



*Committee's Statement and
Audited Financial Statements*

Library Association Of Singapore
(UEN. S65SS0038H)

For the year ended 31 December 2021

Library Association of Singapore
(UEN. S65SS0038H)

General Information

Committee

President	: Sadie-Jane Nunis
Vice President	: Soh Lin Li
Honorary Treasurer	: Ng Hui Ling
Honorary Secretary	: Lim Puay Ling
Council Member	: Kong Leng Foong
Council Member	: Noverinda Bella Ratmelia
Council Member	: Rindra Ramli
Council Member	: Shameem Nilofar Maideen

Independent Auditor

HLB Atrede LLP

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Library Association of Singapore
(UEN. S65SS0038H)

Statement by the Committee

- (a) We, Sadie-Jane Nunis and Ng Hui Ling, being two committee members of the Board of Library Association of Singapore (“ the Association”), do hereby state that, in the opinion of the Committee, the accompanying balance sheet, statement of comprehensive income, statement of changes in fund and cash flow statement together with notes thereto are drawn up with provision of the Societies Act 1966 and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Association as at 31 December 2021 and the results, statement of changes in fund and cash flows of the Association for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

On behalf of the Committee,



Sadie-Jane Nunis
President

Singapore
14 April 2022



Ng Hui Ling
Honorary Treasurer

**Independent Auditor's Report
to the members of Library Association of Singapore
(UEN. S65SS0038H)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Library Association of Singapore (the Association), which comprise the balance sheet as at 31 December 2021, and the statement of comprehensive income, statement of changes in fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Association as at 31 December 2021 and of the financial performance, changes in fund and cash flows of the Association for the 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 Association 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.

Responsibilities of Committee for the Financial Statements

The committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and FRSs, and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent Auditor's Report
to the members of Library Association of Singapore – continued
(UEN. S65SS0038H)**

Responsibilities of Committee for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The committees are responsible for overseeing the Association'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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Independent Auditor's Report
to the members of Library Association of Singapore – continued
(UEN. S65SS0038H)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Association'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 Association to cease to continue as a going concern.
- 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.

We communicate with the committee 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

In our opinion, the accounting and other records required by the Societies Regulation enacted under the Act to be kept by the Association have been properly kept in accordance with those regulations.

A handwritten signature in black ink, appearing to read 'JORGAT' followed by a stylized flourish.

HLB Atrede LLP
Public Accountants and
Chartered Accountants

Singapore
14 April 2022

Library Association of Singapore
(UEN. S65SS0038H)

Balance Sheet as at 31 December 2021

	Note	2021 \$	2020 \$
Non-current assets			
Investment securities	4	315,647	336,469
		<u>315,647</u>	<u>336,469</u>
Current assets			
Other receivables	5	2,344	5,479
Fixed deposits	6	303,734	300,142
Cash and cash equivalents		207,828	209,818
		<u>513,906</u>	<u>515,439</u>
Current liabilities			
Accrued liabilities		5,347	5,287
Deferred grants	7	39,741	40,741
Contract liability	8	3,910	–
Tax payable	9	–	164
		<u>48,998</u>	<u>46,192</u>
Net current assets		464,908	469,247
Net assets		<u>780,555</u>	<u>805,716</u>
Accumulated fund			
General fund		780,555	805,716
		<u>780,555</u>	<u>805,716</u>

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

Library Association of Singapore
(UEN. S65SS0038H)

Statement of Comprehensive Income for the financial year ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue	10	21,561	27,084
Expenditure	11	(28,145)	(25,982)
Fair value changes in investment securities		(18,577)	26,991
(Deficit)/surplus before tax		(25,161)	28,093
Income tax expense	12	–	(164)
(Deficit)/surplus after tax		(25,161)	27,929
Other comprehensive income		–	–
Total comprehensive (loss)/income for the year		(25,161)	27,929

Statement of Changes in Fund
Year ended 31 December 2021

	General fund \$
Balance at 1 January 2020	777,787
Total comprehensive income for the year	27,929
Balance at 31 December 2020	805,716
Total comprehensive loss for the year	(25,161)
Balance at 31 December 2021	780,555

