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Singapore Tourism Board
Annual Report 2010/2011

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Vision

To be a leading economic development agency in tourism, known for partnership, innovation and excellence

Mission

We champion tourism and build it into a key economic driver for Singapore

Values

Integrity Do the Right Thing!

We are fair, honest and trustworthy, inspiring trust and confidence.

Team Succeed Together

United in purpose, we accomplish more together.

Courage 3D – Dare, Dream, Do!

We dare to dream, experiment and boldly execute our ideas.

Care Appreciate One Another

We respect, nurture and have compassion for one another. We care for ourselves and our community.

Passion Love it!

We are energetic and driven, believing in our purpose and loving what we do.

Fun It's Our Attitude

We seize each day with enthusiasm. We are optimistic about our future.

CHAIRMAN'S MESSAGE



Prevailing opinion regards Asia as the place to be now for growth and excitement. Despite the challenges that confront the global economy, countries in Asia continue to advance and to offer new opportunities for development. Tourism has been, and will remain, an integral and important contributor to this vibrancy.

During the past year, tourism in Asia benefited from the twin phenomena of the sharp rise in popularity of budget air travel and the significant increase in intra-Asia travel attributable to travellers hailing from China and India. These factors will underpin growth in regional tourism for more years to come.

In Singapore, the two Integrated Resorts are major catalysts for tourism development. Retail, food and beverage, entertainment, hospitality and healthcare sectors have all reported increased tourism revenue, while the country's pro-business environment has helped Singapore to rank among the top ten in the World Economic Forum's Travel and Tourism Competitiveness Index.

Confidence in Singapore is high as we ended 2010 with record-breaking tourism receipts and international arrivals of S\$18.9 billion and 11.6 million respectively. For the first time, monthly visitors to the country surpassed the one million mark in July and December. With new opportunities come new challenges, and together with our industry partners, we need to remain focused on the task of building a competitive and sustainable tourism sector that will complement other efforts in making Singapore a more interesting and conducive place to live, work and play in.

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, I thank Mr Simon Israel for his dedication and exemplary leadership as STB Chairman from 2005 to 2010. Simon's farsighted stewardship kept the Singapore tourism industry on an even keel through major crises such as the threat of the H1N1 virus and the global economic downturn. It was during his tenure that we recorded new highs in tourism receipts and visitor arrivals and successfully executed projects that re-established Singapore on the world map as a prime tourist destination. These included the opening of the Integrated Resorts, the first-ever FORMULA ONE™ night race, Orchard Road's rejuvenation, the construction of the International Cruise Terminal and the successful evolution of Singapore's destination brand from *Uniquely Singapore* to *YourSingapore*. His efforts have paved the way for the industry's sustained growth. We wish him the best in his future endeavours.

I would also like to thank my fellow Directors and all members of the STB team, as well as our industry partners, for their valuable support and contributions.

We look forward to continuing this exciting journey in the months ahead.

Chew Choon Seng
Chairman, Singapore Tourism Board

CHIEF EXECUTIVE'S MESSAGE

In the preceding years, many have enthused over 2010 shaping up to be a watershed year for our tourism industry. And what a year it has turned out to be; with the tourism landscape transformation, Singapore is now a veritable city in bloom, clearly etched in the skyline over at Marina Bay and Sentosa where the two Integrated Resorts (IRs) have left their indelible marks.

Marking a Transformational Year

The resulting excitement is as palpable as it is pervasive. Not only did 2010 witness the opening of the IRs, it also set records on two major fronts: S\$18.9 billion in tourism receipts and 11.6 million international visitor arrivals, a record 49.6 and 20 per cent growth respectively over 2009. More importantly, this strong growth was broad-based, with many sectors charting double-digit increase in tourist revenue.

Much of 2010's growth was undoubtedly fuelled by the IRs. All at once, the two resorts have expanded our range of options in entertainment, retail and dining, and generated more than 30,000 jobs. But it was not just about the IRs. Events such as the Asia Fashion Exchange and inaugural Art Stage Singapore also captivated the world's attention with Asian-inspired fashion and art, while the Grand Prix Season Singapore again ushered in palpating excitement with superstars and parties galore.

Overall, the tourism sector's competitiveness continued to improve with the Customer Satisfaction Index of Singapore marking an increase in satisfaction in retail, hospitality and attractions¹.



¹ Executive Summary 2010, Customer Satisfaction Index of Singapore

CHIEF EXECUTIVE'S MESSAGE

Collaborating for Growth

All these achievements reflected an upswing in Singapore tourism. This swift recovery from 2009 was a result of collaborative effort through partnerships forged in various ways and levels. An example was the inaugural edition of TravelRave, a tourism festival that was also a collaborative platform for business visitors to network and explore opportunities.

Abroad, STB led the national effort to showcase Singapore at the Shanghai World Expo, while strategic partnership projects such as the STB-China UnionPay Singapore Travel Card heightened awareness of the country's attractive lifestyle offerings and garnered positive attention from Chinese media and visitors alike.

Building on Visitor-centricity and Experience

Our new visitor-centric destination brand, *YourSingapore*, was globally unveiled in key cities. Evolving from *Uniquely Singapore*, *YourSingapore* encapsulates our country's concentration of diverse offerings and underscores our ability to provide visitors with customised experiences.

Building upon this strategy, personalisation of Singapore journeys becomes easier through *YourSingapore.com*, our revamped destination website, and the *YourSingapore Guide* app, a free, real-time travel guide that gives visitors access to exclusive events and privileges. Also, smartphone applications *City Advantage Guide* and *Wassup?* were developed through Project Nimbus, a STB-Microsoft collaboration that utilises cloud-based technology to provide access to a common bank of tourism information.

Service improvement efforts continued on multiple fronts. The National Association of Travel Agents Singapore tied up with the Singapore Service Star, an STB-developed accreditation scheme, to enable travel agents to measure and improve upon

visitor experiences through audit tools. Tourism retail-related complaints are now better managed through the STB-Consumers Association of Singapore partnership, while a hotel productivity plan has also been jointly launched to sustain the sector's competitiveness while maintaining customer satisfaction.

Growing Singapore's Global Footprint

It has been an excellent year for Singapore, and the growth momentum appears to remain steady. Looking ahead, we will have to sustain our focus on innovation as our journey of transformation continues.

