financial statements

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statement by management
of National Parks Board

In our opinion, the financial statements set out on pages 64 to 88 are drawn up so as to present fairly, in all material respects, the state of affairs of the Group and of the Board as at 31 March 2007 and of the results and changes in equity of the Group and of the Board and the cash flows of the Group for the year ended on that date in accordance with the provisions of the National Parks Board Act, Chapter 198A and Singapore Financial Reporting Standards.

The management of National Parks Board has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board

Mrs Christina Ong
Chairman

Ng Lang
Chief Executive Officer

Singapore
3 July 2007

independent auditors' report

Members of the Board
National Parks Board

We have audited the accompanying financial statements of National Parks Board (the Board) and its subsidiary (the Group), which comprise the balance sheets of the Group and the Board as at 31 March 2007, the statements of income and expenditure of the Group and the Board, statements of changes in equity of the Group and the Board, and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 64 to 88. The financial statements for the year ended 31 March 2006 were audited by Auditor-General whose report dated 23 June 2006 expressed an unqualified opinion on those financial statements.

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 National Parks Board Act, Chapter 198A (the Act) and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control 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 Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit 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 judgment, 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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:

(a) the consolidated financial statements of the Group, and the balance sheet, statement of income and expenditure and statement of changes in equity of the Board are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to present fairly, in all material respects, the state of affairs of the Group and of the Board as at 31 March 2007, and the results and changes in equity of the Group and of the Board and the cash flows of the Group for the year ended on that date; and

(b) the accounting and other records, including records of all assets of the Board whether purchased, donated or otherwise, 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 receipts, expenditure and investment of monies and the acquisition and disposal of assets by the Board during the financial year have not been in accordance with the provisions of the Act.

KPMG
Certified Public Accountants

Singapore
3 July 2007

balance sheets

as at 31 March 2007

	Note	Group 2007 $	Group 2006 $	Board 2007 $	Board 2006 $
Non-current assets					
Property, plant and equipment	3	164,615,542	160,412,375	164,615,542	160,372,583
Investment in subsidiary	4	–	–	2	2
Loan to subsidiary	5	–	–	–	–
Other investments	6	311	311	–	–
		164,615,853	160,412,686	164,615,544	160,372,585
Current assets					
Trade and other receivables	7	8,189,757	5,545,883	8,416,885	5,505,372
Cash and cash equivalents	8	33,349,254	39,124,891	33,106,195	39,083,517
		41,539,011	44,670,774	41,523,080	44,588,889
Net assets of Garden City Fund	17	3,010,592	2,677,643	3,010,592	2,677,643
Fund held in trust		(3,010,592)	(2,677,643)	(3,010,592)	(2,677,643)
		–	–	–	–
Total assets		206,154,864	205,083,460	206,138,624	204,961,474
Equity					
Capital account	9	4,528,275	4,528,275	4,528,275	4,528,275
Accumulated surplus		5,956,574	5,237,660	5,956,575	5,130,269
Total equity		10,484,849	9,765,935	10,484,850	9,658,544
Non-current liabilities					
Deferred capital grants	10	164,441,552	160,145,387	164,441,552	160,145,387
Deferred revenue	11	2,048,613	2,131,946	2,048,613	2,131,946
		166,490,165	162,277,333	166,490,165	162,277,333
Current liabilities					
Trade and other payables	12	26,862,427	27,154,948	26,846,186	27,140,353
Government capital grants	13	1,036,736	236,621	1,036,736	236,621
Government operating grants	14	–	5,238,583	–	5,238,583
Other government grants	15	990,778	–	990,778	–
Deferred revenue	11	83,333	83,333	83,333	83,333
Contribution to Consolidated Fund	16	206,576	326,707	206,576	326,707
		29,179,850	33,040,192	29,163,609	33,025,597
Total liabilities		195,670,015	195,317,525	195,653,774	195,302,930
Total equity and liabilities		206,154,864	205,083,460	206,138,624	204,961,474

The accompanying notes form an integral part of these financial statements.

