserves	6	–	–	950,078	(950,078)	–	–
At 31 March 2019		10,334,137	602,955,826	18,299,168	1,539,717	65,195,685	698,324,533
At 1 April 2019		10,334,137	602,955,826	18,299,168	1,539,717	65,195,685	698,324,533
Net deficit for the financial year		–	–	–	(26,983,784)	(214,337)	(27,198,121)
Total comprehensive income for the financial year		–	–	–	(26,983,784)	(214,337)	(27,198,121)
Issuance of shares	5	–	32,466,073	–	–	–	32,466,073
Transfer to heritage reserves	6	–	–	668,817	(668,817)	–	–
At 31 March 2020		10,334,137	635,421,899	18,967,985	(26,112,884)	64,981,348	703,592,485

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Library Board and its subsidiaries

**Consolidated statement of cash flows
For the financial year ended 31 March 2020**

	Note	Group 2019/2020 \$	Group 2018/2019 \$
Cash flows from operating activities			
Deficit before grants and before tax		(288,678,127)	(277,323,057)
Adjustments for:			
Depreciation of property, plant and equipment	9	69,553,684	50,642,234
Interest income from fixed deposits with banks		(2,079,359)	(1,629,161)
Investment income - net	22	(8,490,032)	(8,763,758)
Interest expense on lease liabilities	26	1,344,150	-
Fund management fees		203,506	191,273
Retirement benefits	17	112,906	116,015
Gain on disposal of property, plant and equipment		(130,345)	(8,985)
Property, plant and equipment written off		131,339	222,530
Donations in kind received	6	(37,907)	(207,507)
Grant in kind received	21	(49,500)	-
Allowance for expected credit losses	13	467,395	425,765
Deficit before changes in working capital		(227,652,290)	(236,334,651)
Changes in working capital			
Trade and other receivables		379,012	4,113,857
Trade and other payables		(854,971)	(27,736,155)
Derivative financial instruments		(126,619)	83,687
Cash flows used in operating activities		(228,254,868)	(259,873,262)
Retirement benefits paid	17(a)	(487,311)	(598,016)
Net cash flows used in operating activities		(228,742,179)	(260,471,278)
Cash flows from investing activities			
Funds withdrawn from fund managers		4,000,000	18,000,000
Purchases of property, plant and equipment		(40,232,205)	(53,310,946)
Purchases of heritage assets		(630,910)	(742,571)
Proceeds from disposal of property, plant and equipment		130,345	8,985
Proceeds from disposal of investment securities	11	-	769,612
Interest income received		1,909,193	1,245,892
Net cash flows used in investing activities		(34,823,577)	(34,029,028)

National Library Board and its subsidiaries

**Consolidated statement of cash flows
For the financial year ended 31 March 2020**

	Note	Group 2019/2020 \$	2018/2019 \$
Cash flows from financing activities			
Government grants received		233,431,676	255,703,246
Interest paid on lease liabilities	16	(1,344,150)	–
Payment of principal portion of lease liabilities	16	(7,927,727)	–
Proceeds from equity financing	5	27,346,828	26,951,393
Increase in restricted cash and deposits	15(b)	–	(484,855)
Net cash flows from financing activities		<u>251,506,627</u>	<u>282,169,784</u>
Net decrease in cash and cash equivalents		(12,059,129)	(12,330,522)
Cash and cash equivalents at beginning of the financial year		129,767,681	142,098,203
Cash and cash equivalents at end of the financial year	15(a)	<u><u>117,708,552</u></u>	<u><u>129,767,681</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

1. General information

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

The Board is subjected to the control of its supervisory ministry, Ministry of Communications and Information (“MCI”). The Board is required to follow the policies and instructions issued from time to time by MCI and other government ministries and departments such as the Ministry of Finance (“MOF”). The Board is also subjected to the provisions of the Public Sector (Governance) Act 2018 (Act 5 of 2018) (the “PSG Act”). With effect from 1 November 2012, the National Archives of Singapore (“NAS”) was transferred from National Heritage Board to National Library Board.

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

The principal activities of the Board are:

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

There have been no significant changes in the nature of these activities during the financial year.

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

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies

2.1 *Basis of accounting*

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the PSG Act, the NLB Act, Singapore Statutory Board Financial Reporting Standards (“SB-FRS”), including Interpretation of SB-FRS (“INT SB-FRS”) and SB-FRS Guidance Notes.

2.2 *Adoption of new and revised standards*

On 1 April 2019, the Group adopted all the new and revised SB-FRS, INT SB-FRS and SB-FRS Guidance Notes that are effective for annual periods beginning on or after 1 April 2019 and relevant to its operations. Except for the adoption of SB-FRS 116 *Leases*, the adoption of these new and revised SB-FRS, INT SB-FRS and SB-FRS Guidance Notes did not result in changes to the Group’s and the Board’s accounting policies and did not have any material effect on the financial performance or position of the Group.

SB-FRS 116 *Leases*

SB-FRS 116 supersedes SB-FRS 17 *Leases*, INT SB-FRS 15 *Operating Leases – Incentives*, INT SB-FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* and INT SB-FRS 104 *Determining whether an Arrangement contains a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under SB-FRS 116 is substantially unchanged from SB-FRS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SB-FRS 17. Therefore, SB-FRS 116 does not have an impact for leases where the Group is the lessor.

The Group has lease contracts for premises of its libraries and offices, and office equipment. Before the adoption of SB-FRS 116, the Group classified its leases (as lessee) at the inception date as operating leases. The accounting policy over leases prior to 1 April 2019 is disclosed in Note 2.16(c) to the financial statements.

Upon adoption of SB-FRS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The Group adopted SB-FRS 116 using the modified retrospective approach with the date of initial application of 1 April 2019. Under this approach, comparative information is not restated.

The right-of-use assets for the leases were recognised based on an amount equal to the lease liabilities, adjusted for previously recognised prepaid or accrued lease payment. Lease liabilities were recognised based on the present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.2 Adoption of new and revised standards (cont'd)

SB-FRS 116 Leases (cont'd)

Upon adoption, the Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- Applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use ("ROU") asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019, ROU assets and lease liabilities of \$32,246,011 each were recognised and presented within property, plant and equipment and trade and other payables respectively in the statement of financial position. There is no impact to the opening accumulated surplus at the date of initial application.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as at 31 March 2019, as follows:

	Group and Board \$
Operating lease commitments as at 31 March 2019	79,021,178
Add: Extension options assessed as reasonably probable	15,492,909
Less:	
- Commitments relating to short-term leases	(2,410,777)
- Commitments relating to leases containing non-lease components	(54,202,363)
	<hr/> 37,900,947
Weighted average incremental borrowing rate as at 1 April 2019	3.2%
	<hr/>
Discounted operating lease commitments, representing lease liabilities as at 1 April 2019 (Note 26)	<u><u>32,246,011</u></u>

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in SB-FRS Standards (Amendments to SB-FRS Standards)	1 January 2020
Amendments to SB-FRS 103 <i>Definition of a Business</i>	1 January 2020
Amendments to SB-FRS 1 and SB-FRS 8 <i>Definition of Material</i>	1 January 2020

Management has considered and is of the view that the adoption of the above standards that were issued as at the date of authorisation of these financial statements but not effective until future periods will have no material impact on the financial statements of the Group in the period of their initial adoption.

2.4 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Board and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Board. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 *Foreign currency*

The financial statements are presented in Singapore Dollars ("SGD"), which is also the Board's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Board and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

Structural and development costs allocated under co-location projects for certain libraries are included under "shared building cost, building improvements, renovation and leasehold premises".

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

	<u>Useful lives</u>
Land leases and building	- 30 to 60 years
Motor vehicles	- 5 years
Shared building costs, building improvements, renovation and leasehold premises	- 5 years or lease period whichever is shorter
Furniture and fittings	- 5 years
Office equipment	- 5 years
Computer hardware and software	- 4 years

Works-of-art are not depreciated and are carried at cost less any accumulated impairment loss.

Projects-in-progress are not depreciated as these assets are not yet available for use.

Leased assets are depreciated over the shorter of the lease term or their useful lives unless it is reasonably certain that the Group will obtain ownership by end of the lease term.

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

The residual value, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.7 *Heritage assets*

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

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

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

Heritage reserves

Funds from government grants and cash donations used to procure heritage assets are recognised as income in accordance with Note 2.14 and Note 2.17(h) to the financial statements. When grants and cash donations are utilised to fund the acquisition of heritage assets, an amount equivalent to the cost of the heritage asset is transferred from the general funds or restricted funds to the heritage reserves.

Donations of heritage assets are recognised as revenue in accordance with Note 2.17(h) to the financial statements.

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.9 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Board's separate statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of the Group's instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

(ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.10 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Subsequent measurement (cont'd)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derivatives

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

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

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.10 *Financial instruments (cont'd)*

(b) *Financial liabilities (cont'd)*

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.11 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default ("a lifetime ECL").