In our 2010/11 annual report, we take a closer look at the many individuals who have helped to reshape the face of Singapore tourism. We could not have come this far without their support and dedication. Thank you, one and all, and let us continue to work towards the best-ever Singapore Experience yet.

Aw Kah Peng

Chief Executive, Singapore Tourism Board

BOARD OF DIRECTORS



Mr Chew Choon Seng

Mr Chew Choon Seng has served as an independent director on the Board of the Singapore Exchange (SGX) since 1 December 2004 and was appointed its Chairman from 1 January 2011. He was also appointed Chairman of STB from 1 January 2011. Prior to that, Mr Chew was Chief Executive Officer (CEO) of Singapore Airlines Limited (SIA) and Deputy Chairman of its listed subsidiary, SIA Engineering Company Limited. He joined SIA in 1972 and held senior assignments in Finance, Planning and Marketing at the head office and overseas. Mr Chew was a member of the Board of Governors of the International Air Transport Association (IATA) from June 2003 to the end of 2010. He was named Outstanding CEO for 2007 by the judges of the 23rd Singapore Business Awards in March 2008. Mr Chew is also a director of the Government of Singapore Investment Corporation.



BOARD OF DIRECTORS



Ms Aw Kah Peng

Ms Aw Kah Peng was appointed Chief Executive of STB effective 1 January 2009. Ms Aw has a strong record of local and international experience gained during her 18 years at the Singapore Economic Development Board and with the Singapore Institute of Standards and Industrial Research prior. She is a board member of the Sentosa Development Corporation, Singapore GP Pte Ltd and Wildlife Reserves Singapore Pte Ltd. In addition, she is a council member of the National Arts Council and a member of the International Advisory Board of the Economic Development Board, Rotterdam.



BOARD OF DIRECTORS



Mr Aubeck Kam

Mr Aubeck Kam is the Chief Executive of the Media Development Authority (MDA), an appointment he has held since 1 November 2010. Mr Kam has held senior appointments at the Singapore Police Force from 1989 to 2002 and 2004 to 2006, as well as at the Ministry of Trade and Industry from 2002 to 2004 where he was Singapore's deputy chief negotiator for the Singapore-India Comprehensive Economic Cooperation Agreement and the chief negotiator in the ASEAN-Singapore Free Trade Agreement. As the Deputy Secretary of the Ministry of Manpower from 2006 to 2010, Mr Kam helped formulate and implement national manpower policies, ranging from workforce development, labour and occupational safety standards and the entry of foreign workers, to income security and retirement adequacy for workers.



BOARD OF DIRECTORS



Mr Mike Barclay

Mr Mike Barclay joined the Sentosa Development Corporation as Chief Executive Officer in August 2008 where he oversees all aspects of business for Sentosa Leisure Group. Before joining Sentosa, Mr Barclay was Regional Vice President of the Asia Pacific region with the International Air Transport Association (IATA). Prior to IATA, Mr Barclay was CEO of SilkAir. He also spent 13 years with Singapore Airlines Ltd.



BOARD OF DIRECTORS



Mr Benson Puah

Mr Benson Puah is currently the Chief Executive Officer (CEO) of The Esplanade Co Ltd and is responsible for its overall development, management, programming and artistic direction. He is also the CEO of the National Arts Council since 1 August 2009. He chairs the Association of Asia Pacific Performing Arts Centres and was the past chair for the New York-based International Society for the Performing Arts; he was the first Asian to hold this appointment. Prior to the Esplanade, Mr Puah was Chief Executive of Sentosa Development Corporation and CEO of Temasia Health Pte Ltd. He also brings with him over 20 years of experience in pioneering hospitality projects from his international career in the hospitality industry with leading luxury hotel companies in the United States, Europe and Asia.



BOARD OF DIRECTORS



Mr Steven Lim

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



BOARD OF DIRECTORS



Mr Patrick Pitcher

Mr Patrick Pitcher is currently Chairman of Lenco Asia Inc, a company providing mobile phone solutions. He is also Global Chairman of Endless Rewards, a leading provider of loyalty and consumer relationship management solutions and Chairman of Group Edge, a regional digital internet communications company. Mr Pitcher was formerly Chief Executive Officer (CEO) of JWT Asia Pacific South, where he oversaw the operations of more than 20 offices in 11 countries. Mr Pitcher was also previously the CEO of Saatchi & Saatchi Asia Pacific and on the Saatchi Worldwide Executive Board. During his 14 years working in the Asia Pacific, he has gained in-depth knowledge of various markets including China, India, Japan, Southeast Asia and Australia. Before he became CEO of Saatchi & Saatchi Canada and Managing Director of Saatchi & Saatchi South Africa, he worked at Johnson & Johnson and Unilever. Mr Pitcher has garnered extensive global marketing and branding experience working with many of the world's top advertisers.



BOARD OF DIRECTORS



Mrs Diana Ee-Tan

Mrs Diana Ee-Tan has over 25 years of experience in hospitality and tourism. She was formerly President of Raffles Hotels and Resorts, where she was responsible for the operating and financial performance of its hotels worldwide and the brand's growth strategy. Under her leadership, Raffles expanded to China, Europe, Indonesia, and the Middle East.

Mrs Tan brings with her extensive international operations experience from having spearheaded numerous hotel openings and reflagging in Australia, Germany, London, Indo China, the United States and the Caribbean. She was also instrumental in building the global sales, branding, marketing, revenue management and e-commerce distribution capabilities of the Raffles management company during its early years of growth.

Active in supporting the industry, Mrs Tan has served as an EXCO member of the Singapore Hotel Association (SHA) and is presently Deputy Chairman of the Academic Board of SHATEC Institutes, the educational arm of SHA. She is also a Member of the School Advisory Committee of the School of Hospitality, Republic Polytechnic.

Mrs Tan is an Advisor to the hospitality division of Straits Trading Co Limited and is a Board Director of Orchard Parade Holdings Limited.



BOARD OF DIRECTORS



Mr Vinodh Coomaraswamy

Mr Vinodh Coomaraswamy is a senior litigation partner in the law firm Shook Lin & Bok LLP. Mr Coomaraswamy's specialty is complex commercial litigation, international arbitration and insolvency matters. He was appointed Senior Counsel in 2005. He is a Fellow of the Singapore Academy of Law, a Senior Professorial Fellow of the Singapore Institute of Legal Education, a Fellow of the Chartered Institute of Arbitrators and the Singapore Institute of Arbitrators.