statements of income and expenditure

year ended 31 March 2007

		Group		Board	
	Note	2007	2006	2007	2006
		$	$	$	$
Operating income					
Rental income		5,139,893	4,403,231	5,139,893	4,403,231
Admission charges		1,597,874	1,467,203	1,597,874	1,467,203
Fines and forfeitures		444,008	255,820	444,008	255,820
Agency fees		673,636	419,687	673,636	419,687
Interest income		863,443	529,614	863,097	529,504
Miscellaneous income	18	2,587,762	2,362,485	2,212,238	2,140,989
		11,306,616	9,438,040	10,930,746	9,216,434
Operating expenditure					
Staff costs	19	(44,605,649)	(40,120,254)	(44,137,337)	(39,550,612)
Maintenance and improvement of parks		(48,080,144)	(41,910,122)	(48,080,144)	(41,910,122)
General and administrative expenses		(25,486,096)	(18,549,332)	(25,479,776)	(20,049,235)
Depreciation of property, plant and equipment	3	(9,254,425)	(7,982,683)	(9,245,795)	(7,971,944)
		(127,426,314)	(108,562,391)	(126,943,052)	(109,481,913)
Deficit before grants	20	(116,119,698)	(99,124,351)	(116,012,306)	(100,265,479)
Government operating grants	14	107,425,697	93,641,760	107,425,697	93,641,760
Other grants:					
– government agencies	15	161,510	–	161,510	–
– non-government		25,257	–	25,257	–
Deferred capital grants amortised	10	9,432,724	8,742,777	9,432,724	8,742,777
Surplus before contribution to Consolidated Fund		925,490	3,260,186	1,032,882	2,119,058
Contribution to Consolidated Fund	16	(206,576)	(423,812)	(206,576)	(423,812)
Surplus for the year		718,914	2,836,374	826,306	1,695,246

The accompanying notes form an integral part of these financial statements.

statements of changes in equity
year ended 31 March 2007

	Capital account $	Accumulated surplus $	Total $
Group			
At 1 April 2005	4,528,275	2,401,286	6,929,561
Surplus for the year/Total recognised income for the year	–	2,836,374	2,836,374
At 31 March 2006	4,528,275	5,237,660	9,765,935
At 1 April 2006	4,528,275	5,237,660	9,765,935
Surplus for the year/Total recognised income for the year	–	718,914	718,914
At 31 March 2007	4,528,275	5,956,574	10,484,849
Board			
At 1 April 2005	4,528,275	3,435,023	7,963,298
Surplus for the year/Total recognised income for the year	–	1,695,246	1,695,246
At 31 March 2006	4,528,275	5,130,269	9,658,544
At 1 April 2006	4,528,275	5,130,269	9,658,544
Surplus for the year/Total recognised income for the year	–	826,306	826,306
At 31 March 2007	4,528,275	5,956,575	10,484,850

The accompanying notes form an integral part of these financial statements.

consolidated cash flow statement

year ended 31 March 2007

	Note	2007	2006
		$	$
Operating activities			
Deficit before grants		(116,119,698)	(99,124,351)
Adjustments for:			
Depreciation of property, plant and equipment		9,254,425	7,982,683
Loss on disposal of property, plant and equipment		196,837	5,581
Property, plant and equipment written off		–	262,744
Write back of overstated deferred capital grants		–	(86,050)
Amortisation of lease premium received in advance		(83,333)	(83,333)
Interest income		(863,443)	(529,614)
		(107,615,212)	(91,572,340)
Changes in working capital:			
Trade and other receivables		(366,154)	959,121
Payables and accruals		391,829	4,100,413
Rental and other deposits		(570,450)	245,120
Cash used in operations		(108,159,987)	(86,267,686)
Contribution to Consolidated Fund paid		(326,707)	(489,501)
Cash flows from operating activities		(108,486,694)	(86,757,187)
Investing activities			
Proceeds from disposal of property, plant and equipment		48,081	561,139
Purchase of property, plant and equipment		(13,702,510)	(23,396,744)
Interest received		889,925	512,202
Amounts due from:			
– Ministry of National Development		(1,971,155)	2,135,651
– Garden City Fund		(79,490)	–
Cash flows from investing activities		(14,815,149)	(20,187,752)
Financing activities			
Grants received		117,640,106	120,448,454
Amounts due to:			
– Ministry of National Development		(109,983)	213,269
– Garden City Fund		(3,917)	(68,433)
Cash flows from financing activities		117,526,206	120,593,290
Net (decrease)/increase in cash and cash equivalents		(5,775,637)	13,648,351
Cash and cash equivalents at beginning of the year		39,124,891	25,476,540
Cash and cash equivalents at end of the year	8	33,349,254	39,124,891

The accompanying notes form an integral part of these financial statements.

notes to the financial statements
year ended 31 March 2007

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Members of the Board on 3 July 2007.

1 DOMICILE AND ACTIVITIES

National Parks Board (the Board) is a statutory board established under the National Parks Board Act (Chapter 198A) (the Act). The Act sets out the Board's functions, and provides that the Board may, for the purposes of this Act, carry on such activities as appear to the Board to be advantageous, necessary or convenient for it to carry on for or in connection with the discharge of its duties and functions under this Act and, in particular, may exercise any of the powers specified in the Second Schedule to the Act. The Board is under the purview of Ministry of National Development; and the Minister for National Development may, after consultation with the Board, give to the Board such directions, not inconsistent with the provisions of the Act, as he thinks fit, as to the exercise of the functions of the Board under the Act, and the Board shall give effect to all such directions. The Board is also required to implement policies and policy changes as determined by other Government ministries such as the Ministry of Finance from time to time.

The Board has its registered office at Singapore Botanic Gardens, 1 Cluny Road, Singapore 259569.

