Financial Statements

Contents

Statement by Board of Members

In our opinion, the financial statements set out on pages 63 to 84 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 2011 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 Statutory Board Financial Reporting Standards.

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

On behalf of the Board of Members

Mrs Christina Ong
Chairman

Poon Hong Yuen
Chief Executive Officer

20 July 2011

Independent Auditors' Report

Member of the Board
National Parks Board

Report on the financial statements

We have audited the financial statements of National Parks Board (the Board) and its subsidiary (the Group), which comprise the statements of financial position of the Group and the Board as at 31 March 2011, the statements of comprehensive income of the Group and the Board, statements of changes in equity of the Group and the Board, and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 63 to 84.

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 Statutory Board Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statements of financial position and comprehensive income and to maintain accountability of assets.

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 entity'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 entity'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, the consolidated financial statements of the Group, and the statements of financial position, statements of comprehensive income and statements of changes in equity of the Board are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards and on such basis present fairly, in all material respects, the state of affairs of the Group and of the Board as at 31 March 2011, 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.

Report on other legal and regulatory requirements

In our opinion, 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 year have not been in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
20 July 2011

Statements of Financial Position

AS AT 31 MARCH 2011

	Note	Group 2011 $	Group 2010 $	Board 2011 $	Board 2010 $
Non-current assets					
Property, plant and equipment	4	139,406,223	147,162,865	139,406,223	147,162,865
Investment in subsidiary	5	–	–	2	2
Trade and other receivables	6	1,680,000	1,680,000	1,680,000	1,680,000
		141,086,223	148,842,865	141,086,225	148,842,867
Current assets					
Trade and other receivables	6	9,772,666	43,662,227	9,644,036	43,661,977
Inventories		25,017	–	25,017	–
Prepayments		500,903	1,122,371	499,553	1,122,371
Cash and cash equivalents	7	213,282,883	140,082,814	213,177,384	139,978,894
		223,581,469	184,867,412	223,345,990	184,763,242
Total assets		364,667,692	333,710,277	364,432,215	333,606,109
Capital and other funds					
Capital account	8	4,528,275	4,528,275	4,528,275	4,528,275
Share capital	9	1,000	1,000	1,000	1,000
Accumulated surplus		67,137,750	46,507,241	66,916,437	46,386,581
Sinking fund	10	25,911,369	16,575,280	25,911,369	16,575,280
		97,578,394	67,611,796	97,357,081	67,491,136
Fund held in trust	11	9,417,144	7,027,030	9,417,144	7,027,030
Garden City Fund's net assets managed	11	(9,417,144)	(7,027,030)	(9,417,144)	(7,027,030)
		–	–	–	–
Total equity carried forward		97,578,394	67,611,796	97,357,081	67,491,136
Total equity brought forward		97,578,394	67,611,796	97,357,081	67,491,136
Non-current liabilities					
Deferred capital grants	12	139,406,207	147,154,072	139,406,207	147,154,072
Deferred revenue	13	3,395,278	3,478,611	3,395,278	3,478,611
Liability for defined benefits obligations	14	5,350,411	5,764,000	5,350,411	5,764,000
		148,151,896	156,396,683	148,151,896	156,396,683
Current liabilities					
Trade and other payables	15	103,516,362	92,742,891	103,502,198	92,759,383
Liability for defined benefits obligations	14	916,969	1,036,000	916,969	1,036,000
Government capital grants	16	482,312	710,102	482,312	710,102
Government operating grants	17	7,012,698	7,148,651	7,012,698	7,148,651
Other government grants	18	641,336	1,052,097	641,336	1,052,097
Deferred revenue	13	250,604	250,604	250,604	250,604
Contribution to Consolidated Fund	19	6,117,121	6,761,453	6,117,121	6,761,453
		118,937,402	109,701,798	118,923,238	109,718,290
Total liabilities		267,089,298	266,098,481	267,075,134	266,114,973
Total capital and other funds and liabilities		364,667,692	333,710,277	364,432,215	333,606,109

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

Statements of Comprehensive Income
YEAR ENDED 31 MARCH 2011

	Note	Group		Board	
		2011	2010	2011	2010
		$	$	$	$
Operating income					
Rental income		6,264,380	7,514,633	6,264,380	7,514,633
Admission charges		2,382,893	1,567,309	2,382,893	1,567,309
Fines and forfeitures		3,497,315	3,590,875	3,497,315	3,590,875
Agency fees		727,796	637,208	727,796	637,208
Interest income		439,737	113,041	439,737	113,041
Miscellaneous income	20	5,874,554	3,273,060	5,757,739	3,273,060
		19,186,675	16,696,126	19,069,860	16,696,126
Operating expenditure					
Staff costs	21	(68,735,977)	(57,250,890)	(68,735,977)	(57,250,890)
Maintenance and improvement of parks		(65,504,376)	(52,397,390)	(65,504,376)	(52,397,390)
General and administrative expenses		(29,782,342)	(24,264,652)	(29,766,180)	(24,282,276)
Depreciation of property, plant and equipment	4	(10,831,543)	(9,724,298)	(10,831,543)	(9,724,298)
		(174,854,238)	(143,637,230)	(174,838,076)	(143,654,854)
Deficit from operations	22	(155,667,563)	(126,941,104)	(155,768,216)	(126,958,728)
Government operating grants	17	176,825,089	150,899,578	176,825,089	150,899,578
Other grants:					
– government agencies	18	3,768,524	4,228,150	3,768,524	4,228,150
– non-government		173,262	702,600	173,262	702,600
Deferred capital grants amortised	12	10,984,407	10,901,652	10,984,407	10,901,652
Surplus before contribution to Consolidated Fund		36,083,719	39,790,876	35,983,066	39,773,252
Contribution to Consolidated Fund	19	(6,117,121)	(6,761,453)	(6,117,121)	(6,761,453)
Surplus for the year		29,966,598	33,029,423	29,865,945	33,011,799
Other comprehensive income					
Actuarial loss on defined benefit plan		–	(625,000)	–	(625,000)
Other comprehensive income for the year, net of income tax		–	(625,000)	–	(625,000)
Total comprehensive income for the year		29,966,598	32,404,423	29,865,945	32,386,799