BOARD OF DIRECTORS



Ms Jessica Tan

As Managing Director of Microsoft Singapore, Ms Jessica Tan is responsible for developing and driving growth strategies for the Microsoft's business in Singapore, as well as deepening relationships with partners, customers and employees. She also focuses on leading Microsoft's ongoing corporate citizenship efforts in the country, which includes Microsoft's efforts to becoming a trusted industry partner who works with businesses, communities and governments to help advance social and economic well-being.

In May 2006, Ms Tan was elected as Member of Parliament in Singapore for the East Coast Group Representation Constituency and is Chairman of the East Coast Town Council. She is also Chairman of the Finance, Trade and Industry Group Parliamentary Committee (GPC) as well as a member of the Manpower GPC.



BOARD OF DIRECTORS



Mrs Deborah Ong

Mrs Deborah Ong is a partner with PricewaterhouseCoopers Singapore. She has more than 20 years of public accounting experience providing audit and advisory services to a wide range of clients. She is also the firm's Human Capital Leader and has facilitated various people initiatives, including community projects.

She is Deputy Chairman of the National Parks Board, member of Ngee Ann Polytechnic Council, Lee Kong Chian School of Medicine Pro-Tem Governing Board and the Appeals Board for Private Education at the Ministry Of Education, as well as a council member of Girl Guides Singapore and President of the Singapore Division of CPA Australia.



MANAGEMENT TEAM

(AS OF 1 JULY 2011)



Gentlemen (from left to right):

Mr Chew Tiong Heng

Executive Director,
Destination Experience Group

Mr Leong Yue Kheong

Assistant Chief Executive,
International Group and Corporate
Development Group

Mr Tony Lai

Assistant Chief Executive,
Sector Planning & Development Group,
Industry Development (I) Group and
Marketing Group

Ladies (from left to right):

Ms Sophia Ng

Executive Director, Brand & Marketing,
Marketing Group

Ms Lynette Pang

Executive Director, Arts & Entertainment and
F1 & Sports, Industry Development (I) Group

Ms Chiang Hai Yin

Chief Financial Officer & Executive Director,
Corporate Services, Corporate Development
Group

Ms Aw Kah Peng

Chief Executive

Ms Jeannie Lim

Executive Director, Conventions & Meetings
and Exhibitions & Conferences, Industry
Development (II) Group

Ms Carrie Kwik

Executive Director,
Integrated Resorts & Business
Tourism Development, Industry
Development (II) Group

Ms Melissa Ow

Assistant Chief Executive, Industry
Development (II) Group and
Destination Experience Group

Absent with Apologies:

Ms Neeta Lachmandas

Executive Director, Capability &
Innovation and Visitor Information
& Feedback, Sector Planning &
Development Group

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

BOARD MATTERS

Responsibilities of the Board

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

Board Composition and Membership

From 1 Apr 2010 to 31 Dec 2010, there were nine directors on the Board, including Ms Aw Kah Peng, the STB's Chief Executive and the only non-independent director. With effect from 1 Jan 2011, Mr Simon Israel retired from the position of Chairman of the Board and Mr Chew Choon Seng was appointed. In addition, two new members joined the Board, bringing the total number of directors to 11.

The size and composition of the Board are guided by the clauses stated in the STB Act, with the eventual composition subject to approval by the Cabinet. The desired outcome is the provision of a conducive environment for effective discussions and decision-making to happen.

The process for the appointment of Directors to the Board is kept formal and transparent as this is critical to the role that corporate governance plays. A review of the Directors' membership on the Board is done as and when their official term of appointment is up.

The Board is given the mandate to act independently and exercise objective judgment on the STB's corporate affairs. This is to ensure that there are checks and balances instituted. Apart from Ms Aw, the other 10 Directors on the Board are Independent Directors. A Director's independence is re-assessed at the point of each re-appointment.

Conduct of Board Affairs

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

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

Under the year in review, there were a total of six scheduled Board meetings and a one-day Board Strategy Workshop, held at an off-site venue to discuss key strategic issues that may impact the achievement of the Board's targets. A record of the Directors' attendance at Board meetings during the financial year, which ended on 31 March 2011, is set out in Table 1.

CORPORATE GOVERNANCE

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

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

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

A record of each Director's Board Committee memberships and attendance at Board Committee meetings during the financial year, which ended on 31 March 2011, is set out in Table 2.

Table 1: Directors' Attendance at Board Meetings in FY 1 April 2010 to 31 March 2011

Name of Director	Scheduled Board Meetings		Board Strategy Workshop	
	Number Held	Number Attended	Number Held	Number Attended
Mr Simon Israel*	6	4	1	1
Mr Chew Choon Seng^	6	2	1	0
Ms Aw Kah Peng	6	6	1	1
Mr Aubeck Kam	6	4	1	1
Mr Mike Barclay	6	6	1	1
Mr Benson Puah	6	5	1	1
Mr Steven Lim	6	4	1	1
Mr Patrick Pitcher	6	4	1	1
Mrs Diana Ee-Tan	6	5	1	1
Mr Vinodh Coomaraswamy	6	6	1	1
Mrs Deborah Ong#	6	2	1	0
Ms Jessica Tan#	6	2	1	0

* Mr Simon Israel, retired from the Board with effect from 31 December 2010, was scheduled to attend four Board meetings.

^ Mr Chew Choon Seng, newly-appointed Chairman to the Board with effect from 1 January 2011, was scheduled to attend two Board meetings.

Newly-appointed Directors to the Board with effect from 1 January 2011 were scheduled to attend two Board meetings.

CORPORATE GOVERNANCE

Table 2: Directors' Board Committee Memberships and Attendance at Board Committee Meetings in FY 1 April 2010 to 31 March 2011

Name of Director	Finance & Investment Committee Meetings		Audit Committee Meetings		Governance Committee Meetings		Human Resource Management Committee Meetings	
	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended
Mr Simon Israel*							3	3
Mr Chew Choon Seng ⁺					0	0	3	0
Ms Aw Kah Peng	3	2			0	0		
Mr Aubeck Kam	3	3						
Mr Mike Barclay			3	3				
Mr Benson Puah ⁺					0	0	3	2
Mr Steven Lim			3	3				
Mr Patrick Pitcher [^]			3	0			3	2
Mrs Diana Ee-Tan ^{^^}	-	-	-	-	-	-	-	-
Mr Vinodh Coomaraswamy	3	3						
Mrs Deborah Ong ⁺							3	0
Ms Jessica Tan ⁺	3	1						

* Mr Simon Israel retired from the Board with effect from 31 December 2010 and was scheduled to attend three Human Resource Management Committee (HRMC) meetings.