The principal activities of the Board are to develop, manage and promote the National Parks and Nature Reserves as valuable reserves for recreation, conservation, research and education and to develop, upgrade, manage and maintain the public parks, open spaces on behalf of the Government.

The principal activities of the subsidiary are described in note 4 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared in accordance with the provisions of the Act and Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis and are presented in Singapore dollars which is the Board's functional currency.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenditure. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.2 Consolidation

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Board. Control exists when the Board has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiary by the Board

Investment in subsidiary is stated in the Board's balance sheet at cost less accumulated impairment losses.

2.3 Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of income and expenditure as incurred.

Depreciation is recognised in the statement of income and expenditure on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Building, structures, capital and other improvements	20 years
Office equipment, furniture and fittings	5 to 10 years
Laboratory and gardening equipment	7 years
Motor vehicles	8 to 10 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.3 Property, plant and equipment *(Cont'd)*

The cost of the leasehold land is amortised over the remaining period of between 87 to 93 years from the date the terms and conditions for vesting the land were finalised.

Depreciation is not provided on construction-in-progress. Fully depreciated assets still in use are retained in the financial statements. Property, plant and equipment costing less than $1,000 each are charged to the statement of income and expenditure in the year of purchase.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.4 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investment in equity securities, trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at settlement date, i.e., the date that an asset is delivered to or by the Group. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits.

Available-for-sale financial assets

The Group's investment in equity securities is classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the statement of income and expenditure.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.4 Financial instruments *(Cont'd)*

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of income and expenditure. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the statement of income and expenditure.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the statement of income and expenditure. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

2.5 Impairment – non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of income and expenditure unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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 or cash-generating unit.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.6 Employee benefits

Defined contribution plans

Contributions to defined contribution pension plans are recognised as an expenditure in the statement of income and expenditure as incurred.

Defined benefits plans

Obligations in respect of state-managed pension schemes are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounted to determine the present value. The discount rate is the yield at the balance sheet date on 10-year Singapore Government bonds that have maturity dates approximating the terms of the Group's obligations.

Short-term benefits

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

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.7 Leases

When entities within the Group is a lessee of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the statement of income and expenditure on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income and expenditure as an integral part of the total lease payment made. Contingent rentals are charged to the statement of income and expenditure in the accounting period in which they are incurred.

When entities within the Group is a lessor of an operating lease

Assets leased out under operating leases are included in leasehold land and are depreciated over the lease term of the leasehold land. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term of the operating lease with the lessee.

2.8 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.9 Income recognition

Income comprises the fair value of the consideration received or receivable for the rendering of services, net of goods and services tax, rebates and discounts.

Rental income

Rental income receivable under operating leases is recognised in the statement of income and expenditure on a straight-line basis over the term of the lease.

Admission charges

Admission charges are recognised upon the sale of admission tickets to visitors.

Fines and forfeitures

Fines and forfeitures are recognised on the issuance of the notice of offence to offenders.

Agency fees

Where it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be reliably measured, agency fees are recognised over the period in which the services are completed.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Miscellaneous income

Miscellaneous income comprises income derived from consultancy fees, sale of publications, souvenirs and orchid plantlets, liquidated damages collected from contractors, course fees and fines collected from contractors whose work resulted in damage to trees and plants which are recognised on a cash basis or upon issuance of the notice of offence.

2.10 Grants

The value of land at the Singapore Botanic Gardens and the Fort Canning Park that vested in the Board when it was established in June 1990 was taken to the deferred capital grants account. The value of all other assets net of liabilities transferred from the former Parks and Recreation Department of Ministry of National Development (PRD) to the Board in June 1990 and July 1996 amounting to $4,528,275 was taken to the capital account.

Government grants for the purchase or construction of depreciable assets are first taken to the grants received in advance account when received and transferred to the deferred capital grants account as and when they are utilised. Contributions from other organisations for similar purpose and donations of depreciable assets are taken directly to the deferred capital grants account.

Deferred capital grants are recognised in the statement of income and expenditure over the periods necessary to match the depreciation of the assets purchased, constructed or donated except for the value of assets net of liabilities transferred from the former PRD when the Board was established in June 1990 and when PRD merged with the Board in July 1996. Upon the disposal of these assets, the balance of the related deferred capital grants is recognised in the statement of income and expenditure to match the net book value of the assets disposed off.

Government grants and grants from other organisations to meet current year's operating expenditure are recognised as income in the same year. Operating and capital grants are recognised only when there is reasonable assurance that the Board will comply with the conditions attaching to them and the grant will be received, and are accounted for on an accrual basis.

notes to the financial statements

year ended 31 March 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.11 Garden City Fund

Garden City Fund is presented separately from the Board's assets and liabilities under a memorandum account in the balance sheet. Income and expenditure relating to the fund are accounted for directly in the fund. Details of income, expenditure, assets and liabilities of the fund are disclosed in the notes to the financial statements.