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

Statements of Changes in Equity

YEAR ENDED 31 MARCH 2011

	Note	Capital account $	Share capital $	Accumulated surplus $	Sinking fund $	Total $
Group						
At 1 April 2009		4,528,275	1,000	30,678,098	–	35,207,373
Total comprehensive income for the year						
Surplus for the year		–	–	33,029,423	–	33,029,423
Other comprehensive income						
Actuarial loss on defined benefit plan		–	–	(625,000)	–	(625,000)
Total comprehensive income for the year		–	–	32,404,423	–	32,404,423
Transfer from accumulated surplus to sinking fund	10	–	–	(16,575,280)	16,575,280	–
Transaction with owners, recorded directly in equity						
Total transactions with owners		–	–	–	–	–
At 31 March 2010		4,528,275	1,000	46,507,241	16,575,280	67,611,796
At 1 April 2010		4,528,275	1,000	46,507,241	16,575,280	67,611,796
Total comprehensive income for the year						
Surplus for the year		–	–	29,966,598	–	29,966,598
Other comprehensive income						
Actuarial loss on defined benefit plan		–	–	–	–	–
Total comprehensive income for the year		–	–	29,966,598	–	29,966,598
Transfer from accumulated surplus to sinking fund	10	–	–	(9,336,089)	9,336,089	–
Transaction with owners, recorded directly in equity						
Total transactions with owners		–	–	–	–	–
At 31 March 2011		4,528,275	1,000	67,137,750	25,911,369	97,578,394
Board						
At 1 April 2009		4,528,275	1,000	30,575,062	–	35,104,337
Total comprehensive income for the year						
Surplus for the year		–	–	33,011,799	–	33,011,799
Other comprehensive income						
Actuarial loss on defined benefit plan		–	–	(625,000)	–	(625,000)
Total comprehensive income for the year		–	–	32,386,799	–	32,386,799
Transfer from accumulated surplus to sinking fund	10	–	–	(16,575,280)	16,575,280	–
Transaction with owners, recorded directly in equity						
Total transactions with owners		–	–	–	–	–
At 31 March 2010		4,528,275	1,000	46,386,581	16,575,280	67,491,136
At 1 April 2010		4,528,275	1,000	46,386,581	16,575,280	67,491,136
Total comprehensive income for the year						
Surplus for the year		–	–	29,865,945	–	29,865,945
Total comprehensive income for the year		–	–	29,865,945	–	29,865,945
Transfer from accumulated surplus to sinking fund	10	–	–	(9,336,089)	9,336,089	–
Transaction with owners, recorded directly in equity						
Total transactions with owners		–	–	–	–	–
At 31 March 2011		4,528,275	1,000	66,916,437	25,911,369	97,357,081

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

Consolidated Statement of Cash Flows

YEAR ENDED 31 MARCH 2011

	Note	2011 $	2010 $
Operating activities			
Deficit from operations		(155,667,563)	(126,941,104)
Adjustments for:			
Depreciation of property, plant and equipment		10,831,543	9,724,298
Gain on disposal of property, plant and equipment		(2,561)	(113,148)
Property, plant and equipment written off		68,619	1,201,979
Amortisation of lease premium received in advance		(83,333)	(83,333)
Interest income		(439,737)	(113,041)
		(145,293,032)	(116,324,349)
Changes in working capital:			
Inventories		(25,017)	–
Trade and other receivables		(1,386,355)	(985,968)
Payables and accruals		(4,160,760)	19,096,689
Prepayments		621,468	370,897
Liability for defined benefits obligations		(532,620)	(1,043,000)
Rental and other deposits		(908,175)	773,037
Rental received in advance		–	(1,680,000)
Cash used in operations		(151,684,491)	(99,792,694)
Contribution to Consolidated Fund paid		(6,761,453)	(5,404,000)
Cash flows from operating activities		(158,445,944)	(105,196,694)
Investing activities			
Proceeds from disposal of property, plant and equipment		2,636	141,193
Purchase of property, plant and equipment		(3,143,595)	(7,787,249)
Interest received		12,883	56,981
Amounts due from:			
– Ministry of National Development		(327,294)	15,080,323
– Garden City Fund		247,761	(203,109)
– Other Government agencies		4,922	884,356
Cash flows from investing activities		(3,202,687)	8,172,495
Financing activities			
Grants received		219,006,294	157,725,529
Amounts due to:			
– Ministry of National Development		(9,123,189)	17,127,049
– Garden City Fund		11,118	537
– Other Government agencies		24,954,477	7,747,567
Cash flows from financing activities		234,848,700	182,600,682
Net increase in cash and cash equivalents		73,200,069	85,576,483
Cash and cash equivalents at beginning of the year		140,082,814	54,506,331
Cash and cash equivalents at end of the year	7	213,282,883	140,082,814

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Members on 20 July 2011.

