Singapore Tourism Board

Annual Financial Statements
31 March 2018

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working world

Singapore Tourism Board

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Singapore Tourism Board

Statement by the Board

In our opinion,

(i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes thereto are drawn up in accordance with the requirements of the Singapore Tourism Board Act, Cap 305B ("the Act") and Singapore Statutory Board Financial Reporting Standards ("SB-FRS") so as to give a true and fair view of the financial position of the Board as at 31 March 2018 and the financial performance and changes in equity and cash flows of the Board for the financial year then ended;

(ii) at the date of this statement, there are reasonable grounds to believe that the Board will be able to pay its debts as and when they fall due;

(iii) proper accounting and other records, required by the Act to be kept by the Board, have been properly kept in accordance with the provisions of the Act; and

(iv) the receipts, expenditure, investments of monies and the acquisition and disposal of assets by the Board during the financial year have been in accordance with the provisions of the Act.

On behalf of the Board:

Chaly Mah
Chairman

Melissa Ow
Acting Chief Executive

Singapore
12 July 2018

Independent auditor's report to the members of the Singapore Tourism Board

Report on the financial statements

Opinion

We have audited the accompanying financial statements of the Singapore Tourism Board ("the Board"), which comprise the statement of financial position of the Board as at 31 March 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement of the Board for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Tourism Act, Cap 305B (the "Act") and Singapore Statutory Board Financial Reporting Standards ("SB-FRS") so as to give a true and fair view of the financial position of the Board as at 31 March 2018, and of the financial performance, changes in equity and cash flows of the Board 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 Board 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 at the date of this audit report is the statement by the Board, but does not include the financial statement and our auditor's report thereon.

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.

Responsibilities of management and board members for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SB-FRS and for devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

The board members are responsible for overseeing the Board'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 Board'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 Board to cease to continue as a going concern.

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.

We communicate with the Board members 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, investment of monies 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 Act; and

(b) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.

Basis for opinion

We conducted 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 Board 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 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 on management's compliance.

Responsibilities of management for compliance with legal and regulatory requirements

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

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 monies and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Auditor's responsibilities for the compliance audit (cont'd)

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

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

12 July 2018

Singapore Tourism Board

Statement of financial position
As at 31 March 2018

	Note	2018 $'000	2017 $'000
Assets			
Non-current assets			
Property, plant and equipment	7	513,288	551,608
Intangible assets	8	7,823	681
Finance lease receivable	9	18,539	19,180
Available-for-sale investments	10	2,076	2,076
Other assets		150	150
Total non-current assets		541,876	573,695
Current assets			
Prepayments		2,988	2,776
Receivables	12	15,333	14,361
Finance lease receivable	9	641	602
Financial assets under fund management	13	284,689	251,500
Cash and cash equivalents	11	84,466	130,875
Total current assets		388,117	400,114
Total assets		929,993	973,809
Current liabilities			
Advances and deposits received	14	14,014	16,336
Payables and accruals	15	88,284	77,917
Deferred long-term lease income		117	117
Financial liability under fund management	13	211	–
Total current liabilities		102,626	94,370
Net current assets		285,491	305,744
Non-current liabilities			
Deferred long-term lease income		58	175
Deferred capital grant	20	149,182	150,207
Total non-current liabilities		149,240	150,382
Total liabilities		251,866	244,752
Net assets		678,127	729,057
Capital and reserves			
Share capital	5	560,305	557,122
Accumulated surplus		117,746	171,859
Revaluation reserve		76	76
Total capital and reserves		678,127	729,057
Net assets of Trust and Agency Funds	6	343,307	36,776

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

Singapore Tourism Board

Statement of comprehensive income
For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Income			
Operating income	16	25,557	23,338
Less: Operating expenses			
Employee benefit expenses	17	(77,480)	(71,239)
Depreciation of property, plant and equipment	7	(35,049)	(35,600)
Amortisation of intangible assets	8	(3,924)	(320)
Other operating expenses		(171,565)	(164,189)
Total operating expenses		(288,018)	(271,348)
Operating deficit		(262,461)	(248,010)
Other income items	18	12,248	10,364
Other expense items	19	(6,572)	(389)
Operating deficit before government grant		(256,785)	(238,035)
Grants			
Funding from government		207,894	211,749
Deferred capital grant amortised representing government grant/funding	20	1,577	12,051
Net deficit before contribution to consolidated fund		(47,314)	(14,235)
Contribution to consolidated fund	21	–	–
Total comprehensive loss for the year		(47,314)	(14,235)