2.12 Contribution to Consolidated Fund

Contribution to consolidated fund is provided on an accrual basis.

2.13 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of income and expenditure except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investment in subsidiary to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land	Building, structures, capital and other improvements	Office equipment, furniture and fittings	Laboratory and gardening equipment	Motor vehicles	Construction-in-progress	Total
	$	$	$	$	$	$	$
Cost							
At 1 April 2005	60,935,129	88,037,991	25,846,438	873,140	6,272,573	26,879,609	208,844,880
Additions	–	129,027	2,074,160	289,427	738,102	20,212,458	23,443,174
Transfers	–	7,415,892	1,794	–	–	(7,417,686)	–
Write-off *	–	–	–	–	–	(262,744)	(262,744)
Disposals	–	–	(803,767)	(119,052)	(2,698,702)	–	(3,621,521)
At 31 March 2006	60,935,129	95,582,910	27,118,625	1,043,515	4,311,973	39,411,637	228,403,789
Additions	–	–	4,526,765	80,611	123,431	8,971,703	13,702,510
Transfers	–	39,073,452	409,670	–	–	(39,483,122)	–
Disposals	–	(48,000)	(2,380,488)	(30,423)	(593,333)	–	(3,052,244)
At 31 March 2007	60,935,129	134,608,362	29,674,572	1,093,703	3,842,071	8,900,218	239,054,055
Accumulated depreciation and impairment losses							
At 1 April 2005	5,808,681	31,897,082	20,528,896	702,833	4,126,040	–	63,063,532
Depreciation charge for the year	656,236	4,610,471	2,194,122	60,921	460,933	–	7,982,683
Disposals	–	–	(657,134)	(116,087)	(2,281,580)	–	(3,054,801)
At 31 March 2006	6,464,917	36,507,553	22,065,884	647,667	2,305,393	–	67,991,414
Depreciation charge for the year	656,236	6,274,725	1,830,221	89,624	403,619	–	9,254,425
Disposals	–	(7,400)	(2,220,502)	(28,228)	(551,196)	–	(2,807,326)
At 31 March 2007	7,121,153	42,774,878	21,675,603	709,063	2,157,816	–	74,438,513
Carrying amount							
At 1 April 2005	55,126,448	56,140,909	5,317,542	170,307	2,146,533	26,879,609	145,781,348
At 31 March 2006	54,470,212	59,075,357	5,052,741	395,848	2,006,580	39,411,637	160,412,375
At 31 March 2007	53,813,976	91,833,484	7,998,969	384,640	1,684,255	8,900,218	164,615,542

* This comprises rental expense for temporary buildings, temporary car park and other incidental costs which were funded by government capital grant for a development project in the Singapore Botanic Gardens.

notes to the financial statements

year ended 31 March 2007

3 PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Board	Leasehold land	Building, structures, capital and other improvements	Office equipment, furniture and fittings	Laboratory and gardening equipment	Motor vehicles	Construction-in-progress	Total
	$	$	$	$	$	$	$
Cost							
At 1 April 2005	60,935,129	88,037,991	25,780,468	873,140	6,272,573	26,879,609	208,778,910
Additions	–	129,027	2,058,831	289,427	738,102	20,212,458	23,427,845
Transfers	–	7,415,892	1,794	–	–	(7,417,686)	–
Write-off *	–	–	–	–	–	(262,744)	(262,744)
Disposals	–	–	(803,767)	(119,052)	(2,698,702)	–	(3,621,521)
At 31 March 2006	60,935,129	95,582,910	27,037,326	1,043,515	4,311,973	39,411,637	228,322,490
Additions	–	–	4,553,144	80,611	123,431	8,971,703	13,728,889
Transfers	–	39,073,452	409,670	–	–	(39,483,122)	–
Disposals	–	(48,000)	(2,353,606)	(30,423)	(593,333)	–	(3,025,362)
At 31 March 2007	60,935,129	134,608,362	29,646,534	1,093,703	3,842,071	8,900,218	239,026,017
Accumulated depreciation and impairment losses							
At 1 April 2005	5,808,681	31,897,082	20,498,128	702,833	4,126,040	–	63,032,764
Depreciation charge for the year	656,236	4,610,471	2,183,383	60,921	460,933	–	7,971,944
Disposals	–	–	(657,134)	(116,087)	(2,281,580)	–	(3,054,801)
At 31 March 2006	6,464,917	36,507,553	22,024,377	647,667	2,305,393	–	67,949,907
Depreciation charge for the year	656,236	6,274,725	1,821,591	89,624	403,619	–	9,245,795
Disposals	–	(7,400)	(2,198,403)	(28,228)	(551,196)	–	(2,785,227)
At 31 March 2007	7,121,153	42,774,878	21,647,565	709,063	2,157,816	–	74,410,475
Carrying amount							
At 1 April 2005	55,126,448	56,140,909	5,282,340	170,307	2,146,533	26,879,609	145,746,146
At 31 March 2006	54,470,212	59,075,357	5,012,949	395,848	2,006,580	39,411,637	160,372,583
At 31 March 2007	53,813,976	91,833,484	7,998,969	384,640	1,684,255	8,900,218	164,615,542

* This comprises rental expense for temporary buildings, temporary car park and other incidental costs which were funded by government capital grant for a development project in the Singapore Botanic Gardens.