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 5 to the financial statements.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards (SB-FRS). SB-FRS include Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are stated at amortised cost.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with SB-FRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, surplus or deficit. 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 estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in note 24.

3 Significant accounting policies

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

3.1 Basis of 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.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the income and expenditure in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, 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 statement of financial positions at cost less accumulated impairment losses.

3.2 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial positions when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables (see note 6).

Cash and cash equivalents comprise cash and bank balances and deposits with financial institutions.

Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group has the following non-derivative financial liabilities: trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Construction-in-progress comprises the capitalised costs of on-going capital projects.

Low value assets costing less than $2,000 individually are written off in the period of outlay.

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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other operating income in surplus or deficit.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Construction-in-progress is not depreciated.

The estimated useful lives for the current and comparative periods 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

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 methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4 Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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 asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, 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.

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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in surplus or deficit. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

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.

3.5 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates which approximate the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed once every three years by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised assets are limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefits plans in other comprehensive income.

Short-term employee benefits

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

A liability 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.

3.6 Income recognition

Rental income

Rental income receivable under operating leases is recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, 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 comprising income derived from consultancy fees, sale of publications, souvenirs and orchid plantlets, course fees, and park usage and barbeque permit fees are recognised in the period in which they are earned. Liquidated damages are recognised as income when the right to claim such liquidated damages from contractors are established. Fines collected from contractors whose work resulted in damage to trees and plants are recognised upon issuance of the notice of offence.

3.7 Lease payments

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories.

Net realisable value is the estimate selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.9 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 surplus or deficit 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 surplus or deficit 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.

3.10 Garden City Fund

The assets and liabilities of Garden City Fund held in trust by the Board is presented as a line item under the capital and other funds section on the face of the statement of financial positions of the financial statements as prescribed by SB-FRS Guidance Note 1. Profit or loss relating to the Garden City 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.

3.11 Contribution to Consolidated Fund

Contribution to consolidated fund is provided on an accrual basis.

3.12 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in surplus or deficit except to the extent that it relates to a business combination, or items recognised directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss 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 in respect of 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 or loss, and differences relating to investment in subsidiary to the extent that it is probable that they 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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

3.13 Adoption of new and revised FRSs

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for the annual periods beginning on 1 April 2010. The adoption of these new and revised FRSs and INT FRSs does not result in substantial changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior years.

3.14 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2010, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

4 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 2009	60,935,129	146,136,951	27,999,922	1,051,497	2,450,615	2,849,707	241,423,821
Additions	–	937,739	896,573	48,894	–	5,904,043	7,787,249
Transfers	–	1,012,317	7,501,551	–	–	(8,513,868)	–
Transfer to direct development projects	–	–	–	–	–	(132,641)	(132,641)
Disposals/ Write-off	–	–	(3,441,610)	(255,483)	(662,816)	–	(4,359,909)
At 31 March 2010	60,935,129	148,087,007	32,956,436	844,908	1,787,799	107,241	244,718,520
Additions	566,300	249,290	686,706	60,060	43,307	1,537,932	3,143,595
Transfers	–	307,943	645,568	–	–	(953,511)	–
Disposals/ Write-off	–	(124,400)	(1,117,756)	(31,056)	(19,800)	–	(1,293,012)
At 31 March 2011	61,501,429	148,519,840	33,170,954	873,912	1,811,306	691,662	246,569,103
Accumulated depreciation and impairment losses							
At 1 April 2009	8,433,625	57,440,855	22,914,721	724,816	1,447,225	–	90,961,242
Depreciation charge for the year	705,954	7,340,926	1,387,927	70,836	218,655	–	9,724,298
Disposals/ Write-off	–	–	(2,279,054)	(214,949)	(635,882)	–	(3,129,885)
At 31 March 2010	9,139,579	64,781,781	22,023,594	580,703	1,029,998	–	97,555,655
Depreciation charge for the year	714,534	7,385,623	2,478,772	74,212	178,402	–	10,831,543
Disposals/ Write-off	–	(123,881)	(1,050,230)	(30,407)	(19,800)	–	(1,224,318)
At 31 March 2011	9,854,113	72,043,523	23,452,136	624,508	1,188,600	–	107,162,880
Carrying amount							
At 1 April 2009	52,501,504	88,696,096	5,085,201	326,681	1,003,390	2,849,707	150,462,579
At 31 March 2010	51,795,550	83,305,226	10,932,842	264,205	757,801	107,241	147,162,865
At 31 March 2011	51,647,316	76,476,317	9,718,818	249,404	622,706	691,662	139,406,223