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

Library Association of Singapore
(UEN. S65SS0038H)

Cash Flow Statement for the financial year ended 31 December 2021

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus before tax	(25,161)	28,093
Adjustments for:		
Interest income	(618)	(3,593)
Income from WLIC grant	–	–
Income from JCM 2016 grant	–	(3,500)
Dividend income	–	(171)
Broker's commission	2,245	2,759
Fair value changes in investment securities	18,577	(26,991)
Operating cash flows before working capital charges	<u>(4,957)</u>	<u>(3,403)</u>
Decrease/(increase) in other receivable	3,135	(3,633)
(Decrease)/increase in other payables	(940)	472
Increase/(decrease) in contract liability	3,910	(350)
Cash generated from/(used in) operations	<u>1,148</u>	<u>(6,914)</u>
Interest received	618	3,593
Income tax paid	(164)	(4,192)
Net cash flows from/(used in) operating activities	<u>1,602</u>	<u>(7,513)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in fixed deposits	(3,592)	(1,542)
Increase in investment securities	–	(171)
Dividend received	–	171
Net cash flows used in investing activities	<u>(3,592)</u>	<u>(1,542)</u>
Net decrease in cash and cash equivalents	(1,990)	(9,055)
Cash and cash equivalents at beginning of year	<u>209,818</u>	<u>218,873</u>
Cash and cash equivalents at end of year	<u>207,828</u>	<u>209,818</u>

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

Note to the Financial Statement – 31 December 2021

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

1. GENERAL

The Library Association of Singapore (“the Association”) was constituted under provision of the Societies Act 1966.

The registered address is located at 100 Victoria Street #14-01 Singapore 188064.

The principal activity of the Association is to unite and promote the interests of all persons engaged in library and information work and those interested in libraries and information centres.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest one dollar unless otherwise stated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year, the Association has adopted all applicable new and amended standards that are relevant to its operations and effective for the current financial year. The adoption of these standards did not have any material effect on the financial position or performance of the Association for the current or prior financial years.

Standards issued but not yet effective

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

	(Effective for annual periods beginning on or after)
Amendment to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS1 and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendment to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023

The committee expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Financial instruments*

(i) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The three measurement categories for classification of debt instruments are:

▪ *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 derecognised or impaired, and through amortisation process.

▪ *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Financial instruments (continued)*

(i) *Financial assets (continued)*

Subsequent measurement (continued)

Debt instruments (continued)

▪ *Fair value through profit or loss (FVPL)*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instruments that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Association may irrevocably elect to present subsequent changes in FVOCI which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the right to receive payments is established. For investments in equity instruments which the Association has not elected to present subsequent changes in FVOCI, changes in fair value are recognised in profit or loss.

Derecognition

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

(ii) *Financial liabilities*

Initial recognition and measurement

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Financial instruments (continued)*

(ii) *Financial liabilities (continued)*

Subsequent measurement

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

Derecognition

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

(c) *Impairment of financial assets*

The Association recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at fair value through OCI, the Association applies the low credit risk simplification. At every reporting date, the Association evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Association reassesses the internal credit rating of the debt instrument. In addition, the Association considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Contract balances*

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Association performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Association has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Association transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Association performs under the contract.

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank.

(f) *Provisions*

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

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

(g) *Revenue*

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue (continued)

Revenue is recognised when the Association 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.

(i) Members' subscriptions

Members' subscriptions are recognised as revenue in the financial year to which the subscription fee relates.

The members' subscription fee is non-refundable and payable upon membership renewal.

(ii) Rendering of services

Revenue from rendering of services that are of short duration is recognised when the services are completed.

(iii) Interest income

Interest income is recognised using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the Association's right to receive payment is established.

