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*Singapore*

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# ALL *REVVED* UP

Singapore Tourism Board Annual Report 2007/2008



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## Vision

To be a leading economic development agency in tourism, always pushing new frontiers, setting benchmarks and pioneering best practices.

## Mission

We develop and champion tourism, so as to build the sector into a key driver of economic growth for Singapore.

# Chairman's Message



## Chairman's Message



**Simon Israel**  
Chairman  
Singapore Tourism Board

Singapore's tourism industry has made remarkable achievements since the launch of the Tourism 2015 roadmap in January 2005, which aims to transform the sector into a key economic driver for Singapore. We have enjoyed four successive years of record growth in tourism receipts and visitor arrivals from 2004 to 2007, a strong signal that the tourism sector is on track to achieve its targets of 17 million visitor arrivals and S\$30 billion in tourism receipts by 2015.

With key projects such as the opening of the Singapore Flyer in March 2008, the inaugural FORMULA 1™ SingTel Singapore Grand Prix in September 2008, the opening of the two integrated resorts - The Marina Bay Sands™ and Resorts World at Sentosa - in 2009 and 2010 respectively, and the Youth Olympic Games in 2010, Singapore's tourism industry is all revved up for a breathtaking transformation.

### Moving On The Right Track

For the first time, we crossed the 10 millionth visitor mark within a year. The momentum in the industry is building, with Singapore's tourism sector welcoming an all-time high of 10.3 million visitors, an improvement of 5.4% over 2006. The tourism sector also set a new record with an estimated S\$14.1 billion in tourism receipts, a strong growth of 13.9% over 2006. Total visitor days grew 13.4% to reach 38 million days.

The hospitality industry also achieved historical highs in 2007. The Average Occupancy Rate for the hotel sector reached 87%, a 1.7 percentage point increase over 2006, while the Average Room Rate was estimated at S\$202, a growth of 23.1% over 2006.

The tourism industry's growth was also evident across our key markets, with nine of the top 10 markets posting growth.

Eight of these 10 markets achieved record high visitor arrivals in 2007. These are Indonesia, P R China, Australia, India, United Kingdom, South Korea, the Philippines and the USA.

This strong performance can be attributed to the continued economic strength in Singapore's key markets, as well as the growth of low cost carriers in the region which have led to more affordable air travel and greater accessibility to Singapore. At the same time, we have continued our efforts to promote Singapore in our key markets and develop new tourism products that have strengthened Singapore's appeal as a destination.

### **Boosting Our Appeal**

The tourism industry's growth will be further bolstered by the exciting array of iconic developments coming on stream in the next few years. Through the staging of the world's first night race in Formula One™ history, and with the Volvo Ocean Race 2008-2009 making Singapore its only Southeast Asian stopover, Singapore will gain international exposure and be put firmly in the global spotlight. Our position as a vibrant and exciting destination has been further reinforced by our win of the closely-contested bid to host the world's first Youth Olympic Games in 2010.

Other than the current ethnic enclaves that are already popular with tourists, precincts including Marina Bay, Southern Waterfront, Mandai, and Jurong Lake will also be developed into Tourism Energy Zones as part of the ongoing efforts to enhance our tourism products. The Marina Bay area will heighten Singapore's standing as a world-class city in a garden, one ideal to live, work and play in.

There are also plans to transform Mandai into one of Asia's top nature destinations, with the potential addition of two new nature-themed attractions. Slated for a dramatic makeover too is the Jurong Lake area, which when completed, will offer edutainment experiences for families with young children, complete with a mix of retail, food and beverage, hotel and other lifestyle options.

These projects, along with upcoming iconic developments like the two integrated resorts, The Marina Bay Sands™ and Resorts World at Sentosa; the development of a new International Cruise Terminal at Marina South; the revitalisation of the Singapore River into a 24-hour entertainment precinct; the rejuvenation of Orchard Road; as well as the development of attractions such as the National Art Gallery and Singapore Sports Hub, will transform Singapore into an even more dynamic and must-visit destination.

### **Enhancing Our Competitiveness**

On the back of a fast-developing tourism sector, we need to collectively invest in the two key factors that will sustain growth – people and service quality.

To help ensure that we have a competent tourism workforce in place to meet the industry's manpower needs, the government has committed S\$360 million over three years to train 74,000 tourism industry workers. This investment is part of the TOURism TALent (TOTAL) Plan, jointly launched in October 2007 by the Singapore Workforce Development Agency, the Ministry of Manpower, SPRING Singapore and the Singapore Tourism Board (STB).

Beyond the numbers, our tourism workforce must also be imbued with the right mindset to ensure a high quality of service. Through various nation-wide initiatives such as the Go-the-Extra-Mile-Service (GEMS) movement and the annual STB Tourism Awards, our strong focus on service quality is evident. To further improve the service level in Singapore, the STB will be launching the Singapore Service STAR in end-2008. This service accreditation scheme will promote and give recognition to businesses that deliver quality service experiences.

Collectively, this continued emphasis on service quality and the nurturing of a competent workforce, will enable the tourism sector to maintain its competitive edge and ensure visitors have a memorable experience in Singapore.

### **Working In Tandem**

The outstanding achievements in 2007 were made possible by the strong collaboration between the public and private sectors, who have worked relentlessly with the STB to identify and undertake bold initiatives that redefine Singapore's tourism landscape. I would also like to thank our industry partners, who have played a large role in transforming Singapore's tourism sector, for their unwavering commitment and support.

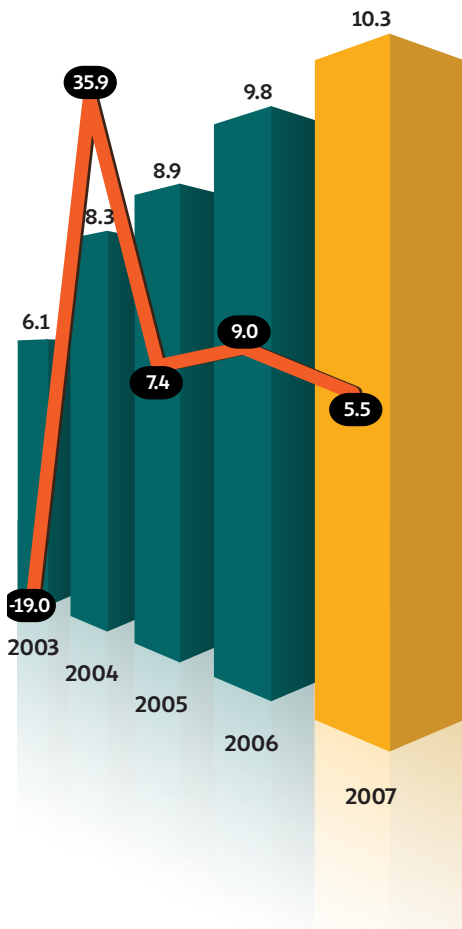
I wish to also take this opportunity to express my appreciation to my fellow Board members, as well as the STB management and staff for their untiring efforts in growing the industry. Special thanks to Mr Liak Teng Lit, who stepped down from the Board in December 2007, for his contributions and counsel, and a warm welcome to Mr Benson Puah, who joined the Board in January 2008.

**Simon Israel**  
Chairman  
Singapore Tourism Board

# Tourism Sector Performance



# Tourism Sector Performance



## Visitor Arrivals

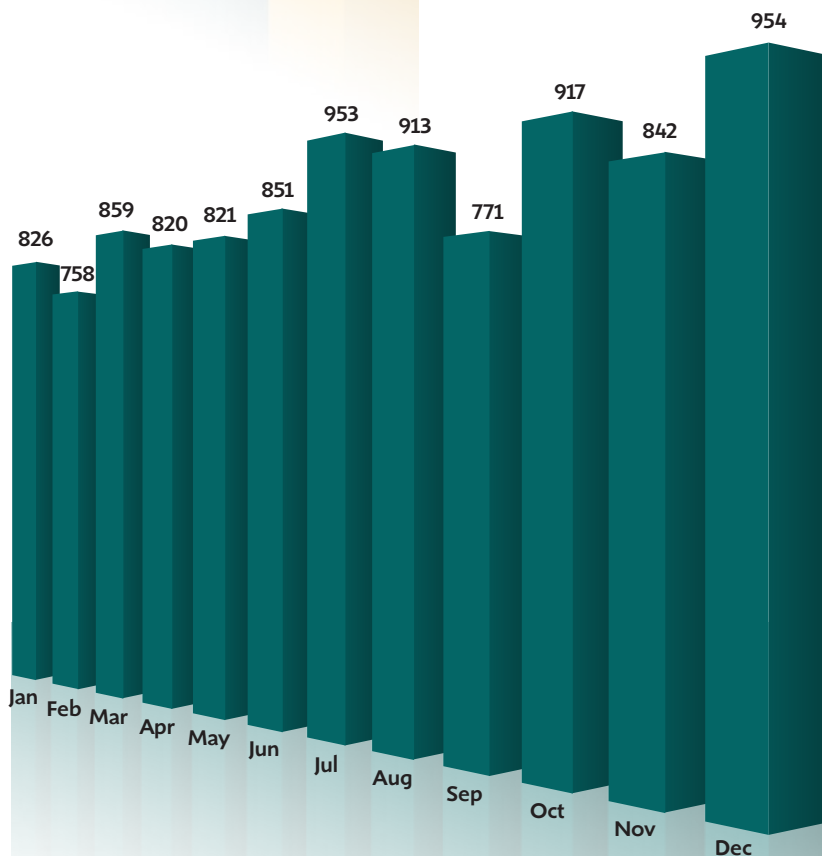
Year	VA (million)	% Change vs YAGO <sup>1</sup>
2003	6.1	-19.0
2004	8.3	35.9
2005	8.9	7.4
2006	9.8	9.0
2007	10.3	5.5

<sup>1</sup>YAGO = Year Ago

## Top 10 Visitor Arrivals Generating Markets (2007)

Country	2007 VA ('000)	% Change vs YAGO <sup>1</sup>
Indonesia	1962	2.1
P R China	1114	7.4
Australia	768	11.1
India	749	13.6
Malaysia	646	1.8
Japan	595	0.0
UK	496	1.5
South Korea	464	2.1
The Philippines	419	8.5
USA	409	2.3

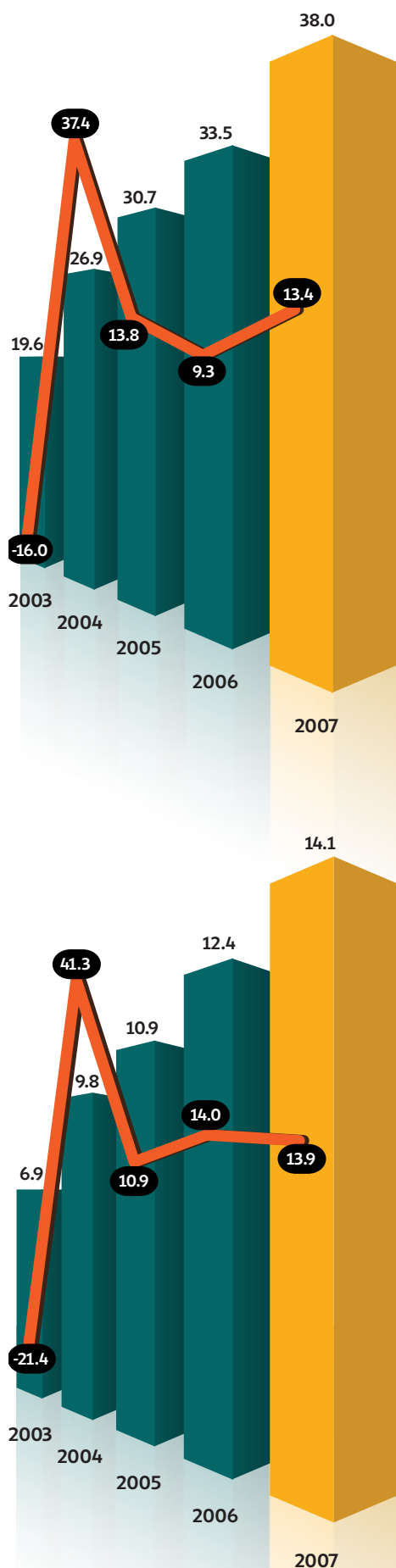
**2007**  
 Visitor Arrivals: 10.3 million  
 % Change vs YAGO: 5.5%



## Visitor Arrivals By Month (2007)

2007	VA ('000)
Jan	826
Feb	758
Mar	859
Apr	820
May	821
Jun	851
Jul	953
Aug	913
Sep	771
Oct	917
Nov	842
Dec	954





### Visitor Days

Year	VD* (million)	% Change vs YAGO <sup>1</sup>
2003	19.6	-16.0
2004	26.9	37.4
2005	30.7	13.8
2006	33.5	9.3
2007	38.0	13.4

\*VD = Visitor Arrivals x Average Length of Stay  
<sup>1</sup>YAGO = Year Ago

**2007**  
 Visitor Days: 38.0 million  
 % Change vs YAGO: 13.4%

### Top 10 Tourism Receipts Generating Markets (2007)

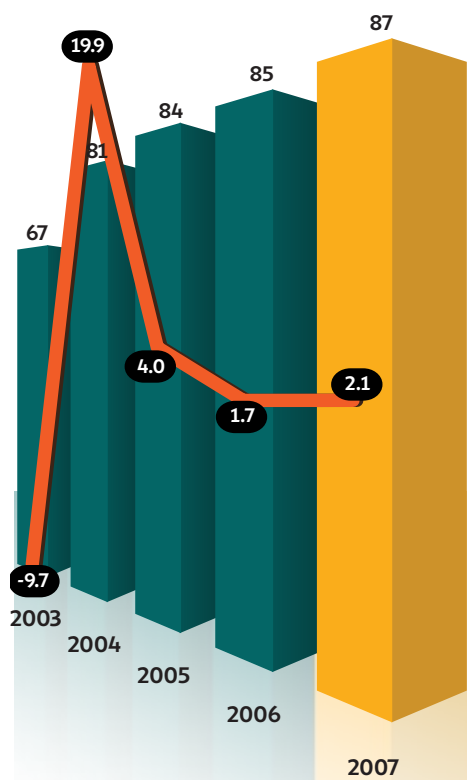
### Tourism Receipts

Year	TR (S\$ billion)	% Change vs YAGO <sup>1</sup>
2003	6.9	-21.4
2004	9.8	41.3
2005	10.9	10.9
2006	12.4	14.0
2007	14.1	13.9