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 2009	60,935,129	146,136,951	27,971,884	1,051,497	2,450,615	2,849,707	241,395,783
Additions	–	937,739	896,573	48,894	–	5,904,043	7,787,249
Transfers	–	1,012,317	7,501,551	–	–	(8,513,868)	–
Transfer to direct development projects	–	–	–	–	–	(132,641)	(132,641)
Disposals/ Write-off	–	–	(3,413,572)	(255,483)	(662,816)	–	(4,331,871)
At 31 March 2010	60,935,129	148,087,007	32,956,436	844,908	1,787,799	107,241	244,718,520
Additions	566,300	249,290	686,706	60,060	43,307	1,537,932	3,143,595
Transfers	–	307,943	645,568	–	–	(953,511)	-
Disposals/ Write-off	–	(124,400)	(1,117,756)	(31,056)	(19,800)	–	(1,293,012)
At 31 March 2011	61,501,429	148,519,840	33,170,954	873,912	1,811,306	691,662	246,569,103
Accumulated depreciation and impairment losses							
At 1 April 2009	8,433,625	57,440,855	22,886,683	724,816	1,447,225	–	90,933,204
Depreciation charge for the year	705,954	7,340,926	1,387,927	70,836	218,655	–	9,724,298
Disposals/ Write-off	–	–	(2,251,016)	(214,949)	(635,882)	–	(3,101,847)
At 31 March 2010	9,139,579	64,781,781	22,023,594	580,703	1,029,998	–	97,555,655
Depreciation charge for the year	714,534	7,385,623	2,478,772	74,212	178,402	–	10,831,543
Disposals/ Write-off	–	(123,881)	(1,050,230)	(30,407)	(19,800)	–	(1,224,318)
At 31 March 2011	9,854,113	72,043,523	23,452,136	624,508	1,188,600	–	107,162,880
Carrying amount							
At 1 April 2009	52,501,504	88,696,096	5,085,201	326,681	1,003,390	2,849,707	150,462,579
At 31 March 2010	51,795,550	83,305,226	10,932,842	264,205	757,801	107,241	147,162,865
At 31 March 2011	51,647,316	76,476,317	9,718,818	249,404	622,706	691,662	139,406,223

Assets under construction transferred to direct development projects relate to capital expenditure incurred on behalf of the Ministry of National Development to be funded by direct development grants receivable from the Ministry of National Development.

5 Investment in subsidiary

	Board 2011	Board 2010
	$	$
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 2011	Equity interest held 2010
			%	%
Singapore Garden City Pte. Ltd.	Landscape planning, advisory services and business consulting services	Singapore	100	100

Notes to the Financial Statements

6 Trade and other receivables

	Group 2011 $	Group 2010 $	Board 2011 $	Board 2010 $
Non-current assets				
Trade receivables	3,980,000	3,980,000	3,980,000	3,980,000
Allowance for impairment loss	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)
Net trade receivable	1,680,000	1,680,000	1,680,000	1,680,000
Current assets				
Trade receivables	4,127,468	3,245,364	3,999,088	3,245,364
Allowance for impairment loss	(2,352)	(2,352)	(2,352)	(2,352)
Net trade receivables	4,125,116	3,243,012	3,996,736	3,243,012
Receivables from Ministry of National Development (non-trade)	3,737,400	39,199,834	3,737,400	39,199,834
Receivables from other Government agencies (non-trade)	4,922	8,514	4,922	8,514
Amount due from Garden City Fund (non-trade)	2,454	250,215	2,454	250,215
Interest receivable	498,997	61,126	498,997	61,126
Other receivables	450,603	130,999	450,603	130,999
Deposits	953,174	768,527	952,924	768,277
	9,772,666	43,662,227	9,644,036	43,661,977
Total loans and receivables	11,452,666	45,342,227	11,324,036	45,341,977

Terms and debt repayment schedule

Terms and conditions of outstanding non-current trade receivables are as follows:

	Nominal interest rate %	2011 Face value $	2011 Carrying amount $	2010 Face value $	2010 Carrying amount $
Group and Board					
Trade receivables	2	3,980,000	3,980,000	3,980,000	3,980,000

Concentration of credit risk relating to trade receivables is limited due to the Group's many customers. These customers comprise entities which are owned by the Singapore Government and customers which are mainly engaged in leisure and tourism industry.

Non-current trade receivables relate to amounts owing from a tenant under the deferred payment plan, to be repaid over 10 years from year 2014 to 2023.

The maximum exposure to credit risk for trade receivables at the reporting date (by type of customer) is:

	2011 $	2010 $
Group		
Service fees receivable from Government agencies	2,338,400	1,634,678
Rental receivable from tenants	2,422,077	2,094,275
Others	1,044,639	1,194,059
	5,805,116	4,923,012
Board		
Service fees receivable from Government agencies	2,338,400	1,634,678
Rental receivable from tenants	2,422,077	2,094,275
Others	916,259	1,194,059
	5,676,736	4,923,012

Except for amounts owing from a tenant totalling $1,891,444 (2010: $1,891,636), 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 of direct development grants receivable by the Board. These amounts are unsecured and interest-free, and are repayable on demand.

