

*Committee's Statement and
Audited Financial Statements*

Library Association Of Singapore
(UEN. S65SS0038H)

For the year ended 31 December 2016

General Information

Committee

President : Judy Ng
Vice President : Samantha Ang Seok Hian
Honorary Treasurer : Lim Junhao, Edward
Honorary Secretary : Lim Li Sa Rachel
Internal Auditor : Joseph Kennedy

Independent Auditor

HLB Atrede LLP

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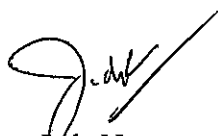
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Library Association of Singapore
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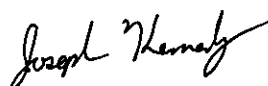
Statement by the Committee

In our opinion, the accompanying balance sheet, statement of comprehensive income, statement of changes in fund and cash flow statement together with notes thereto are drawn up with provision of the Societies Act, Chapter 311 and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Library Association of Singapore as at 31 December 2016 and the results, statement of changes in fund and cash flows of the Association for the financial year ended on that date.

On behalf of the Committee,



Judy Ng
President



Joseph Kennedy
Internal Auditor



Lim Junhao, Edward
Honorary Treasurer

Singapore
19 April 2017

**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 2016, 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, Chapter 311 (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 2016 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.



HLB Atrede LLP
Public Accountants and
Chartered Accountants

Singapore
19 April 2017

Library Association of Singapore
(UEN. S65SS0038H)

Balance Sheet as at 31 December 2016

	Note	2016 \$	2015 \$
Current assets			
Trade receivables	4	4,620	1,440
Other receivables	5	3,094	3,999
Fixed deposits	6	296,151	295,562
Cash and cash equivalents		460,035	393,010
		<u>763,900</u>	<u>694,011</u>
Current liabilities			
Accrued liabilities		9,741	10,505
Deferred grant	7	43,603	48,603
Membership fees received in advance		10,670	5,350
Tax payable	8	5,869	334
		<u>69,883</u>	<u>64,792</u>
Net assets		<u>694,017</u>	<u>629,219</u>
Accumulated fund			
General fund		694,017	629,219
		<u>694,017</u>	<u>629,219</u>

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

Statement of Comprehensive Income for the financial year ended 31 December 2016

	Note	2016 \$	2015 \$
Revenue	9	157,651	85,853
Expenditure	10	<u>(86,962)</u>	<u>(77,487)</u>
Income before tax		70,689	8,366
Income tax expense	11	<u>(5,891)</u>	<u>(334)</u>
Income after tax		64,798	8,032
Other comprehensive income		<u>—</u>	<u>—</u>
Total comprehensive income for the year		<u><u>64,798</u></u>	<u><u>8,032</u></u>

Statement of Changes in Fund
Year ended 31 December 2016

	General fund \$	Total \$
Balance at 1 January 2015	621,187	621,187
Total comprehensive income for the year	<u>8,032</u>	<u>8,032</u>
Balance at 31 December 2015	629,219	629,219
Total comprehensive income for the year	<u>64,798</u>	<u>64,798</u>
Balance at 31 December 2016	<u><u>694,017</u></u>	<u><u>694,017</u></u>

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

Cash Flow Statement for the financial year ended 31 December 2016

	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	70,689	8,366
Adjustment for:		
Interest income	(818)	(402)
Income from WLIC grant	(5,000)	(3,998)
Bad debts written off	—	360
Operating income before working capital charges	<u>64,871</u>	<u>4,326</u>
(Increase) decrease in trade receivable	(3,180)	5,581
Decrease in other receivable	905	1,596
(Decrease)/increase in other payables	(764)	5,695
Increase/(decrease) in fee received in advance	<u>5,320</u>	<u>(230)</u>
Cash generated from operations	67,152	16,968
Interest received	818	402
Income tax paid	<u>(356)</u>	<u>(7,347)</u>
Net cash flows from operating activities	<u>67,614</u>	<u>10,323</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Increase in fixed deposits	<u>(589)</u>	<u>(537)</u>
Net cash flows used in investing activity	<u>(589)</u>	<u>(537)</u>
Net increase in cash and cash equivalents	67,025	9,486
Cash and cash equivalents at beginning of year	<u>393,010</u>	<u>383,524</u>
Cash and cash equivalents at end of year	<u>460,035</u>	<u>393,010</u>

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

Note to the Financial Statement – 31 December 2016

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, Chapter 311.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

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

The financial statements have been prepared on 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 the current financial year, the Association has adopted all the new and revised standards and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for the current financial year. The adoption of these standards and interpretations did not have any effect on the financial statements of the Association.

Standards issued but not yet effective

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

	Effective date (Annual periods beginning on or after)
Amendments to FRS 7: <i>Disclosure Initiative</i>	1 January 2017
FRS 109 Financial Instruments	1 January 2018

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 assets*

Initial recognition and measurement

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

When a financial asset is recognised initially, an entity shall measure it 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 or issue of financial asset.

Subsequent measurement

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

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

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss.

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

(ii) *Held-to-maturity investment*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Association has the positive intention and ability to hold the investments to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Financial assets (continued)*

Subsequent measurement (continued)

(iii) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets include equity and debt securities. Equity investment classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses arising from changes in the fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Derecognition

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

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Association commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Impairment of financial assets*

The Association assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) *Financial assets carried at amortised cost*

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The loss is recognised in the profit or loss.