<sup>1</sup>YAGO = Year Ago

Country	2007 TR (S\$ million)	% Change vs YAGO <sup>1</sup>
Indonesia	2452	10.5
P R China	1239	10.8
India	1149	33.1
Australia	936	16.3
Japan	731	-0.5
UK	649	17.4
USA	641	13.5
Malaysia	626	18.2
The Philippines	587	37.7
Thailand	500	13.6

**2007**  
 Tourism Receipts: S\$14.1 billion  
 % Change vs YAGO: 13.9%



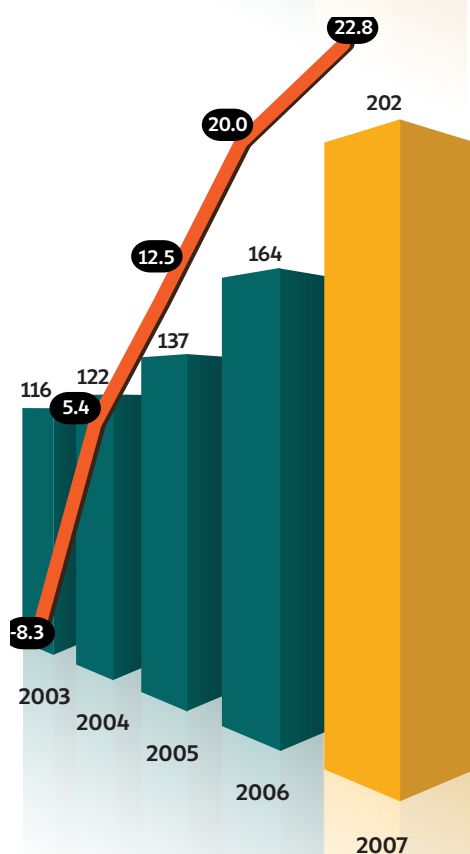
### Hotel Average Occupancy Rate

Year	AOR (%)	% Point Change vs YAGO <sup>1</sup>
2003	67	-9.7
2004	81	19.9
2005	84	4.0
2006	85	1.7
2007	87	2.1

<sup>1</sup>YAGO = Year Ago

## 2007

Hotel Average Occupancy Rate: 87%  
% Point Change vs YAGO: 2.1 % Point



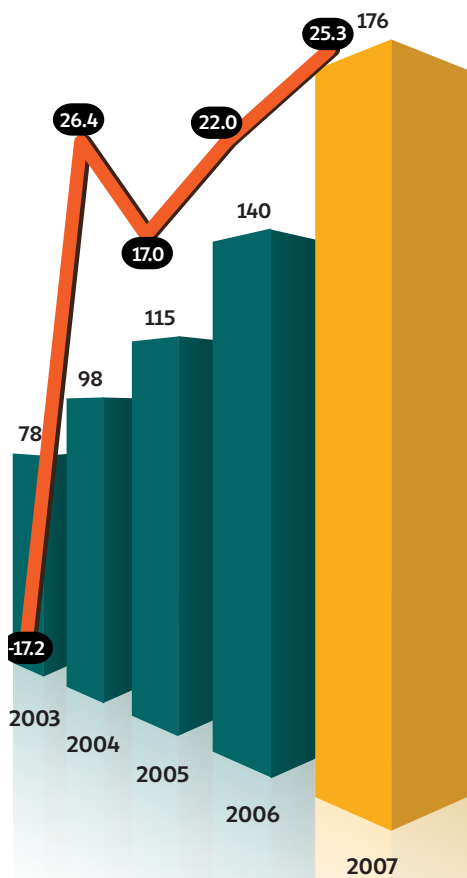
### Hotel Average Room Rate

Year	ARR (S\$)	% Change vs YAGO <sup>1</sup>
2003	116	-8.3
2004	122	5.4
2005	137	12.5
2006	164	20.0
2007	202	22.8

<sup>1</sup>YAGO = Year Ago

## 2007

Hotel Average Room Rate: S\$202  
% Change vs YAGO: 22.8%



### Hotel Revenue Per Available Room

Year	RevPar* (S\$)	% Change vs YAGO <sup>1</sup>
2003	78	-17.2
2004	98	26.4
2005	115	17.0
2006	140	22.0
2007	176	25.3

\*RevPar = Hotel Average Occupancy Rate x Hotel Average Room Rate  
<sup>1</sup>YAGO = Year Ago

## 2007

Hotel Revenue Per Available Room - S\$176  
 % Change vs YAGO - 25.3%

# Key Highlights



# Key Highlights

April 2007



## ITB Berlin Comes To Singapore

Messe Berlin, organiser of the world's largest travel trade show, ITB, and the STB inked a deal that will see Singapore host the show's first-ever Asian Edition annually for three years, starting from 2008.

Singapore was selected to launch ITB Asia based on its track record and proven ability to hold large-scale and major business events, as well as its dynamic and exciting range of leisure options.

ITB Asia will be held from 22 to 24 October 2008, and is expected to draw about 5,000 overseas delegates and over 500 exhibitors from more than 50 countries.



## Breaking New Ground With Resorts World at Sentosa

16 April 2007 marked the beginning of the construction of Resorts World at Sentosa (RWS), one of the two integrated resorts in Singapore.

On track to opening in 2010, RWS will house the region's first Universal Studios theme park, the world's largest oceanarium - Marine Life Park, the exciting Equarius Water Park, and the award-winning wellness sanctuary, Espa. It will also house six hotels, offering 1,800 rooms, and full meeting and conference facilities. RWS is expected to create 30,000 jobs economy-wide.



## Fine Cuisine, Great Wines And Unique Dining Under One Roof

From 9 to 28 April, 22 internationally acclaimed Michelin-stars chefs and culinary celebrities gathered in Singapore to celebrate and showcase their skills at the 11th World Gourmet Summit (WGS).

This signature event has won international accolades such as the US-based International Festivals and Events Association (IFEA), and is an exclusive platform to showcase Singapore's vibrant epicurean culture and lifestyle.

The World Gourmet Summit Awards of Excellence was also held in conjunction with the WGS.

14 Singapore awards and 3 regional awards were given out in recognition of the professionals and talents who contributed to the development of Singapore as a gastronomy hub.



### **Championing The Environment**

Singapore hosted the United Nations Environment Programme's 2007 Champions of the Earth Awards for the second consecutive year.

At the event, inspirational winners from Algeria, Brazil, Jordan, Philippines, Sweden and the United States were lauded for their extraordinary leadership in environment and sustainable development.

Hosted in conjunction with the launch of the Business for the Environment (B4E) Summit, the event brought together global leaders who addressed pressing issues such as global water shortage and the Southeast Asian haze crisis, and shared their strategies and best practices to overcome today's environmental challenges.

# Key Highlights

May 2007



## Formula One™ Roars Into Singapore

Amidst much excitement, Singapore secured the rights to host a Grand Prix race annually for five years beginning in 2008. Singapore's Grand Prix will be the first Formula One™ street race in Asia, as well as the first ever night race in Formula One™ history.

The 2008 FORMULA 1™ SingTel Singapore Grand Prix is expected to attract about 100,000 spectators and generate incremental tourism receipts of about S\$100 million a year. Broadcast to a global audience, the race will also help Singapore gain maximum international exposure.



## Engaging Our Industry Partners

Last year's STB Industry Conference was held on 14 May, as part of STB's continual effort to engage tourism industry partners, as well as seek their views and foster stronger collaboration to further grow Singapore's tourism sector.

With a focus on "Partnering in Growth Opportunities", the one-day conference reflected the critical need for the STB and its industry partners to work closely to ensure sustainable long-term growth of Singapore's tourism sector.

The STB presented a strategic overview of key developments in Singapore's tourism landscape, the growth opportunities and challenges facing the industry, as well as our plans and initiatives up till 2010 when the Integrated Resorts come on stream.

The event was well-received by industry partners, with about 600 representatives from the diverse tourism-related sectors in attendance.



## Global Marketing Blitz For "Pirates of the Caribbean"

To launch the premiere of the movie, "Pirates of the Caribbean: At World's End", the STB and Buena Vista International teamed up in a worldwide marketing blitz involving nine countries Australia, Hong Kong, India, the Philippines, Malaysia, Taiwan, Thailand, Japan, and the United States.

Each country ran contests to tie up with the swashbuckling adventure movie, and the 60 winners each won a 4D3N trip to Singapore that included air tickets, accommodation, and vouchers for them to enjoy various attractions that show the different sides of Singapore.

# Key Highlights

June 2007



## A Feast For The Senses At Singapore Food Festival 2007

The Singapore Food Festival 2007 served up a smorgasbord of gastronomic treats in this month-long event, giving food lovers from all over the world the opportunity to sample the wide variety of Singapore's local food favourites, and partake in the unique culinary events, intriguing food trails and attractive dining promotions island-wide.

Themed "Celebrating Local Food Delights", this year's food festival opened officially with the TIGER Chilli Crab Festival, featuring this Uniquely Singapore crustacean dish and homegrown internationally acclaimed Tiger Beer.



## The Great Singapore Sale Returns With More Offers

Currently in its 14th year, the Great Singapore Sale (GSS) returned with attractive offers, tempting rewards and exciting events. Featuring an eight-week shopathon, shoppers and visitors enjoyed discounts of up to 70% along the central shopping belt of Orchard Road and Marina Bay, as well as shopping precincts in the heartlands.

This year's GSS showcased the spirit of Singapore, with a range of Uniquely Singapore brands, lifestyle products and collectibles that locals and visitors can bring home and treasure.



# Key Highlights

July 2007

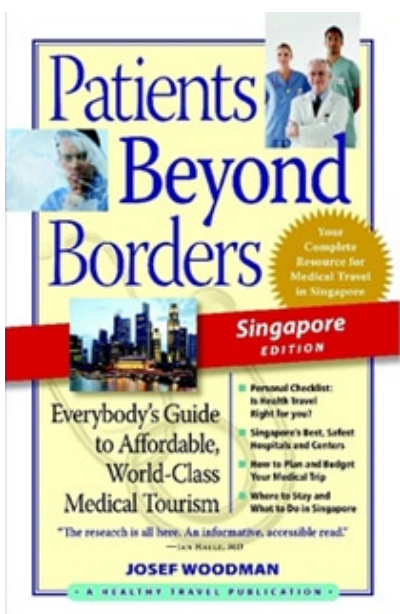


## Hosting Our Largest Corporate Meeting Ever

Singapore hosted its biggest corporate meeting to date during the 2007 Herbalife Asia Pacific Extravaganza from 19 to 22 July.

16,000 executives of the premier nutrition and weight management company, from 14 countries in Asia Pacific, participated in a series of workshops, meetings, seminars and teambuilding activities at the Singapore Expo.

They also attended talks by renowned speakers such as professional motivational speaker Jim Rohn, David Heber M.D. Ph.D, the director of the Center for Human Nutrition at the University of California, Los Angeles (UCLA), and Louis Ignarro, Ph.D, a Nobel Laureate in Medicine and member of the Nutrition and Scientific Advisory Boards at Herbalife.



## Launch of Patients Beyond Borders - Singapore Edition

Voted the "Best Medical/Wellness Tourism Destination" by TravelWeekly (Asia) Industry Awards 2007 in June for the second year running, and the second most desired destination for medical care and treatment after the United States by a Reader's Digest Asian Health Survey across seven Asian cities in 2007, Singapore was the venue for the launch of Patients Beyond Borders Singapore Edition on 23 July.

Written by Josef Woodman and published by Healthy Travel Media, Patients Beyond Borders: Everybody's Guide to Affordable, World-Class Medical Tourism, is a trade paperback offering health travelers all the resources required to make safe, cost-effective decisions about traveling abroad for their healthcare, in Singapore.

# Key Highlights

## August 2007



### Honouring Singapore's MICE Players

Seven winners from the meetings, incentive travel, conventions and exhibitions (MICE) industry, ranging from Professional Conference Organisers, Professional Exhibition Organisers, Destination Management Companies, to exhibition/conference venues, hotels, freight forwarders and other related companies, were announced and honoured at the inaugural Singapore Business Events Awards at the Ritz Carlton Hotel.

Organised by the Singapore Exhibition and Convention Bureau (SECB), a group of the STB, the Awards serve to profile Singapore as a leading destination for business events through showcasing the professionalism and skills of the business events industry.

### Works Begin For Pit Building



To commemorate the start of construction works to the Pit Building for the 2008 FORMULA 1™ SingTel Singapore Grand Prix, Minister for Trade & Industry, Mr Lim Hng Kiang, together with Senior Minister of State for Trade and Industry, Mr S. Iswaran, Deputy Chairman and Chief Executive of the STB, Mr Lim Neo Chian and Mr Ong Beng Seng, gathered at the site along Republic Avenue for a groundbreaking ceremony.

Housing the race control centre, garages for the race teams, as well as the media centre, hospitality lounges and winners' podium, the three-storey building will be the heart of the action during the race on 28 September 2008. It is designed by Architects 61 Pte Ltd.



### Singapore Hosts Asian Leg Of World Cyber Games

120 of Asia's finest gamers from 12 countries battled it out in the World Cyber Games Asian Championship 2007 from 2 to 5 August at Suntec Singapore.

Hosted in Singapore for the second consecutive year, Asia's largest regional cyber gaming tournament was staged with a unique medieval theme adopted from one of the event's official games - War Craft III. Selected matches were broadcast with live commentaries on stage play-by-play, and spectators were treated to an array of activities such as Samsung Guitar Hero 2 Challenge, Xbox Halo3 "Believe", Animax Screening Lounge and Intel Adrenaline Challenge.



### **Weekend Fun In Uniquely Singapore**

Launched on 10 August, Weekend Grooves @ Clarke Quay, a three-day entertainment extravaganza by the Singapore River, marks the first of 52 weekends of the STB's Uniquely Singapore Weekends campaign, which is aimed at positioning Singapore as a top-of-mind weekend destination in the region.

Targeted at seven cities - Bangkok, Chennai, Guangzhou, Hong Kong, Jakarta, Johor Bahru and Kuala Lumpur - the Uniquely Singapore Weekends campaign profiles Singapore as a vibrant and exciting lifestyle destination where visitors can soak in a weekend of fun and revelry.