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

Impairment losses

The ageing of trade receivables at the reporting date is:

	Gross 2011 $	Impairment losses 2011 $	Gross 2010 $	Impairment losses 2010 $
Group				
Not past due	2,137,569	–	2,630,130	–
Past due 0 – 30 days	1,094,382	–	241,560	–
Past due 31 – 120 days	407,365	–	41,935	–
More than 120 days	4,468,152	2,302,352	4,311,739	2,302,352
	8,107,468	2,302,352	7,225,364	2,302,352
Board				
Not past due	2,137,569	–	2,630,130	–
Past due 0 – 30 days	1,094,382	–	241,560	–
Past due 31 – 120 days	278,985	–	41,935	–
More than 120 days	4,468,152	2,302,352	4,311,739	2,302,352
	7,979,088	2,302,352	7,225,364	2,302,352

7 Cash and cash equivalents

	Group		Board	
	2011 $	2010 $	2011 $	2010 $
Cash at bank	454,506	146,280	349,007	42,360
Cash with AGD	212,620,084	111,747,506	212,620,084	111,747,506
Deposits with banks	208,293	28,189,028	208,293	28,189,028
	213,282,883	140,082,814	213,177,384	139,978,894

Cash with the Accountant-General's Department (AGD) refers to cash that are managed by AGD under Centralised Liquidity Management (CLM) as set out in the Accountant-General's Circular No. 4/2009 Centralised Liquidity Management for Statutory Boards and Ministries, which are transferred to AGD under the overnight sweeping arrangement between both parties.

All Statutory Boards and Ministries are required to participate in the CLM whereby the AGD will centrally manage the cash of Statutory Boards and Ministries to achieve higher returns and to better manage credit risks at the Whole-of-Government level. The Board participated in the CLM with effect from 28 December 2009.

Cash and cash equivalents are principally denominated in Singapore dollar and the carrying amounts approximate their fair values.

The weighted average effective interest rates per annum relating to deposits with banks, at the balance sheet date for the Group and Board are 0.28% (2010: 0.12%) per annum. Interest rates reprice at intervals of 7 days to 1 year.

The interest rate of cash with AGD, defined as the ratio of the interest earned to the average cash balance are 0.56% (2010: 0.12%) per annum.

The Group and the Board's exposure to interest rate risk for financial assets and liabilities are disclosed in Note 25.

8 Capital account

Capital account represents the value of assets net of liabilities transferred from the former 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.

9 Share capital

	2011 $	2010 $
Fully paid ordinary shares, with no par value:		
At 1 April and 31 March	1,000	1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, in accordance with Finance Circular Minute No. M26/2008. The shares do not carry any voting rights.

Capital management

The Group and Board define "capital" to include capital account, share capital and accumulated surplus. The Board's policy is to maintain a strong capital base to safeguard the ability to meet the long-term development needs of the Board. The Board of members monitors the "Surplus before contribution to Consolidated Fund" on a regular basis. The Board monitors the major capital expenditure which is strategic in nature and may draw on accumulated surplus.

There were no changes in the capital management approach during the year.

The Group and Board are not subject to externally imposed capital requirements.

10 Sinking Fund

The sinking fund is designated to fund the replacement and capital improvement of property, plant and equipment.

11 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).

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

	Group and Board	
	2011	2010
	$	$
Donations received	4,100,499	4,192,271
Sales of publications/souvenirs	66,923	63,011
Interest income	13,951	11,003
	4,181,373	4,266,285
Printing and stationery	245,916	208,809
Maintenance	219,391	19,835
Horticultural works	83,942	136,495
Publicity and outreach activities	638,747	775,281
Professional fees	179,957	239,964
Depreciation of plant and equipment	17,927	14,454
Rental expenses	47,412	106,054
Training and courses	2,975	190,563
Enhancements of parks/facilities	259,365	477,337
Signboards	16,104	12,569
Library operating expenses	61,737	44,774
Exchange loss	5,410	1,834
Others	12,376	6,141
	1,791,259	2,234,110
Surplus for the year	2,390,114	2,032,175
Accumulated fund at beginning of the year	7,027,030	4,994,855
Accumulated fund at end of the year	9,417,144	7,027,030
Represented by:		
Non-current asset		
Plant and equipment	87,121	80,438
Current assets		
Trade receivables	3,517	5,562
Other receivables	14,722	2,986
Cash and cash equivalents	11,326,277	7,249,074
	11,344,516	7,257,622
Current liabilities		
Trade payables	12,034	57,793
Other payables	2,459	253,237
Deferred donation income	2,000,000	–
	2,014,493	311,030
Net assets	9,417,144	7,027,030

Subsequent to 31 March 2011, deferred donation income of $2,000,000 was returned to the donor following the abortion of a project in May 2011.

12 Deferred capital grants

	Note	Group and Board 2011 $	2010 $
At 1 April		147,154,072	150,401,116
Capital grants utilised during the year	16	589,827	933,659
Amounts transferred from Government operating grants utilised during the year	17	2,386,858	6,814,737
Amounts transferred from Government direct development grants utilised during the year		257,045	–
Amounts transferred from other Government grants utilised during the year	18	2,812	38,853
		150,390,614	158,188,365
Deferred capital grants amortised during the year		(10,984,407)	(10,901,652)
Amount utilised transferred to direct development grants	4	–	(132,641)
At 31 March (including grants-in-kind less amortisation)		139,406,207	147,154,072
Total capital grants received (excluding grants-in-kind transferred from Garden City Fund) and utilised since establishment		210,178,059	206,941,517

13 Deferred revenue

	Group and Board 2011 $	2010 $
Lease premium received in advance	1,798,611	1,881,944
Deferred rental income	1,847,271	1,847,271
	3,645,882	3,729,215
Within 12 months	250,604	250,604
After 12 months	3,395,278	3,478,611
	3,645,882	3,729,215

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

14 Liability for defined benefits obligations

	Group and Board 2011 $	2010 $
Payable:		
– Within one year	916,969	1,036,000
– After one year	5,350,411	5,764,000
	6,267,380	6,800,000

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.