For trade receivables and receivables from book fines and lost book charges, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 *Cash and cash equivalents*

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

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 that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.13 Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for restoration costs

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

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

2.14 Government grants

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

Government grants received by the Group to meet the current year's operating expenses are recognised by the Group as income in the year these operating expenses are incurred. Other government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Government grants and contributions from other organisations utilised for the purchase or 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 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.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.15 *Employee benefits*

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

(a) *Defined contribution plans*

Payments to the Central Provident Fund scheme in Singapore, a defined contribution plan, are recognised as an expense in the period in which the related service is performed.

(b) *Defined benefit plans*

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

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

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

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

Past service costs are recognised immediately in profit or loss.

(c) *Short-term benefits*

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

(d) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they are 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 end of the reporting period.

2. Summary of significant accounting policies (cont'd)

2.16 Leases

The accounting policies described in Note 2.16(a) and 2.16(b) are applied on and after the initial application date of SB-FRS 116, 1 April 2019:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Where the Group is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use ("ROU") assets representing the right to use the underlying leased assets.

Right-of-use ("ROU") assets

The Group recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The Group will estimate the cost incurred to dismantle and remove the underlying asset, restore the site on which the asset is located or restore the underlying asset to the condition required by the terms and conditions of the lease. This amount is included within "shared building costs, building improvements, renovation and leasehold premises", presented within property, plant and equipment as set out in Note 9 to the financial statements.

ROU assets are depreciated on a straight-line basis over the estimated useful lives of the assets as set out in Note 2.6 to the financial statements.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The ROU assets are also subjected to impairment in accordance with the accounting policy set out in Note 2.8 to the financial statements.

The Group's ROU assets are presented within property, plant and equipment set out in Note 9 to the financial statements.

2. Summary of significant accounting policies (cont'd)

2.16 Leases (cont'd)

(a) Where the Group is the lessee (cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in trade and other payables set out in Note 16 to the financial statements.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases for premises of certain libraries and offices (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value are recognised as expenses on a straight-line basis over the lease term.

(b) Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income in the statement of comprehensive income. The accounting policy for rental income is set out in Note 2.17(c) to the financial statements.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.16 Leases (cont'd)

The accounting policies described below in Note 2.16(c) and 2.16(d) are applied before the initial application date of SB-FRS 116, 1 January 2019:

(c) **Group as a lessee**

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(d) **Group as a lessor**

The accounting policy applicable to the Group as a lessor in the comparative period was the same as the accounting policy applied under SB-FRS 116.

2.17 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) **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 when the services are rendered based on rates specified in the respective service contracts.

(b) **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 based on rates specified in the respective service agreements.

(c) **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.

(d) **Book fines and lost book charges**

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

(e) **Interest income**

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

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.17 Revenue recognition (cont'd)

(f) **Library services and programmes**

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

(g) **Membership fees**

Membership fees include one-time registration fees for permanent residents, registration and annual membership fees for foreigners and premium plus annual membership fees. These fees are non-refundable and are accounted for upon membership issuance.

(h) **Donations**

Donations (cash or in kind) received are recognised as income upon receipt. For donations received with attached conditions, income is not recognised but deferred until certainty exists that the conditions imposed can be met.

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

2.18 Taxes

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

(a) **Current income tax**

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

Current income taxes are recognised in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognised for all temporary differences.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.18 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.19 Funds

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

(i) *General funds*

Income and expenditure relating to the main activities of the Group and the Board are accounted for as "General Funds" in the statements of comprehensive income.

(ii) *Restricted funds*

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 as "Restricted Funds" and are separately disclosed in Note 7 to the financial statements.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

2.20 *Trust funds*

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

The net assets of the trust fund are presented as a line item in the statement of financial position as prescribed by SB-FRS Guidance Note 3. The receipt and expenditure items relating to these funds are accounted for directly in these funds. Details of income, expenditure, assets and liabilities are disclosed in Note 8 to the financial statements.

2.21 *Expenditure on books, periodicals, films and serials*

Expenditure on books, periodicals, films and serials are charged to profit or loss in the year of purchase, except when the items purchased are rare books or other rare materials that are accounted for as heritage assets in accordance with Note 2.7 to the financial statements and separately disclosed in Note 6 to the financial statements.

2.22 *Equity financing account*

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

Dividends paid or payable to the Minister of Finance, the ultimate shareholder and a body incorporated by the Minister for Finance (Incorporation) Act (Chapter 183), are recognised when the dividends are approved for payment by the Board.

2.23 *Offsetting of financial instruments*

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legally enforceable right to offset the asset and the liability and when there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) **Provision for expected credit losses of book fines and lost book charges**

The Group uses a provision matrix to calculate expected credit losses (“ECLs”) for potential uncollectible book fines and lost book charges. The provision rates are based on factors that affect the collectability of the accounts including but not limited to aging of the outstanding arrears and historical payment patterns of the patrons.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information, taking into account the current economic situation. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs involves estimation.

The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Group’s book fines and lost book charges is disclosed in Note 29(a) to the financial statements.

The carrying amount of the Group’s book fines and lost book charges is as disclosed in Note 13 to the financial statements.

(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 increment, retirement date or age, mortality and turnover rate of covered employees. Any change in management’s estimates and assumptions directly influence the amount of the pension expensed recognised in the financial statements.

The valuation of the retirement benefits is determined using the projected unit credit method.

The annual contribution to the pension plan consists of payments covering the current service cost for the financial year and payments towards funding the actuarial accrued liability. Further details about the assumptions used are provided in Note 17 to the financial statements.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

4. Capital account

		Group and Board	
	Note	2019/2020	2018/2019
		\$	\$
Establishment account		10,334,137	10,334,137
Equity financing account	5	635,421,899	602,955,826
		<u>645,756,036</u>	<u>613,289,963</u>

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 equity financing account comprises equity injections by the MOF in its capacity as the shareholder under the debt-equity framework for statutory boards, implemented with effect from 1 September 2004. It also includes equity injection for Sinking Fund received for the purpose of replacement of fixed assets held by the Board and additional funds are placed with the Group’s appointed fund managers to make investments in accordance with the Group’s investment policy. Under this framework, capital projects will be partially funded by the MOF as equity injection, and the balance through general funds.

Capital management

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

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

5. Equity financing account

		Group and Board			
	Note	2019/2020	2018/2019	2019/2020	2018/2019
		Number of shares		\$	\$
Issued:					
At 1 April		602,955,826	575,354,433	602,955,826	575,354,433
Issued during the year		32,466,073	27,601,393	32,466,073	27,601,393
At 31 March	4	<u>635,421,899</u>	<u>602,955,826</u>	<u>635,421,899</u>	<u>602,955,826</u>

During the financial year, the Minister for Finance injected equity amounting to \$32,466,073 (2018/2019: \$27,601,393) of which \$27,346,828 (2018/2019: \$26,951,393) was received. The balance was received by the Board subsequent to year-end.

The holder of ordinary shares (at \$1 each), the Minister for Finance, is entitled to dividends as declared by the Board from time to time if the Board recognises an accounting surplus.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

6. Heritage reserves and assets

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Heritage reserves		
At 1 April	18,299,168	17,349,090
Movements during the financial year		
- Transferred from operating grants	630,910	742,571
- Transferred from general funds	37,907	207,507
	668,817	950,078
At 31 March	18,967,985	18,299,168
Heritage assets		
At 1 April	18,299,168	17,349,090
Movements during the financial year		
- Donations in kind	37,907	207,507
- Funded by operating grants	468,909	549,026
- Processing fees	162,001	193,545
	668,817	950,078
At 31 March	18,967,985	18,299,168

7. Accumulated surplus

(a) **General funds**

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

(b) **Restricted funds**

The Group's restricted funds comprise donations to The Library Fund ("TLF") and other donations and funds received for specific purposes for which there are restrictions on the Group in relation to the application of those funds. These include specific donations received for programmes.

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

The Board of Trustees of TLF comprises mainly the members of the Board of the National Library Board. As the Board of Trustees has the discretion and 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.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

7. Accumulated surplus (cont'd)

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

The use of the moneys under TLF is restricted to purposes specified in the trust deed and requires the approval of the trustees of TLF.

The Board of Trustees of TLF comprises the Chairman and members of the Board and staff trustees. The objectives of TLF are:

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

The Library Endowment Fund was established under TLF'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 TLF 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 TLF to The Library Endowment Fund, a sub-fund created under TLF.

The key projects funded under TLF in the current financial year comprise mainly the following:

Name of projects	Purpose
Library @ Chinatown	The library was set up and operated with donations from Kwan Im Thong Hood Cho Temple and CPI Pte Ltd, owner of Chinatown Point Retail. It carries a collection of books and audio visual materials on Chinese arts and culture largely in Chinese and English.
Mini MOLLYs	The two mini mobile library buses were set up and operated with donations from Kwan Im Thong Hood Cho Temple. It brings the library experience to children in childcare centres and kindergartens.
Big MOLLY	The big mobile library bus was set up and operated with donations from Kwan Im Thong Hood Cho Temple. It brings the library experience to those in special needs schools, homes and orphanages, welfare homes and lower income groups.
George Lyndon Hicks Research Fellowship	This research fellowship programme aims to award professionals to help grow and enhance the National Library of Singapore's ("NL") Special Collections and to raise the capability of NL's librarians so as to elevate the standing of the National Library.