4 INVESTMENT IN SUBSIDIARY

	Board	
	2007	2006
	$	$
Unquoted equity investment, at cost	2	2

Details of the subsidiary are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Equity interest held	
			2007	2006
			%	%
Singapore Garden City Pte. Ltd.	Landscape planning, advisory services and business consulting services	Singapore	100	100

5 LOAN TO SUBSIDIARY

	Board	
	2007	2006
	$	$
Loan to subsidiary	1,200,000	1,170,716
Allowance for impairment loss	(1,200,000)	(1,170,716)
	–	–

The loan to subsidiary is unsecured, bears interest at 5% (2006: 5%) per annum and is repayable by April 2009.

6 OTHER INVESTMENTS

	Group	
	2007	2006
	$	$
Unquoted equity shares available-for-sale, at cost	311	311

Unquoted equity shares are carried at cost as their fair values cannot be reliably measured since the probabilities of the various estimates within the range cannot be reasonably assessed.

7 TRADE AND OTHER RECEIVABLES

	Group		Board	
	2007	2006	2007	2006
	$	$	$	$
Trade receivables	2,900,603	1,930,626	2,866,750	1,857,612
Allowance for impairment loss	(42,605)	(47,836)	(8,752)	(13,983)
Net trade receivables	2,857,998	1,882,790	2,857,998	1,843,629
Receivables from Ministry of National Development (non-trade)	4,382,520	2,160,692	4,382,520	2,160,692
Amount due from Garden City Fund (non-trade)	79,490	–	79,490	–
Interest receivable	8,510	32,108	8,510	32,108
Other receivables	90,642	159,886	90,642	159,886
Deposits	83,150	371,161	83,150	371,161
Prepayments	687,447	939,246	684,463	937,896
	8,189,757	5,545,883	8,186,773	5,505,372
Amount due from subsidiary (non-trade)	–	–	749,668	480,599
Allowance for impairment loss	–	–	(519,556)	(480,599)
		–	230,112	–
	8,189,757	5,545,883	8,416,885	5,505,372

Except for amounts owing from a tenant totalling $1,284,833, there is no other significant concentration of credit risk relating to trade receivables. The Group's historical experience in the collection of trade receivables falls within the recorded allowances and management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Receivables from Ministry of National Development comprise primarily direct development grants receivable by the Board. These amounts are unsecured and interest-free, and are repayable on demand.

Non-trade amounts due from Garden City Fund and the subsidiary are unsecured and interest-free, and are repayable on demand.

8 CASH AND CASH EQUIVALENTS

	Group		Board	
	2007	2006	2007	2006
	$	$	$	$
Cash at bank and in hand	12,577,094	10,670,182	12,334,035	10,628,808
Deposits with financial institutions	20,772,160	28,454,709	20,772,160	28,454,709
	33,349,254	39,124,891	33,106,195	39,083,517

The effective interest rates of deposits with financial institutions are between 0.325% to 2.625% (2006: 0.175% to 3%) per annum. Interest rates reprise at intervals of 7 days to 12 months (2006: 7 days to 12 months).

9 CAPITAL ACCOUNT

Capital account represents the value of assets net of liabilities transferred from the former Parks and Recreation Department (PRD) of Ministry of National Development when the Board was established in June 1990 and when PRD merged with the Board in July 1996. It excludes the leasehold land which was acquired via Government capital grants.

10 DEFERRED CAPITAL GRANTS

	Note	Group and Board 2007	Group and Board 2006
		$	$
At 1 April		160,145,387	145,546,369
Capital grants utilised during the year	13	8,971,703	20,212,458
Grants-in-kind transferred from Garden City Fund		–	46,430
Amounts transferred from Government operating grants utilised during the year	14	4,757,186	3,168,957
		173,874,276	168,974,214
Deferred capital grants amortised during the year		(9,432,724)	(8,742,777)
Write back of overstated deferred capital grants		–	(86,050)
At 31 March (including grants-in-kind less amortisation)		164,441,552	160,145,387
Total capital grants received (excluding grants-in-kind transferred from Garden City Fund) and utilised since establishment		188,835,435	175,106,546

11 DEFERRED REVENUE

	Group and Board 2007	Group and Board 2006
	$	$
Lease premium received in advance	2,131,946	2,215,279
Within 12 months	83,333	83,333
After 12 months	2,048,613	2,131,946
	2,131,946	2,215,279

The lease premium received in advance represents the unamortised balances of lease premium received in advance from a tenant.