The Group and the Singapore Government jointly finance the payment of gratuity, pension or allowance to pensionable officers at their retirement. The split of pension costs is determined based on the accumulated pensionable emoluments earned by the pensionable employee while he was in the government services as compared with his service with the Group up to his 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, and represents the present value of unfunded obligations.

Movements in liability for defined benefits obligations are as follows:

	Group and Board 2011 $	2010 $
At 1 April	6,800,000	7,218,000
Accrual for the year	401,351	34,467
Actuarial loss	–	625,000
Benefits paid	(933,971)	(1,077,467)
At 31 March	6,267,380	6,800,000

Amounts recognised in the statement of comprehensive income are as follows:

	Group and Board	
	2011	2010
	$	$
Current service costs	324,000	410,000
Past service costs	(9,649)	(571,533)
Interest on obligations	87,000	196,000
	401,351	34,467

Actuarial loss recognised directly in other comprehensive income.

	Group and Board	
	2011	2010
	$	$
Cumulative amount at 1 April	625,000	–
Recognised during the year	–	625,000
Cumulative amount at 31 March	625,000	625,000

Principal assumptions at the balance sheet date are as follows:

	Group and Board	
	2011	2010
Discount rate	1.3%	1.3%
Future salary increases	3.0%	3.0%

Assumptions regarding future mortality are based on published statistics and mortality tables.

For the split of defined benefit obligations between the Singapore Government and the Group, the assumption that the active pensionable officers have a historical average annual salary increase of 3% since joining the Government Service has been made.

15 Trade and other payables

	Group		Board	
	2011	2010	2011	2010
	$	$	$	$
Trade payables	8,563,864	11,879,736	8,549,700	11,876,732
GST payable	4,765,397	1,610,058	4,765,397	1,610,058
Other payables	5,251,012	6,503,256	5,251,012	6,503,256
Accrued operating expenses	37,355,562	40,513,358	37,355,562	40,513,358
Payables to Ministry of National Development (non-trade)	1,877,828	1,901,671	1,877,828	1,901,671
Grants received in advance (non-trade)	40,716,116	24,860,985	40,716,116	24,860,985
Amount due to Garden City Fund (non-trade)	11,655	537	11,655	537
Amount due to subsidiary (non-trade)	–	–	–	19,496
Rental and other deposits	2,343,758	3,251,933	2,343,758	3,251,933
Accrual for unutilised leave	2,631,170	2,221,357	2,631,170	2,221,357
	103,516,362	92,742,891	103,502,198	92,759,383

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 amounts due to Garden City Fund and subsidiary were unsecured and interest-free.

Grants received in advance comprise primarily direct development grant received in advance from Ministry of National Development and other government agency for the Gardens by the Bay.

The following are the expected contractual undiscounted cash inflows/(outflows) of the financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount	Cash flows			
		Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	$	$	$	$	$
Group					
2011					
Non-derivative financial liabilities					
Trade payables	8,563,864	(8,563,864)	(8,563,864)	–	–
GST payable	4,765,397	(4,765,397)	(4,765,397)	–	–
Other payables	5,251,012	(5,251,012)	(5,251,012)	–	–
Accrued operating expenses	37,355,562	(37,355,562)	(37,355,562)	–	–
Payables to Ministry of National Development (non-trade)	1,877,828	(1,877,828)	(1,877,828)	–	–
Amount due to Garden City Fund (non-trade)	11,655	(11,655)	(11,655)	–	–
Rental and other deposits	2,343,758	(2,343,758)	(2,343,758)	–	–
	60,169,076	(60,169,076)	(60,169,076)	–	–
2010					
Non-derivative financial liabilities					
Trade payables	11,879,736	(11,879,736)	(11,879,736)	–	–
GST payable	1,610,058	(1,610,058)	(1,610,058)	–	–
Other payables	6,503,256	(6,503,256)	(6,503,256)	–	–
Accrued operating expenses	40,513,358	(40,513,358)	(40,513,358)	–	–
Payables to Ministry of National Development (non-trade)	1,901,671	(1,901,671)	(1,901,671)	–	–
Amount due to Garden City Fund (non-trade)	537	(537)	(537)	–	–
Rental and other deposits	3,251,933	(3,251,933)	(3,251,933)	–	–
	65,660,549	(65,660,549)	(65,660,549)	–	–
Board					
2011					
Non-derivative financial liabilities					
Trade payables	8,549,700	(8,549,700)	(8,549,700)	–	–
GST payable	4,765,397	(4,765,397)	(4,765,397)	–	–
Other payables	5,251,012	(5,251,012)	(5,251,012)	–	–
Accrued operating expenses	37,355,562	(37,355,562)	(37,355,562)	–	–
Payables to Ministry of National Development (non-trade)	1,877,828	(1,877,828)	(1,877,828)	–	–
Amount due to Garden City Fund (non-trade)	11,655	(11,655)	(11,655)	–	–
Rental and other deposits	2,343,758	(2,343,758)	(2,343,758)	–	–
	60,154,912	(60,154,912)	(60,154,912)	–	–
2010					
Non-derivative financial liabilities					
Trade payables	11,876,732	(11,876,732)	(11,876,732)	–	–
GST payable	1,610,058	(1,610,058)	(1,610,058)	–	–
Other payables	6,503,256	(6,503,256)	(6,503,256)	–	–
Accrued operating expenses	40,513,358	(40,513,358)	(40,513,358)	–	–
Payables to Ministry of National Development (non-trade)	1,901,671	(1,901,671)	(1,901,671)	–	–
Amount due to Garden City Fund (non-trade)	537	(537)	(537)	–	–
Amount due to subsidiary (non-trade)	19,496	(19,496)	(19,496)		
Rental and other deposits	3,251,933	(3,251,933)	(3,251,933)	–	–
	65,677,041	(65,677,041)	(65,677,041)	–	–