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

Statement of changes in equity
For the financial year ended 31 March 2018

	Note	Share capital $'000	Accumulated surplus $'000	Revaluation reserve $'000	Total $'000
Balance at 1 April 2016		550,549	186,094	76	736,719
Equity injections	5	6,573	–	–	6,573
Deficit for the year, representing total comprehensive loss		–	(14,235)	–	(14,235)
Balance at 31 March 2017		557,122	171,859	76	729,057
Equity injections	5	3,183	–	–	3,183
Transfer of assets to another statutory board		–	(6,799)	–	(6,799)
Deficit for the year, representing total comprehensive loss		–	(47,314)	–	(47,314)
Balance at 31 March 2018		560,305	117,746	76	678,127

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

Singapore Tourism Board

Cash flow statement
For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Operating deficit before contribution to consolidated fund		(47,314)	(14,235)
Adjustments:			
Grants from the Government		(206,297)	(207,892)
(Write-back of)/allowance for doubtful debts	12	(11)	3
Depreciation of property, plant and equipment	7	35,049	35,600
Amortisation of intangible assets	8	3,924	320
Loss/(gain) on disposal of property, plant and equipment		9	(12)
Interest income		(7,983)	(8,182)
Deferred long-term lease income		(117)	(116)
Amortisation of deferred capital grant	20	(1,577)	(12,051)
Fair value loss/(gain) on financial assets/liability under fund management		6,156	(1,299)
Finance lease income		(1,223)	(1,259)
Operating deficit before working capital changes		(219,384)	(209,123)
(Increase)/decrease in receivables		(961)	1,145
(Increase)/decrease in prepayments		(212)	238
(Decrease)/increase in advances and deposits received		(2,322)	5,209
Increase in payables		10,367	-
Cash flows used in operations		(212,512)	(202,531)
Interest received		9,206	9,441
Net cash flows used in operating activities		(203,306)	(193,090)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(4,898)	(163,735)
Purchase of intangible assets	8	(9,792)	(705)
Proceeds from disposal/reclassification of property, plant and equipment		87	18
Repayment of finance lease from lessee		602	566
Investment under fund management		(39,134)	(7,180)
Net cash flows used in investing activities		(53,135)	(171,036)
Cash flows from financing activities			
Grants received from the Government		206,297	207,892
Deferred capital grant received	20	552	160,728
Equity injection	5	3,183	6,573
Net cash flows generated from financing activities		210,032	375,193
Net (decrease)/increase in cash and cash equivalents		(46,409)	11,067
Cash and cash equivalents at beginning of the financial year (Note 11)		130,875	119,808
Cash and cash equivalents at end of the financial year (Note 11)		84,466	130,875

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

1. General information

The Singapore Tourism Board ("the Board"), a Singapore statutory board under the Ministry of Trade and Industry ("MTI"), was established under the Singapore Tourism Board Act, Cap 305B (the "Act").

The registered office and principal place of operations of the Board is at Tourism Court, 1 Orchard Spring Lane, Singapore 247729.

The primary functions and duties of the Board are:

(i) To develop and promote Singapore as a travel and tourist destination;

(ii) To advise the Government on matters relating to travel and tourism;

(iii) To enhance the travel and tourism sector's contribution to the Singapore economy; and

(iv) To exercise licensing and regulatory functions in respect of such tourism enterprises as the Board may determine.

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

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements have been prepared in accordance with the Singapore Statutory Board Financial Reporting Standards ("SB-FRS") promulgated by the Accountant-General and the provisions of the Act.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Board are presented in Singapore dollar ("SGD" or "$").

The accounting policies have been consistently applied by the Board and are consistent with those used in the previous financial year.

Included in the financial statements are results presented in FY 2017/2018 which represents the financial year from 1 April 2017 to 31 March 2018

The following financial years ("FY(s)") denoted in the financial statements refer to the following financial years respectively:-

FY 2017/2018, financial year ended 31 March 2018

FY 2016/2017, financial year ended 31 March 2017

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

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Board has adopted all the new and revised standards and interpretation of SB-FRS ("INT SB-FRS") that are effective for annual periods beginning on or after 1 April 2017. The adoption of these standards and interpretations did not have any significant effect on the financial performance or position of the Board.