### **Heating Up Our Shopping Scene With Late Night Shopping Every Saturday**

Since its launch in 2006, the Late Night Shopping initiative has been a resounding success.

To add more buzz and vibrancy along Orchard Road, Singapore's premier shopping belt, Late Night Shopping is now a weekly staple every Saturday.

Besides shopper deals and promotional activities, participating malls have lined up music, magic, cabaret, mime and dance performances to further enhance the entire retail and pedestrian experience.

# Key Highlights

## September 2007



### **In-Principle Approval For 2008 FORMULA 1™ SingTel Singapore Grand Prix Circuit**

With approval granted by the Federation Internationale de l'Automobile (FIA), construction works for the anti-clockwise 5.067km street circuit of the 2008 FORMULA 1™ SingTel Singapore Grand Prix began.

Singapore marked the one-year milestone to the historic night race with a celebratory event at the Esplanade, where Senior Minister of State for Trade and Industry, Mr S. Iswaran, launched the countdown clock on Singapore GP's website, [www.singaporegp.sg](http://www.singaporegp.sg)



### **One City Three Festivals**

Visitors joined Singaporeans in celebrating and experiencing first-hand the vibrant festivities of three ethnic festivals - Deepavali, Hari Raya Aidilfitri and the Mid-Autumn Festival.

A slew of activities, including street light-ups, bazaars, carnivals, performances, and unique walking tours in the various ethnic districts were organised to give visitors a deeper insight into Singapore's multicultural landscape.

# Key Highlights

## October 2007



### Multi-Million Boost To Gear Up Tourism Industry

The Singapore Workforce Development Agency and the STB, together with the Ministry of Manpower and SPRING jointly launched the TOURism TALent (TOTAL) Plan, a \$360 million initiative to train 74,000 tourism workers by 2010.

Driven by new tourism investments in Singapore, there will be a spike in demand for skilled tourism workers with service skills. Some 60,000 tourism jobs are also expected to be created.

The holistic three-pronged TOTAL Plan comprises Continuing Education and Training for adult workers, Pre-Employment Training for students and Industry Development to attract local workers to take up tourism jobs.



### Globalisation Of The Largest Meetings Industry Community

Meeting Professionals International (MPI), the global meetings industry community, opened its first Asia-Pacific office in Singapore to complement its worldwide presence in its headquarters in the United States, as well as offices in Canada, Luxembourg, Middle-East and Africa.

The Singapore office will enhance MPI's community connections in the regional MICE industry, and also boost Singapore's goal to become the key knowledge exchange capital of Asia.



### New Medical Center Opens In Novena

Developed by Far East Organization, the Novena Medical Center is the first collaboration between a private-sector property developer and various public and private sector hospitals in Singapore.

Through its partnerships with Raffles Hospital, Mount Alvernia Hospital and Tan Tock Seng Hospital, the S\$257 million Novena Medical Center offers a wider choice of quality healthcare services, resources, infrastructure and facilities to better serve the needs and preferences of different patient segments both in Singapore and the region.



### **Enhancing The Orchard Road Experience For Shoppers**

A S\$40 million rejuvenation of Orchard Road, Singapore's premier shopping street, will see the addition of state-of-the-art lighting highlighting its lush tree-lined boulevard, new creative spaces for staging events and a more integrated and engaging pedestrian mall, all designed to create an improved experience for visitors to Orchard Road.

More retail concepts will also be available with the completion of three new malls - ION Orchard, Somerset Central and Orchard Central - while older venues such as Hotel Phoenix and Specialist Shopping Centre are slated for redevelopment.

New international brands like Frank Muller, Jimmy Choo, Richard Mille and Van Cleef & Arpels, as well as new initiatives such as the weekly Late Night Shopping will also inject new vibrancy to the retail scene along Orchard Road.



### **Reality TV Hits Singapore With The Contender Asia**

Reality television fever came to Singapore with the shooting of *The Contender Asia*, an unscripted drama about the lives, fears and hopes of 16 professional Muay Thai fighters vying for the champion title and US\$250,000.

Made for the global market, this reality series is the latest project supported by the Film in Singapore! Scheme, which aims to increase the global audience's recall of Singapore as a choice destination by encouraging leading filmmakers and television producers to film and produce quality movies and television programmes in Singapore.

Produced by Imagine OmniMedia, Mark Burnett Productions and DreamWorks SKG, the series showcases prominent Singaporean landmarks such as the Esplanade, Sentosa, Raffles Hotel, The Fullerton Hotel, the Singapore River and the city's gorgeous skyline.

Other projects under the Film in Singapore! Scheme last year include *Dance of the Dragon*, *Que Sera Sera*, *Gone Shopping* and *War of Angels*.

# Key Highlights

November 2007



## Christmas In the Tropics Lights Up Orchard Road With A Fairytale Touch

The magical extravaganza 'Christmas in the Tropics' returned to Singapore with a host of exciting events including festive performances, entertainment events, shopping specials, concerts and dance parties, as well as the popular brilliant display of lights at Orchard Road and Marina Bay.

Themed "A Fairytale Christmas", the Christmas Light-up transformed downtown Singapore into a bewitching Crystal Forest decked with magnificent chandeliers, magic harps, glittering jewels, dazzling lights and a magical carousel.



## Singapore To Be Stopover City for the Prestigious Volvo Ocean Race 2008-2009

Dubbed the Formula One of the seas, this top competitive yachting race will dock at OneDegree 15 Marina Club in Sentosa during its stopover in Singapore, where both locals and visitors will get a rare chance to see the impressive 70-foot racing crafts. The race village on Sentosa will also be a hive of activity, with many festivities planned for the duration of the stopover.

Apart from being a leisure event that will increase Singapore's international profile as a premier tourism and lifestyle destination, the Volvo Ocean Race stopover in Singapore will also bring with it many business networking opportunities.



### **Bringing Nature To Life At Mandai**

The STB unveiled plans to develop a cluster of attractions at Mandai to transform it into one of Asia's top nature destinations, and to cater to an increasing number of tourists keen to commune with nature, visit natural habitats and see wildlife.

The precinct is currently anchored by internationally recognised attractions like the Zoo and Night Safari, and the STB will soon be calling a Request for Proposal (RFP) to turn Mandai into a nature-themed cluster.

Some possible offerings under the RFP include a third gated animal-themed attraction and a fourth cluster of mixed-use concepts, including high quality boutique accommodation, attractions and lifestyle offerings such as luxurious retreats or spa treatments nestled in the tropical jungle.

Incorporating a strong educational and interactive component with family entertainment value and developed with an approach sensitive to the natural surroundings, the new Mandai precinct could attract visitors to spend a whole day or more just in Mandai.



### **STB Joins Hands With Girl Guides For Project Postcard**

For its fifth run of Project Postcard, the STB collaborated with Girl Guides Singapore (GSS) to launch Project Postcard as part of the GSS World Thinking Day Celebrations and promote Singapore as an attractive destination.

Over 500 Brownies, Girl Guides, staff and volunteers penned their greetings and invitations to other members of the World Association of Girl Guides and Girl Scouts, helping to spread the word about the uniqueness of Singapore.

Themed "My City. My Life", the postcards depict the blend of old and new buildings that make up our city's distinctive landscape, festive lion dance as well as grand fireworks displays over the city skyline.



### **Showcasing Singapore To The World**

Together with 21 other Singapore partners, including hotel and tour operators, the STB participated in the World Travel Market (WTM) held in Excel, London, from 12 to 15 November.

The key message that the STB delivered to international buyers, sellers and consumers present at the show is that Singapore is a must-visit destination given its continual transformation into a vibrant and exciting destination in 2008 and beyond.

Products that were featured include the 2008 FORMULA 1™ SingTel Singapore Grand Prix and the Singapore Flyer, as well as other new leisure offerings.



# Key Highlights

## December 2007



### Singapore Welcomes 10 Millionth Visitor

Mr Sanjeev Bhandari from Hyderabad, India, received a warm welcome from the STB as the 10 millionth visitor to arrive in Singapore in 2007.

His arrival marked a new tourism record, surpassing 2006's arrivals of 9.7 million visitors and continuing the upward trend of uninterrupted year-on-year growth for 48 months from March 2004 to March 2008.



### Easy Travel With The Singapore Tourist Pass

The Land Transport Authority and the STB launched the Singapore Tourist Pass (STP) to enhance visitors' experience when commuting on Singapore's public transport system.

It offers tourists unlimited rides on Singapore's public transport system with the option of a 1-Day, 2-Day or 3-Day pass for just S\$8 per day.

With the STP, travelling on Singapore's Mass Rapid Transit (MRT), Light Rapid Transit (LRT) and basic bus services is now a more cost-effective and convenient way for tourists to explore Singapore and enjoy the best the city has to offer.



### Rhapsody of the Seas Cruises Into Singapore

Royal Caribbean International, one of America's and Europe's biggest cruise operators, made its Asia-Pacific debut with the arrival of "Rhapsody of the Seas" in Singapore in December.

With a capacity of over 2,400 passengers and 78,000 tonnes, and 11 decks, the 'Rhapsody' is the biggest and tallest ship to homeport in Asia. Singapore is the homeport for the Asia programme of the 'Rhapsody of the Seas', and will also be Royal Caribbean International's headquarters.

This move demonstrates the potential that Singapore has as a cruise hub, and the confidence that cruise operators have in Singapore and the region.



### **Singapore Visitor Centre Goes Mobile**

On 4 December, visitors to Singapore seeking information to enhance their stay dropped by the new mobile Singapore Visitors Centre (SVC) along the pedestrian walkway in front of Ngee Ann City Civic Plaza.

Spacious and strikingly dressed in the signature red and Peranakan motifs of the Uniquely Singapore brand, this new mobile SVC is aimed at enhancing the visitor experience as it can be more easily deployed to strategic locations and events where pedestrian traffic is high, thereby making information and service channels more easily accessible.



### **Singapore Parties On With ZoukOut 2007**

Over 20,000 revellers descended on Siloso Beach in Sentosa for ZoukOut, Singapore's definitive annual dance festival.

A Uniquely Singapore signature event that has grown in strength from year to year, ZoukOut has garnered a strong local and international fan base, attracting increasing numbers of overseas revellers who travel here specifically to attend the event.

This is testament of the event's standing in the global music and entertainment scene, with ZoukOut providing an unmistakable boost for Singapore's reputation as a leading entertainment capital in Asia.

# Key Highlights

## January 2008



### All Revved Up At Tourism Industry Night 2008

The STB welcomed 2008 on a jubilant note with its annual dinner event - Tourism Industry Night.

This year's theme, All Revved Up, conveyed the exciting year ahead and the energy, momentum and vibrancy of our tourism industry today.

About 500 people representing the tourism industry and the media attended the event. They were entertained by games and activities that highlight key upcoming tourism products such as the 2008 FORMULA 1™ SingTel Singapore Grand Prix, the Integrated Resorts and the Singapore Flyer.

The STB also announced its 2008 tourism targets of 10.8 million visitor arrivals and \$15.5 billion tourism receipts.



### Celebrating the Homecoming Of The Uniquely Singapore Clipper

Singapore welcomed the homecoming of the Uniquely Singapore Clipper and the Clipper 07-08 Round the World Yacht Race with a grand ceremony at Keppel Bay on 19 January.

The Clipper Round the World Yacht Race is an excellent platform to showcase the Uniquely Singapore brand to the world and to promote Singapore globally as a "must-visit" destination through the Uniquely Singapore yacht and its crew.

This year's Uniquely Singapore crew is helmed by Skipper Mark Preedy and an ASEAN contingent in celebration of ASEAN's 40th Anniversary.



### **Chun Jie 2008**

The annual Chun Jie, or Spring Festival, celebrations saw the streets of Chinatown resplendent with colourful and themed decorative lights while its side streets were transformed into a bustling hive of bazaars and performances.

The jubilant atmosphere culminated in a countdown party on the eve of the Chinese New Year with stage performances, fireworks and firecrackers.

Complementing the Chinatown Chinese New Year Celebrations were the waterfront festivities of the Singapore River Hong Bao at Esplanade Park, with lit displays of Chinese mythical characters, fireworks, nightly cultural performances, and traditional cuisine and handicrafts.

Rounding off the celebrations was the annual Chingay Parade of DreamS at Marina Bay, featuring stunning floats, crowd-pleasing performances, and a post-parade late-night street party.



### **SingaporeMedicine Tours The World**

Held in Dubai from 28 to 31 January, Arab Health 2008 is the largest annual healthcare exhibition in the Middle East.

With 2,200 exhibitors and 30,000 delegates from 70 countries, it offers a good platform to promote Singapore's quality medical facilities and services.

SingaporeMedicine was also the sponsor for various conferences at Arab Health 2008, in areas such as Global Healthcare Marketing, Surgery, Middle East Urology and Paediatrics, and featured speakers from major Singapore healthcare groups such as Parkway Health, Singapore Health Services, and the National Healthcare Group.

As part of our efforts to promote Singapore's healthcare services, SingaporeMedicine also participates in other overseas tradeshows, such as the 4th World Health Care Congress in the United States, Ukraine International Travel and Tourism Exhibition in Ukraine, Medical Travel World Conference in Malaysia, and the International Medical Travel Conference 2007 in the Philippines.

# Key Highlights

## February 2008



### Singapore Airshow 2008

The inaugural Singapore Airshow, Asia's largest aerospace and defence event, is a joint venture between the Civil Aviation Authority of Singapore and the Defence Science & Technology Agency.

With a premier line-up of industry conferences and highlights such as an aerial display by the Australian and Singapore Air Forces, exhibition of rarely displayed aircrafts, and simulator rides, the Singapore Airshow attracted over 120,000 public and trade visitors over its six-day run.

59 of the world's top aviation companies participated in the show, while deals in excess of US\$13 billion were announced and 41 investment agreements, totalling more than US\$2.5 billion, were signed, including the establishment of maintenance, repair and overhaul facilities.

Photo credits - Singapore Airshow & Event Pte Ltd.



### Singapore Wins Bid To Host First Ever Youth Olympic Games

Singapore beat co-finalist Moscow in a race to host the inaugural Youth Olympic Games (YOG).

To be held in August 2010, the 12-day event is expected to draw 3,500 athletes, aged between 14 and 18 years, who will compete in 26 sporting categories. Approximately 15,000 overseas participants are expected, including athletes, officials, spectators and media.