16 Government capital grants

	Note	Group and Board 2011 $	Group and Board 2010 $
At 1 April		710,102	776,937
Grants received		351,020	866,500
Amounts utilised and transferred to deferred capital grants	12	(589,827)	(933,659)
Net bank interest earned on capital grants received		11,017	324
At 31 March		482,312	710,102

17 Government operating grants

	Note	Group and Board 2011 $	Group and Board 2010 $
At 1 April		7,148,651	–
Grants received		179,075,994	139,642,278
Grants receivable		–	25,220,688
Amounts transferred to deferred capital grants	12	(2,386,858)	(6,814,737)
Amounts taken to statement of comprehensive income		(176,825,089)	(150,899,578)
		7,012,698	7,148,651

Total operating grants received less transferred to deferred capital grants since establishment are $1,479,890,089 (2010: $1,267,411,225).

18 Other Government grants

	Note	Group and Board 2011 $	Group and Board 2010 $
At 1 April		1,052,097	1,302,044
Grants received		3,355,653	4,008,542
Grants receivable		4,922	8,514
Amounts transferred to deferred capital grants	12	(2,812)	(38,853)
Amounts taken to statement of comprehensive income		(3,768,524)	(4,228,150)
At 31 March		641,336	1,052,097

Other Government grants comprise grants received from other Government agencies.

19 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 17% of the net surplus for the financial year.

20 Miscellaneous income

	Group 2011 $	Group 2010 $	Board 2011 $	Board 2010 $
Liquidated damages	95,320	53,810	95,320	53,810
Course fees	1,937,742	1,078,895	1,937,742	1,078,895
Barbeque permit fees	470,082	492,950	470,082	492,950
Park usage fees	521,595	372,777	521,595	372,777
Consultancy fees	182,015	21,419	65,200	21,419
Tour fees	115,673	100,959	115,673	100,959
Events income	892,771	170,201	892,771	170,201
Merchandise	796,580	133,047	796,580	133,047
Others	862,776	849,002	862,776	849,002
	5,874,554	3,273,060	5,757,739	3,273,060

21 Staff costs

	Group and Board 2011 $	Group and Board 2010 $
Wages and salaries	60,473,776	50,495,115
Contributions to defined contribution plans	6,881,829	5,813,080
Pension costs	401,351	34,467
Other staff benefits	979,021	908,228
	68,735,977	57,250,890

There are currently 10 (2010: 12) 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.

22 Deficit from operations

The following items have been included in arriving at deficit from operations:

	Group		Board	
	2011	2010	2011	2010
	$	$	$	$
Property, plant and equipment written off	68,619	1,201,979*	68,619	1,201,979*
Gain on disposal of property, plant and equipment	(2,561)	(113,148)	(2,561)	(113,148)
Bad debts written off				
– Trade and other receivables	19,947	2,258	19,947	2,258

* The property, plant and equipment written-off of $1,201,979 includes an amount of $1,075,442 arising from the change in the capitalisation limit of property, plant and equipment from $1,000 to $2,000 in 2010.

23 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 Government Consolidated Fund (GCF) in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A, as mentioned in note 19 to the financial statements.

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

Reconciliation of effective tax rate

	Group	
	2011	2010
	$	$
Surplus for the year	29,966,598	33,029,423
Tax calculated using Singapore tax rate of 17%	5,094,322	5,615,002
Income not subject to tax	(5,077,211)	(5,628,443)
Utilisation of previously unrecognised deferred tax asset	(17,111)	–
Deferred tax assets not recognised	–	13,441
	–	–

The following temporary differences have not been recognised:

	Group	
	2011	2010
	$	$
Unutilised tax losses	1,388,848	1,489,071
Excess of tax written down value of plant and equipment	860	1,290
	1,389,708	1,490,361

The unutilised tax losses and temporary differences from capital allowances do not expire under current tax legislation. 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.

24 Accounting estimates and judgments

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key source 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 amount of assets and liabilities within the next financial year are discussed below:

Depreciation of and impairment loss on property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. Depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

Impairment losses would be made for property, plant and equipment whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or price quotations from independent third parties.

Impairment loss on trade receivables

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

Valuation of defined benefits obligations

The Group and the Singapore Government jointly finance the payment of gratuity, pension or allowance to pensionable officers at their retirement. The split of pension costs is determined based on the accumulated pensionable emoluments earned by the pensionable employee while he was in the government services as compared with his service with the Group up to his retirement.