2.3 *SB-FRS and INT SB-FRS issued but not yet effective*

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

Description	***Effective for annual periods beginning on or after***
SB-FRS 109 *Financial Instruments, Illustrative Examples, Implementation Guidance and Amendments to Guidance on Other Standards*	1 January 2018
SB-FRS 115 *Revenue from Contracts with Customers Illustrative Examples*	1 January 2018
SB-FRS 110, SB-FRS 28 *Amendments to Effective Date of Amendments to SB-FRS 110 and SB-FRS 28*	To be determined
SB-FRS 115 *Amendments to Effective Date of SB-FRS 115*	1 January 2018
SB-FRS 116 *Leases Illustrative Examples and Amendments to Guidance on Other Standards*	1 January 2019
SB-FRS 115 Amendments to SB-FRS 115: *Clarifications to SB-FRS 115 Revenue from Contracts with Customers*	1 January 2018

Except as discussed below, the Board expects that the adoption of the new standards and interpretations above will have no significant impact on the financial statements in the period of initial adoption.

<u>SB-FRS 116 *Leases*</u>

SB-FRS 116 supersedes SB-FRS 17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. SB-FRS 116 requires lessees to capitalise all leases on the statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under SB-FRS 116. SB-FRS 116 also requires enhanced disclosures by both lessees and lessors. On initial adoption of SB-FRS 116, there may be a potentially significant impact on the accounting treatment for leases, which the Board as lessee currently accounts for as operating leases. On adoption of SB-FRS 116, the Board will be required to capitalise its rented office premises on the statement of financial position by recognising them as 'right-of-use' assets and their corresponding lease liabilities for the present value of future lease payments.

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

2.3 *SB-FRS and INT SB-FRS issued but not yet effective (cont'd)*

SB-FRS 116 *Leases (cont'd)*

The Board plans to adopt the standard in the financial year beginning on 1 April 2019 using the modified retrospective method in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

2.4 *Functional currency*

The financial statements are presented in Singapore dollar, which is the Board's functional currency.

The Board determines its own functional currency and items included in the financial statements are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Board 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 determined.

2.5 *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.

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

Leasehold land	- 27 to 99 years, representing the lease terms
Buildings	- 10 to 50 years
Building improvements	- 5 to 7 years
Furniture, fittings and equipment	- 2 to 10 years
Motor vehicles	- 5 years
Electrical installation and air-conditioners	- 5 to 7 years
Infrastructure	- 6 to 20 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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 life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2.5 *Property, plant and equipment (cont'd)*

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

2.6 *Intangible assets*

The Board's intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least at each financial year-end.

Amortisation is computed on a straight-line basis over the estimated useful life of the intangible asset as follows:

Computer software - 3 years

Intangible assets under development are not depreciated as these assets are not yet available for use.

2.7 *Impairment of non-financial assets*

The Board 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 Board 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 group 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 of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

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

2.8 *Financial instruments*

(a) ***Financial assets***

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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. This category includes derivative financial instruments entered into by the Board that are not designated as hedging instruments in hedge relationships as defined by SB-FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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. Net gains or net losses on financial assets at fair value through profit or loss include foreign exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) 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.

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

2.8 Financial instruments (cont'd)

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

Subsequent measurement (cont'd)

(iii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments 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 an indefinite period of time and which may be sold in response to needs 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 from changes in fair value of the financial assets 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.

Investments in unquoted equity instruments whose fair value cannot be reliably measured are measured at cost less impairment 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 is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Board becomes a party to the contractual provisions of the financial instrument. The Board 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.

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

2.8 *Financial instruments (cont'd)*

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

Subsequent measurement

The 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 instruments entered into by the Board that are not designated as hedging instruments in hedge 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 Board 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 expires. 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 profit or loss.

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

2.9 *Impairment of financial assets*

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

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Board 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 Board 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 a 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 impairment loss is recognised in 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 amounts charged to the allowance account are 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 Board 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 amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

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

2.9 *Impairment of financial assets (cont'd)*

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

In the case of equity investments classified as available-for-sale, objective evidence of impairment includes (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.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment 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; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.10 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These form an integral part of the Board's cash management.

For the purpose of presentation in the financial statements, cash and cash equivalents comprise cash at bank, fixed deposits with financial institutions and cash balances with the Accountant-General's Department which are subject to an insignificant risk of changes in value.

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

2.11 *Provisions*

Provisions are recognised when the Board 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.

2.12 *Government grants*

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants to meet the current year's operating expenses are recognised as income in the financial year in which the operating expenses are incurred.

Where the grant relates to an asset, the fair value is recognised as grant received in advance on the balance sheet and is amortised and charged in the profit or loss over the period necessary to match the depreciation of the asset purchased with the related grant. Upon disposal of the asset, the balance of the related deferred capital grant is recognised in the profit or loss to match the net book value of the assets written-off.