+ Directors appointed to their respective Board Committees with effect from 1 March 2011.

[^] Mr Patrick Pitcher was a member of both Audit Committee (AC) and HRMC until 28 February 2011, when he ceased to be a member of AC but continued as a member on HRMC.

^{^^} Mrs Diana Ee-Tan did not hold sub-committee appointments prior to being appointed as member of Audit Committee with effect from 1 April 2011.

AUDIT AND ACCOUNTABILITY

Audit Committee

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

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

CORPORATE GOVERNANCE

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

Internal Controls

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

External Audit

As part of the annual financial statements audit, the external auditors carried out a review of the significant internal controls. Such controls are mainly determined by the purpose of the audit and the scope of works under the audit plan. Any material non-compliance and/or internal control weaknesses, together with the external auditors' recommendations, were addressed and made known to the AC.

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

Internal Audit

The Internal Audit reports to the AC functionally and to the Chief Executive administratively. As part of its auditing, the Internal Audit is guided by the current International Professional Practices Framework issued by the Institute of Internal Auditors. The adequacy of funding and staffing of the Internal Audit and its appropriate standing within the STB have been ensured by the AC.

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

Finance and Investment Committee

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

It endorses the STB Workplans and Budget before submission to the STB Board for approval. The Committee also approves tenders, expenditures and proposed changes to the STB's Financial Regulations.

CORPORATE GOVERNANCE

It approves the STB's investment policy and strategies, ensures that financial investments are conducted in compliance with statutory legislation and government directives and furnishes an investment report to the Board on a semi-annual basis.

It performs the risk advisory role for projects above S\$5 million or with high reputational risks through provision of input and opinion on the risk assessment and risk response measures put forth by the STB, and elevates any critical project risks to the attention of the Board.

Governance Committee

Over the period 1 January 2010 to 29 February 2011, the Governance Committee comprised Chairman STB, Chief Executive STB and a senior management representative at the Assistant Chief Executive level.

While there were no physical meetings held, approval of new appointments and renewal of Directors were sought via email.

With effect from 1 March 2011, the composition of the Governance Committee was revised to comprise three independent Directors, including the Chairman of the Board.

Human Resource Management Committee

The Human Resource Management Committee comprises Chairman STB and two other Board Members. The Human Resource Management Committee's responsibilities include providing guidance on leadership development and talent management matters; reviewing compensation policies and structures to ensure competitiveness; approving salary grade changes of officers to Superscale Grades, and reviewing and approving recommendations on disciplinary matters pertaining to senior management members.



YourSingapore
.com

YourSingapore

Personalising *YourSingapore*

There are a million and one things to do in Singapore, and STB's new evolved destination brand *YourSingapore* was launched to encapsulate this amazing concentration of exciting activities as well as the ease with which travellers are able to enjoy the Garden City. Coupled with our strong reputation for accessibility, efficiency and safety, these destination attributes enable visitors to personalise their Singapore experience according to their unique preferences and at their own pace.

The new destination brand also embraces the seismic shift in media consumption trends by placing the digital domain at the heart of its marketing communications strategy. Central to this strategy is *YourSingapore*, where travellers can easily explore what the country has to offer and be empowered to create their own personal Singapore experience.

YourSingapore

Bringing the *YourSingapore* Brand to Life

Technology and the rise of social media have dramatically changed the tourism landscape and influenced how consumers access travel information. To stay ahead of evolving consumer needs in an inter-connected world, STB launched an innovative and interactive platform, *YourSingapore.com*, to offer travellers a comprehensive and user-friendly resource to plan their individual Singapore travel itinerary.

As a natural extension of the brand, the website also incorporates social sharing tools with which the visitor can share their personalised travel plans with friends and family. A *YourSingapore* Facebook page was also launched, with over 150,000 fans clocked within the first year.

Taking *YourSingapore* Worldwide

Working closely with STB's brand agency, BBH Asia Pacific, *YourSingapore* was announced to the world with much fanfare across 10 cities.

The *YourSingapore* campaign was first launched in Singapore at the Tourism Industry Conference 2010 on 5 March. Close to 800 industry partners attended the event at Resorts World Sentosa Integrated Resort to witness the unveiling of *YourSingapore* by the then Senior Minister of State for Trade & Industry and Education, Mr S Iswaran.

STB Americas then set New York's Times Square dancing with excitement when they launched the *YourSingapore* brand on 1 April 2010 with the help of internet sensation Matt Harding, star of VISA's "Travel Happy" campaign. Matt led a "Dance to Singapore" mass dance with more than a thousand participants,



Singapore Visitors Centres have been set up around the country to help visitors create their own personalised Singaporean experiences.

who were also encouraged to perform their own dance moves in front of a Singapore backdrop of their choice, which were then recorded and uploaded to online video site, YouTube, for the "Record Your Own Dance Video" online contest.

Over 120 videos were shot over a four-hour period. The top 20 videos that received the most views were subsequently shortlisted to enter a popularity contest on *YourSingapore.com*. These videos were viewed more than 40,000 times and some 10,000 votes from all over the world were received, contributing to the huge success of the brand launch as well as the widespread promotion of the new brand.

In Kuala Lumpur, STB Malaysia invited guests to explore the different facets of Singapore based on themes such as Romance, Fun and Shopping via interactive touch screens. And

YourSingapore



Singapore's new skyline at dusk.

true to *YourSingapore's* premise of placing the traveller at the heart of the destination experience, guests could even select a "mood mocktail", concocted based on how they felt at that point in time, and take a photo against a Singapore skyline backdrop of their choice.

Over in the United Kingdom (UK), STB London unveiled the *YourSingapore* brand to esteemed travel trade partners and national UK media at the cutting-edge restaurant, Sketch. UK television personality Amanda Lamb was the special presenter for the evening and introduced the launch with her own experiences of Singapore. Guests were treated to an experiential evening through activities such as henna tattoos, a fish spa, interactive kiosks with web access, Singapore Sling cocktail-making lessons and a memory corner where traditional Peranakan costumes were available for photo memories.