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

7. Accumulated surplus (cont'd)

(c) Donations

During the financial year, TLF received cash donations amounting to \$1,474,248 (2018/2019: \$1,348,323) of which \$692,055 (2018/2019: \$476,741) were being accounted for as deferred income in accordance with SB-FRS 1001 Accounting and Disclosure for Non-Exchange Revenue. The deferred income represents unutilised donations available for use in the following financial year.

Donations received relate to tax-deductible and non-tax deductible donations for TLF amounting to \$1,473,848 (2018/2019: \$1,345,635) and \$400 (2018/2019: \$2,688) respectively.

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Reconciliation of deferred income		
At 1 April	476,741	–
Donations received during the financial year	1,474,248	1,348,323
Less: Donation income recognised during the financial year	(1,258,934)	(871,582)
	<hr/>	<hr/>
At 31 March	692,055	476,741

National Library Board and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

7. Accumulated surplus (cont'd)

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

Group and Board	Endowment Fund		Other funds		Total	
	2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$
Income						
Interest income	7,100	6,407	142,635	123,472	149,735	129,879
Investment income	400,305	784,881	68,345	133,964	468,650	918,845
Donations	–	–	1,258,934	871,582	1,258,934	871,582
	407,405	791,288	1,469,914	1,129,018	1,877,319	1,920,306
Expenditure						
Manpower and staff welfare	–	–	(11,752)	(14,375)	(11,752)	(14,375)
Depreciation of property, plant and equipment	–	–	(584,105)	(698,047)	(584,105)	(698,047)
Books, periodicals, films and serials	–	–	(127,837)	(105,402)	(127,837)	(105,402)
General and administrative expenses	–	–	(554,700)	(636,778)	(554,700)	(636,778)
Maintenance and other property expenses	–	–	(368,929)	(242,103)	(368,929)	(242,103)
Rental expenses	–	–	(798)	(1,914)	(798)	(1,914)
Agency and other professional fees	(173,829)	(163,379)	(201,215)	(189,566)	(375,044)	(352,945)
Other expenses	–	–	(68,491)	(70,691)	(68,491)	(70,691)
	(173,829)	(163,379)	(1,917,827)	(1,958,876)	(2,091,656)	(2,122,255)
Surplus/(deficit) for the financial year	233,576	627,909	(447,913)	(829,858)	(214,337)	(201,949)
Total comprehensive income for the financial year	233,576	627,909	(447,913)	(829,858)	(214,337)	(201,949)
Accumulated surplus at 1 April	43,202,568	42,574,659	21,993,117	22,822,975	65,195,685	65,397,634
Accumulated surplus at 31 March	43,436,144	43,202,568	21,545,204	21,993,117	64,981,348	65,195,685
Heritage reserves at 31 March	–	–	444,044	444,044	444,044	444,044
Total capital and accumulated surplus	43,436,144	43,202,568	21,989,248	22,437,161	65,425,392	65,639,729
Represented by:						
Property, plant and equipment	–	–	8,151,858	8,735,963	8,151,858	8,735,963
Heritage assets	–	–	444,044	444,044	444,044	444,044
Investment securities at fair value through profit or loss	40,452,806	42,332,898	6,906,586	7,227,578	47,359,392	49,560,476
Cash and cash equivalents	52,260	665,259	6,685,488	6,443,865	6,737,748	7,109,124
Trade and other receivables	2,898,515	250,150	567,622	167,588	3,466,137	417,738
Derivative financial instruments	85,457	(22,697)	14,590	(3,875)	100,047	(26,572)
Trade and other payables	(52,894)	(23,042)	(780,940)	(578,002)	(833,834)	(601,044)
	43,436,144	43,202,568	21,989,248	22,437,161	65,425,392	65,639,729

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

8. Net assets of trust fund

There was no trust fund managed by the Board on behalf of other agencies as at 31 March 2020. As at 31 March 2019, the trust fund comprises one international fund managed by the Board on behalf of other agencies. The nature of the trust fund as at 31 March 2019 was as follows:

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

IFLA-RSCAO 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.

Details of the trust fund as at 31 March 2019 were set out below and had been prepared from the records of the trust fund and reflected only transactions handled by the Group and the Board:

	Group and Board 2018/2019 \$
Statement of comprehensive income of the trust fund	
Expenditure	
Other expenses	(1,975)
	<hr/>
Net deficit for the financial year	(1,975)
Accumulated surplus at 1 April	1,975
	<hr/>
Accumulated surplus at 31 March	–
	<hr/> <hr/>

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

8. Net assets of trust fund (cont'd)

The International Federation of Library Associations and Institutions ("IFLA-RSCAO") (cont'd)

	Group and Board 2018/2019 \$
Statement of financial position of the trust fund	
Equity	
Accumulated surplus	—
	<hr/> <hr/>
Represented by:	
Assets	
Cash and cash equivalents	10,133
	<hr/>
	10,133
	<hr/>
Liabilities	
Accruals for operating expenses	133
Other payables	10,000
	<hr/>
	10,133
	<hr/>
Net assets	—
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National Library Board and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

9. Property, plant and equipment

Group	Land leases and building \$	Motor vehicles \$	Shared building costs, building improvements, renovation and leasehold premises \$	Furniture and fittings \$	Office equipment \$	Computer hardware and software \$	Works- of-art \$	Projects-in- progress \$	Total \$
Cost									
At 1 April 2018	249,935,889	1,172,297	301,463,436	18,257,196	31,510,187	124,079,638	4,609,450	11,941,958	742,970,051
Additions	–	–	3,134,857	88,085	77,672	16,272,665	–	34,591,020	54,164,299
Disposals/write-offs	–	–	(6,581,243)	(121,778)	(3,323,157)	(7,976,868)	–	(80,250)	(18,083,296)
Transfers	–	–	5,183,372	201,319	166,733	4,481,406	–	(10,032,830)	–
At 31 March 2019 and 1 April 2019 (as previously stated)	249,935,889	1,172,297	303,200,422	18,424,822	28,431,435	136,856,841	4,609,450	36,419,898	779,051,054
Recognition of ROU assets on initial application of SB-FRS 116 (Note 26)	–	–	32,246,011	–	–	–	–	–	32,246,011
At 1 April 2019 (as restated)	249,935,889	1,172,297	335,446,433	18,424,822	28,431,435	136,856,841	4,609,450	36,419,898	811,297,065
Additions	–	–	23,578,658	602,220	2,307,297	6,993,646	–	26,416,928	59,898,749
Disposals/write-offs	–	–	(2,172,501)	(380,040)	(1,004,144)	(18,594,901)	(42,000)	–	(22,193,586)
Adjustments	–	–	(9,111,500)	–	–	–	–	–	(9,111,500)
Transfers	–	–	26,808,414	–	–	1,398,765	–	(28,207,179)	–
At 31 March 2020	249,935,889	1,172,297	374,549,504	18,647,002	29,734,588	126,654,351	4,567,450	34,629,647	839,890,728
Accumulated depreciation									
At 1 April 2018	75,724,757	693,965	182,246,174	16,449,475	16,874,557	98,128,409	–	–	390,117,337
Depreciation for the financial year	5,035,957	234,460	29,315,643	510,207	3,949,093	11,596,874	–	–	50,642,234
Disposals/write-offs	–	–	(6,553,982)	(121,778)	(3,210,563)	(7,974,443)	–	–	(17,860,766)
At 31 March 2019 and 1 April 2019	80,760,714	928,425	205,007,835	16,837,904	17,613,087	101,750,840	–	–	422,898,805
Depreciation for the financial year	5,035,957	126,828	45,990,908	459,469	3,499,573	14,440,949	–	–	69,553,684
Disposals/write-offs	–	–	(2,165,061)	(376,817)	(937,207)	(18,583,162)	–	–	(22,062,247)
At 31 March 2020	85,796,671	1,055,253	248,833,682	16,920,556	20,175,453	97,608,627	–	–	470,390,242
Net book value									
At 31 March 2019	169,175,175	243,872	98,192,587	1,586,918	10,818,348	35,106,001	4,609,450	36,419,898	356,152,249
At 1 April 2019	169,175,175	243,872	130,438,598	1,586,918	10,818,348	35,106,001	4,609,450	36,419,898	388,398,260
At 31 March 2020	164,139,218	117,044	125,715,822	1,726,446	9,559,135	29,045,724	4,567,450	34,629,647	369,500,486