(h) Government grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Taxes*

(i) *Current income tax*

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

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

(ii) *Deferred tax*

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

Deferred tax liabilities are recognised for all temporary differences.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at 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 using the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Note to the Financial Statement – 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Related parties*

A related party is defined as follows:

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

(i) *Judgement made in applying accounting policies*

There were no material judgements made by management in the process of applying the Association's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(ii) *Estimates and assumptions*

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

Note to the Financial Statement – 31 December 2021

4. INVESTMENT SECURITIES

	2021	2020
	\$	\$
Non-current:		
<i>Fair value through profit or loss (FVTPL):</i>		
Funds placed with fund manager	<u>315,647</u>	<u>336,469</u>

The above instrument offer the Association the opportunities for return through dividend and changes in fair value are measured at fair value through profit or loss.

5. OTHER RECEIVABLES

Deposits	155	155
Interest receivables	–	2,974
Paypal account	1,194	47
Prepayment	515	2,303
Stripe account	480	–
	<u>2,344</u>	<u>5,479</u>

6. FIXED DEPOSITS

Fixed deposits with financial institutions	<u>303,734</u>	<u>300,142</u>
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Short-term deposits are made for a varying periods of twelve months depending on the immediate cash requirements of the Association, and earn interests at the respective short term deposit rates. The weighted average effective interest rates as at 31 December 2021 were 0% (2020: 0.75% to 1.4%) per annum.

7. DEFERRED GRANTS

WLIC Fund	28,431	29,431
JCM 2016 Fund	11,310	11,310
	<u>39,741</u>	<u>40,741</u>

(i) WLIC Fund

This grant relate to designated donation given to the Association by the Singapore National Committee WLIC 2013. This grant aims to provide financial support to the Association's members for the opportunity to learn and network through participating in overseas conferences. It will be given to two LAS personal professional members annually to attend IFLA World Library and Information Congress or Satellite Meetings until the grant is depleted.

The movement in WLIC Fund is as follows:

At beginning of year	29,431	29,431
Recognised to profit or loss for the year	(1,000)	–
At end of year	<u>28,431</u>	<u>29,431</u>

Note to the Financial Statement – 31 December 2021

7. DEFERRED GRANTS (continued)

(ii) JCM 2016 Fund

This grant relate to designated donation given to Association by the Committee of The 2016 Joint Conference and Meeting (“JCM 2016”). This grant aims to provide professional development activities to the Association’s member until the grant is depleted, or until 31 December 2020, whichever is earlier. The grant was extend to 31 December 2023 in prior year.

On 27 October 2020, The Association has decided to award the four Asia-Pacific Business School Librarians’ Group (Singapore) (“APBSLG (SG)”) members (Institut Européen d’Administration des Affaires (“INSEAD”), Nanyang Technological University (“NTU”), Singapore Institute of Management (“SIM”), and Singapore Management University (“SMU”) S\$1,500 per institution member in year 2021 from the JCM Fund to conduct activities relating to professional development (local or overseas). Each of the four APBSLG (SG) institution members are allowed to use their grant from the year 2021 onwards up to when the grant is depleted, or up to 31 December 2022, whichever is earlier.

The movement in JCM 2016 Fund is as follows:

	2021	2020
	\$	\$
At beginning of year	11,310	14,810
Recognised to profit or loss for the year	–	(3,500)
At end of year	<u>11,310</u>	<u>11,310</u>

8. CONTRACT LIABILITY

Contract liability related to annual subscription fee received in advance from member for subsequent year membership renewal. Contract liability is recognised as revenue when the Association satisfy the performance obligations under its contract.

9. TAX PAYABLE

Balance at beginning of year	164	4,192
Current year’s tax expense	–	164
Income tax paid	(164)	(4,192)
Balance at end of year	<u>–</u>	<u>164</u>

10. REVENUE

Income from royalties	238	–
Interest income on fixed deposit	618	3,593
Membership fee	20,405	19,820
Income from event	300	–
Income from JCM 2016 grant	–	3,500
Dividend income	–	171
	<u>21,561</u>	<u>27,084</u>

11. EXPENDITURE

	2021	2020
	\$	\$
Accounting fee	1,712	1,712
Association membership fee	509	490
Auditor's remuneration	2,140	2,140
Awards and sponsorship	8,679	8,179
Broker's commission	2,245	2,759
Bank charges	124	360
Computer expenses	4,144	1,411
Events	770	4,100
Gift and entertainment	–	1,665
Paypal charges	568	581
Postage and courier	–	40
Printing and stationery	380	1,244
Professional fee	4,800	–
Stripe charges	101	–
Tax fee	856	910
Training expense	–	(59)
Travelling	–	87
Website maintenance	1,117	363
	<u>28,145</u>	<u>25,982</u>