Through the YOG, Singapore will enjoy international media spotlight and be able to showcase the exciting tourism developments and attractions to be launched before and in the same year, such as the two integrated resorts, The Marina Bay Sands™ and Resorts World at Sentosa; the first phase of Gardens by the Bay at Marina South; the Marina Bay Financial Centre, and a refurbished Orchard Road.



### **Singapore River Undergoes Transformation**

The Singapore River is set to undergo transformation into a more compelling 24-hour lifestyle and entertainment waterfront precinct.

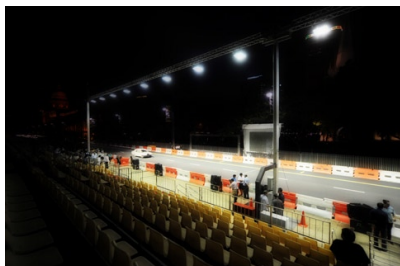
First in the pipeline are a series of infrastructural developments, including new ambient and programmable light fittings, and enhanced signage and attractive information storyboards that will accentuate the historic district's unique features and distinctive charm by night.

New events, such as the Singapore River Festival (SRF), will further complement these infrastructural improvements.

Envisioned as an annual highlight, the SRF will feature activities at the various quays, including a mega concert on the river with international artistes, a river float parade, outdoor parties, arts exhibitions and food & beverage promotions.

# Key Highlights

## March 2008



### Lighting Up For Formula One™

Senior Minister of State for Trade and Industry, Mr S. Iswaran, key officials from race promoter Singapore GP Pte Ltd and the STB witnessed the first demonstration of the lighting system to be used by the world's first Formula One™ night race, the 2008 FORMULA 1™ SingTel Singapore Grand Prix.

16 lighting projectors were set up and switched on along a 64-metre stretch of St Andrew's Road in front of the Padang to allow for tests and public viewing.

Designed and implemented by lighting consultant Valerio Maioli S.p.A., the entire bespoke lighting system consists of nearly 1,500 lighting projectors powered by 12 twin-power generators, which will enable the race track to be lit almost four times brighter than a typical stadium.



### Growing Our Cruise Capacity

The STB announced at the Seatrade Cruise Shipping Convention 2008 in Miami, USA, that Singapore's international cruise infrastructure will double in capacity to four berths by 2010, when the new International Cruise Terminal at Marina South becomes operational.

The two new berths will complement the current ones at the Singapore Cruise Centre at HarbourFront, and be able to accommodate the largest cruise ships both currently in service, as well as those in production.

The new International Cruise Terminal, together with the current Singapore Cruise Centre, will significantly increase Singapore's cruise passenger handling capacity and help to meet Singapore's target of achieving 1.6 million cruise passengers by 2015.

**\*\*Image is an artist's impression, subject to change\*\***



### **Celebrating Singapore's Best In The Education Industry**

17 exemplary individuals and organisations were honoured for their contributions to the education services industry at the 2008 Singapore Education Awards presentation ceremony, organised by the STB.

This year's awards included three expanded categories - Best Media Coverage for Singapore Education (both Print and Broadcast), Best International Marketing Effort (both Public Educational Institution and Private Educational Institution) and Best Host for International Students Studying in Singapore (both Hostels and Schools) - which led to a four-fold increase in nominations this year to over 1,300.



### **Visitors Turn Celebrities Through the Travelpod**

The STB celebrated the launch of its Global Brand Media Campaign with an invitation to visitors to share their interpretation of what makes Singapore unique at the mobile video booth, dubbed the "Travelpod".

Through these visitors, the STB hopes to lend a greater sense of street-credibility, relevance and appeal of the Uniquely Singapore brand. An extension of the Beyond Words campaign, this new campaign will further establish the Uniquely Singapore brand globally.

The STB will also be partnering British Broadcasting Corporation and the National Geographic Channel to promote this campaign globally through their online and television platforms.



### **Uniquely Singapore Booth Wins Prestigious Award At ITB Berlin**

The STB won three prestigious awards, among them the Third Best Exhibitor Booth award for the Uniquely Singapore Pavilion at ITB Berlin 2008, one of the world's leading travel trade shows.

STB's pavilion design - "The Layered Journey" - was developed in 2007, in line with a global initiative to take a centralised concept approach for the Uniquely Singapore booths at the major tradeshow that the STB participates in.

The new design showcases Singapore's harmonious blend of nature and city, and mimics a visitor's journey of discovery in the country, from garden city, to the unique variety of products, experiences, energy and buzz nestled within.

This same design concept was also featured at other major tradeshow such as the China International Travel Mart 2007, World Travel Mart 2007, Travex 2008 and Asia Pacific Incentive & Meetings Expo 2008. Held from 5 to 9 March 2008, ITB Berlin attracted 11,000 exhibitors and 180,000 visitors.





### **Singapore Education Reaches Out To A Global Audience**

The largest annual education fair in China, this year's China International Education Exhibition Tour (CIEET) was held across four cities such as Beijing (1 to 2 March), Shanghai (8 to 9 March), Changsha (11 to 12 March) and Guangzhou (15 to 16 March).

Organised by the Chinese Service Center for Scholarly Exchange (CSCSE) under the People's Republic of China Ministry of Education, CIEET is one of the most trusted and important education fairs in China and attracted more than 30 participating countries this year.

At this event, the STB showcased a Singapore Education Pavilion, featuring 16 educational institutions and the various quality educational programmes in Singapore, and reached out to over 1,000 visitors.

Cluster branding in disciplines such as Tourism and Hospitality, as well as Arts, Design and New Media was introduced in the four Chinese cities, while the seminar sessions conducted by the STB at the fairs received overwhelming response.

The STB also regularly organises missions and participates in international education roadshows to further promote Singapore Education overseas.

In 2007, the STB mounted seven missions and 19 roadshows in 19 cities worldwide, in countries like China, India, Indonesia, Malaysia, Thailand and Vietnam, amongst others.

# Awards and Accolades



# Awards and Accolades

- Singapore Tourism Board**
- *Gold Award for Marketing Campaign – Primary Government/Destination* for the “Uniquely Singapore” brand, conferred by the Pacific Asia Travel Association (PATA)
  - *Best Tourism Branding* for the “Uniquely Singapore” brand at the inaugural TravelWeekly (Asia) Industry Awards 2007.
- Singapore as a Destination**
- *Top in Travel and Tourism Regulatory Framework and Top in Policy Rules & Regulations* in the Travel and Tourism Competitiveness Index awarded by World Economic Forum.
  - *Top Convention City in Asia and Third Top Convention City in the World* awarded by the International Congress and Convention Association Global Rankings. (Singapore was the Top Convention City in Asia for the ninth time.)
  - *Top International Meeting City, and Asia’s Top Country and City for Meetings* awarded by the Union of International Associations. (Singapore was *Asia’s Top City for Meetings* for 24 consecutive years.)
  - *Best Overall City for MICE Experience and Facilities and Best Convention Bureau/National Tourist Office* in the Annual Industry Survey Readers’ Choice Awards awarded by CEI Asia Pacific.
  - *Best Business City in the World* for the 9th consecutive time in the 2007 reader’s poll conducted by the Business Traveller Asia-Pacific magazine.
  - *Best BTMICE City in Asia Pacific* at the 18th Annual TTG Travel Awards 2007.
  - *Best Destination (MICE), Best Tourism Branding for “Uniquely Singapore” brand, and Marketing Team of the Year (Destination)* in the 2007 TravelWeeklyChina Industry Awards.
  - *Best Medical/Wellness Tourism Destination* at the inaugural TravelWeekly (Asia) Industry Awards 2007
  - *Best Travel Destination - International* at the CNBC Awaaz Travel Awards 2007
  - *Top Destination for Family Tour* at the World Traveller Awards 2007 by the World Traveller magazine

## Tourism Industry Partners

- The Singapore Zoo was listed as *One of the World's Best Zoos* by FORBES TRAVELER.COM 2007
- Zouk was ranked 10th among the *Top 50 Clubs in the World*, and the *Highest Ranking Club in Australia and Asia*, as voted by international DJs in the DJ Mag
- Local restaurants voted among the *World's Top 100 Eateries by prestigious British magazine Restaurant*. Iggy's came in 60th, Les Amis 83rd and My Humble House 94th; Singapore is the only country in Southeast Asia to make the list, which has been published since 2002.
- Our industry partners won the following 8 awards at the 18th Annual TTG Travel Awards 2007:
  - *Best Regional Airline* awarded to SilkAir;
  - *Best Luxury Hotel* awarded to Raffles Hotel Singapore;
  - *Best City Hotel* awarded to Royal Plaza on Scotts, Singapore;
  - *Best Business Hotel* awarded to The Ritz-Carlton, Millenia Singapore;
  - *Best Convention & Exhibition Centre* awarded to Suntec Singapore International Convention & Exhibition Centre;
  - *Best Travel Agency – Singapore* awarded to Hong Thai Travel Services
  - Singapore Airlines and Singapore Changi Airport were also recognised in the *Travel Hall of Fame*, and inducted since 2002.
- Six awards in the 2007 World Travel Awards, including:
  - *World's Leading Airport and Asia's Leading Airport* awarded to Singapore Changi Airport;
  - *Asia's Leading First Class Airline* awarded to Singapore Airlines;
  - *World's Leading Business Hotel and Asia's Leading Business Hotel* awarded to Pan Pacific Singapore;
  - *Asia's Leading Conference Centre* awarded to Suntec Singapore International Conference & Exhibition Centre

# Corporate Governance Report



# Corporate Governance Report

## Board Matters

### Responsibilities of the Board

The Board oversees and monitors organisational performance and the achievement of the STB's strategic goals and objectives. It assumes the responsibility of reviewing and approving corporate strategies, budgets and financial plans.

### Board Composition and Membership

The Board currently comprises 12 Directors. The size and composition of the Board are reviewed from time to time by the Governance Sub-Committee, which seeks to ensure that the size of the Board is conducive to effective discussion and decision-making. The process for the appointment of Directors to the Board is kept formal and transparent, as this is critical to the role that corporate governance plays. Review of Directors' membership on the Board is done on an annual basis.

There is a strong independent element on the Board, which exercises objective judgment on the STB's corporate affairs. This is to ensure that there are checks and balances instituted. Independent Directors make up at least one-third of the Board. Mr Lim Neo Chian, the STB's Deputy Chairman and Chief Executive, is the only non-independent Director. A Director's independence is re-assessed at the point of each re-appointment

### **Conduct of Board Affairs**

The Board approves financial transactions above a certain financial limit. A regular review of the financial authorisation and approval limits is performed to ensure it is kept up-to-date and relevant.

During the financial year, the Directors were requested to complete a Board Evaluation Questionnaire as part of the process adopted to assess the overall effectiveness of the Board.

Under the year in review, there were a total of six scheduled Board meetings and a one-day Board Strategy Workshop, held at an off-site venue to discuss key strategic issues that will impact the achievement of Tourism 2015 targets. A record of the Directors' attendance at Board meetings during the financial year which ended on 31 March 2008 is set out in Table 1.

Board Members are given access to the STB's records and information, senior management, or any other staff of the agency, as is necessary for them to effectively discharge their responsibilities and to deliberate meaningfully on issues raised at Board meetings.

The following Board Committees assist the Board in executing its duties:

- Finance and Investment Committee
- Audit Committee
- Governance Committee
- Human Resource Management Committee

A record of each Director's Board Committee memberships and attendance at Board Committee meetings during the financial year which ended on 31 March 2008 is set out in Table 2.

Table 1: Directors' Attendance at Board Meetings

Name of Director	Scheduled Board Meetings		Board Strategy Workshop	
	Number Held	Number Attended	Number Held	Number Attended
Mr Simon Israel	6	6	1	1
Mr Lim Neo Chian	6	6	1	1
Mr Liak Teng Lit*	4	4	1	1
Mr Scott Blume	6	5	1	1
Ms Chong Siak Ching	6	4	1	1
Mr Lucas Chow Wing Keung#	1	1	0	0
Mr Philip Antony Jeyaretnam	6	3	1	1
Mr Frank Wong Kwong Shing#	1	0	0	0
Mdm Kay Kuok Oon Kwong	6	5	1	1
Mr Anthony Davis	6	5	1	1
Mr Steven Lim	6	6	1	1
Mr Tang Tuck Weng	6	5	1	1
Mr Aubeck Kam^	5	4	1	1
Mr Patrick Pitcher^	5	4	1	1
Mr Benson Puah+	2	2	1	1

\* Directors who retired from the Board with effect from 31 December 2007 were scheduled to attend four Board meetings, and the Board Strategy Workshop which was held on 6 December 2007.

# Directors who retired from the Board with effect from 29 June 2007 were scheduled to attend one Board meeting prior to retirement.

^ Newly-appointed Directors to the Board with effect from 30 June 2007 were scheduled to attend five Board meetings, and the Board Strategy Workshop.

+ Newly-appointed Directors to the Board with effect from 1 January 2008 were scheduled to attend two Board meetings. Mr Benson Puah was also invited to attend the Board Strategy Workshop on 6 December 2007.



Table 2: Directors' Board Committee Memberships and Attendance at Board Committee Meetings

Name of Director	Finance and Investment Committee Meetings		Audit Committee Meetings		Governance Committee Meetings		Human Resource Management Committee Meetings	
	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended
Mr Simon Israel							2	2
Mr Lim Neo Chian	6	6						
Mr Liak Teng Lit*			3	2				
Mr Scott Blume					1	1		
Ms Chong Siak Ching	6	6						
Mr Lucas Chow Wing Keung#					1	1		
Mr Philip Antony Jeyaretnam					1	1		
Mr Frank Wong Kwong Shing#							2	0
Mdm Kay Kuok Oon Kwong	6	4						
Mr Anthony Davis							2	2
Mr Steven Lim			3	3				
Mr Tang Tuck Weng			3	3				
Mr Aubeck Kam^					1	0		
Mr Patrick Pitcher^			3	1				
Mr Benson Puah+							2	0

\* Directors who retired from the Board with effect from 31 December 2007

# Directors who retired from the Board with effect from 29 June 2007.

^ Newly-appointed Directors to the Board with effect from 30 June 2007.

+ Newly-appointed Directors to the Board with effect from 1 January 2008.