National Library Board and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

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

	Land leases and building \$	Motor vehicles \$	Shared building costs, building improvements, renovation and leasehold premises \$	Furniture and fittings \$	Office equipment \$	Computer hardware and software \$	Works- of-art \$	Projects-in- progress \$	Total \$
Board									
Cost									
At 1 April 2018	249,935,889	1,172,297	301,463,436	18,257,196	31,495,321	123,705,962	4,609,450	11,941,958	742,581,509
Additions	–	–	3,024,712	88,085	77,672	16,241,270	–	34,591,020	54,022,759
Disposals/write-offs	–	–	(6,581,243)	(121,778)	(3,323,157)	(7,976,868)	–	(80,250)	(18,083,296)
Transfers	–	–	5,183,372	201,319	166,733	4,481,406	–	(10,032,830)	–
At 31 March 2019 and 1 April 2019 (as previously stated)	249,935,889	1,172,297	303,090,277	18,424,822	28,416,569	136,451,770	4,609,450	36,419,898	778,520,972
Recognition of ROU assets on initial application of SB-FRS 116 (Note 26)	–	–	32,246,011	–	–	–	–	–	32,246,011
At 1 April 2019 (as restated)	249,935,889	1,172,297	335,336,288	18,424,822	28,416,569	136,451,770	4,609,450	36,419,898	810,766,983
Additions	–	–	23,578,658	602,220	2,307,297	6,969,201	–	26,416,928	59,874,304
Disposals/write-offs	–	–	(2,172,501)	(380,040)	(1,004,144)	(18,594,901)	(42,000)	–	(22,193,586)
Adjustments	–	–	(9,111,500)	–	–	–	–	–	(9,111,500)
Transfers	–	–	26,808,414	–	–	1,398,765	–	(28,207,179)	–
At 31 March 2020	249,935,889	1,172,297	374,439,359	18,647,002	29,719,722	126,224,835	4,567,450	34,629,647	839,336,201
Accumulated depreciation									
At 1 April 2018	75,724,757	693,965	182,246,174	16,449,475	16,866,638	97,989,456	–	–	389,970,465
Depreciation for the financial year	5,035,957	234,460	29,278,928	510,207	3,946,093	11,500,422	–	–	50,506,067
Disposals/write-offs	–	–	(6,553,982)	(121,778)	(3,210,563)	(7,974,443)	–	–	(17,860,766)
At 31 March 2019 and 1 April 2019	80,760,714	928,425	204,971,120	16,837,904	17,602,168	101,515,435	–	–	422,615,766
Depreciation for the financial year	5,035,957	126,828	45,917,479	459,469	3,497,148	14,338,178	–	–	69,375,059
Disposals/write-offs	–	–	(2,165,061)	(376,817)	(937,207)	(18,583,162)	–	–	(22,062,247)
At 31 March 2020	85,796,671	1,055,253	248,723,538	16,920,556	20,162,109	97,270,451	–	–	469,928,578
Net book value									
At 31 March 2019	169,175,175	243,872	98,119,157	1,586,918	10,814,401	34,936,335	4,609,450	36,419,898	355,905,206
At 1 April 2019	169,175,175	243,872	130,365,168	1,586,918	10,814,401	34,936,335	4,609,450	36,419,898	388,151,217
At 31 March 2020	164,139,218	117,044	125,715,821	1,726,446	9,557,613	28,954,384	4,567,450	34,629,647	369,407,623

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

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

Right-of-use assets arising from leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are set out in Note 26 to the financial statements.

During the financial year, management performed a re-assessment to determine the current best estimate of the restoration costs for the Group's libraries, office and other premises. Following the re-assessment, provision for restoration costs was reduced by \$9,111,500. The reduction in provision for restoration costs was adjusted against the cost of shared building costs, building improvements, renovation and leasehold premises. The excess of the decrease in provision over the carrying amount of the asset amounted to \$8,103,045 and is recognised in profit or loss as a credit against depreciation charge for the financial year.

10. Investments in subsidiaries

	Board	
	2019/2020	2018/2019
	\$	\$
Unquoted ordinary shares, at cost	506	506

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation	Effective equity interest held		Cost of investment	
			2019/2020 %	2018/2019 %	2019/2020 \$	2018/2019 \$
Library & Archives Solutions Pte. Ltd. (formerly known as Cybrarian Ventures Pte. Ltd.) ^[1]	Provision of library consultancy services	Singapore	100	100	1	1
Asian Film Archive ^[1]	Preservation of film heritage of Singapore and Asia	Singapore	100	100	505	505

^[1] Audited by Ernst & Young LLP, Singapore.

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

11. Investment securities at fair value through profit or loss

		Group and Board	
	Note	2019/2020	2018/2019
		\$	\$
Quoted debt securities managed by fund managers			
- Fixed interest rates	24	44,208,284	44,338,292
Quoted equity securities managed by fund managers	24	3,151,111	5,222,184
Quoted unit trusts	24	401,153,095	397,131,713
		<hr/>	<hr/>
		448,512,490	446,692,189
		<hr/>	<hr/>
Total investment securities at fair value through profit or loss		448,512,490	446,692,189
Add: Derivative financial instruments	14	100,047	(26,572)
		<hr/>	<hr/>
Total financial assets at fair value through profit or loss		448,612,537	446,665,617
		<hr/>	<hr/>

The quoted debt securities managed by fund managers earned fixed interest rates ranging from 1.55% to 4.75% (2018/2019: 1.55% to 4.75%) per annum as at the balance sheet date. Interest was received on a semi-annual basis. The maturity dates ranged from May 2020 to April 2022 (2018/2019: October 2019 to April 2022).

During the previous financial year, a subsidiary disposed of the quoted debt securities for proceeds amounting to \$769,612, which approximated the fair value of quoted debt securities on the date of disposal.

There were no transfers between Level 1 and 2 during the financial year. During the previous financial year, quoted unit trust amounting to \$205,140,099 was transferred from Level 1 to Level 2 of the fair value hierarchy (Note 30(b)).

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

12. Trade and other receivables

	Note	Group		Board	
		2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$
Trade receivables – from non-related parties		943,635	650,393	566,050	462,495
Grant receivables	21	21,033,950	–	21,033,950	–
Equity funding receivables		5,119,245	650,000	5,119,245	650,000
Deposits		622,330	839,846	614,230	839,596
Book fines and lost book charges	13	548,547	571,614	548,547	571,614
Accrued receivables		305,305	625,251	287,171	447,697
Other receivables		–	69,735	–	–
Interest, dividend and other receivables relating to investment transactions		4,409,245	1,178,754	4,370,173	1,175,621
Prepayments		1,983,663	2,729,412	1,911,885	2,692,608
Total trade and other receivables		34,965,920	7,315,005	34,451,251	6,839,631
Add: Cash and cash equivalents	15(a)	117,708,552	130,165,820	115,108,203	126,897,668
Less: Grant receivables	21	(21,033,950)	–	(21,033,950)	–
Less: Equity funding receivables		(5,119,245)	(650,000)	(5,119,245)	(650,000)
Less: Prepayments		(1,983,663)	(2,729,412)	(1,911,885)	(2,692,608)
Total financial assets carried at amortised cost		124,537,614	134,101,413	121,494,374	130,394,691

Impairment losses

The aging of trade, grant and equity funding receivables at the balance sheet date is as follows:

	Group		Board	
	2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$
Not past due	21,874,127	1,178,157	21,600,000	1,062,320
Past due for less than 30 days	5,222,703	72,061	5,119,245	–
Past due for 30 to 60 days	–	50,175	–	50,175
	27,096,830	1,300,393	26,719,245	1,112,495

Debtors included in the above table mainly consist of government statutory boards or debtors that have good payment records with the Group. Management has assessed that the loss allowance provision as at 31 March 2020 and 2019 on the above trade, grant and equity funding receivables is negligible as the Group has no significant default in these receivables based on historical experience.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

13. Book fines and lost book charges

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Book fines and lost book charges	5,670,074	5,788,945
Less: Allowance for expected credit losses of book fines and lost book charges	(5,121,527)	(5,217,331)
	<u>548,547</u>	<u>571,614</u>

Allowance for expected credit losses of book fines and lost book charges

The allowance for expected credit losses (“ECLs”) of book fines and lost book charges represents the lifetime ECLs computed using the simplified approach. The allowance is determined based on a provision matrix based on the historical observed default rate and payment pattern of patrons.