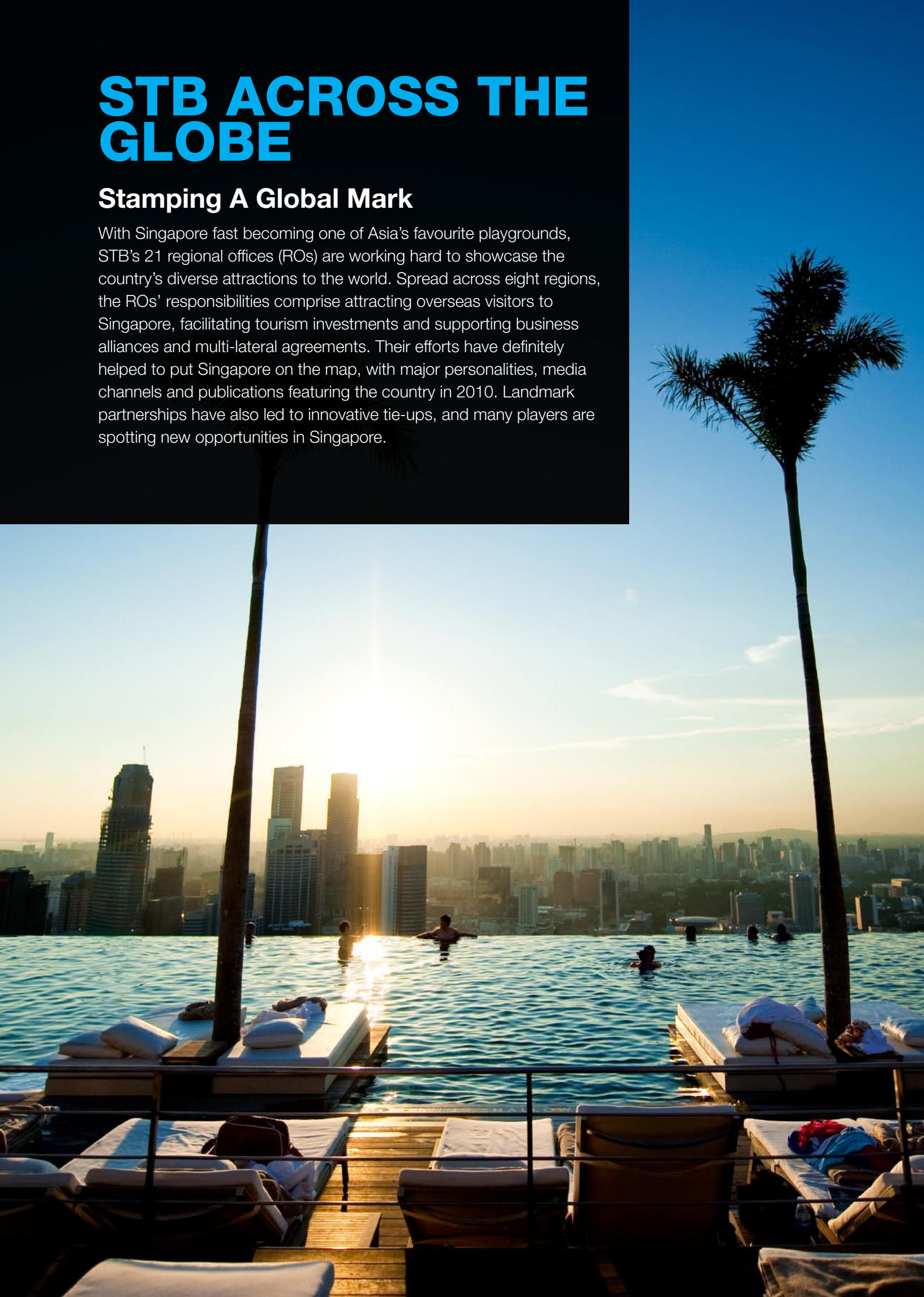
Also giving guests a taste of Singapore was STB Sydney, which launched the destination brand with a specially hosted dinner for key trade and media partners at Tetsuya's, helmed by Australian celebrity chef Tetsuya Wakuda, who was opening his first restaurant outside Australia at Singapore's Marina Bay Sands Integrated Resort. In the same vein, *YourSingapore* was launched at the historic Ch'ien Men 23 in Beijing. Following STB's introduction of the evolved brand, popular MTV China deejay Zhuzhu gave a demonstration of how to use the *YourSingapore* website in Mandarin. In Moscow, travel partners and media were introduced to *YourSingapore* as well as the famed Singapore Sling cocktail and popular Singapore dishes.

YourSingapore's evolved branding and social media strategy has certainly garnered a lot of interest around the world in the country's multi-varied offerings and rich heritage. Upcoming initiatives, such as the Singapore International Culinary Exchange campaign, will continue to represent Singapore in refreshing and creative ways and showcase the Garden City's appeal as a top destination for leisure and enjoyment.

STB ACROSS THE GLOBE

Stamping A Global Mark

With Singapore fast becoming one of Asia's favourite playgrounds, STB's 21 regional offices (ROs) are working hard to showcase the country's diverse attractions to the world. Spread across eight regions, the ROs' responsibilities comprise attracting overseas visitors to Singapore, facilitating tourism investments and supporting business alliances and multi-lateral agreements. Their efforts have definitely helped to put Singapore on the map, with major personalities, media channels and publications featuring the country in 2010. Landmark partnerships have also led to innovative tie-ups, and many players are spotting new opportunities in Singapore.



STB ACROSS THE GLOBE

PERSONALITIES

Personalising the Garden City

The Garden City was especially hip in 2010, welcoming an impressive list of notable personalities. Entrepreneur, media personality and every American homemaker's best friend, Martha Stewart, was in Singapore to film an hour-long episode for her hugely popular show, watched by nearly four million viewers per week. The doyenne of domesticity was on her first trip to Singapore and was given an immersive experience of the country's culture and history, which covered various aspects from food and entertainment to architecture and attractions. Her show drummed up much awareness for Singapore's appeal as a culinary and lifestyle destination. In fact, Martha was so taken with the destination that she blogged about Singapore and utilised social media Twitter to share updates of her trip to over two million of her followers, creating a personable image of the country as a must-visit for gourmet lovers and travellers in-the-know. Her itinerary and favourite Singapore experiences were also shared with fans and would-be visitors on YourSingapore.com.