12 TRADE AND OTHER PAYABLES

	Group 2007	Group 2006	Board 2007	Board 2006
	$	$	$	$
Trade payables	8,042,750	11,661,681	8,042,750	11,659,860
GST payable	411,247	397,587	405,053	396,160
Other payables	501,070	488,327	496,761	488,327
Accrued operating expenses	9,197,033	5,420,092	9,191,295	5,415,449
Payables to Ministry of National Development (non-trade)	873,647	983,630	873,647	983,630
Amounts due to Garden City Fund (non-trade)	2,249	6,166	2,249	6,166
Rental and other deposits	1,637,880	2,208,330	1,637,880	2,208,330
Liability for defined benefits obligations	4,565,301	4,412,273	4,565,301	4,412,273
Accrual for unutilised leave	1,631,250	1,576,862	1,631,250	1,570,158
	26,862,427	27,154,948	26,846,186	27,140,353

12 TRADE AND OTHER PAYABLES *(Cont'd)*

Payables to Ministry of National Development comprise primarily state revenue collections received on behalf of the Ministry. The amounts are unsecured and interest-free, and are repayable on demand.

Non-trade amount due to Garden City Fund is unsecured and interest-free, and is repayable on demand.

Liability for defined benefits obligations

Certain employees of the Board are entitled to select one of the following state-managed pension schemes upon retirement:

(i) Annual pension payments;
(ii) Reduced pension together with gratuity payment upon retirement; or
(iii) Lump sum gratuity payment upon retirement.

Accrual for defined benefits obligations is made assuming that scheme (iii) will be selected by these employees upon retirement based on the Board's historical experience.

Movements in liability for defined benefits obligations are as follows:

	Group	
	2007	2006
	$	$
At 1 April	4,412,273	3,941,118
Accrual for the year	620,963	870,915
Benefits paid	(467,935)	(399,760)
At 31 March	4,565,301	4,412,273

Principal assumptions at the balance sheet date are as follows:

	Group	
	2007	2006
Discount rate	2.8%	2.8%
Future salary increases	3.0%	3.0%

13 GOVERNMENT CAPITAL GRANTS

		Group and Board	
	Note	2007	2006
		$	$
At 1 April		236,621	121,498
Grants received		9,518,261	18,399,154
Grants receivable		250,673	1,924,938
Amounts utilised and transferred to deferred capital grants	10	(8,971,703)	(20,212,458)
Increase in accrued interest on capital grants received		2,884	3,489
At 31 March		1,036,736	236,621

14 GOVERNMENT OPERATING GRANTS

	Note	Group and Board 2007	2006
		$	$
At 1 April		5,238,583	–
Grants received		106,944,300	102,049,300
Amounts transferred to deferred capital grants	10	(4,757,186)	(3,168,957)
Amounts taken to statement of income and expenditure		(107,425,697)	(93,641,760)
		–	5,238,583

Total operating grants received less transferred to deferred capital grants since establishment are $882,686,899 (2006: $780,499,785).

15 OTHER GOVERNMENT GRANTS

	Group and Board 2007	2006
	$	$
At 1 April	–	–
Grants received	1,152,288	–
Amount taken to statement of income and expenditure	(161,510)	–
At 31 March	990,778	–

Other Government grants comprise grants received from other Government agencies.

16 CONTRIBUTION TO CONSOLIDATED FUND

With effect from 1 April 2003, the Board is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. Contribution for the financial year is determined based on 20% (2006: 20%) of the net surplus for the financial year.

17 GARDEN CITY FUND

The Board established the Garden City Fund on 1 July 2002 to enhance the enjoyment of the garden city in areas where there is no government funding. The Garden City Fund is managed, administered and controlled by the Garden City Fund Management Committee (the Committee), although the Board has the authority to remove any member from the Committee, and provide directions and guidelines on the conduct of meetings and other matters relating to the proceedings of the Committee.

The Garden City Fund comprises the Garden City Endowment Fund (GCEF) and the Garden City Non-Endowment Fund (GCNEF). The GCNEF comprises all monies transferred from the specific funds of the Board upon the formation of the Garden City Fund on 1 July 2002 and all other contributions to the GCNEF.

The GCNEF and the income from the GCEF will be used to further the objectives of the Garden City Fund.

Upon dissolution of the Garden City Fund, the remaining monies in the fund shall be donated to charitable organisations which have been designated as Institutions of a Public Character under the Income Tax Act (Chapter 134) and registered under the Charities Act (Chapter 37).

notes to the financial statements

year ended 31 March 2007

17 GARDEN CITY FUND *(Cont'd)*

The following financial information represents GCNEF. There has been no contribution to the GCEF since establishment.