# Corporate Governance Report

## Board Matters

### Audit Committee

The Audit Committee (AC) comprises three independent and non-executive Board members. It is mandatory that at least two members of the AC have the requisite accounting or related financial management expertise and experience to discharge their responsibilities and duties.

During the financial year, a total of three meetings were convened for the AC. The responsibilities of the AC are stated in the terms of reference which include ensuring the adequacy of internal controls; reviewing the audit plans, audit reports and the audited STB Accounts for the financial year.

The AC has the explicit authority to investigate any matter within its terms of reference and have full access to, and co-operation of, the Management. It has direct access to the Internal Audit and the external auditors and also full discretion to invite any Board member or Management staff to attend its meetings. In addition, the AC has met both the external auditors and staff of Internal Audit without the presence of Management, during the financial year. For the proper discharge of its function and duties, reasonable resources have been made available to the AC.

### Internal Controls

The Board has ensured that the Management maintains a sound system of internal controls to safeguard the interests of stakeholders and the assets of the STB. The AC has ensured that a review of the effectiveness of the STB's internal controls, including financial, operational and compliance controls, and risk management, is conducted annually through the various audits and related reports issued by the Internal Audit and discussed at the meetings of the AC. In certain projects or areas where independent expertise is specially required in connection with the review of controls, external professionals and service providers have been appointed accordingly.

### **External Audit**

During the financial year-end statutory audit, the external auditors carried out a review of the significant internal controls that was determined materially by the purpose of the audit and the scope of works under the audit plan. Any material non-compliance and/or internal control weaknesses, together with the external auditors' recommendations to address them, were made known to the AC.

To maintain the independence of the external auditors, the AC reviewed the scope and results of the external audit including the volume of non-audit services, if any, duly performed by them.

### **Internal Audit**

The Internal Audit reports to the AC functionally and to the Chief Executive administratively. The Internal Audit currently observes the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The adequacy of funding and staffing of the Internal Audit and its appropriate standing within the STB have been ensured by the AC.

The Internal Audit adopts risk-based auditing as its best audit and advisory practice. It enables various regional offices, major process-owners and policy-makers of the STB in providing reasonable assurance on the effectiveness of control and governance processes in managing risks and achieving objectives.

### **Finance and Investment Committee**

The Finance and Investment Committee comprises three Board members. Its responsibilities are broadly categorised into three areas: Finance, Fund Management and Risk Advisory.

For Finance matters, it endorses the STB Workplans and Budget for the new financial year and mid-year review before submission to the STB Board for approval. The Committee also approves tenders, expenditures and proposed changes to the STB Financial Regulations.

As for Fund Management, it approves and reviews the STB's investment policy and strategies for surplus funds available for financial investments, approves appointment of external fund manager(s) and reviews their performance, ensures that financial investments are conducted in compliance with statutory legislation and government directives and furnishes an investment report to the Board on a semi-annual basis.

As for Risk Advisory, it performs the risk advisory role for projects above S\$1 million through provision of input and opinion on the risk assessment and risk response measures put forth by the STB and elevates any critical project risk issues to the attention of the Board.

### **Governance Committee**

The Governance Committee comprises three independent and non-executive Board members.

The responsibility of the Committee is to ensure effectiveness of the Board and the Board Committees.

During the financial year, the Committee met once to review the size and composition of the Board, and ensure that it has the appropriate balance of skills and experience against the strategic issues and challenges facing STB. The Committee recommended the retirement of three Board members in April 2007, and the appointment of their replacements by June 2007.

### **Human Resource Management Committee**

The Human Resource Management Committee comprises three Board members.

The Human Resource Management Committee's responsibilities include reviewing the management development and succession plan for key senior managers; analysing the compensation policies and structures for senior management to ensure they are competitive with the appropriate benchmarks; evaluating the performance of key senior managers; approving the promotion of officers into and within management grades; reviewing and approving recommendations on disciplinary matters affecting officer of Management Grades and considering and approving any staff matters related to officers on Management Grades which would be referred to the Committee from time to time.

# Board of Directors



## Board of Directors

### Mr Simon Israel

Appointed to the Board since 1 January 2005 as Chairman of the STB.

He was formerly Head (Household and Personal Care) Asia Pacific with Sara Lee Corporation from 1993 to 1996. From 1996 to early 2006, Mr Israel was Chairman Asia Pacific for Group Danone. He is also a Director of Singapore Telecommunications Limited Limited, Neptune Orient Lines Limited, Fraser & Neave Limited and Chairman of Asia Pacific Breweries Limited and Asia Pacific Breweries Foundation.

### Mr Lim Neo Chian

Appointed to the Board since 1 October 2002 as Deputy Chairman of the STB.

Mr Lim is the Deputy Chairman and Chief Executive of the STB. He was formerly the Chief of Army from 1992 to 1995 and later joined JTC Corporation as Chief Executive Officer from 1995 to 1998 and was its Chairman from 1998 to 2003. He was also Chief Executive Officer of the China-Singapore Suzhou Industrial Park Development Co Ltd from 1998 to 2000. Mr Lim sits on several boards including Sentosa Development Corporation, National Arts Council and is a member of the Air Traffic Rights Committee.

### Mr Scott Blume

Appointed to the Board since 30 June 2005.

Mr Blume is the Chief Executive Officer of ZUJI Pte Ltd and President of Travelocity Asia Pacific. Mr Blume has accumulated more than 30 years experience in business management in the leisure, corporate and online travel industry for listed and privately held companies. He has in-depth experience in the area of travel commerce in Asia Pacific, covering areas such as online travel, corporate travel, MICE and the traditional bricks and mortar travel chains. Prior to joining ZUJI, Asia Pacific's leading online travel company, he was Managing Director of Australian-listed company ITG Limited (formerly known as Internet Travel Group).

### Ms Chong Siak Ching

Appointed to the Board since 30 June 2005.

Ms Chong is the President and Chief Executive Officer of Ascendas Pte Ltd. She was formerly the Deputy Chief Executive Officer for Jurong Town Corporation. Ms Chong sits on the Board of Ascendas Pte Ltd and its subsidiaries, as well as Spring Singapore, as its Deputy Chairman. Ms Chong is also one of three Singapore representatives to the APEC Business Advisory Council.

### Mr Philip Antony Jeyaretnam

Appointed to the Board since 30 June 2005.

Mr Jeyaretnam is a Senior Counsel and the Immediate Past President of the Law Society of Singapore and a Partner in the law firm of Rodyk & Davidson LLP. He is also the Chairman and Director of Practice Performing Arts Centre Ltd and a Council Member of the National Arts Council.

**Mr Tony Davis**

Appointed to the Board since 1 January 2007.

Mr Davis is the President and Group Chief Executive Officer of Tiger Aviation, the holding company of Tiger Airways. Since his appointment with Tiger Airways in 2005, the airline has expanded to over 28 destinations in ten countries including the establishment of Tiger Airways Australia. He was also formerly the founding Managing Director of bmibaby, the successful British low cost carrier. Mr Davis has over 20 years experience in the airline industry, formulating and implementing international airline strategies, as well as representing airlines in negotiations with government and regulatory agencies globally.

**Mdm Kay Kuok Oon Kwong**

Appointed to the Board since 1 January 2007.

Mdm Kuok is currently the Executive Chairman of Shangri-La Hotel Limited, Singapore, a post she has held since 2000. She also holds directorships with Shangri-La Asia Limited, Kuok (Singapore) Limited, Kuok Brothers Sdn Bhd and Allgreen Properties Limited. In addition, Mdm Kuok is Co-chairperson of the Tourism Consultative Council, President of the Singapore Hotel Association, Member of the Board of Trustees of the National University of Singapore, Councillor and Chairperson of the Arts & Culture Functional Committee with the South West CDC, as well as a Member of the National Youth Achievement Award and NTU Business Degree Programmes Advisory Boards.

**Mr Steven Lim**

Appointed to the Board since 1 January 2007.

Mr Lim is currently an audit committee member of A\*STAR (Agency for Science Technology & Research) and a board member of several public listed companies in Singapore. With more than 32 years of audit experience, Mr Lim was formerly a Managing Partner of Arthur Andersen Singapore till July 2002 and then a Senior Partner with Ernst & Young before retiring in June 2003. Mr Lim has extensive regional business experience in Singapore, Malaysia, Indonesia, Thailand, the Philippines and Vietnam.

**Mr Tang Tuck Weng**

Appointed to the Board since 1 January 2007.

Mr Tang is currently Director (Housing) with the Ministry of National Development. He has previously worked at the Ministry of Education, the then-Ministry of Communications and Information Technology, and Public Service Division/Prime Minister's Office. He has served on the boards of the National Heritage Board, the Singapore Discovery Centre, Nanyang Polytechnic and the Public Transport Council. He graduated from Hitotsubashi University (Japan) with a degree in Economics and holds a Master of Science (Management) from Stanford University.

**Mr Aubeck Kam**

Appointed to the Board since 30 June 2007.

Mr Kam is currently Deputy Secretary of the Ministry of Manpower (MOM). He has previously held senior government positions in trade and security. As Director of Trade in the Ministry of Trade & Industry (MTI), he was involved in negotiations of free trade agreements with China, India and Canada. He served as the Director of Operations for the Singapore Police Force, holding the rank of Senior Assistant Commissioner. Mr Kam is also a Board Member in the Central Provident Fund Board and the Singapore Examinations Assessment Board.

**Mr Patrick Pitcher**

Appointed to the Board since 30 June 2007.

Mr Pitcher recently retired from his position as Chief Executive Officer JWT Asia Pacific South. Prior to that, Mr Pitcher was Chief Executive Officer Asia Pacific and he was on the World Wide Executive Board of Saatchi & Saatchi. He is currently the Chairman of Edge Marketing, a CRM and data driven analytics company, Chairman of MBMG International Group, which specializes in corporate and personal finance throughout Asia, Chief Executive Officer of M-Stream Media, a company building digital signage networks in China and Chairman of Tranic, which offers franchise consulting and turnaround management. In addition to his 11 years in Asia Pacific, Mr Pitcher brings with him extensive global marketing and branding experience after having worked with many of the world's top advertisers including Procter & Gamble, HSBC, Toyota, Visa, HP, Disney World, Unilever, British Airways, Lexus and Danone.

**Mr Benson Puah**

Appointed to the Board since 1 January 2008.

Mr Puah is currently the Chief Executive Officer of The Esplanade Co Ltd. He chairs the New York-based International Society for the Performing Arts (ISPA) and is the first Asian to hold this appointment. He also chairs the Association of Asia Pacific Performing Arts Centres (AAPPAC). Prior to joining Esplanade, Mr Puah was Chief Executive of Sentosa Development Corporation and Chief Executive Officer of Temasia Health Pte Ltd, the international business and management arm of Health Corporation of Singapore, a government-linked company. Mr Puah also brings with him over 20 years of experience, specialising in pioneering hospitality projects from his international career in the hospitality industry with leading luxury hotel companies in many of the major US, European and Asian cities.



**Mr Liak Teng Lit**

Appointed to the Board since 1 January 2004.  
(Retired from the Board on 31 December 2007)

Mr Liak was appointed Chief Executive Officer of Alexandra Hospital in February 2000, and has held senior management positions at various hospitals including as Chief Executive Officer of Toa Payoh Hospital and Changi General Hospital. He currently serves on numerous boards and committees including the Community Chest, Incentives and Grants Committee, Lifelong Learning Fund Advisory Council, Water Network, NTUC Childcare Co-Operative Ltd. Mr Liak also sits on the advisory board of various schools including Pathlight School, Northlight School and the Singapore Management University (School of Information Systems, Institute of Service Excellence).

**Mr Lucas Chow Wing Keung**

Appointed to the Board since 30 June 2005.  
(Retired from the Board on 29 June 2007)

Mr Lucas Chow is the Chief Executive Officer of MediaCorp Pte Ltd. Prior to joining MediaCorp in December 2005, he spent seven years with SingTel holding several key management positions. An active leader in the business and media communities, Lucas chairs the Communications Advisory Group of the National Art Gallery. In addition, he sits on various boards of directors and advisory committees for the Ministry of Information, Communications and the Arts, Ministry of Health, Health Promotion Board. He is also a director of the National University of Singapore Board of Trustees and a member of the IT Audit/Entrepreneurship Committee. Lucas continues to be closely involved with the telecommunications sector - as an independent director of MediaRing Ltd, a Singapore-listed Internet Telephony & Telecommunication company and Emobile Ltd, a Japanese telco services provider; and as a Consultant to British Telecom's Asia Pacific Advisory Board.

**Mr Frank Wong Kwong Shing**

Appointed to the Board since 30 June 2005.  
(Retired from the Board on 29 June 2007)

Mr Wong is the Vice Chairman for DBS Bank Ltd and Chairman for DBS Bank (Hong Kong) Limited. He has over 30 years of experience in the banking industry and extensive knowledge of the China market. Mr Wong holds various directorships including those in the National Healthcare Group Pte Ltd, Mapletree Investments Pte Ltd and China Mobile Limited, and is a member of the University Court of The University of Hong Kong.

# Financial Statements



Independent Auditors' Report



Balance Sheet



Income and Expenditure Statement



Statement of Changes in Equity

Statement of Changes in Equity



Cash Flow Statement

Cash Flow Statement



Notes to the Financial Statements

Notes to the Financial Statements

# Independent Auditors' Report to Singapore Tourism Board

We have audited the accompanying financial statements of Singapore Tourism Board (the "Board"), which comprise the balance sheet as at 31 March 2008, and the income and expenditure statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## **Management's responsibility for the financial statements**

The Board's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Tourism Board Act, Cap. 305B (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS"). This responsibility includes: the designing, implementing and maintaining of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act and Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and that the audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion,

- (i) the accompanying financial statements are properly drawn up in accordance with the Act and the Statutory Board Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Board as at 31 March 2008, and the results, changes in equity and cash flows of the Board for the year ended on that date; and
- (ii) the 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.

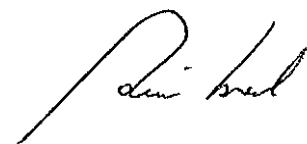
During the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure and investments of monies and the acquisition and disposal of assets by the Board during the year have not been in accordance with the provisions of the Act.