Martha Stewart, a household name in America, was in town to take in the sights and sounds.

Singapore also played host to culinary heavyweights such as Mario Batali, Daniel Boulud, Susur Lee, Wolfgang Puck, Justin Quek, Joel Robuchon, Guy Savoy, Kunio Tokuoka, Tetsuya Wakuda, Scott Webster and the late Santi Santamaria. In town for the opening of their respective restaurants in the Marina Bay Sands and Resorts World Sentosa Integrated Resorts, these culinary celebrities have turned the international spotlight on Singapore and aroused global interest in the city-state's new dining offerings.

Boxing world champion Manny Pacquiao also visited Singapore for the first time, thanks to facilitation by STB Philippines. Greatly impressed by his visit, the Pacman even expressed interest in staging one of his championship fights in Singapore by 2011.

Abroad, homegrown star power shone bright in China, one of Singapore's top five visitor-generating markets since 2004. STB Greater China appointed popular singer-songwriter Stefanie Sun as Singapore's tourism ambassador for the region. Over the next two years, Stefanie will help promote a transformed Singapore and its slate of lifestyle attractions, and share her quintessential Singapore experiences. Catch her advertisement campaigns for Singapore and two upcoming music videos created specially for the Chinese market, a market in which she has a strong foothold.

INTERNATIONAL COVERAGE

Showcasing YourSingapore

With an evolved destination brand and a host of new tourism offerings to showcase, the year was all about highlighting Singapore's edgier, relaxed side, and STB's regional offices (ROs) used various media channels across the globe to bring our country's attractions to the fore. STB Sydney, for instance, partnered *TimeOut Sydney* to publish the *YourSingapore Little Black Book*, a pocket-sized publication listing all the latest dining,

STB ACROSS THE GLOBE



Contestants from *Top Chef* got a taste of Singapore's local fare.

shopping and not-to-be-missed visitor experiences. Distributed along with the monthly magazine, it was greatly sought after by both Australian and Singaporean industry partners and was an excellent tool to help break traditional perceptions of Singapore as a “boring” business destination. Demand was so high that a new edition is in the works for 2011.

The city’s “It” factor went up a few more notches when the American culinary reality TV show, *Top Chef* chose Singapore as its first international location and filmed Season Seven’s two-part finale here. Recently awarded a prestigious Emmy award, *Top Chef* is currently the highest rated and most watched food show on US cable and is syndicated in more than 20 countries, reaching over 100 million households worldwide. The hit reality series featured the chef-testants and culinary celebrities such as Tom Colicchio, David Chang and Eric Ripert navigating Singapore’s pulsating dining scene of fine-dining establishments, hip eateries and even hawker centres, thereby showcasing our countless culinary gems and rich flavours to the world.

Even as STB promotes the fun side of Singapore, the country’s status as a significant financial and business centre has not been forgotten. *Boomtown Singapore*, a STB Frankfurt-initiated

N-TV channel broadcast, depicted the city’s unique appeal in a 30-minute segment as a top-tier lifestyle and business destination for Germans working and living in Asia.

Weaving in culture with sophistication, STB India’s tripartite agreement with *Better Photography*, India’s leading and oldest photography enthusiast magazine, and Mercury Travels, one of India’s top luxury travel agencies, gave Indians more reasons to experience Singapore anew. The tie-up has enabled STB to co-brand with the two established parties and the resulting travel packages, viewers’ choice photography exhibition and upcoming microsites will present a refreshing image of Singapore as a premier culture-rich travel destination and maintain its status among Indians as the most aspirational Far East destination.

PARTNERSHIPS AND TIE-UPS

Fostering Partnerships Across the Globe

2010 was a year in which many innovative partnerships took place. STB China leveraged industry relations to cement a partnership with China UnionPay (CUP). This gave rise to the CUP Singapore Travel Card, a credit card that enables Chinese tourists to pay for purchases in Singapore with ease and offers over 200 lifestyle, dining and entertainment privileges and benefits for card members.



Industry partners gathered at the China UnionPay Singapore Travel Card signing ceremony.

STB ACROSS THE GLOBE

Capitalising on Korea's potential as a growing market, STB Korea actively supported the Singapore Air Traffic Development Forum held in Busan in November with the endorsement of Busan Metropolitan City and Korea Airports Corporation. Attended by various airlines, media and travel trade partners, the platform was used to showcase the new Singapore landscape. The growing demand for flights to Singapore has led to an increase in flights between Korea and Singapore, with Delta Airlines and TransAsia Airways launching its fare for transit flights to the city-state.

Closer to home, Singapore Airlines (SIA) and Singapore GP, in collaboration with STB Philippines, produced an exciting multimedia lifestyle campaign for last year's Grand Prix Season Singapore (GPSS), resulting in record-breaking ticket sales from the Philippines market. SIA Manila also reported sold-out flights during the race weekend. More significantly, the campaign managed to change public perception of Singapore as it successfully conveyed the exciting lifestyle elements of the FORMULA ONE™ race and accompanying GPSS.



Laksa Pulao, an Indian interpretation of Singapore's fried rice, was created during the Global Chef Exchange, a programme which aims to encourage Singapore-inspired dishes.

In the Middle East, a strategic partnership was established with a Memorandum of Understanding signed between Dr Ghazi Binzagr, Deputy Chairman, Binzagr Group and President, Wisaal Development Centre in Saudi Arabia and NTUC Learning Hub for the co-creation of learning journeys with a transformative experience, with the support of STB Middle East. Keen on developing Saudi Arabia's human capital through education, Dr Ghazi selected Singapore as a learning hub for people and organisational development, with the belief that the Singapore experience can be shared and learned by the Arab world.

There was also avid interest in Singapore's education scene in the Indian market. STB India collaborated with Kuoni Outlearn to develop high yield Overseas Study Trips (OST) packages. Unlike conventional leisure-centric tours, Kuoni Outlearn's Singapore OST itineraries comprised interesting workshops and various enriching leisure experiences. STB India and Kuoni adopted a focused approach in identifying selected International Baccalaureate schools to promote holistic OST programmes, which has also resulted in the establishment of the Oberoi School OST to Singapore.