Movements in allowance for ECLs of book fines and lost book charges are as follows:

	Group and Board	
	2019/2020	2018/2019
	\$	\$
At 1 April	5,217,331	5,304,724
Charge for the financial year	467,395	425,765
Allowance utilised	(563,199)	(513,158)
At 31 March	<u>5,121,527</u>	<u>5,217,331</u>

The aging of book fines and lost book charges at the balance sheet date is as follows:

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Gross amounts:		
Past due for 1 to 90 days	347,480	366,433
Past due for 91 to 180 days	286,851	301,904
Past due for 181 to 270 days	194,192	218,441
Past due for 271 to 365 days	199,823	191,327
Past due for more than 365 days	4,641,728	4,710,840
	<u>5,670,074</u>	<u>5,788,945</u>
Less: Allowance for expected credit losses of book fines and lost book charges	(5,121,527)	(5,217,331)
	<u>548,547</u>	<u>571,614</u>

The ECLs of book fines and lost book charges are estimated based on the Group’s historical loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors which may affect the patrons’ ability to pay. The Group has identified the gross domestic product of Singapore to be the most relevant factor in its determination of ECLs.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

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

Information about the book fines and lost book charges as well as the ECLs provided by the Group and the Board is summarised below:

Group and Board	2019/2020		2018/2019	
	Gross carrying amount \$	Loss allowance provision \$	Gross carrying amount \$	Loss allowance provision \$
Past due for 1 to 90 days	347,480	156,366	366,433	164,895
Past due for 91 to 180 days	286,851	177,847	301,904	187,180
Past due for 181 to 270 days	194,192	153,411	218,441	172,568
Past due for 271 to 365 days	199,823	177,843	191,327	170,281
Past due for more than 365 days	4,641,728	4,456,060	4,710,840	4,522,407
Total	5,670,074	5,121,527	5,788,945	5,217,331

Concentration of credit risk relating to ECLs of book fines and lost book charges is limited due to the Group's many varied debtors. These debtors mainly consist of individual library patrons. The recorded ECLs 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 ECLs is inherent in the Group's receivables relating to book fines and lost book charges.

14. Derivative financial instruments

	Contract notional amount \$	Group and Board Fair value	
		Assets \$	Liabilities \$
2019/2020			
Currency swaps	64,006,623	100,047	–
2018/2019			
Currency swaps	68,993,160	–	(26,572)

Currency swaps are entered into by the fund managers to hedge highly probable forecasted transactions which are denominated in foreign currencies and expected to occur at various dates within one month (2018/2019: one month) from the balance sheet date.

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

**15. Cash and cash equivalents
Restricted cash and deposits**

(a) Cash and cash equivalents

	Group		Board	
	2019/2020	2018/2019	2019/2020	2018/2019
	\$	\$	\$	\$
Cash at bank and on hand	116,393,806	128,851,074	115,108,203	126,897,668
Fixed deposits	1,314,746	1,314,746	–	–
Total cash and bank balances	117,708,552	130,165,820	115,108,203	126,897,668

The fixed deposits are placed with financial institutions and mature on varying dates of less than twelve months (2018/2019: one to two years) from the balance sheet date. The weighted average effective interest rate related to fixed deposits at financial year-end is 1% (2018/2019: 1%) per annum. Interest rates are re-priced at intervals of one to six months, upon roll over of fixed deposits on maturity.

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

	Note	Group	
		2019/2020	2018/2019
		\$	\$
Cash and bank balances (as above)		117,708,552	130,165,820
Less: Cash balances managed by fund manager	24	–	(398,139)
Cash and cash equivalents per consolidated statement of cash flows		117,708,552	129,767,681

(b) Restricted cash and deposits

During the previous financial year, a subsidiary of the Group provided a banker's guarantee to an external party for the performance of a sales contract. The banker's guarantee is secured by bank deposits amounting to \$484,855. These cash and deposits are restricted for use for at least the next 12 months.

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

16. Trade and other payables

	Note	Group		Board	
		2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$
<u>Current:</u>					
Trade payables		7,526,806	1,006,369	7,525,160	989,051
Accrued operating expenses		34,269,470	40,615,990	34,595,537	40,341,301
Provision for restoration costs		9,894,554	19,400,404	9,876,554	19,382,404
Retention payable		793,324	1,143,682	793,324	1,143,682
Receipts-in-advance		349,971	448,220	328,396	439,204
Deferred income	7(c)	692,055	476,741	692,055	476,741
Security and other deposits		1,073,132	1,819,222	1,073,132	1,819,222
Other payables relating to investment transactions		61,925	26,976	61,925	26,976
Other payables to subsidiaries		–	–	–	217,153
Other payables to non-related parties		182,543	617,355	36,813	38,639
Lease liabilities	26	10,319,793	–	10,319,793	–
		65,163,573	65,554,959	65,302,689	64,874,373
<u>Non-current:</u>					
Lease liabilities	26	34,409,743	–	34,409,743	–
Total trade and other payables		99,573,316	65,554,959	99,712,432	64,874,373
Less: Provision for restoration costs		(9,894,554)	(19,400,404)	(9,876,554)	(19,382,404)
Less: Receipts-in-advance		(349,971)	(448,220)	(328,396)	(439,204)
Less: Deferred income	7(c)	(692,055)	(476,741)	(692,055)	(476,741)
Total financial liabilities carried at amortised cost		88,636,736	45,229,594	88,815,427	44,576,024

Trade payables are normally settled on 30 to 60 days terms.

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

Deferred income represents the unutilised donations as at 31 March 2020 available for use in the following financial year. Details of the deferred income are disclosed in Note 7(c) to the financial statements.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

16. Trade and other payables (cont'd)

Movement in the provision for restoration costs is as follows:

	Group		Board	
	2019/2020 \$	2018/2019 \$	2019/2020 \$	2018/2019 \$
At 1 April	19,400,404	19,586,255	19,382,404	19,586,255
(Write-back)/provision made during the year ¹	(9,111,500)	18,000	(9,111,500)	–
Utilisation during the year	(394,350)	(203,851)	(394,350)	(203,851)
At 31 March	9,894,554	19,400,404	9,876,554	19,382,404

¹During the financial year, management performed a re-assessment to determine the current best estimate of the restoration costs for the Group's libraries, office and other premises. Following the re-assessment, provision for restoration costs was reduced by \$9,111,500. The reduction in provision for restoration costs was adjusted against the cost of shared building costs, building improvements, renovation and leasehold premises. The excess of the decrease in provision over the carrying amount of the asset amounted to \$8,103,045 and is recognised in profit or loss as a credit against depreciation charge for the financial year.

A reconciliation of lease liabilities arising from financing activities is as follows:

	1 April 2019 \$	Cash flows		Non-cash changes:			31 March 2020 \$
		Principal paid \$	Interest paid \$	Additions \$	Accretion of interests \$	Reclassifications \$	
Lease liabilities							
- Current	4,314,154	(7,927,727)	(1,344,150)	3,613,573	1,344,150	10,319,793	10,319,793
- Non-current	27,931,857	–	–	16,797,679	–	(10,319,793)	34,409,743
	32,246,011	(7,927,727)	(1,344,150)	20,411,252	1,344,150	–	44,729,536

17. Provision for retirement benefits

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

The Board performed an actuarial valuation to determine the liability of the Board in respect of its defined retirement benefit plan. The present value of unfunded obligations is recognised based on the actuarial valuation performed by Milliman Private Limited in 2018/2019.

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

17. Provision for retirement benefits (cont'd)

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

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Present value of unfunded obligations	4,976,292	5,350,697
Comprised:		
- Current provision	210,275	437,207
- Non-current provision	4,766,017	4,913,490
	<u>4,976,292</u>	<u>5,350,697</u>

The weighted average duration of the defined benefit obligations is 11 years (2018/2019: 11 years).

(a) ***Movements in the defined benefit obligations***

	Group and Board	
	2019/2020	2018/2019
	\$	\$
At 1 April	5,350,697	5,689,265
Current service costs and interest costs	112,906	116,015
Re-measurement loss on defined benefit pension plan	–	143,433
Retirement benefits paid	(487,311)	(598,016)
At 31 March	<u>4,976,292</u>	<u>5,350,697</u>

(b) ***Amounts charged to profit or loss***

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Interest costs	<u>112,906</u>	<u>116,015</u>

(c) ***Amounts charged to other comprehensive income***

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Re-measurement loss on defined benefit pension plan	<u>–</u>	<u>143,433</u>

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

17. Provision for retirement benefits (cont'd)

(d) *Principal actuarial assumptions used*

	Group and Board	
	2019/2020	2018/2019
	%	%
Discount rate	2.2	2.2
Future salary increment	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	
	2019/2020	2018/2019
	%	%
Female	0.234	0.234
Male	0.402	0.402

This means that out of 10,000 pensioners, it is assumed that 23 females and 40 males will pass on before their 60th birthday (2018/2019: 23 females and 40 males).