Ernst & Young  
Public Accountants and Certified Public Accountants  
Singapore  
8 July 2008

# Balance Sheet as at 31 March 2008

	Notes	2007/2008 S\$'000	2006/2007 S\$'000 (Restated)
<b>Equity</b>			
Accumulated surplus		193,586	223,516
<b>Total equity</b>		<b>193,586</b>	<b>223,516</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	43,413	48,228
Investment properties	5	18,465	18,700
Investment in a finance lease	6	23,722	22,294
Investment in an associated company	7	–	–
Investment securities	8	2,000	2,000
Intangible assets	9	159	159
Staff loans	10	6	7
Other loans	11	26,399	26,399
		114,164	117,787
<b>Current assets</b>			
Trade receivables	12	20,200	9,658
Other receivables	13	4,598	18,622
Prepayments		3,694	2,445
Financial assets with fund managers	14	78,911	89,331
Fixed deposits	15	44,305	14,019
Cash and bank balances	15	13,553	48,916
		165,261	182,991
<b>Current liabilities</b>			
Advances and deposits received	16	23,836	16,453
Trade payables and accruals	17	55,418	55,344
Other payables	18	3,270	2,201
Provision for employee benefits	19	1,973	1,807
		84,497	75,805
<b>Net current assets</b>		80,764	107,186
		194,928	224,973
<b>Non-current liability</b>			
Deferred long-term lease surplus	20	(1,342)	(1,457)
<b>Net assets</b>		<b>193,586</b>	<b>223,516</b>



Simon Israel  
Chairman

8 July 2008  
Singapore



Lim Neo Chian  
Chief Executive

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

## Income and Expenditure Statement for the financial year ended 31 March 2008

	Notes	2007/2008 S\$'000	2006/2007 S\$'000 (Restated)
Operating revenue	21	177,067	170,918
Other operating income	22	6,495	5,774
		<hr/>	<hr/>
		183,562	176,692
Promotion and development expenses	23	(141,860)	(144,212)
Depreciation of property, plant and equipment	4	(7,336)	(5,743)
Depreciation of investment properties	5	(235)	(235)
Staff costs	24	(41,546)	(38,967)
Other expenses		(18,695)	(18,155)
Operating deficit		<hr/>	<hr/>
		(26,110)	(30,620)
Non-operating (deficit)/surplus, net	25	(3,820)	27,080
Deficit before contribution to consolidated fund		<hr/>	<hr/>
		(29,930)	(3,540)
Contribution to consolidated fund	26	-	-
Net deficit		<hr/>	<hr/>
		(29,930)	(3,540)

*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 2008

	Accumulated surplus S\$000	Fair value adjustment reserve S\$000	Total S\$000
At 1 April 2007	227,056	11,614	238,670
Transfer on disposal of available-for-sale financial assets	–	(11,614)	(11,614)
Net deficit	(3,540)	–	(3,540)
At 31 March 2007	223,516	–	223,516
Net deficit	(29,930)	–	(29,930)
At 31 March 2008	193,586	–	193,586

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

# Cash Flow Statement for the financial year ended 31 March 2008

	2007/2008	2006/2007
	S\$'000	S\$'000 (Restated)
<b>Cash flows from operating activities:</b>		
Deficit before contribution to consolidated fund	(29,930)	(3,540)
Adjustments for :		
Depreciation of property, plant and equipment	7,336	5,743
Depreciation of investment properties	235	235
Gain on disposal of property, plant and equipment	(74)	(3)
Fixed assets written off	1,731	10
Dividend income	(1,679)	(8,879)
Interest income	(2,312)	(2,808)
Deferred long-term lease income	(115)	(117)
Write-back for doubtful debts	-	(6)
Loss/(Gain) on revaluation of marketable investments	2,146	(9,096)
Gain on disposal of available-for-sale financial assets	-	(5,165)
Lease income	(1,428)	(1,341)
<b>Operating cash flows before working capital changes</b>	<b>(24,090)</b>	<b>(24,967)</b>
Decrease/(Increase) in trade and other receivables	3,482	(7,744)
Increase in prepayments	(1,249)	(499)
Increase in advances and deposits received	7,383	7,745
Increase in trade payables and accruals	74	18,474
Increase/(Decrease) in other payables	1,069	(1,381)
Increase in provision for employee benefits	166	127
<b>Cash used in operations</b>	<b>(13,165)</b>	<b>(8,245)</b>
Interest received	2,312	2,808
<b>Net cash flows used in operating activities</b>	<b>(10,853)</b>	<b>(5,437)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(4,252)	(6,012)
Proceeds from disposal of property, plant and equipment	74	397
Dividends received	1,679	8,879
Decrease of funds under management	8,274	17,706
Proceeds from disposal of available-for-sale financial assets	-	9,243
<b>Net cash flows from investing activities</b>	<b>5,775</b>	<b>30,213</b>
<b>Cash flows from financing activities :</b>		
Repayment of staff loans, net	1	1
Repayment of loan from a third party	-	6
<b>Net cash flows from financing activities</b>	<b>1</b>	<b>7</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,077)</b>	<b>24,783</b>
Cash and cash equivalents at beginning of year (Note 15)	62,935	38,152
<b>Cash and cash equivalents at end of year (Note 15)</b>	<b>57,858</b>	<b>62,935</b>

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

# Notes to the Financial Statements – 31 March 2008

## 1. General

Singapore Tourism Board (the "Board"), is a Singapore statutory board under the Ministry of Trade and Industry established under the Singapore Tourism Board Act.

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

The Board's primary functions are to :

- (a) develop and promote Singapore as a travel and tourist destination;
- (b) advise the Government on matters relating to travel and tourism;
- (c) enhance the travel and tourism sector's contribution to the Singapore economy; and
- (d) 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 provisions of the Singapore Tourism Board Act, Chapter 305B and the Statutory Board Financial Reporting Standards ("SB-FRS").

The financial statements are presented in Singapore Dollars ("S\$") and all values are rounded to the nearest thousand ("S\$'000") except when otherwise indicated.

The financial statements have been prepared on a historical cost basis except for derivative financial instruments and available-for-sale financial assets that have been measured at their fair values.

The financial statements of the Board were prepared in accordance with the Singapore Financial Reporting Standards in the previous year. The adoption of SB-FRS for the financial year ended 31 March 2008 did not result in substantial changes to the Board's accounting policies and did not have any significant impact on the Board except for SB-FRS 24 – Related Party transactions which allows the Board not to disclose transactions and balances with other state owned entities. The Board has decided to make such disclosure.



# Notes to the Financial Statements – 31 March 2008

## 2.1 Basis of preparation (cont'd)

### Effect on financial statements on adoption of SB-FRS 40

On 1 April 2007, the Board has adopted SB-FRS 40, which is mandatory for application for annual periods beginning on or after 1 January 2007.

Previously, the Board had accounted for its investment properties under SB-FRS 16 Property, Plant and Equipment. Under SB-FRS 16, property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. SB-FRS 40 requires investment properties which represent the Board's interests in freehold land and buildings that are held for long-term rental yields and/or capital appreciation to be classified and accounted for as investment properties. SB-FRS 40 also requires the Board to measure investment properties using either the fair value or cost method. The Board has elected to measure investment properties under the cost method, under which investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

The Board has accounted for the effects of adoption retrospectively in the financial statements in accordance with the transitional provisions.

The effects on the balance sheet items are as follows :

	Increase/(Decrease)	
	2007/2008	2006/2007
	S\$'000	S\$'000
Property, plant and equipment	(18,465)	(18,700)
Investment properties	18,465	18,700

# Notes to the Financial Statements – 31 March 2008

## 2.2 SB-FRS and INT SB-FRS not yet effective

The Board has not applied the following SB-FRS and INT SB-FRS that have been issued but not yet effective:

		<b>Effective date (annual periods beginning on or after)</b>
SB-FRS 1	: Amendment to FRS 1 (revised) Presentation of Financial Statements (Revised Presentations)	1 January 2009
SB-FRS 108	: Operating Segments	1 January 2009
INT SB-FRS 112	: Service Concession Arrangements	1 January 2008
INT SB-FRS 113	: Customer Loyalty Programmes	1 July 2008
INT SB-FRS 114	: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008

The Board expects that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial application.

## 2.3 Functional and foreign currency

### (a) Functional currency

The Board has determined the currency of the primary economic environment in which the Board operates i.e. functional currency, to be S\$. Operating revenue and major operating expenses are primarily influenced by fluctuations in S\$.

### (b) Foreign currency transactions

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 closing rate of exchange ruling at the balance sheet date. 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the income and expenditure statement.

# Notes to the Financial Statements – 31 March 2008

## 2.4 Associated company

An associated company is an entity, not being a subsidiary or a joint venture, in which the Board has significant influence. This generally coincides with the Board having 20% or more of the voting power, or has representation on the board of directors.

The Board's share of the results of associated company and its share of the post acquisition reserves are disclosed in Note 7 of the financial statements.

The effect of the Board's investment in associated company after adjustment to recognise its share of the net assets of the associated company at the date of acquisition is also disclosed in Note 7 to the financial statements.

Investment in an associated company is accounted for at cost less impairment losses.

## 2.5 Property, plant and equipment

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

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Board and the cost can be reliably measured.

Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation of property, plant and equipment begins when the asset is available for use and is calculated using the straight-line method to allocate their depreciable amounts over their expected useful lives as follows:

Leasehold land	– Over the lease periods of 99 years
Buildings	– 25 years
Property modifications	– 5 years
Furniture, fittings and equipment	– 3 to 5 years
Motor vehicles	– 5 years
Electrical installation and air-conditioners	– 7 years

Capital work-in-progress included in plant and equipment are not depreciated as these assets are not 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 values and useful lives of property, plant and equipment are reviewed and adjusted as appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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 arising on derecognition of the asset is included in the income and expenditure statement in the year the asset is derecognised.

# Notes to the Financial Statements – 31 March 2008

## 2.6 Investment properties

### (a) Measurement

Investment properties represent the Board's interests in freehold land and buildings that are held for long-term rental yields and/or capital appreciation. Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.7).

### (b) Depreciation

No depreciation is provided on freehold land. Depreciation on freehold buildings is calculated using the straight-line method to allocate their depreciable amount over the estimated useful life. The estimated useful lives are as follows :

Leasehold land – Over the lease periods of 99 years

The residual values and estimated useful lives of investment properties are reviewed, and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in the income and expenditure statement when the changes arise.

### (c) Subsequent expenditure

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to the income and expenditure statement. The cost of maintenance, repairs and minor improvement is charged to the income and expenditure statement when incurred.

### (d) Disposal

On disposal of an investment property, the difference between the net disposal proceeds and its carrying amount is taken to the income and expenditure statement.

## 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 such indication exists, or when annual impairment testing for an asset (i.e. an intangible asset with an indefinite useful life or an intangible asset not yet available for use) 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 to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

# Notes to the Financial Statements – 31 March 2008

## 2.7 Impairment of non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. 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 increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the income and expenditure statement. Such reversal is recognised in the income and expenditure statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

## 2.8 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Board becomes a party to the contractual provisions of the financial instrument.

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.

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 has been recognised directly in reserves is recognised in the income and expenditure statement.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Board commits to purchase 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.

### (a) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the income and expenditure statement.

The Board does not designate any financial assets not held for trading as financial assets at fair value through profit and loss.

# Notes to the Financial Statements – 31 March 2008

## 2.8 Financial assets (cont'd)

### (b) 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. Gains and losses are recognised in income and expenditure statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

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

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the income and expenditure statement. The cumulative gain or loss previously recognized in equity is recognised in the income and expenditure statement when the financial asset is derecognised.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

When the fair value of unquoted investments cannot be reliably measured, these investments are carried at cost less any impairment.

## 2.9 Investment securities

Investment securities are classified as available-for-sale financial assets.

The accounting policies for the aforementioned categories of financial assets are stated in Note 2.8.

## 2.10 Financial assets with fund managers

Financial assets with fund managers are classified as financial assets at fair value through profit and loss.

The accounting policies for the aforementioned categories of financial assets are stated in Note 2.8.

# Notes to the Financial Statements – 31 March 2008

## 2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Cash and short-term deposits carried in the balance sheets are classified and accounted for as loans and receivables under SB-FRS 39. The accounting policy for this category of financial assets is stated in Note 2.8.

## 2.12 Trade and other receivables

Trade and other receivables and loans to third parties are classified and accounted for as loans and receivables under SB-FRS 39. The accounting policy for this category of financial assets is stated in Note 2.8.

An allowance is made for uncollectible amounts when there is objective evidence that the Board will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.13 below.

## 2.13 Impairment of financial assets

The Board assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

### (a) Assets carried at amortised cost

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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income and expenditure statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets 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. Any subsequent reversal of an impairment loss is recognised in the income and expenditure statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

# Notes to the Financial Statements – 31 March 2008

## 2.13 Impairment of financial assets (cont'd)

### (b) 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 a financial asset carried at 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

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

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 the income and expenditure statement, is transferred from equity to the income and expenditure statement. Reversals of impairment losses in respect of equity instruments classified as available-for-sale are not recognised in the income and expenditure statement. Reversals of impairment losses on debt instruments are reversed through the income and expenditure statement, if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in the income and expenditure statement.

## 2.14 Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 30-90 day terms are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income and expenditure statement when the liabilities are derecognised as well as through the amortisation process.

## 2.15 Derecognition of financial assets and liabilities

### (a) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where the contractual rights to receive cash flows from the asset have expired which usually coincides with receipt of payments for the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the income and expenditure statement.

### (b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.



# Notes to the Financial Statements – 31 March 2008

## 2.16 Financial liabilities

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

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the income and expenditure statement when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income and expenditure statement. Net gains or losses on derivatives include exchange differences.

## 2.17 Provisions

Provisions are recognised when the Board has a present obligation (legal or constructive) where, 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 a reliable estimate can be made of the amount of the obligation. Where the Board expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income and expenditure statement net of any reimbursement.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits 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 rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

## 2.18 Employee benefits

### (a) Defined contribution plans

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 make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

### (b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

# Notes to the Financial Statements – 31 March 2008

## 2.19 Leases

### (a) As lessee

Leases where the lessor effectively retains all the risks and benefits of ownership during the lease term are classified as operating leases.

Operating lease payments are recognised as an expense in the income and expenditure statement 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 investment in a finance lease. 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 bases as rental income (Note 2.21).