Perhaps the most interesting of these partnerships is the emergence of Singapore-inspired Indian dishes. An example is Laksa Pulao, created during a pilot run of the Global Chef Exchange, an initiative under the Singapore International Culinary Exchange. In March 2010, Indian chefs were invited to Singapore to learn more about the country's culture, heritage and cuisine as well as experiment with these flavours to create Singapore-inspired dishes that could be served in their hotels and restaurants. The exchange was a great success; Singaporean cuisine is now a standard menu item in luxury ITC Hotels in New Delhi, Mumbai, Kolkata and Chennai. The exchange has also brought with it new business opportunities, with ITC Hotels contracting Singaporean food supplier, Prima Taste, for regular orders of its products for ITC's establishments.

STB ACROSS THE GLOBE

WORLD EXPO

Orchestrating an Urban Symphony

The global audience was given a golden opportunity to sample the soul of Singapore at the World Expo Shanghai 2010, from 1 May to 31 October. This was Singapore's seventh participation in a World Expo and also its most expansive in scale. Themed "Urban Symphony", the 3,000-square-metre pavilion provided visitors with a glimpse of the Singapore lifestyle: a modern cityscape infused with lush greenery, showcasing the city's economic progress and urban development balanced against tradition, culture and racial harmony.

More than three million visitors to the pavilion were treated to a display of the country's pioneer personalities, ethnic costumes and musical instruments and even freshly-prepared Singaporean food that brought the city-state's rich cultural and historical heritage alive. A music video of the pavilion's theme song, *Every Touching Moment*, performed by popular Singaporean artistes A-Do, JJ Lin, Stefanie Sun and Tanya Chua, helped to showcase the country's brand of pop culture. Visitors were also invited to zoom along the world's only FORMULA ONE™ night race track on computer simulators. And to top it all off, literally, the pavilion's lush roof-top garden displayed over 100 species of tropical plants and over 20 types of orchids. Among them was the jade-green and yellow Dendrobium Singapore Shanghai Symphony, an orchid specially created to symbolise the friendship between Singapore and Shanghai.



The musical box-inspired architecture of the Singapore Pavilion at the Shanghai World Expo.

Through the six months, the Singapore Pavilion hosted various high-level forums, exhibitions and discussions to complement the visitor journey, synergising the efforts of private and public sectors and special interest groups to showcase Singapore. The Expo was also a showcase for well-known Singapore brands, with the increased awareness helping corporate sponsors to further entrench themselves in the minds of potential consumers.

TOURISM SECTOR PERFORMANCE

A Landmark Year for Singapore Tourism

The numbers say it all – S\$18.9 billion in tourism receipts and 11.6 million in international visitor arrivals. Indeed, 2010 was the best ever performance achieved by the tourism sector, and the momentum is expected to continue as Singapore transforms into a riveting travel destination with a compelling line-up of offerings for visitors.

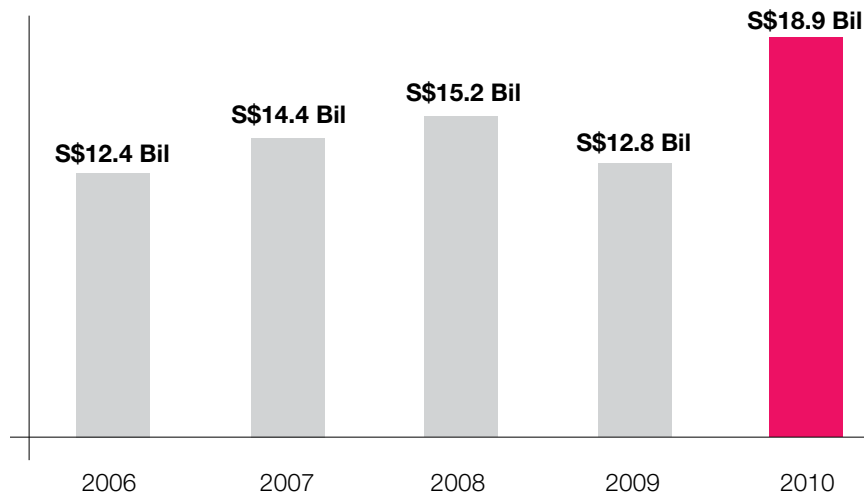


TOURISM SECTOR PERFORMANCE

OVERVIEW

Celebrating a Remarkable Tourism Performance

Riding on the wave of Asia's recovery from the global economic crisis, Singapore rebounded strongly in tourism performance in 2010. Cumulative tourism receipts grew year-on-year by 49.6 per cent to hit a high of S\$18.9 billion.



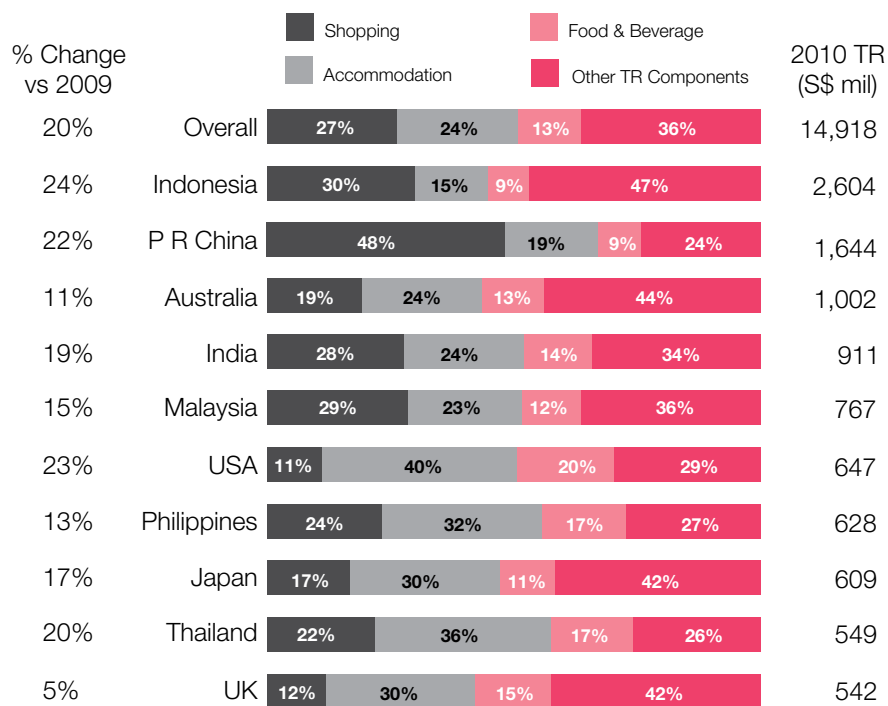
Tourism receipts increased by 49.6 per cent from the previous year to a new record of S\$18.9 billion in 2010.