2.13 *Employee benefits*

(a) *Defined contribution plan*

The Board participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Board makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlement to annual leave is recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

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

2.14 *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of SB-FRS 104.

(a) *As lessee*

Finance leases which transfer to the Board substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Board will obtain ownership by the end of the lease term.

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.

(b) *As lessor*

Leases where the Board retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating 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. Contingent rents are recognised as revenue in the period in which they are earned.

2.15 *Income*

Income is recognised to the extent that it is probable that the economic benefits will flow to the Board and the income and the cost of transactions can be reliably measured, regardless of when the payment is made. No income is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of fee income.

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

2.15 *Income (cont'd)*

The following specific recognition criteria must also be met before income is recognised:

(a) *Government grants*

Funding from the Board's supervisory ministry to meet the Board's current year operations is recognised as income in the current year. Funding from government is accounted for in accordance with the accounting policy for government grants as detailed in Note 2.12 above.

(b) *Events-related income*

Events-related income is recognised when the events are completed.

(c) *Lease income*

Lease income is accounted for in accordance with the accounting policy for leases as detailed in Note 2.14 above.

(d) *Dividend income*

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

(e) *Interest income*

Interest income is recognised using the effective interest method.

2.16 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board.

Contingent liabilities and assets are not recognised on the statement of financial position of the Board, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

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

2.17 *Sales tax*

Revenue, 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 expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.18 *Capital*

Proceeds from issuance of shares are recognised as capital in equity.

2.19 *Statutory contribution to consolidated fund*

In lieu of income tax, the Board is required to make a contribution to the Consolidated Fund based on the net surplus of the Board (before donations) for the financial year. The contribution rate used to compute the amount is pegged at the statutory corporate income tax rate of the preceding year of assessment.

2.20 *Related parties*

The Board is established as a statutory board and is an entity related to the Government of Singapore. The Board's related parties refer to Government-related entities including Ministries, Organs of State and other Statutory Boards. The Board applies the exemption in Paragraph 25 of SB-FRS 24 Related Party Disclosures, and required disclosures are limited to the following information to enable users of the Board's financial statements to understand the effect of related party transactions on the financial statements:

(i) the nature and amount of each individually significant transaction (excluding payments required in compliance with statutes or regulations or laws stipulated in Singapore) with Ministries, Organs of State and other Statutory Boards; and

(ii) for other transactions with Ministries, Organs of State and other Statutory Boards that are collectively but not individually significant, a qualitative or quantitative indication of their extent.

2.21 *Trust Funds*

Trust funds received are accounted for separately as set out in Note 6. All transactions pertaining to activities supported by the funds are taken directly to the trust funds.

The net assets of the fund do not form part of the Board's assets and liabilities but are shown separately in the Board's statement of financial position. These funds are accounted on an accrual basis.

3. Significant accounting estimates and judgments

In the application of the Board's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management did not make any material judgments that have significant effect on the amounts recognised in the financial statements.

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 Board 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 Board. Such changes are reflected in the assumptions when they occur.

Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over their useful lives. The Board estimates the useful lives of these property, plant and equipment to be within 2 to 99 years, based on the lease period for leasehold properties and estimated useful lives of the assets. The carrying amounts are disclosed in Note 7 of the financial statements. Changes in the expected level of usage, technological developments and economic condition could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A 5% (2017: 5%) increase or reduction in the expected useful lives of these assets from the Board's estimates would result in approximately $1,845,000 (2017: $1,874,000) higher or lower in the Board's deficit/surplus before contribution to the consolidated fund.

4. Financial instruments, financial risk and capital risk management

(a) *Categories of financial instruments*

The following table sets out the financial instruments:

	2018 $'000	2017 $'000
Financial assets		
At fair value through profit and loss (Note 13)	232,464	239,089
Loans and receivables (Note 12)	170,125	186,481
Available-for-sale investments (Note 10)	2,076	2,076
Total financial assets	404,665	427,646
Financial liabilities		
At fair value through profit and loss (Note 13)	211	–
At amortised cost (Note 15)	100,527	100,708
Total financial liabilities	100,738	100,708

(b) *Financial risk management policies and objectives*

The Board's financial risk management policies set out their overall strategies and its risk management philosophy. The Board is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. While the Board does not hold or issue derivative financial instruments for trading purposes, the Board may use such instruments for risk management purposes.

There has been no change to the Board's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) *Currency risk*

The Board has exposure to foreign currency risk from transactions denominated in foreign currencies arising from its normal course of operations and from its investment portfolio arising from securities denominated in foreign currencies.