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

The sensitivity of the provision for retirement benefits to changes in the principal actuarial assumptions is as follows:

	Group and Board	
	Impact on provision for retirement benefits	
	2019/2020	2018/2019
	\$	\$
Discount rate		
- 0.5% (2018/2019: 0.5%) increase	(256,621)	(274,860)
- 0.5% (2018/2019: 0.5%) decrease	279,942	300,494
Future salary increment		
- 0.5% (2018/2019: 0.5%) increase	11,698	11,446
- 0.5% (2018/2019: 0.5%) decrease	(11,580)	(11,331)
Life expectancy		
- 1 year increase	154,622	151,360
- 1 year decrease	(159,083)	(155,739)

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

17. Provision for retirement benefits (cont'd)

(d) ***Principal actuarial assumptions used (cont'd)***

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

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

(e) ***Historical information***

	← Group and Board →				
	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
	\$	\$	\$	\$	\$
Present value of unfunded obligations	4,976,292	5,350,697	5,689,265	5,747,656	6,925,128

18. Development grants received in advance

		Group and Board	
	Note	2019/2020	2018/2019
		\$	\$
At 1 April		29,250	(227,537)
Development grants received during the financial year		14,926	345,092
		44,176	117,555
Less:			
Amounts transferred from/(to) deferred capital grants	19	1	(65,260)
Amounts transferred to operating grants		(40,403)	(23,045)
		3,774	29,250
At 31 March		3,774	29,250

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

19. Deferred capital grants

	Note	Group and Board	
		2019/2020	2018/2019
		\$	\$
At 1 April		186,028,943	195,467,660
Amounts transferred (to)/from development grants	18	(1)	65,260
Amounts transferred from operating grants	21	5,766,073	5,098,440
		<u>191,795,015</u>	<u>200,631,360</u>
Less: Deferred capital grants amortised during the financial year		(13,531,893)	(14,602,417)
At 31 March		<u>178,263,122</u>	<u>186,028,943</u>
Comprised:			
Current balances		11,739,611	13,298,907
Non-current balances		166,523,511	172,730,036
		<u>178,263,122</u>	<u>186,028,943</u>

20. Manpower and staff welfare

	Group		Board	
	2019/2020	2018/2019	2019/2020	2018/2019
	\$	\$	\$	\$
Board members' allowances	196,151	188,440	193,336	185,625
Wages and salaries	85,364,852	87,044,973	83,845,064	85,757,672
Employer's contributions to				
Central Provident Fund	11,542,053	11,446,722	11,323,666	11,231,746
Retirement benefits (Note 17(b))	112,906	116,015	112,906	116,015
Other employee benefits	6,615,086	6,949,173	6,591,346	6,927,825
	<u>103,831,048</u>	<u>105,745,323</u>	<u>102,066,318</u>	<u>104,218,883</u>

21. Operating grants

	Note	Group and Board	
		2019/2020	2018/2019
		\$	\$
Operating grants received during the financial year		232,667,750	255,344,900
Operating grant receivables as at 31 March		21,033,950	–
Less: Amounts transferred to deferred capital grants	19	(5,766,073)	(5,098,440)
Less: Amounts refunded		–	(178,548)
Add: Grants in kind received from other ministries		49,500	–
Operating grants utilised during the financial year		<u>247,985,127</u>	<u>250,067,912</u>

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

21. Operating grants (cont'd)

During the financial year, operating grants of \$247,985,127 (2018/2019: \$250,067,912) were disbursed by Ministry of Communications and Information and Ministry of Culture, Community and Youth ("MCCY").

Operating grant receivables of \$21,033,950 (2018/2019: \$Nil) were received subsequent to year-end.

During the previous financial year, unutilised operating grants amounting to \$178,548 were refunded to MCCY. In accordance with the agreement with MCCY for the funding over certain programme, the Board is required to refund the unutilised amounts of grants to MCCY on completion of the programme.

During the financial year, grants in kind amounting to \$49,500 were received from other ministries.

22. Investment income - net

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

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Interest income from quoted debt securities	1,174,396	1,100,738
Dividend income from quoted equity securities	–	92,946
(Loss)/gain on sale of investment securities at fair value through profit or loss:		
- Quoted equity securities	(554,909)	(319,131)
- Quoted debt securities	(379,972)	(349,578)
- Quoted unit trusts	285,495	137,703
Net gain from investment securities at fair value through profit or loss	9,518,504	8,639,230
Foreign exchange loss - net	(1,553,482)	(538,150)
	<hr/>	<hr/>
	8,490,032	8,763,758

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

23. Income tax expense

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

	Group		Board	
	2019/2020	2018/2019	2019/2020	2018/2019
	\$	\$	\$	\$
Reconciliation of effective tax rate				
Deficit before tax	(27,161,107)	(12,652,728)	(27,198,121)	(12,881,701)
Tax calculated at tax rate of 17%	(4,617,388)	(2,150,964)	(4,623,681)	(2,189,889)
Effects of:				
- Deficit exempted from tax	4,631,033	2,186,485	4,623,681	2,189,889
- Non-deductible expenses	1,614	1,265	–	–
- Income not subject to tax	(6,681)	(8,514)	–	–
- Utilisation of previously unrecognised tax losses	(8,578)	(28,272)	–	–
	–	–	–	–

At the end of the reporting period, a subsidiary of the Group has unutilised capital allowances of \$14,000 (2018/2019: \$45,000) that are available for offset against future taxable income. No deferred tax asset is recognised on these capital allowances due to uncertainty of its recoverability. The use of these capital allowances is subject to the agreement of tax authorities and compliance with certain provisions of the tax regulations. These tax benefits have no expiry date.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

24. Investments with fund managers

The Group placed its surplus funds with fund managers. 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 managing the segregated mandate use currency swaps for hedging purposes. They are not used for speculative purposes.

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

		Group and Board	
	Note	2019/2020	2018/2019
		\$	\$
Investment securities at fair value through profit or loss			
- Quoted debt securities	11	44,208,284	44,338,292
- Quoted equity securities	11	3,151,111	5,222,184
Cash balances managed by fund manager	15	–	398,139
Net other receivables relating to investment transactions		2,999,317	261,572
Currency swaps	14	100,047	(26,572)
		<hr/>	<hr/>
		50,458,759	50,193,615
Investment securities at fair value through profit or loss			
- Quoted unit trusts	11	401,153,095	397,131,713
		<hr/>	<hr/>
		451,611,854	447,325,328
		<hr/> <hr/>	<hr/> <hr/>

The investments with fund managers 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 state of \$14,768,436 (2018/2019: \$12,973,964).

Sales and redemption of debt securities, and purchases of investments carried out by the fund managers with statutory boards amounted to \$20,465,201 (2018/2019: \$5,490,933) and \$ 22,013,429 (2018/2019: \$4,725,949) respectively.

There were no transfers between Level 1 and 2 during the financial year. During the previous financial year, quoted unit trust amounting to \$205,140,099 was transferred from Level 1 to Level 2 of the fair value hierarchy (Note 30(b)).

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

25. Revenue

The table below shows the disaggregation of the revenue of the Group and the Board based on the various key income streams and the timing of transfer of goods or services (either at a point in time or over time).

Group 2019/2020	Timing of transfer of goods or services		
	At a point in time	Over time	Total
	\$	\$	\$
Consultancy and other services	710	4,368,455	4,369,165
Professional library services	–	3,123,684	3,123,684
Book fines and lost book charges	–	2,448,416	2,448,416
Library services and programmes	–	928,064	928,064
Membership fees	770,423	–	770,423
	771,133	10,868,619	11,639,752

Group 2018/2019	Timing of transfer of goods or services		
	At a point in time	Over time	Total
	\$	\$	\$
Consultancy and other services	17,131	5,603,759	5,620,890
Professional library services	106,584	3,017,723	3,124,307
Book fines and lost book charges	–	2,690,972	2,690,972
Library services and programmes	–	903,598	903,598
Membership fees	869,223	–	869,223
	992,938	12,216,052	13,208,990

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

25. Revenue (cont'd)

Board 2019/2020	Timing of transfer of goods or services		
	At a point in time	Over time	Total
	\$	\$	\$
Consultancy and other services	–	4,096,165	4,096,165
Professional library services	–	2,109,170	2,109,170
Book fines and lost book charges	–	2,448,416	2,448,416
Library services and programmes	–	928,064	928,064
Membership fees	770,423	–	770,423
	770,423	9,581,815	10,352,238

Board 2018/2019	Timing of transfer of goods or services		
	At a point in time	Over time	Total
	\$	\$	\$
Consultancy and other services	–	5,563,518	5,563,518
Professional library services	–	1,795,904	1,795,904
Book fines and lost book charges	–	2,690,972	2,690,972
Library services and programmes	–	903,598	903,598
Membership fees	869,223	–	869,223
	869,223	10,953,992	11,823,215

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

26. Leases - Group as a lessee

The Group has several lease contracts for premises of its libraries and offices which are presented within shared building costs, building improvements, renovation and leasehold premises. The Group also made upfront lease payments for Woodlands Regional Library, Former Ford Factory Building and National Library Building at a lease term of 30 years, 30 years and 60 years respectively, which are presented within land leases and building.

There are several lease contracts that include extension options which are further discussed below.

The Group also has certain leases for library premises with lease terms of 12 months or less. The Group applies the “short-term lease” recognition exemption for these leases.