## 2.20 Deferred long-term lease income

Premiums received in advance from long-term leases are credited to a deferred long-term lease income account and are accreted to the income and expenditure statement on a straight-line basis over the period of the leases.

## 2.21 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Board and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

### Cess revenue

Cess revenue is recognised on an accrual basis.

### Funding from Government

Funding from supervisory ministry is recognised on an accrual basis.

### Rental income

Rental income is accounted for on a straight-line basis over the lease terms on an ongoing basis. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

### Dividend income

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

# Notes to the Financial Statements – 31 March 2008

## 2.21 Revenue (cont'd)

### Interest income

Interest income is recognised as interest accrues (using the effective interest method) unless collectibility is in doubt.

### Premium on long-term land leases

Premium received in respect of long-term land leases is recognised as income in the year when the leases are entered into in respect of land which are leased for periods substantially the same as the remaining tenure of the land owned by the Board.

## 2.22 Promotion and development expenses

Promotion and development expenses are charged to the income and expenditure statement when incurred. Where expenses relate to grants and contributions given by the Board for specific tourism-related projects, such expenses are charged to the income and expenditure statement for the accounting period in which they are disbursed.

## 2.23 Goods and services taxes

Expenses and assets are recognised net of the amount of goods and services tax except:

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

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## 2.24 Derivative financial instruments

The Board uses derivative financial instruments such as forward currency contracts for investments purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to the income and expenditure statement for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

# Notes to the Financial Statements – 31 March 2008

## 3. Significant accounting judgments and estimates

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

### 3.1 Judgements made in applying accounting policies

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Board's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

- **Determination of functional currency**

The following is the judgement made by the Board in the process of applying the Board's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

- Operating lease commitments – As lessor

The Board has entered into commercial property leases on its property portfolio. The Board has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

- Impairment of investments and financial assets

The Board follows the guidance of SB-FRS 39 on determining when an investment or financial asset is other-than-temporarily impaired. This determination requires significant judgement, the Board evaluates, among other factors, the duration and extent to which the fair value of an investment or financial asset is less than its cost; and the financial health of and near-term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

# Notes to the Financial Statements – 31 March 2008

## 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Depreciation of property, plant and equipment

The cost of property, plant and equipment is 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 3 to 99 years, based on the lease period for leasehold properties and estimated useful lives of the assets. The carrying amount of the Board's property, plant and equipment at 31 March 2008 was S\$ 43,413,350 (2006/2007: S\$48,228,018). 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.

## Notes to the Financial Statements – 31 March 2008

### 4. Property, plant and equipment

	Leasehold land S\$'000	Buildings S\$'000	Property modifications S\$'000	Furniture, fittings and equipment S\$'000	Motor vehicles S\$'000	Electrical Installation and air- conditioners S\$'000	Capital work-in- progress S\$'000	Total S\$'000
<b>2007/2008 Cost</b>								
Beginning of financial year, as previously reported	26,381	66,201	8,960	22,305	1,684	1,437	5,062	132,030
Effect of adoption of SB-FRS 40	(22,951)	–	–	–	–	–	–	(22,951)
As restated	3,430	66,201	8,960	22,305	1,684	1,437	5,062	109,079
Additions	–	–	893	2,254	183	111	811	4,252
Disposals/Write-off	–	(76)	(179)	(2,011)	(305)	(220)	(1,671)	(4,462)
Reclassification	–	–	257	3,014	–	–	(3,271)	–
End of financial year	3,430	66,125	9,931	25,562	1,562	1,328	931	108,869
<b>Accumulated depreciation</b>								
Beginning of financial year, as previously reported	4,720	31,712	5,732	20,893	1,148	897	–	65,102
Effect of adoption of SB-FRS 40	(4,251)	–	–	–	–	–	–	(4,251)
As restated	469	31,712	5,732	20,893	1,148	897	–	60,851
Depreciation for the year	39	2,645	1,759	2,497	242	154	–	7,336
Disposals	–	(29)	(176)	(2,010)	(305)	(211)	–	(2,731)
End of financial year	508	34,328	7,315	21,380	1,085	840	–	65,456
<b>Net carrying amounts</b>								
At 31 March 2008	2,922	31,797	2,616	4,182	477	488	931	43,413

## Notes to the Financial Statements – 31 March 2008

### 4. Property, plant and equipment (cont'd)

	Leasehold land S\$'000	Buildings S\$'000	Property modifications S\$'000	Furniture, fittings and equipment S\$'000	Motor vehicles S\$'000	Electrical Installation and air- conditioners S\$'000	Capital work-in- progress S\$'000	Total S\$'000
<b>2006/2007 Cost</b>								
Beginning of financial year, as previously reported	26,381	65,984	8,403	22,135	1,421	1,355	1,821	127,500
Effect of adoption of SB-FRS 40	(22,951)	–	–	–	–	–	–	(22,951)
As restated	3,430	65,984	8,403	22,135	1,421	1,355	1,821	104,549
Additions	–	217	205	867	357	82	4,284	6,012
Disposals/Write-off	–	–	–	(1,008)	(94)	–	(380)	(1,482)
Reclassification	–	–	352	311	–	–	(663)	–
End of financial year	3,430	66,201	8,960	22,305	1,684	1,437	5,062	109,079
<b>Accumulated depreciation</b>								
Beginning of financial year, as previously reported	4,446	29,064	4,170	20,754	1,018	750	–	60,202
Effect of adoption of SB-FRS 40	(4,016)	–	–	–	–	–	–	(4,016)
As restated	430	29,064	4,170	20,754	1,018	750	–	56,186
Depreciation for the year	39	2,648	1,562	1,123	224	147	–	5,743
Disposals	–	–	–	(984)	(94)	–	–	(1,078)
End of financial year	469	31,712	5,732	20,893	1,148	897	–	60,851
<b>Net carrying amounts</b>								
At 31 March 2007	2,961	34,489	3,228	1,412	536	540	5,062	48,228

# Notes to the Financial Statements – 31 March 2008

## 5. Investment properties

	2007/2008	2006/2007
	S\$'000	S\$'000
<b>Cost</b>		
Beginning of financial year	22,951	–
Effect of adoption of SB-FRS 40	–	22,951
	<hr/>	<hr/>
As restated	22,951	22,951
Disposals	–	–
	<hr/>	<hr/>
End of financial year	<hr/> <u>22,951</u>	<hr/> <u>22,951</u>
<b>Accumulated depreciation</b>		
Beginning of financial year	4,251	–
Effect of adoption of SB-FRS 40	–	4,016
	<hr/>	<hr/>
As restated	4,251	4,016
Depreciation for the year	235	235
Disposals	–	–
	<hr/>	<hr/>
End of financial year	<hr/> <u>4,486</u>	<hr/> <u>4,251</u>
<b>Net book value</b>	<hr/> <u>18,465</u>	<hr/> <u>18,700</u>
<b>Fair value</b>	<hr/> <u>70,971</u>	<hr/> <u>47,353</u>



# Notes to the Financial Statements – 31 March 2008

## 5. Investment properties (cont'd)

Investment properties represent the Board's interests in freehold land and buildings that are held for long-term rental yields and/or capital appreciation, and relates mainly to a property in Singapore.

The fair values of investment properties at balance sheet date are determined by independent professional valuers with appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

Valuations are based on the Direct Comparison Method. The Direct Comparison Method relies on the presence of market transactions to provide an indication of value.

Investment properties are leased to non-related parties under operating leases.

The following amounts are recognised in the income and expenditure statement :

	2007/2008	2006/2007
	S\$'000	S\$'000
Rental income	220	246
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income	304	690

## 6. Investment in a finance lease

During the financial year ended 31 March 2006, the Board was granted by the Singapore Land Authority ("SLA") a 30-year lease over a parcel of land located at Marina Bay, commencing from 5 July 2005 at a premium of S\$20,000,000, and on condition that the land would be used for the development, construction and operation of a Giant Observation Wheel.

On the same day, the Board entered into an agreement with a company incorporated in Singapore to lease the same parcel of land at a lease term of 30 years less one day, commencing from 5 July 2005. The agreement required the land to be used for the development, construction and operation of a Giant Observation Wheel.

Pursuant to the agreement, the company shall lease the land from the Board on quarterly installments of S\$456,334 commencing from 1 July 2008. The average discount rate implicit in the lease is 6.4% (2006/2007 : 6.4%) per annum.

## Notes to the Financial Statements – 31 March 2008

### 6. Investment in a finance lease (cont'd)

Future minimum lease receivables under the financial lease together with the present value of the net minimum lease payments are as follows :

	Minimum lease receivables	Present value of receivables	Minimum lease receivables	Present value of receivables
	2007/2008	2007/2008	2006/2007	2006/2007
	S\$'000	S\$'000	S\$'000	S\$'000
Not later than one year	1,825	1,476	-	-
Later than one year but not later than five years	7,301	5,663	7,301	5,762
Later than five years	40,158	16,583	41,983	16,532
	<u>49,284</u>	<u>23,722</u>	<u>49,284</u>	<u>22,294</u>
Total minimum lease receivable	49,284	23,722	49,284	22,294
Less : Amount representing finance income	<u>(29,284)</u>	<u>(3,722)</u>	<u>(29,284)</u>	<u>(2,294)</u>
Present value of minimum lease receivables	20,000	20,000	20,000	20,000
Lease income receivable	<u>3,722</u>	<u>3,722</u>	<u>2,294</u>	<u>2,294</u>
	<u>23,722</u>	<u>23,722</u>	<u>22,294</u>	<u>22,294</u>

### 7. Investment in an associated company

	2007/2008	2006/2007
	S\$'000	S\$'000
Unquoted shares, at cost	125	125
Less : Impairment loss	<u>(125)</u>	<u>(125)</u>
Carrying amount of investment	<u>-</u>	<u>-</u>

Details of the associated company are:

Name of company	Equity interest held by the Board		Principal activities	Accounting year-end
	2007/2008	2006/2007		
International Hotel Management School Pte Ltd	25%	25%	Facilitate the set- up of a graduate hotel school	31 December

The associated company is incorporated in Singapore.

# Notes to the Financial Statements – 31 March 2008

## 7. Investment in an associated company (cont'd)

If the results of the associated company were equity accounted for, the impact on the Board's state of affairs and results would be as follows:

	2007/2008	2006/2007
	S\$'000	S\$'000
<i>Income and expenditure statement</i>		
Operating income	183,562	176,692
Operating expenditure	(211,343)	(207,312)
	<u>(27,781)</u>	<u>(30,620)</u>
Non-operating (deficit)/surplus	(2,149)	27,080
	<u>(29,930)</u>	<u>(3,540)</u>
Share of loss of associated company	–	(5)
	<u>(29,930)</u>	<u>(3,545)</u>
Surplus before contribution to consolidated fund	–	–
Contribution to consolidated fund	–	–
	<u>(29,930)</u>	<u>(3,545)</u>
Net deficit	<u>(29,930)</u>	<u>(3,545)</u>
<i>Balance sheet</i>		
Accumulated surplus of the Board	193,586	223,516
Less : Loss retained in associated company	(124)	(124)
	<u>193,462</u>	<u>223,392</u>

As at the Balance Sheet date, the associated company is under the members' voluntary liquidation. For the current financial year, the Board recognised its share of the associate's operating results based on its financial statements drawn up to 29 June 2007. The liquidation process has been finalized subsequent to the Balance Sheet date. The Return relating to final meeting was lodged with ACRA and the Official Receiver on 16 May 2008.

## 8. Investment securities

	2007/2008	2006/2007
	S\$'000	S\$'000
<i>Available-for-sale financial assets</i>		
Unquoted shares #	2,076	2,076
Less : Impairment loss	(76)	(76)
	<u>2,000</u>	<u>2,000</u>
Carrying amounts of investments	<u>2,000</u>	<u>2,000</u>

# These investments are carried at cost, less impairment loss, as their fair values cannot be reliably measured.

# Notes to the Financial Statements – 31 March 2008

## 9. Intangible assets

This represents investment in transferable life corporate club membership. The recoverable amount is determined by reference to market price as at 31 March 2008.

## 10. Staff loans

	2007/2008	2006/2007
	S\$'000	S\$'000
Staff loans	7	8
Less : Amount due within 12 months (Note 13)	(1)	(1)
Amount due after 12 months	<u>6</u>	<u>7</u>

These loans are unsecured, non interest bearing and repayable by equal monthly instalments over periods of up to seven years. The amount repayable within 12 months is included in other receivables account.

## 11. Other loans

	2007/2008	2006/2007
	S\$'000	S\$'000
Loans to third parties :		
Loan A	486	486
Less : Allowance for doubtful recovery	(486)	(486)
Loan B	26,399	26,399
	<u>26,399</u>	<u>26,399</u>

Loan A is granted to a company which is incorporated in Singapore. It is guaranteed by a director of the borrower and non-interest bearing. An amount of S\$ Nil (2006/2007 : S\$6,000) had been repaid during the current financial year. An allowance for doubtful recovery has been maintained on the balance of the outstanding loan.

Loan B is granted to a Statutory Board in Singapore. It is secured by a deed of charge over a cargo of artefacts owned by a wholly-owned subsidiary of the borrower and non-interest bearing. Under the terms of the loan agreement, subject to the mutual agreement between the Board and the borrower, the repayment of the loan would be by way of cash or the transfer of all rights, title and benefits to the cargo of artefacts and the related intellectual property rights in lieu of cash. The loan is non-interest bearing, repayable upon a demand made by the Board by giving a notice to the borrower of not less than 90 business days. The loan is not expected to be repaid within the next 12 months from the balance sheet date. The Board is of the view that the fair value of this loan is not determinable as the timing of the future cash flows arising from the repayment cannot be reliably estimated.

# Notes to the Financial Statements – 31 March 2008

## 12. Trade receivables

Trade receivables are non-interest bearing and are generally on 0 to 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Included in trade receivables is an amount of S\$20,683 (2006/2007 : S\$ 3,245) denominated in United States Dollars.

## 13. Other receivables

	2007/2008	2006/2007
	S\$'000	S\$'000
Advances	1,941	9,556
Deposits	2,323	2,236
Other receivables	333	6,829
Staff loans (Note 10)	1	1
	<u>4,598</u>	<u>18,622</u>

Included in advances are amounts of S\$Nil (2006/2007 : S\$8,200,000) and S\$1,898,202 (2006/2007 : S\$1,898,202) advanced to the same wholly-owned subsidiary of a Statutory Board (Note 11). The advance is unsecured, non-interest bearing and repayable within the next 12 months from the balance sheet date.