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

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(ii) *Financial assets carried at cost*

If there is objective evidence that an impairment loss on a financial asset carried at cost has been incurred (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) the impairment loss is recognised and the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) *Available-for-sale financial assets*

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

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

(d) *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.

When a financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial liabilities (continued)*

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instrument entered into by the Association that are not designated as hedging instruments in hedging relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

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

(ii) *Financial liabilities at amortised cost*

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 derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank.

Note to the Financial Statement – 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(i) Members' subscriptions

Members' subscriptions are recognised as revenue in the financial year in which it is earned.

(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.

(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.

Note to the Financial Statement – 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) *Government grant (continued)*

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.

(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.

Note to the Financial Statement – 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Taxes (continued)

(ii) Deferred tax (continued)

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.

(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).

Note to the Financial Statement – 31 December 2016

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) *Key sources of estimation uncertainty*

There were no material key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period.

4. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on cash terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Receivables that are past due but not impaired

The Association has trade receivables amounting to \$1,080 (2015: \$1,080) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follow:

	2016 \$	2015 \$
Trade receivables past due but not impaired:		
Not more than 30 days	1,080	–
31 to 60 days	–	–
More than 90 days	–	1,080
	<u>1,080</u>	<u>1,080</u>

5. OTHER RECEIVABLES

Deposits	155	155
Interest receivables	355	125
Paypal account	478	1,676
Prepayment	1,290	1,227
Tax recoverable	816	816
	<u>3,094</u>	<u>3,999</u>

Note to the Financial Statement – 31 December 2016

6. FIXED DEPOSITS

	2016 \$	2015 \$
Fixed deposits with financial institutions	<u>296,151</u>	<u>295,562</u>

Short-term deposits are made for a varying periods of between six months to one year depending on the immediate cash requirements of the Association, and earn interests at the respective short term deposit rates. The weighted average effective interest rates as at 31 December 2016 were \$202,112 and \$94,039 (2015: \$201,758 and \$93,804) at 0.2% and 0.35% (2015: 0.15% and 0.25%) per annum respectively.

7. DEFERRED GRANT

Deferred grant relates 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 grant accounts is as below:

At beginning of year	48,603	52,601
Recognised to profit or loss for the year	<u>(5,000)</u>	<u>(3,998)</u>
At end of year	<u>43,603</u>	<u>48,603</u>

8. TAX PAYABLE

Balance at beginning of year	334	7,347
Current year's tax expense on profit	5,891	334
Income tax paid	<u>(356)</u>	<u>(7,347)</u>
Balance at end of year	<u>5,869</u>	<u>334</u>

9. REVENUE

Income from donation	–	1,000
Income from training	30,295	32,650
Income from event	50,298	250
Income from sponsorship	34,480	9,950
Income from publication	232	–
Interest income on fixed deposit	818	402
Membership fee	35,630	37,005
Income from advertisement	898	598
Income from WLIC grant	<u>5,000</u>	<u>3,998</u>
	<u>157,651</u>	<u>85,853</u>

Note to the Financial Statement – 31 December 2016

10. EXPENDITURE

	2016 \$	2015 \$
Accounting fee	1,712	1,712
Association membership fee	443	423
Auditors' remuneration – Current year	2,140	1,300
– under provision in prior year	840	–
Awards and sponsorship	6,396	8,341
Bad debt written off	–	360
Bank charges	283	189
Events	29,630	28,882
Gift and entertainment	1,043	175
Members' annual meeting	9,406	6,000
Paypal charges	1,170	773
Postage and courier	46	–
Printing and stationery	468	493
Tax fee	856	856
Training expense	30,689	27,638
Travelling	1,027	–
Website maintenance	813	345
	<u>86,962</u>	<u>77,487</u>

11. INCOME TAX EXPENSE

(i) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 December 2016 and 2015 are:

Statement of comprehensive income:

Current tax	<u>5,891</u>	<u>334</u>
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(ii) *Relationship between tax expense and accounting profit*

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2016 and 2015 are as follows:

Profit before tax	<u>64,798</u>	<u>8,366</u>
Tax expense on profit before tax at 17%	12,018	1,422
Adjustments:		
Tax exemption	(6,434)	(1,067)
Current year's tax over/(under) provided	<u>307</u>	<u>(21)</u>
Tax expense	<u>5,891</u>	<u>334</u>

Note to the Financial Statement – 31 December 2016

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's financial assets and liabilities are stated at nominal values and are not subject to significant risk of change in values as there are no significant financial risks involved. As a result, a financial risk policy is not considered necessary.

13. 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 39 categories:

	2016 \$	2015 \$
<i>Loans and receivables</i>		
Trade receivables	4,620	1,440
Other receivables	988	1,956
Fixed deposits	296,151	295,562
Cash and cash equivalents	460,035	393,010
	<u>761,794</u>	<u>691,968</u>
<i>Financial liabilities at amortised cost</i>		
Other payables	9,741	10,505
	<u>9,741</u>	<u>10,505</u>

14. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of an asset or a liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amount of financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of reporting date.

However, the Association does not anticipate that the carrying amounts recorded at end of reporting date would be significantly different from the values that would eventually be received or settled.

At the end of the reporting period, the Association does not have any other asset or liability carried at fair value.

15. 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.

16. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the committee on 19 April 2017.