(a) **Carrying amounts of right-of-use assets classified under property, plant and equipment**

	Group and Board		
	Land leases	Leasehold premises	Total
	\$	\$	\$
At 31 March 2019	61,272,761	–	61,272,761
Recognition of right-of-use assets on initial application of SB-FRS 116	–	32,246,011	32,246,011
	61,272,761	32,246,011	93,518,772
Additions during the financial year	–	20,482,776	20,482,776
Depreciation of right-of-use-assets	(2,031,714)	(11,495,451)	(13,527,165)
At 31 March 2020	59,241,047	41,233,336	100,474,383

(b) **Lease liabilities**

The carrying amounts of lease liabilities (included under trade and other payables) and the movements during the financial year are set out in Note 16. The maturity analysis of lease liabilities is as follows:

	Carrying amount	Contractual cash flows			
		Total	One year or less	One to five years	More than five years
	\$	\$	\$	\$	\$
At 31 March 2020					
Lease liabilities (Note 16)	44,729,536	50,477,743	11,568,426	24,259,547	14,649,770

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

26. Leases - Group as a lessee (cont'd)

(c) *Amounts recognised in profit or loss*

	2019/2020
	\$
Depreciation of right-of-use assets	13,527,165
Interest expense on lease liabilities	1,344,150
Lease expenses not capitalised in lease liabilities:	
- Expenses relating to short-term leases (included in rental expenses)	2,385,375
- Expenses relating to low value leases (included in rental expenses)	1,355,200
- Expenses relating to leases with non-lease components (included in maintenance and other property expenses)	12,460,164
Total amounts recognised in profit or loss	<u>31,072,054</u>

(d) *Total cash outflows*

The Group had total cash outflows for leases of \$9,271,877 (Note 16) during the financial year.

(e) *Extension options*

The Group has several lease contracts for library premises that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

27. Commitments

(a) *Operating lease commitments - where the Board is a lessee*

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

As at 31 March 2020, the future minimum payables comprising non-lease components (2018/2019: lease and non-lease components) under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities were as follows:

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Not later than one year	11,087,831	17,531,566
Between one and five years	24,368,493	35,280,800
Later than five years	13,885,125	26,208,812
	<u>49,341,449</u>	<u>79,021,178</u>

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

27. Commitments (cont'd)

(a) *Operating lease commitments - where the Board is a lessee (cont'd)*

As disclosed in Note 2.2 to the financial statements, the Group has adopted SB-FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term leases, leases with non-lease components and leases of low-value assets.

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

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

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

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Not later than one year	3,398,414	2,161,295
Between one and five years	2,572,190	1,804,346
	<u>5,970,604</u>	<u>3,965,641</u>

(c) *Collection commitment*

Purchase orders on book collections approved by the Board at the balance sheet date but not provided for in the financial statements are as follows:

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Amounts approved and contracted	1,757,013	1,669,563
	<u>1,757,013</u>	<u>1,669,563</u>

(d) *Capital commitments*

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

	Group and Board	
	2019/2020	2018/2019
	\$	\$
Amounts approved and contracted	7,288,456	6,757,403
	<u>7,288,456</u>	<u>6,757,403</u>

National Library Board and its subsidiaries

**Notes to the financial statements
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28. Related party transactions

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

(a) **Transactions with Ministries, Organs of State, Statutory Boards, educational institutions and other government agencies**

	Group	
	2019/2020	2018/2019
	\$	\$
Consultancy service income	3,670,600	5,368,190
Professional service income	2,020,248	1,795,904
Rental income	2,765,390	2,775,943
Rental expenses	(2,114,457)	(9,437,289)
IT services	(4,818,906)	(4,701,558)
Maintenance and other property expenses	(5,818,210)	(7,013,349)
	<u>3,670,600</u>	<u>(7,013,349)</u>

(b) **Transactions with subsidiaries**

	Board	
	2019/2020	2018/2019
	\$	\$
Consultancy and other services	174,824	228,788
Rental income	572,437	189,519
General and administrative expenses	(18,590)	(7,494)
Agency and other professional fees	(850)	(900)
Manpower and staff welfare	1,040	-
Disbursement of grants	(2,578,844)	(2,026,527)
	<u>(2,578,844)</u>	<u>(2,026,527)</u>

(c) **Compensation of key management personnel**

Key management personnel are those parties 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.

Details of the compensation of key management personnel are as follows:

	Group		Board	
	2019/2020	2018/2019	2019/2020	2018/2019
	\$	\$	\$	\$
Salaries, bonuses and other short-term benefits	1,604,517	1,932,915	1,204,506	1,553,177
Employer's contribution to defined contribution plans, including Central Provident Fund	97,378	108,959	61,431	71,869
	<u>1,701,895</u>	<u>2,041,874</u>	<u>1,265,937</u>	<u>1,625,046</u>

29. Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and cash equivalents, unit trusts as well as debt securities, equity securities and currency swaps managed by fund managers. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other 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 funds 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 Finance Committee and Board for monitoring purposes. Review sessions with the fund managers are held once in every six months.

The appointed fund managers 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 programme 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 managers' financial performance.

The investment risks undertaken by the fund managers is managed and governed by the mandate set forth in the fund managers' agreements 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 Finance Committee has reviewed and agreed on policies for managing each of these risks in relation to the funds with fund managers.

29. Financial risk management objectives and policies (cont'd)

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk. The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arise primarily from trade and other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group adopts the policy of dealing exclusively with high credit rating counterparties to minimise credit risk.

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

The Group trades only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes indicators such as significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group, and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant financial difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- There is disappearance of an active market for that financial asset because of financial difficulty.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

29. Financial risk management objectives and policies (cont'd)

(a) *Credit risk (cont'd)*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to meet a repayment plan with the Group. Where receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Trade receivables and receivables from book fines and lost book charges

For trade receivables and receivables from book fines and lost book charges, the Group provides for lifetime expected credit losses using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance with days past due.

Management has assessed that the loss allowance provision as at 31 March 2020 and 2019 on the Group's trade receivables (excluding receivables from book fines and lost book charges) is negligible as the Group has no significant default in trade receivables based on historical experience.

Information regarding the loss allowance provision on the Group's receivables from book fines and lost book charges and the provision matrix is disclosed in Note 13 to the financial statements.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment records with the Group. Cash and cash equivalents, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 12 and 13 to the financial statements.

Concentration and exposure to credit risk

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

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

29. Financial risk management objectives and policies(cont'd)

(b) *Liquidity risk*

Liquidity risk arises in the general funding of the Group's operating activities. It includes the risks of not being able to fund operating activities in a timely manner. To manage liquidity risk, the Group places majority of its surplus funds with the Accountant-General's Department which are readily available when required.

(c) *Market risk*

(i) Price risk

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

To manage its price risk, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits in the agreements with the fund managers.

The overall market position of these investments is reviewed on a semi-annual basis by the Finance Committee. Compliance with the limits in the agreement with the fund managers are reported by the fund managers on a monthly basis.

At the balance sheet date, a 3% (2018/2019: 3%) increase in the underlying prices of the unit trusts, -* (2018/2019: -*) increase in the prices of the underlying debt securities and 5% (2018/2019: 1%) increase in the prices of the underlying equity securities would increase portfolio gains and the fair value of these investment securities recognised in profit or loss by the amounts presented in the table below:

	Group and Board Increase in net surplus for the financial year	
	2019/2020	2018/2019
	\$	\$
Investment securities at fair value through profit or loss:		
- Quoted unit trusts	12,034,593	11,913,951
- Quoted debt securities	-*	-*
- Quoted equity securities	157,556	52,222

*As at 31 March 2020 and 2019, management believes that no reasonably possible change in the prices is expected to result in a material fluctuation in the portfolio gains and the fair value of the quoted debt securities.

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

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

29. Financial risk management objectives and policies (cont'd)

(c) *Market risk (cont'd)*

(ii) Interest rate risk

Exposure to interest rate risk relates 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 are given discretion in managing the funds within the agreed investment guidelines. A portfolio diversification approach is adopted.

At the balance sheet date, the profile of the interest-earning financial instruments and their carrying amounts are as follows:

	Group		Board	
	2019/2020	2018/2019	2019/2020	2018/2019
	\$	\$	\$	\$
<u>Fixed rate instruments</u>				
Fixed deposits with banks	1,314,746	1,314,746	–	–
Restricted cash and deposits	484,855	484,855	–	–
Quoted debt securities	44,208,284	44,338,292	44,208,284	44,338,292
	<u>46,007,885</u>	<u>46,137,893</u>	<u>44,208,284</u>	<u>44,338,292</u>

Fair value sensitivity analysis for fixed rate instruments

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

Debt securities are the only fixed rate instruments which are 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.

As at 31 March 2020, management believes that no reasonably possible change in the interest rate is expected to result in a material fluctuation in the fair value of debt securities and net surplus. As at 31 March 2019, an increase of 10 basis points in interest rate would decrease the fair value of debt securities and net surplus as follows:

	Group		Board	
	2019/2020	2018/2019	2019/2020	2018/2019
	\$	\$	\$	\$
Quoted debt securities	–	44,338	–	44,338

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

29. Financial risk management objectives and policies (cont'd)

(c) **Market risk (cont'd)**

(iii) Currency risk

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

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

In addition, the Group is exposed to currency translation risk on financial assets or liabilities denominated in foreign currencies. Quoted equity securities and unit trusts are denominated in Singapore Dollars and therefore not exposed to currency risk.