## 14. Financial assets with fund managers

	2007/2008	2006/2007
	S\$'000	S\$'000
Funds under management :		
Marketable investments, at market value		
- Equities	2,343	17,880
- Fixed income bonds/investments	29,406	30,284
- Unit trusts	3,969	31,960
- Derivative financial instruments [Note 30(d)]	178	12
	<u>35,896</u>	<u>80,136</u>
Add/(less) :		
- Cash balances	1,631	7,781
- Fixed deposits	25,220	1,350
- Other receivables	16,221	1,316
- Other payables	(57)	(1,252)
	<u>78,911</u>	<u>89,331</u>

# Notes to the Financial Statements – 31 March 2008

## 14. Financial assets with fund managers (cont'd)

During the year, an amount of S\$8,274,490 (2006/2007 : S\$17,706,100) was transferred from funds under management to cash and cash equivalents.

Amounts under fund management are classified as financial assets held for trading with the fair value movements taken to Income and Expenditure Statement. However, any deficiency in fair value below principal amount is recognised to the extent of the guaranteed amount. This applies to the impairment assessment as well.

The terms of the fund management agreements, which are for indefinite periods and subject to the termination clause, provide for the following :

- (a) there is no guarantee of the return of the principal sums by the fund managers;
- (b) the fees payable to the fund manager include a share, in specified proportions, of any surplus (determined at the end of the relevant fund management period) arising from the management of the fund; and
- (c) the Board can terminate the agreement by giving 30-90 days' prior notice in writing to the fund managers.

## 15. Cash and cash equivalents

	2007/2008	2006/2007
	S\$'000	S\$'000
Fixed deposits	44,305	14,019
Cash and bank balances	13,553	48,916
	<u>57,858</u>	<u>62,935</u>

Cash and bank balances at the end of the year include balances with banks of S\$9,449,314 (2006/2007 : S\$14,626,545), which can only be disbursed for approved expenditure on certain leasehold land and designated government projects.

Cash at banks earn interest at floating rates based on daily bank deposit rates which ranged from Nil % to 1.98% (2006/2007 : 0.7951% to 2.6202%) per annum.

Short-term fixed deposits are made for varying periods of between one day to three months (2006/2007 : one day to three months) depending on the immediate cash requirements of the Board, and earn interest at the respective short-term deposit rates which ranged from 0.6875% to 3.3125% (2006/2007 : 2.7% to 3.5%) per annum.

# Notes to the Financial Statements – 31 March 2008

## 16. Advances and deposits received

Included in the advances and deposits received are the following :

- (a) S\$5,589,552 (2006/2007 : S\$5,244,280) received from lessees of the Board's leasehold land, which are to be disbursed for approved capital and promotional expenditure in connection with the leasehold land.
- (b) S\$16,766,074 (2006/2007 : S\$9,382,265) received/to be received from the Government and/or third parties, which are to be disbursed for designated projects.

Included in the amount received from the government is an amount of S\$508,340 (2006/2007 : S\$6,612,780) under the Tourism Development Assistance Scheme ("TDAS") which is a financial assistance programme that aims to encourage companies to further develop Singapore's tourism sector. The movement in advances for TDAS is as follows :

	2007/2008	2006/2007
	S\$'000	S\$'000
As at 1 April	6,613	527
Funds received from MTI	653	10,336
Amount disbursed	(6,758)	(4,250)
As at 31 March	<u>508</u>	<u>6,613</u>

## 17. Trade payables and accruals

	2007/2008	2006/2007
	S\$'000	S\$'000
Trade payables	25,414	26,604
Trade accruals	30,004	28,740
	<u>55,418</u>	<u>55,344</u>

Trade payables are non-interest bearing and are normally settled on a 30-90 days terms.

Included in trade payables are the following amounts denominated in foreign currencies:

United States Dollar	6,065	3,166
Euro Dollar	575	525
Sterling Pound	461	1,187
Korean Won	203	5
Indonesian Rupee	123	-
Hong Kong Dollar	121	35
Indian Rupee	80	15
Vietnamese Don	53	-
Taiwan Dollar	22	84
Sri Lanka Rupee	3	11
Australian Dollar	3	7
South Africa Rand	2	2
	<u>7,711</u>	<u>5,037</u>

## Notes to the Financial Statements – 31 March 2008

<b>18. Other payables</b>	<b>2007/2008</b>	<b>2006/2007</b>
	S\$'000	S\$'000
Amounts due to staff	446	423
Others	2,824	1,778
	<u>3,270</u>	<u>2,201</u>
<b>19. Provision for employee benefits</b>	<b>2007/2008</b>	<b>2006/2007</b>
	S\$'000	S\$'000
Liability for short-term accumulating compensated absences :		
At 1 April	1,807	1,680
Provision utilised during the year	(440)	(388)
Provision made during the year (Note 24)	606	515
At 31 March	<u>1,973</u>	<u>1,807</u>
<b>20. Deferred long-term lease surplus</b>	<b>2007/2008</b>	<b>2006/2007</b>
	S\$'000	S\$'000
At 1 April	1,457	1,574
Amount accreted to income and expenditure statement (Note 22)	(115)	(117)
At 31 March	<u>1,342</u>	<u>1,457</u>
<b>21. Operating revenue</b>	<b>2007/2008</b>	<b>2006/2007</b>
	S\$'000	S\$'000
Funding from Government	161,891	129,248
Cess on food and drink establishments	9,421	24,916
Cess on hotel rooms and suites	5,755	16,754
	<u>177,067</u>	<u>170,918</u>



# Notes to the Financial Statements – 31 March 2008

## 22. Other operating income

	2007/2008	2006/2007
	S\$'000	S\$'000
Events revenue	2,078	1,934
Lease and rental	1,567	1,287
Lease income	1,428	1,341
Licence fees and charges	186	128
Deferred long-term lease surplus (Note 20)	115	117
Others	1,121	967
	<u>6,495</u>	<u>5,774</u>

## 23. Promotion and development expenses

	2007/2008	2006/2007
	S\$'000	S\$'000
Overseas publicity and promotion	100,084	101,191
Overseas administrative and personnel expenses	15,377	16,486
Tourism services, research and development	11,249	5,941
Local publicity, promotion and exhibitions	7,481	6,007
Operating lease expenses on overseas office premises	2,881	2,895
Tourism business	2,771	2,687
Expenditure on development projects	1,561	2,139
Grants and contributions	834	6,341
Exchange (gain)/loss, net	(378)	525
	<u>141,860</u>	<u>144,212</u>

## 24. Staff costs

	2007/2008	2006/2007
	S\$'000	S\$'000
Salaries, allowances and other contributions	36,747	34,600
Contributions to defined contribution plans	4,193	3,852
Increase in liability for short-term accumulating compensated absences (Note 19)	606	515
	<u>41,546</u>	<u>38,967</u>

# Notes to the Financial Statements – 31 March 2008

## 25. Non-operating (deficit)/surplus, net

	2007/2008	2006/2007
	S\$'000	S\$'000
Gross dividend income	1,679	8,879
Interest income	2,312	2,808
Allowance for doubtful debts	–	6
Gain on disposal of property, plant and equipment	74	3
Property, plant and equipment written-off	(1,731)	(10)
(Loss)/Gain on revaluation of marketable investments	(2,146)	9,096
Gain on sale of available-for-sale assets	–	5,165
(Loss)/Gain on sale of marketable investments	(1,455)	2,871
Exchange loss on marketable investments	(2,250)	(1,440)
Expenses on funds under management	(303)	(298)
	<u>(3,820)</u>	<u>27,080</u>

## 26. Contribution to consolidated fund

Under Section 13(1)(e) and the First Schedule of the Singapore Income Tax Act, Chapter 134, the income of the Board is exempt from income tax.

In lieu of income tax, the Board is required to make contribution to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A.

There is no contribution for both the current and prior financial year and the deficit amount would be carried forward for set-off against future financial years' surpluses.

## 27. Commitments

### (a) Operating lease commitments – as lessee

The Board has entered into operating leases mainly for premises in respect of overseas offices. These leases have an average life of between 1 and 10 years. Operating lease payments recognised in the Income and Expenditure Statement during the year amounted to S\$3,797,788 (2006/2007: S\$3,492,000).

Future minimum lease payments payable under operating leases as at 31 March are as follows:

	2007/2008	2006/2007
	S\$'000	S\$'000
Not later than one year	3,898	3,789
Later than one year but not later than five years	3,131	4,100
Later than five years	–	–
	<u>7,029</u>	<u>7,889</u>

# Notes to the Financial Statements – 31 March 2008

## 27. Commitments (cont'd)

### (b) *Operating lease commitments – as lessor*

The Board has entered into commercial property leases on its property portfolio. These leases have remaining non-cancellable lease terms of between 1 and 14 years.

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

	<b>2007/2008</b>	<b>2006/2007</b>
	S\$'000	S\$'000
Not later than one year	1,236	1,533
Later than one year but not later than five years	735	1,816
Later than five years	1,008	1,163
	<u>2,979</u>	<u>4,512</u>

### (c) *Capital commitments*

	<b>2007/2008</b>	<b>2006/2007</b>
	S\$'000	S\$'000
Commitments for capital expenditure contracted but not provided for in the financial statements	215	1,328
	<u>215</u>	<u>1,328</u>

(d) During the financial year, the Board entered into an agreement with Singapore GP Pte Ltd (SGP), a company incorporated in Singapore, to render support and co-funding of the Singapore Formula One Grand Prix, up to 60% of Qualifying Costs, subject to a yearly funding cap. The funding period is for an initial period of 5 years. In addition, during the financial year, the Board has guaranteed SGP for a standby letter of credit (SBLC) issued by a bank for the purpose of the payment of the 2008 F1 race franchise fees.

# Notes to the Financial Statements – 31 March 2008

## 28. Related party disclosures

An entity or individual is considered a related party of the Board for the purposes of the financial statements if: i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Board or vice versa; or ii) it is subject to common control or common significant influence.

### (a) Purchases

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Board and government agencies took place during the year at terms agreed between the parties :

	2007/2008	2006/2007
	S\$'000	S\$'000
Purchase of land	–	1,200,000
Purchase of services	10,761	4,384
	<hr/>	<hr/>

### (b) Compensation of key management personnel

	2007/2008	2006/2007
	S\$'000	S\$'000
Board members' allowance	129	92
Short-term employee benefits	7,740	5,678
Pension and post-employment medical benefits	406	332
	<hr/>	<hr/>
Total compensation paid to key management personnel	8,275	6,102
	<hr/>	<hr/>
Comprise amounts paid to :		
- Members of the Board	129	92
- Other key management personnel	8,146	6,010
	<hr/>	<hr/>
	<u>8,275</u>	<u>6,102</u>

# Notes to the Financial Statements – 31 March 2008

## 29. Financial risk management objectives and policies

The Board, in its normal course of operations, is exposed to market risks, including credit, interest rate, liquidity and foreign currency risks. While the Board does not hold or issue derivative financial instruments for trading purposes, the Board may use such instruments for risk management purposes. The Board has written policies and guidelines, which set out its general risk management philosophy.

### *Credit risk*

Credit risk is the potential financial loss resulting from the failure of counterparty to settle its financial and contractual obligation to the Board as and when they fall due.

Cash and fixed deposits are placed with reputable financial institutions. Investments in financial instruments are managed by reputable fund managers.

### *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. It is the Board's policy to obtain the most favourable interest rate for its fixed deposits depending on the immediate cash requirements.

### *Liquidity risk*

The Board monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Board's operations. The investment portfolio comprises securities with resale markets to ensure portfolio liquidity.

The Board does not have a significant exposure to liquidity risk as at the balance sheet date.

### *Foreign 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. Where appropriate, the Board may hedge these risks as they arise.

The Board does not have a significant exposure to foreign currency risk as at the balance sheet date.

# Notes to the Financial Statements – 31 March 2008

## 30. Financial instruments

### (a) *Credit risk*

There are no significant concentrations of credit risk within the Board.

### (b) *Fair values*

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

#### *Financial instruments carried at fair value*

The Board has carried an investment security that is classified as available-for-sale financial assets and all derivative financial instruments, at their fair value as required by SB-FRS 39.

#### *Financial instruments whose carrying amount approximate fair value*

The Board has determined that the carrying amounts of trade and other receivables, fixed deposits, cash and bank balances, trade and other payables, and advances and deposits received based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

#### *Methods and assumptions used to determine fair values*

The methods and assumptions used by the Board to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values as mentioned earlier, are as follow:

Financial assets and liabilities	Methods and assumptions
Investment securities Derivative financial instruments	Fair value has been determined by reference to published market prices or broker quotes at the balance sheet date without factoring in transaction costs.

### (c) *Interest rate risk*

	2007/2008	2006/2007
	S\$'000	S\$'000
<b>Within one year</b>		
<i>Floating rates</i>		
Fixed deposits	44,305	14,019
Cash and bank balances	13,553	48,916
<i>Fixed rates</i>		
Fixed income bonds/investments	29,406	30,284

# Notes to the Financial Statements – 31 March 2008

## 30. Financial instruments (cont'd)

### (d) *Derivative financial instruments*

Derivative financial instruments included in the balance sheet at 31 March are as follows:

	2007/2008	2006/2007
	S\$'000	S\$'000
Forward currency contracts	178	12

## 31. Subsequent events

The Board commenced legal proceedings in the Singapore Courts against Children's Media Limited (CML), Tribute Third Millennium Limited (Tribute) and Anthony David Hollingsworth ("the Defendants") for breach of contract in cancelling the Listen Live. The legal action seeks the recovery of S\$ 6million and damages from the Defendants.

On 27 May 2008, the Singapore Court delivered its judgment in favour of the Board, with damages to be awarded to the Board. Anthony David Hollingsworth, the person behind CML and Tribute is to be held liable jointly and severally with CML and Tribute for all of STB's losses arising from the dispute. Damages will be assessed against the Defendants. The Singapore Court has rejected in full the Defendants' counterclaim against STB.

The financial statements for the year ended 31 March 2008 have not been adjusted for the recovery from the defendants.

## 32. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2008 were authorised for issue by the Members of the Board on 8 July 2008.



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