	Group and Board	
	2007	2006
	$	$
Donations received	1,877,261	2,279,567
Sales of publications/souvenirs	58,178	79,547
Interest income	65,590	47,048
	2,001,029	2,406,162
Printing and stationery	132,120	95,911
Maintenance	4,670	8,157
Horticultural works	31,705	2,843
Publicity	165,434	45,113
Outreach activities	25,100	234,906
Photographic materials	–	952
Administrative expenses	5,380	1,140
Professional fees	55	5,220
Depreciation of plant and equipment	6,319	3,113
Rental expenses	3,210	9,201
Training and courses	108,174	30,793
Enhancements of parks/facilities	1,021,165	2,005,292
Library operating expenses	98,354	93,647
Others	66,394	108,175
	1,668,080	2,644,463
Surplus/(Deficit) for the year	332,949	(238,301)
Accumulated fund at beginning of the year	2,677,643	2,915,944
Accumulated fund at end of the year	3,010,592	2,677,643
Represented by:		
Non-current asset		
Plant and equipment	37,683	27,570
Current assets		
Trade receivables	9,749	8,552
Other receivables	8,415	10,875
Cash and cash equivalents	3,263,281	2,701,357
	3,281,445	2,720,784
Current liabilities		
Trade payables	210,973	11,038
Other payables	97,563	59,673
	308,536	70,711
Net assets	3,010,592	2,677,643

18 MISCELLANEOUS INCOME

	Group		Board	
	2007	2006	2007	2006
	$	$	$	$
Liquidated damages	110,151	599,778	110,151	599,778
Course fees	543,616	474,817	543,616	474,817
Barbeque permit fees	369,303	310,640	369,303	310,640
Consultancy fees	446,465	288,807	–	–
Earthfill charges	105,107	155,702	105,107	155,702
Tour fees	79,512	83,971	79,512	83,971
Events income	644,694	–	644,694	–
Others	288,914	448,770	359,855	516,081
	2,587,762	2,362,485	2,212,238	2,140,989

19 STAFF COSTS

	Group		Board	
	2007	2006	2007	2006
	$	$	$	$
Wages and salaries	37,539,115	34,387,570	37,112,325	33,867,244
Contributions to defined contribution plans	3,997,731	3,807,196	3,959,235	3,766,087
Retrenchment benefits	1,485,568	–	1,485,568	–
Pension costs	620,963	870,915	620,963	870,915
Other staff benefits	962,272	1,054,573	959,246	1,046,366
	44,605,649	40,120,254	44,137,337	39,550,612

There are currently 20 (2006: 22) employees of the Board who are under pension schemes other than the Central Provident Fund. The pension amount to be paid to each employee upon retirement under this scheme is dependent on, among other factors, the number of years of service and the last drawn salary. The pension costs are shared between the Board and the Accountant-General's Department in accordance with the Fourth Schedule of the Act.

20 DEFICIT BEFORE GRANTS

The following items have been included in arriving at deficit before grants:

	Group		Board	
	2007	2006	2007	2006
	$	$	$	$
Property, plant and equipment written off	–	262,744	–	262,744
Loss on disposal of property, plant and equipment	196,837	5,581	192,054	5,581
Allowance for impairment losses (written back)/made:				
– Trade receivables	(5,231)	41,775	(5,231)	7,922
– Amount due from subsidiary	–	–	68,241	1,651,315
Bad debts written (back)/off	(21,904)	87,033	(21,904)	84,175

21 INCOME TAX EXPENSE

The Board is exempted from income tax under Section 13(1)(e) of the Income Tax Act, Chapter 134, and is required to make contributions to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A, as mentioned in note 16 to the financial statements.

No tax provision is made by the subsidiary as it is in a tax loss position and has unutilised tax losses and temporary differences from capital allowances available for set-off against future taxable income.

Reconciliation of effective tax rate

	Group	
	2007	2006
	$	$
Surplus for the year	718,914	2,836,374
Tax calculated using Singapore tax rate of 18% (2006: 20%)	129,405	567,275
Income not subject to tax	(161,019)	(669,312)
Deferred tax assets not recognised	31,614	100,989
Others	–	1,048
	–	–

The following temporary differences have not been recognised:

	Group	
	2007	2006
	$	$
Unutilised tax losses	1,647,206	1,449,204
Excess of tax written down value of plant and equipment	1,290	23,659
	1,648,496	1,472,863

The realisation of the future income tax benefits from unutilised tax losses and temporary differences from capital allowances is available for an unlimited future period subject to compliance with the provisions of the Income Tax Act. Deferred tax assets have not been recognised in respect of these items because of the uncertainty over which future taxable profit will be available against which the subsidiary can utilise the benefits.