The valuation of the defined benefits obligations is determined using the projected unit credit method. The most recent full actuarial valuation of the defined benefits obligations was carried out as at 1 April 2010 and this has been updated on an approximate basis to 31 March 2013.

The assumptions which have the most significant effect on the results of the valuation are those relating to discount rate, future salary increase rate, pre-retirement mortality and historical average annual salary increase rate. The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered, may not necessary borne out in practice. The present value of the liabilities is derived from cash flows projections over long periods and is inherently uncertain.

25 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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, except for loans and receivables due from Ministry of National Development and a tenant, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial positions.

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 are maintained at all times to meet its financial obligations.

Interest rate risk

Interest-earning financial assets of the Group are mainly deposits with banks 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.

The carrying amounts and effective interest rates of cash at Accountant-General and deposits with banks by maturity are as follows:

		Fixed interest rate maturing		
	Effective interest rate	within 1 year	in 1 to 5 years	after 5 years
	%	$	$	$
Group and Board				
2011				
Cash at Accountant-General	0.56	212,969,091	–	–
Deposits with banks	0.28	208,293	–	–
		213,177,384	–	–
2010				
Cash at Accountant-General	0.12	111,789,866	–	–
Deposits with banks	0.12	28,189,028	–	–
		139,978,894	–	–

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 the functional currency of the Board and its subsidiary.

Estimating the fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group.

Other financial assets and liabilities

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.

Non-current trade receivable

The carrying value of trade receivable with a maturity of more than one year approximates its fair value. Fair value is calculated based on discounted expected future principal and interest cash flows.

The interest rates used to discount estimated cash flows, where applicable, are as follow:

	2011	2010
Receivables	2.9%	2.9%

Accounting classifications and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loans and receivables	Total carrying amount	Fair value
		$	$	$
Group				
31 March 2011				
Cash and cash equivalents	7	213,282,883	213,282,883	213,282,883
Loans and receivables	6	11,452,666	11,452,666	11,452,666
		224,735,549	224,735,549	224,735,549
Trade and other payables	15	(60,169,076)	(60,169,076)	(60,169,076)
31 March 2010				
Cash and cash equivalents	7	140,082,814	140,082,814	140,082,814
Loans and receivables	6	45,342,227	45,342,227	45,342,227
		185,425,041	185,425,041	185,425,041
Trade and other payables	15	(65,660,549)	(65,660,549)	(65,660,549)
Board				
31 March 2011				
Cash and cash equivalents	7	213,177,384	213,177,384	213,177,384
Loans and receivables	6	11,324,036	11,324,036	11,324,036
		224,501,420	224,501,420	224,501,420
Trade and other payables	15	(60,154,912)	(60,154,912)	(60,154,912)
31 March 2010				
Cash and cash equivalents	7	139,978,894	139,978,894	139,978,894
Loans and receivables	6	45,341,977	45,341,977	45,341,977
		185,320,871	185,320,871	185,320,871
Trade and other payables	15	(65,677,041)	(65,677,041)	(65,677,041)

26 Operating leases

	Group and Board	
	2011	2010
	$	$
Non-cancellable operating lease commitments:		
– within 1 year	1,239,530	1,250,899
– after 1 year but within 5 years	4,529,210	4,723,581
– more than 5 years	263,181	1,308,340
	6,031,921	7,282,820

The Group leases the Alliance for Corporate Excellence (ACE) system from Ministry of Finance under operating leases. The leases run for a period of 7 years from 30 September 2009, with an option to extend for 2 years.

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

	Group and Board	
	2011	2010
	$	$
Within 1 year	4,944,910	4,689,957
After 1 year but within 5 years	14,118,864	12,394,821
After 5 years	47,760,000	50,640,000
	66,823,774	67,724,778

The above amounts exclude operating lease premium received in advance of $1,798,611 (2010: $1,881,944) (refer to note 13 to the financial statements).

27 Capital commitments

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

	Group and Board	
	2011	2010
	$	$
Contracted but not provided for	445,663,295	225,003,009
Less: Direct development expenditure to be reimbursed by Ministry of National Development/other government agencies	(445,513,418)	(224,566,009)
	149,877	437,000
Authorised but not contracted for	488,905,424	975,667,874
Less: Direct development expenditure to be reimbursed by Ministry of National Development/other government agencies	(476,882,137)	(963,715,777)
Less: Direct development expenditure to be funded through the Board's accumulated surplus	(10,000,000)	(10,000,000)
	2,023,287	1,952,097
	2,173,164	2,389,097

The Board is the agent for the government to develop, upgrade, manage and maintain the public parks. Amount contracted but not provided for comprise mainly work relating to Garden by the Bay and amount authorised but not contracted for comprise mainly work relating to parks development and park connector network.

28 Contingent liabilities

At the reporting 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	
	2011	2010
	$	$
Claims not provided for	1,203,587	737,403

29 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 comprises:

	Group		Board	
	2011	2010	2011	2010
	$	$	$	$
Short-term employee benefits	1,735,318	1,010,343	1,735,318	1,010,343

Other related party transactions

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

Except as disclosed elsewhere in the financial statements, transactions with related parties (excluding other state-controlled entities) carried out on terms agreed between the parties are as follows:

	Group and Board	
	2011	2010
	$	$
Garden City Fund		
Purchase of publications/souvenirs	24,286	13,706