At the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in significant foreign currencies other than the Board's functional currency are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis has not been presented as management has assessed its foreign currency exposure as not having significant impact on the Board's operations and cash flows.

4. Financial instruments, financial risk and capital risk management (cont'd)

(b) ***Financial risk management policies and objectives (cont'd)***

(ii) *Fair value interest rate risk*

The Board's exposure to changes in interest rates relates primarily to investments in fixed income instruments and fixed deposits. Fixed income instruments are managed by external fund managers appointed by the Board. Surplus funds are placed with Accountant-General's Department as disclosed in Note 11. Interest rate sensitivity analysis has not been presented as management has assessed that changes in interest rates do not have significant impact on the Board's operations and cash flows.

(iii) *Market price risk*

Market price risk is the risk that the fair value or future cash flows of the Board's financial assets/liability under fund management will fluctuate because of changes in market prices (other than interest or exchange rates). The Board is exposed to price risk arising from its investment in quoted debt instruments and derivative financial instruments. These instruments are quoted on reputable exchanges and are classified as financial assets/liability at fair value through profit or loss.

The Board manages investment returns and price risk by investing in investment grade debt instruments with low risk of default and steady dividend yield. At the balance sheet date, 91% (2017: 95%) of the Board's portfolio consists of investment grade debt instrument issued by reputable companies and governments.

Sensitivity analysis for price risk

At the balance sheet date, if the fair value of the financial assets/liability under fund management had been 2% (2017: 2%) higher or lower with all other variables held constant, the Board's deficit/surplus before contribution to the Consolidated Fund would have been approximately $4,645,000 (2017: $4,782,000) higher or lower, arising as a result of higher or lower fair value gains on financial assets/liability at fair value through profit or loss.

(iv) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Board's exposure to credit risk arises primarily from other receivables. For other financial assets (including cash and short-term deposits), the Board minimises credit risk by dealing exclusively with reputable financial institutions and with the Accountant-General's Department.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The carrying amount of cash at bank, fixed deposits, trade and other receivables and prepayments, represent the Board's maximum exposure to credit risk. There are no other financial assets carrying significant exposures to credit risk except as disclosed above.

4. Financial instruments, financial risk and capital risk management (cont'd)

(b) ***Financial risk management policies and objectives (cont'd)***

(v) *Liquidity risk*

Liquidity risk is the risk that the Board will encounter difficulty in meeting financial obligations due to shortage of funds. The Board's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Board's objective is to maintain a level of cash and cash equivalents deemed adequate by management to finance the Board's operations. The investment portfolio comprises mainly quoted debt securities with resale markets to ensure portfolio liquidity.

The Board has non-derivative financial assets as shown on the statement of financial position under financial assets under fund management which are substantially managed externally by professional fund managers. The non-derivative financial assets comprise investments in debt securities which are mainly quoted (as disclosed under Note 13). The non-derivative financial assets may be liquidated readily when required.

The Board does not have a significant exposure to liquidity risk as at the end of each reporting period.

(vi) *Fair value of financial assets and liabilities*

The carrying amounts of financial assets and financial liabilities as reported in the financial statements approximate their respective fair value due to the relatively short-term maturity of these financial instruments.

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of finance lease receivable is estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending arrangements at the end of the reporting period; and
- unquoted investment whose fair value cannot be reliably measured by alternative valuation methods are carried at cost less any impairment losses.

4. Financial instruments, financial risk and capital risk management (cont'd)

(b) *Financial risk management policies and objectives (cont'd)*

(vi) *Fair value of financial assets and liabilities (cont'd)*

The Board classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) input for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The majority of the Board's financial assets/liability under fund management as disclosed in Note 13 are stated at fair value using Level 1.

(c) *Capital management*

The primary objective of the Board's capital management is to ensure that it safeguards the Board, the Board's ability as a going concern and to provide capacity to support the Board's future development.

The Board is required to comply with the Capital Management Framework for Statutory Boards detailed in Finance Circular Minute M26/2008, including the need to declare annual dividends to the Ministry of Finance (MOF) in return for the equity injection.

No changes were made in the objectives, policies or processes during the years ended 31 March 2018 and 31 March 2017.

5. Share capital

	2018	2017	2018	2017
	No. of shares (in '000)		$'000	$'000
Issued and fully paid up:				
Balance at beginning of financial year	557,122	550,549	557,122	550,549
Equity injection [1]	3,183	6,573	3,183	6,573
Balance at end of financial year	560,305	557,122	560,305	557,122

[1] Injections of capital in 2017 and 2018 are part of the Capital Management Framework for Statutory Boards under Finance Circular Minute M26/2008. The shares have been fully paid for to fund tourism-related assets and are held by the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183). The holder of these shares, which has no par value, is entitled to receive dividends from the Board.