12. INCOME TAX EXPENSE

(i) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

Statement of comprehensive income:

Current tax	<u>–</u>	<u>164</u>
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(ii) *Relationship between tax (benefit)/expense and accounting (deficit)/surplus*

The reconciliation between the tax (benefit)/expense and the product of accounting (deficit)/surplus multiplied by the applicable tax rate for the years ended 31 December 2021 and 2020 are as follows:

(Deficit)/surplus before tax	<u>(25,161)</u>	<u>28,093</u>
Tax (benefit)/expense on (deficit)/surplus before tax at 17%	(4,277)	4,775
Adjustments:		
Non-deductible expenses	3,539	469
Income not subject to taxation	–	(4,588)
Tax exemption	–	(492)
Deferred tax benefit not recognised	738	–
Tax expense	<u>–</u>	<u>164</u>

12. INCOME TAX EXPENSE (continued)

The Association has unabsorbed tax losses of approximately \$4,000 (2020: \$Nil) that are available for offset against future taxable surplus of the Association in which the deficit arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement with the Income Tax Authorities.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risk is market risk and credit risk. The Association's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Association. The Association does not have any written financial risk management policies and guidelines and there has been no change to the Association's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) *Market risk*

Market price risk is the risk that the fair value or future cash flows of the Association's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Association is exposed to market price risk arising from its investment in quoted debts instruments.

At the end of the reporting period, if the market price for the invested debt instruments had been 1000 basis points higher or lower with all other variables held constant, the Association's surplus for the year would have been \$31,565 (2020: \$33,647) higher or lower.

(ii) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Association's exposure to credit risk arises primarily from trade/other receivables. For other financial assets including cash and cash equivalents, the Association minimises credit risk by dealing exclusively with reputable and well-established local and foreign banks, and companies with high credit ratings and no history of defaults.

The Association does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimise credit risk, the Association has developed and maintain the Association's credit risk gradings to categorise exposures according to their degree of risk of default. The Association uses other publicly available financial information and the Association's own trading records to rate its major customers and other debtors. The Association exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Credit risk (continued)*

The Association's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Association's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2021							
Other receivables	5	N.A.	Performing	12m ECL	1,829	—	1,829
						—	
2020							
Other receivables	5	N.A.	Performing	12m ECL	3,176	—	3,176
						—	

Exposure to credit risk

At the end of the reporting period, the Association's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet. No other financial assets carry a significant exposure to credit risk.

The Association's other financial assets and liabilities are stated at nominal values and are not subject to significant risk of change in values as there are no significant financial risks involved.

Note to the Financial Statement – 31 December 2021

14. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period by FRS 109 categories:

	2021	2020
	\$	\$
<i>Fair value through other comprehensive income (FVOCI)</i>		
Investment securities	<u>315,647</u>	<u>336,469</u>
<i>Financial assets at amortised cost</i>		
Other receivables	1,829	3,176
Fixed deposits	303,734	300,142
Cash and cash equivalents	<u>207,828</u>	<u>209,818</u>
	<u>513,391</u>	<u>513,136</u>
<i>Financial liabilities at amortised cost</i>		
Accrued liabilities	<u>5,347</u>	<u>5,287</u>

15. FAIR VALUE OF ASSETS AND LIABILITIES

The Association categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Fair value hierarchy

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the CWS 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 or indirectly; 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.

(a) *Fair value of assets that are carried at fair value*

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1)	
Financial assets:		
<i>Fair value through other comprehensive income (Note 4)</i>		
Investment securities	<u>315,647</u>	<u>336,469</u>

16. FUND MANAGEMENT

The Association's objectives when managing fund are to safeguard its ability to continue as a going concern, to unite and promote the interests of all persons engaged in library, to promote the better administration and management of libraries and information centres and to encourage the establishment, development and use of libraries and information centres in Singapore.

17. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the committee on 14 April 2022.