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

	SGD \$	USD \$	Others \$	Total \$
Group				
At 31 March 2020				
Financial assets				
Quoted debt securities	14,768,436	29,439,848	–	44,208,284
Trade and other receivables	4,988,798	1,840,264	–	6,829,062
Cash and cash equivalents	116,596,534	1,036,079	75,939	117,708,552
	136,353,768	32,316,191	75,939	168,745,898
Financial liabilities				
Trade and other payables	(88,330,389)	(296,859)	(9,488)	(88,636,736)
	(88,330,389)	(296,859)	(9,488)	(88,636,736)
Net financial assets	48,023,379	32,019,332	66,451	80,109,162
Less: Currency swaps	–	(31,403,570)	–	(31,403,570)
Less: Net financial assets denominated in functional currency	(48,023,379)	–	–	(48,023,379)
Currency exposure of financial assets net of those denominated in functional currency	–	615,762	66,451	682,213

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

29. Financial risk management objectives and policies (cont'd)

(c) **Market risk (cont'd)**

(iii) Currency risk (cont'd)

	SGD \$	USD \$	Others \$	Total \$
Group				
At 31 March 2019				
Financial assets				
Quoted debt securities	12,973,964	31,364,328	–	44,338,292
Trade and other receivables	3,693,862	72,127	169,604	3,935,593
Cash and cash equivalents	129,911,954	215,458	38,408	130,165,820
	<u>146,579,780</u>	<u>31,651,913</u>	<u>208,012</u>	<u>178,439,705</u>
Financial liabilities				
Trade and other payables	(45,131,018)	(65,485)	(33,091)	(45,229,594)
	<u>(45,131,018)</u>	<u>(65,485)</u>	<u>(33,091)</u>	<u>(45,229,594)</u>
Net financial assets	101,448,762	31,586,428	174,921	133,210,111
Less: Currency swaps	–	(32,459,114)	–	(32,459,114)
Less: Net financial assets denominated in functional currency	(101,448,762)	–	–	(101,448,762)
Currency exposure of financial (liabilities)/ assets net of those denominated in functional currency	–	(872,686)	174,921	(697,765)

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

29. Financial risk management objectives and policies (cont'd)

(c) **Market risk (cont'd)**

(iii) Currency risk (cont'd)

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

	SGD \$	USD \$	Others \$	Total \$
Board				
<u>At 31 March 2020</u>				
Financial assets				
Quoted debt securities	14,768,436	29,439,848	–	44,208,284
Trade and other receivables	4,545,907	1,840,264	–	6,386,171
Cash and cash equivalents	114,067,675	964,589	75,939	115,108,203
	<u>133,382,018</u>	<u>32,244,701</u>	<u>75,939</u>	<u>165,702,658</u>
Financial liabilities				
Trade and other payables	(88,509,080)	(296,859)	(9,488)	(88,815,427)
	<u>(88,509,080)</u>	<u>(296,859)</u>	<u>(9,488)</u>	<u>(88,815,427)</u>
Net financial assets	44,872,938	31,947,842	66,451	76,887,231
Less: Currency swaps	–	(31,403,570)	–	(31,403,570)
Less: Net financial assets denominated in functional currency	(44,872,938)	–	–	(44,872,938)
Currency exposure of financial assets net of those denominated in functional currency	<u>–</u>	<u>544,272</u>	<u>66,451</u>	<u>610,723</u>

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

29. Financial risk management objectives and policies (cont'd)

(c) **Market risk (cont'd)**

(iii) Currency risk (cont'd)

	SGD	USD	Others	Total
	\$	\$	\$	\$
Board				
At 31 March 2019				
Financial assets				
Quoted debt securities	12,973,964	31,364,328	–	44,338,292
Trade and other receivables	3,255,292	72,127	169,604	3,497,023
Cash and cash equivalents	126,711,819	147,441	38,408	126,897,668
	<u>142,941,075</u>	<u>31,583,896</u>	<u>208,012</u>	<u>174,732,983</u>
Financial liabilities				
Trade and other payables	(44,477,448)	(65,485)	(33,091)	(44,576,024)
	<u>(44,477,448)</u>	<u>(65,485)</u>	<u>(33,091)</u>	<u>(44,576,024)</u>
Net financial assets	98,463,627	31,518,411	174,921	130,156,959
Less: Currency swaps	–	(32,459,114)	–	(32,459,114)
Less: Net financial assets denominated in functional currency	(98,463,627)	–	–	(98,463,627)
Currency exposure of financial (liabilities)/ assets net of those denominated in functional currency	–	(940,703)	174,921	(765,782)

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

29. Financial risk management objectives and policies (cont'd)

(c) *Market risk (cont'd)*

(iii) Currency risk (cont'd)

If the USD changes against SGD by 5% (2018/2019: 5%), with all other variables including interest rates being held constant, the effects on the accumulated surplus is as follows:

	Increase/(Decrease) in accumulated surplus	
	2019/2020	2018/2019
	\$	\$
Group		
USD against SGD		
Strengthened	30,788	(43,634)
Weakened	(30,788)	43,634
<hr/>		
Board		
USD against SGD		
Strengthened	27,214	(47,035)
Weakened	(27,214)	47,035
<hr/>		

30. Fair value of financial instruments

(a) *Fair value hierarchy*

The Group and the Board categorise fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Board can access at the measurement date;
- Level 2 - 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); and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

National Library Board and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

30. Fair value of financial instruments (cont'd)

(b) *Financial assets and liabilities carried at fair value*

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<u>Group and Board</u>				
At 31 March 2020				
Investment securities at fair value through profit or loss				
- Quoted debt securities	44,208,284	-	-	44,208,284
- Quoted equity securities	3,151,111	-	-	3,151,111
- Quoted unit trusts	196,183,141	204,969,954	-	401,153,095
Derivative financial instruments	-	100,047	-	100,047
	<u>243,542,536</u>	<u>205,070,001</u>	<u>-</u>	<u>448,612,537</u>

At 31 March 2019

Investment securities at fair value through profit or loss				
- Quoted debt securities	44,338,292	-	-	44,338,292
- Quoted equity securities	5,222,184	-	-	5,222,184
- Quoted unit trusts	191,991,614	205,140,099	-	397,131,713
Derivative financial instruments	-	(26,572)	-	(26,572)
	<u>241,552,090</u>	<u>205,113,527</u>	<u>-</u>	<u>446,665,617</u>

Level 1:

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

National Library Board and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

30. Fair value of financial instruments (cont'd)

(b) *Financial assets and liabilities carried at fair value (cont'd)*

Level 2:

Quoted unit trust

The fair value of the quoted unit trust is determined based on quoted prices provided by the fund manager.

During the previous financial year, the quoted unit trust included in the table below was transferred from Level 1 to Level 2 as the market price in active markets at the balance sheet date for identical instrument was no longer publicly available.

There was no transfer between Level 1 and 2 during the financial year.

	Group and Board	
	2019/2020	2018/2019
	\$	\$
<u>Investment securities at fair value through profit or loss</u>		
- Quoted unit trust	204,969,954	205,140,099

Derivative financial instruments

The fair value of currency swaps is determined using actively quoted currency rates.

(c) *Financial assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The fair value of current financial assets and liabilities carried at amortised cost approximates their carrying amounts because these instruments are either short term in nature or repriced frequently.

National Library Board and its subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

31. Offsetting financial assets and financial liabilities

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

	<u>Related amounts set off in the balance sheet</u>		
	<u>Gross amounts</u>		<u>Net amounts presented in the balance sheet</u>
	<u>Financial assets</u> (a) \$	<u>Financial liabilities</u> (b) \$	<u>Net financial assets/(liabilities)</u> (c) = (a)-(b) \$
Derivative financial instruments – currency swaps			
At 31 March 2020	32,003,311	(31,903,264)	100,047
At 31 March 2019	34,496,580	(34,523,152)	(26,572)

32. Events occurring after the reporting period

Impact arising from coronavirus disease 2019 (COVID-19) pandemic outbreak

As a statutory board, the Group is guided by policies and measures announced by the Government. On 3 April 2020, following the announcement of an elevated set of safe distancing measures, the Group had enforced these circuit breaker measures, including business closures of all libraries, Former Ford Factory, National Archives of Singapore and its operations. At the same time, the Group has also provided various budgetary assistance announced by the Government to its lessees and tenants, to alleviate the economic impact of COVID-19. With the gradual resumption of social and economic activities in June 2020, the Group will continue to ensure alignment of its operations in accordance to the Government's policies and measures announced, which will be recorded in the next financial year.

33. Authorisation of financial statements

The financial statements were authorised for issue by the Members of the Board on 16 July 2020.