6. Trust and Agency Funds

Trust and agency funds are set up to account for monies held in trust where the Board is not the owner and beneficiary of the funds. Income or expenses of these funds are taken directly to the funds. The net assets relating to the funds are shown as a separate line item in the statement of financial position.

	2018 $'000	2017 $'000
Balance at beginning of the financial year	36,776	4,316
Add: Receipts – funds received from the Government	492,408	165,162
Less: Funds disbursed/payable to:		
- External parties	(183,005)	(126,916)
- Other government agencies	(2,872)	(5,786)
Balance at end of the financial year	343,307	36,776
Represented by:		
- Cash balances	351,017	42,405
- Other receivables	170	253
- Trade receivables	92	–
- Trade payables	(7,951)	(5,882)
- Accruals	(21)	–
	343,307	36,776

The trust and agency funds are used for tourism-related incentive schemes and for tourism-related development projects.

7. Property, plant and equipment

	Leasehold land	Buildings	Building improvements	Furniture, fittings and equipment	Motor vehicles	Electrical installation and air-conditioners	Infrastructure	Capital work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost:									
As at 1 April 2016	43,853	477,856	21,896	13,605	1,178	24,643	48,641	628	632,300
Additions	150,211	–	5,830	1,567	347	3,198	106	2,476	163,735
Reclassification (Note 8)	3	–	387	11	–	6	–	(429)	(22)
Disposals/written off	–	–	(66)	(1,022)	(170)	(238)	(8)	–	(1,504)
As at 31 March 2017	194,067	477,856	28,047	14,161	1,355	27,609	48,739	2,675	794,509
Additions	516	–	1,013	1,118	27	1,416	–	808	4,898
Reclassification (Note 8)	–	–	150	1,178	–	48	–	(2,650)	(1,274)
Disposals/written off	–	(8,498)	(350)	(279)	–	(11)	–	–	(9,138)
As at 31 March 2018	194,583	469,358	28,860	16,178	1,382	29,062	48,739	833	788,995
Accumulated depreciation:									
As at 1 April 2016	9,423	125,370	15,729	11,742	654	13,634	32,247	–	208,799
Depreciation for the year	2,516	19,705	2,766	1,436	226	3,781	5,170	–	35,600
Disposals/written off	–	–	(66)	(1,017)	(170)	(237)	(8)	–	(1,498)
As at 31 March 2017	11,939	145,075	18,429	12,161	710	17,178	37,409	–	242,901
Depreciation for the year	2,521	18,924	2,661	1,768	232	3,953	4,990	–	35,049
Disposals/written off	–	(1,700)	(264)	(274)	–	(5)	–	–	(2,243)
As at 31 March 2018	14,460	162,299	20,826	13,655	942	21,126	42,399	–	275,707
Net book value:									
As at 31 March 2018	180,123	307,059	8,034	2,523	440	7,936	6,340	833	513,288
As at 31 March 2017	182,128	332,781	9,618	2,000	645	10,431	11,330	2,675	551,608

Included in leasehold land, buildings and infrastructure are some tourism assets held by the Board for the purpose of tourism promotion/development.

8. Intangible assets

	Intangible assets under development $'000	Computer software $'000	Total $'000
Cost:			
As at 1 April 2016	–	7,301	7,301
Additions	481	224	705
Reclassification (Note 7)	–	22	22
As at 31 March 2017	481	7,547	8,028
Additions	105	9,687	9,792
Reclassification (Note 7)	(457)	1,731	1,274
As at 31 March 2018	129	18,965	19,094
Accumulated amortisation:			
As at 1 April 2016	–	7,027	7,027
Amortisation for the year	–	320	320
As at 31 March 2017	–	7,347	7,347
Amortisation for the year	–	3,924	3,924
As at 31 March 2018	–	11,271	11,271
Carrying amount			
As at 31 March 2018	129	7,694	7,823
As at 31 March 2017	481	200	681

9. Finance lease receivable

The Board entered into an agreement with a third party company incorporated in Singapore to lease a parcel of land granted to the Board by the Singapore Land Authority for the purpose of a tourism-related project. The average discount rate implicit in the lease is 6.4% (2017: 6.4%) per annum.