22 COMMITMENTS

As at the balance sheet date, the Group and the Board have the following commitments:

	Group and Board 2007	Group and Board 2006
	$	$
Contracted but not provided for	49,332,468	45,193,611
Less: Direct development expenditure to be reimbursed by Ministry of National Development	(46,132,868)	(34,713,228)
	3,199,600	10,480,383
Authorised but not contracted for	274,956,387	106,788,200
Less: Direct development expenditure to be reimbursed by Ministry of National Development	(272,507,390)	(101,276,313)
	2,448,997	5,511,887
	5,648,597	15,992,270
Non-cancellable operating lease commitments:		
– within 1 year	198,000	1,020,696
– after 1 year but within 5 years	–	198,000
	198,000	1,218,696

As at the balance sheet date, the Group and the Board have the following non-cancellable operating lease receivables:

	Group and Board 2007	Group and Board 2006
	$	$
Within 1 year	3,708,884	3,454,886
After 1 year but within 5 years	12,421,695	11,652,644
After 5 years	59,280,000	62,160,000
	75,410,579	77,267,530

The above amounts exclude operating lease premium received in advance of $2,131,946 (2006: $2,215,279) (refer to note 11 to the financial statements).

notes to the financial statements
year ended 31 March 2007

23 RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group and the Board are those persons having the responsibility for planning, directing and controlling the activities of the Group and of the Board. These key management personnel comprise members of the Board and Executive Management Team of the Group and of the Board.

Key management personnel compensation comprised:

	Group		Board	
	2007	2006	2007	2006
	$	$	$	$
Short-term employee benefits	909,219	1,199,644	833,908	984,093
Post employment benefits	251,960	222,654	251,960	222,654
	1,161,179	1,422,298	1,085,868	1,206,747

Other related party transactions

For the purposes of these financial statements, related parties include the Board's supervisory ministry, Ministry of National Development, Government agencies under the purview of Ministry of National Development, Garden City Fund and the Board's subsidiary.

Except as disclosed elsewhere in the financial statements, transactions with related parties carried out on terms agreed between the parties are as follows:

	Group	
	2007	2006
	$	$
Government agencies		
Agency fees income	96,904	62,597
Garden City Fund		
Purchase of publications/souvenirs	16,938	8,939

	Board	
	2007	2006
	$	$
Government agencies		
Agency fees income	96,904	62,597
Garden City Fund		
Purchase of publications/souvenirs	16,938	8,939
Subsidiary		
Support services income	16,263	19,164
Interest income	59,499	57,960
Rental and related income	12,085	23,027
Purchase of fixed assets	28,597	–

24 FINANCIAL INSTRUMENTS

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group has a credit policy in place which established credit limits for customers and monitors their balances on an ongoing basis. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

At the balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

The Group has minimal exposure to liquidity risk as the Group's operations are funded by government grants. The Group has ensured that sufficient liquidity through highly liquid assets in the form of cash and short term deposits is maintained at all times to meet its financial obligations.

Interest rate risk

Interest-earning financial assets of the Group are mainly cash and cash equivalents which are all short term. Any future variations in interest rates will not have a material impact on the results of the Group. The Group does not have any interest-bearing financial liabilities.

Foreign currency risk

The Group has minimal exposure to foreign exchange risk as majority of its transactions are denominated in the Singapore dollars, which is also its functional currency.

Estimating the fair values

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity.

25 CONTINGENT LIABILITIES

At the balance sheet date, there were the following contingent liabilities relating to various claims that have been made against the Group and the Board in respect of third parties damages. These claims have been referred to the insurers for their assessments.

	Group and Board	
	2007	2006
	$	$
Claims not provided for	526,000	519,000

26 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group and the Board have not applied the following accounting standards and interpretations that have been issued as of the balance sheet date but are not yet effective:

FRS 32 (revised)	*Financial Instruments: Presentation*
FRS 40	*Investment Property*
FRS 107	*Financial Instruments: Disclosures and the Amendment to FRS 1 Presentation of Financial Statements: Capital Disclosures*
FRS 108	*Operating Segments*
INT FRS 108	*Scope of FRS 102*
INT FRS 109	*Reassessment of Embedded Derivatives*
INT FRS 110	*Interim Financial Reporting and Impairment*
INT FRS 111	*FRS 102 – Group and Treasury Share Transactions*
INT FRS 112	*Service Concession Arrangements*

FRS 40, which becomes mandatory for the Group's 2008 financial statements, permits investment property to be stated at either fair value or cost less accumulated depreciation and accumulated impairment losses. Properties held for rental are currently treated as properties in accordance with FRS 16 Property, Plant and Equipment and are stated at cost less accumulated depreciation and impairment losses. As a result of adopting FRS 40, these properties will be reclassified as investment properties. The Group is currently evaluating the impact the standard will have on the Group's financial statements.

FRS 107 and amended FRS 1, which become mandatory for the Group's 2009 financial statements, will require extensive additional disclosures with respect to the Group's financial instruments and share capital. This standard does not have any impact on the recognition and measurement of the Board's financial statements.

Other than FRS 40, FRS 107 and amended FRS 1, the initial application of these standards and interpretations are not expected to have any material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.