Future minimum lease receivable under the financial lease together with the present value of the minimum lease receivable is as follows:

	Minimum lease receivable		Present value of minimum receivable	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Amount receivable under finance lease:				
Within one year	1,825	1,825	641	602
In the 2nd to 5th year inclusive	7,301	7,301	3,000	2,819
After 5th year	22,361	24,186	15,539	16,361
	31,487	33,312	19,180	19,782
Less: Unearned finance income	(12,307)	(13,530)	–	–
Present value of minimum lease receivable	19,180	19,782	19,180	19,782
Analysed as:				
Amount due for settlement within 12 months			641	602
Amount due for settlement after 12 months			18,539	19,180
			19,180	19,782

10. Available-for-sale investments

	2018	**2017**
	$'000	$'000
Unquoted equity shares, at cost	2,076	2,076

11. Cash and cash equivalents

	2018 $'000	2017 $'000
Cash & bank deposits [(i)]	84,466	130,875
Total cash and cash equivalents	84,466	130,875

[(i)] This included cash deposits placed with Accountant General's Department ("AGD") under the Centralised Liquidity Management Scheme ("CLM") under AGD Circular 4/2009. The CLM Scheme includes placement of cash deposits with approved financial institutions. Deposits, which are interest-bearing, are centrally managed by AGD and are available to the Board upon request and earn interest at the average rate of 1.23% (2017: 1.37%) per annum.

The cash and cash equivalents are substantially denominated in Singapore dollar.

12. Receivables

	2018 $'000	2017 $'000
Deposits	1,539	1,710
Other receivables		
- Ministries and other government agencies	3,028	1,410
- Others	10,768	11,622
	15,335	14,742
Less: Allowance for doubtful debts	(2)	(381)
Net receivables	15,333	14,361
Add:		
Finance lease receivable (Note 9)	19,180	19,782
Cash and cash equivalents (Note 11)	84,466	130,875
Cash balances under fund management (Note 13)	49,877	17,060
Other receivables under fund management (Note 13)	2,464	4,403
Less:		
GST receivables	(1,195)	–
Total loans and receivables	170,125	186,481

Movement in the allowance for doubtful debts:

	2018	2017
Balance at the beginning of the year	381	444
(Decrease)/increase in allowance recognised in income or expense	(11)	3
Bad debts write off	(368)	(66)
Balance at the end of the year	2	381

The receivables are substantially denominated in Singapore dollar.

13. Financial assets/(liability) under fund management

	2018 $'000	2017 $'000
Financial assets		
Marketable investments, at market value		
- Quoted debt instruments	215,386	223,534
- Quoted equity securities	17,078	14,706
- Derivative financial instruments	–	849
Financial assets at fair value through profit or loss, net	232,464	239,089
Add/(less):		
- Cash balances	49,877	17,060
- Other receivables	2,464	4,403
- Other payables	(116)	(9,052)
	284,689	251,500
Financial liability		
Marketable investments, at market value		
- Derivative financial instruments	(211)	–
Financial liability at fair value through profit or loss, net	(211)	–
	284,478	251,500

Amounts under fund management are classified as financial assets/liability at fair value through profit or loss with the fair value movements taken to income or expense. The fair values of these investments are based on the closing market price on the last market day of the financial year.

Included in financial assets/liability under fund management is the following significant amounts denominated in currency other than the Board's functional currency:

	2018 $'000	2017 $'000
United States dollar	18,759	16,615

14. Advances and deposits received

Included in advances and deposits received are $1,452,978 (2017: $2,641,558) received from the Government, which are to be disbursed for designated projects.

15. Payables and accruals

	2018 $'000	2017 $'000
Payables		
- Ministries and other government agencies	4,111	5,957
- Others	22,494	18,344
Accruals	61,679	53,616
Total payables and accruals	88,284	77,917
Add:		
Other payables under fund management (Note 13)	116	9,052
Advances and deposits received (Note 14)	14,014	16,336
Less:		
Provision for employees' unutilised leave	(1,887)	(2,428)
GST payables	–	(169)
Total financial liabilities carried at amortised cost	100,527	100,708

The average credit period for trade payables is 30 to 90 days (2017: 30 to 90 days).

The trade and other payables are substantially denominated in the functional currency of the Board.

16. Operating income

	2018 $'000	2017 $'000
Events-related income	14,754	13,599
Lease income	6,709	6,271
Others	4,094	3,468
	25,557	23,338

17. Employee benefit expenses

	2018 $'000	2017 $'000
Salaries and allowances	62,627	56,571
Contributions to defined contribution plan	7,326	6,738
Others	7,527	7,930
	77,480	71,239

18. Other income items

	2018 $'000	2017 $'000
Interest income	7,983	8,182
Gain on disposal of property, plant and equipment	–	12
Net fair value gain on financial assets/liability under fund management	–	1,299
Exchange gain on financial assets/liability under fund management	4,254	871
Reversal of Allowance for doubtful debts	11	–
	12,248	10,364

19. Other expense items

	2018 $'000	2017 $'000
Loss on disposal of property, plant and equipment	9	–
Net fair value loss on financial assets/liability under fund management	6,156	–
Expenses on financial assets/liability under fund management	407	386
Allowance for doubtful debts	–	3
	6,572	389

20. Deferred capital grant

	2018 $'000	2017 $'000
Balance at the beginning of the financial year	150,207	1,530
Deferred capital grant received	552	160,728
Less: Amortisation of deferred capital grant	(1,577)	(12,051)
Balance at the end of the financial year	149,182	150,207

21. Contribution to consolidated fund

The Board is required to make contributions to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The contribution is based on the guidelines specified by the Ministry of Finance. It is computed at the prevailing corporate tax rate based on the net surplus (if any) of the Board for each of the financial year adjusted for any accumulated deficits brought forward from prior years. Contribution to consolidated fund is provided on an accrual basis. The Board has $114,033,837 (2017: $66,719,872) of unrecognised deferred benefits relating to unutilised deficits to be carried forward to offset against future surplus.

22. Related party transactions

(a) *Transactions with Ministries and Government Agencies*

Some of the Board's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Other than as disclosed elsewhere in the financial statements, the Board entered into the following significant transactions with its parent Ministry, MTI, and other related parties during the financial year:

	2018 $'000	2017 $'000
MTI		
Services and expenses paid to MTI	848	838
Other Ministries and Government Agencies		
Purchases and services paid to other ministries	88	745
Purchases and services paid to other government agencies	21,227	179,133
Expenses made on behalf by other ministries	146	32
Expenses made on behalf by other government agencies	1,578	1,348
Computer and IT related expenses	3,972	2,805
Services rendered to other ministries	(24,457)	(1,036)
Services rendered to other government agencies	(2,013)	(1,483)

(b) *Board members and key management personnel remuneration*

	2018 $'000	2017 $'000
Remuneration and other short-term benefits	16,973	15,305
Contributions to defined contribution plan	1,114	1,037
	18,087	16,342

The above includes Board members' allowance of $156,358 (2017: $143,451).

23. Commitments

(a) *Operating lease arrangements – as lessee*

The Board has entered into operating leases mainly for premises in respect of overseas offices. These leases have an average period of between 1 and 9 years.

	2018 $'000	2017 $'000
Minimum lease payments under operating lease included in profit or loss	7,452	7,267

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities as at 31 March 2018 are as follows:

	2018 $'000	2017 $'000
Within one year	3,129	2,667
In the 2nd to 5th year inclusive	7,003	2,463
After 5th year	255	–
	10,387	5,130

(b) *Operating lease arrangements – as lessor*

The Board has entered into property leases. These leases have remaining non-cancellable lease terms of between 1 and 20 years. Rental income earned during the year was $5,369,413 (2017: $4,895,029).

Future minimum lease payments receivables under non-cancellable operating leases as at 31 March are as follows:

	2018 $'000	2017 $'000
Within one year	2,342	3,888
In the 2nd to 5th year inclusive	5,370	7,198
After 5th year	–	237
	7,712	11,323

23. Commitments (cont'd)

(c) ***Capital Commitments***

	2018 $'000	2017 $'000
Commitments for capital expenditure contracted but not provided for in the financial statements	9,337	18,937

(d) ***Other commitments***

During the financial year, the Board paid a total fee of $606,857 (2017: $486,013) for the use of the computer equipment and related services under WOG ICT. These incurrences were recognised in the statement of comprehensive income.

The future aggregate minimum committed payments at the reporting date but not recognised as liabilities as at 31 March 2018 are as follows:

	2018 $'000	2017 $'000
Within one year	728	340
In the 2nd to 5th year inclusive	975	116
	1,703	456

(e) During the financial year, the Board guaranteed Singapore GP Pte Ltd for a standby letter of credit issued by a bank for the purpose of the payment of the 2018 F1 race franchise fee.

(f) During the financial year, the Board guaranteed WTA Tour Inc for a standby letter of credit issued by a bank for the purpose of the payment of the annual rights fee of the WTA Championships.

24. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2018 were authorised for issue by members of the Board on 12 July 2018.