TOURISM SECTOR PERFORMANCE

Singapore's top five visitor generating markets for 2010 accounted for 36.6 per cent of total tourism receipts during this period, specifically Indonesia (S\$2,604 million), P R China (S\$1,644 million), Australia (S\$1,002 million), India (S\$911 million) and Malaysia (S\$767 million).

TOURISM RECEIPTS BY MAJOR COMPONENTS, TOP 10 MARKETS, JAN - DEC 2010

Tourism Receipts: S\$18.9 billion (49.6% vs 2009)



Expenditure is estimated from Overseas Visitor Survey.

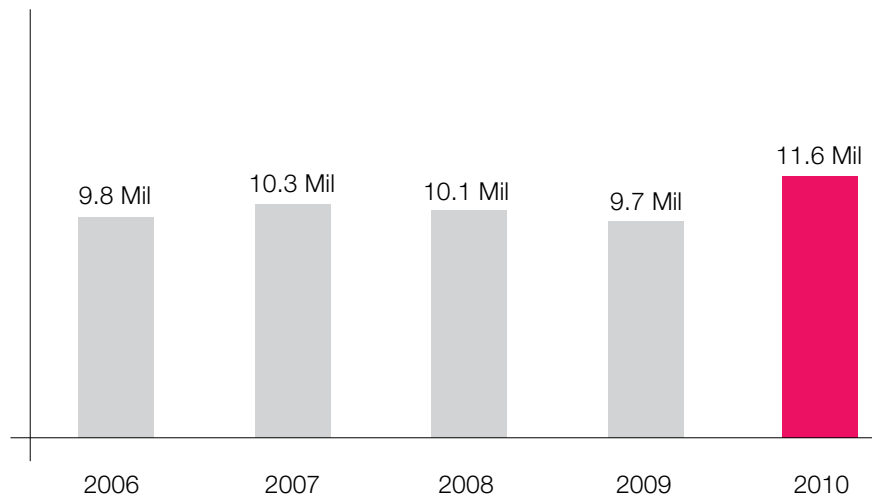
Other TR components comprise of airfare, local transport, medical business, education and other expenditure.

Sightseeing & entertainment has been excluded in the country analysis due to commercial sensitivity of information.

TOURISM SECTOR PERFORMANCE

This tremendous growth is reflected across all sectors in Singapore's tourism industry, with a multitude of diverse dining, retail, arts and entertainment options enriching Singapore's rich and vibrant tourism offerings.

Singapore's visibility on the world stage as an exciting, quality travel destination has also been enhanced through key events such as the Asia Fashion Exchange, World Gourmet Summit and TravelRave as well as outstanding tourism infrastructure as seen in the Resorts World Sentosa and Marina Bay Sands Integrated Resorts, endearing itself to new and returning travellers alike.



International tourist arrivals to Singapore increased by 20 per cent from the previous year to a new record of 11.6 million in 2010.

TOURISM SECTOR PERFORMANCE

BTMICE

Poised for Business

For Singapore, and the Business Travel, Meetings, Incentives, Exhibitions and Conventions (BTMICE) sector, 2010 was certainly a watershed year. Investor confidence in Singapore's sound business fundamentals, coupled with key tourism developments, yielded significant benefits for the BTMICE industry. A total of 3.1 million business travellers came, accounting for 27 per cent of all visitors to Singapore and approximately S\$5.4 billion in tourism receipts. This translated into impressive growth rates of 19.2 per cent and 28.4 per cent respectively over 2009^[1].

The number of meetings, incentives, conventions and exhibitions also surged, with attendance of some events reaching all-time highs. Aiding this growth were events such as the International Furniture Fair Singapore, BroadcastAsia 2010, Singapore International Water Week, the 77th Union of International Fairs Congress, Asia Pacific Maritime 2010 and Food and Hotel Asia 2010, all of which recorded double-digit increases in foreign attendance. There were also 108 new events, a 35 per cent increase in events over 2009. Some examples of which are Live!Singapore, MedTech 2010, RoboCup 2010 and Blueprint.

As the lead government agency for Singapore's business events and STB's business arm, the Singapore Exhibition and Convention Bureau (SECB) constantly develops existing conventions and exhibitions as well as attracts new business events to reinforce Singapore's reputation as a business and intellectual hub. This brought about the inaugural launch of TravelRave – Asia's mega trade and travel festival. This unique platform of co-located events brings together tourism leaders and professionals to develop business opportunities, share insights and best practices, showcase industry innovations and celebrate tourism achievements. Anchored by key events in the travel industry such as ITB Asia, one of the region's leading travel and tourism tradeshows, TravelRave 2010 also saw the inception of the Asia Travel Leaders Summit, which brought

together over 70 travel industry leaders in a high-level dialogue on issues facing the Asian travel and tourism industry. The World Savers Congress also convened for the first time outside America and provided a platform for thought leaders to discuss ways to limit tourism's environmental impact.

SECB also actively bids for business events that are both significant and strategic towards achieving STB's tourism goals. For the first time in its history of world congresses, the European-based International Federation of Freight Forwarders Association (FIATA) broke its rotation pattern and chose Singapore over the world's top logistics country, Germany (Berlin), to host the 2013 World Logistics Congress. As the world's largest non-governmental organisation in the field of transportation and logistics, FIATA will further strengthen Singapore's position as a regional logistics hub. Winning this bid in 2010 was testament to the close working relationship between STB and our industry partners.

Further demonstration of the importance of STB's relationships with our industry partners was Herbalife's 30th Anniversary Extravaganza in May 2010. This momentous event attracted a record attendance of 18,000 overseas participants to Singapore and its best-ever turnout – a 30 per cent increase compared to the 2009 edition held in Seoul, Korea. Since securing the first Herbalife event in Singapore in 2003, STB has enjoyed a long-standing relationship with the nutrition and wellness giant with presentations of new and unique conference and social venues. This constant engagement has yielded four more Herbalife events for Singapore in 2005, 2007, 2008 and 2010.

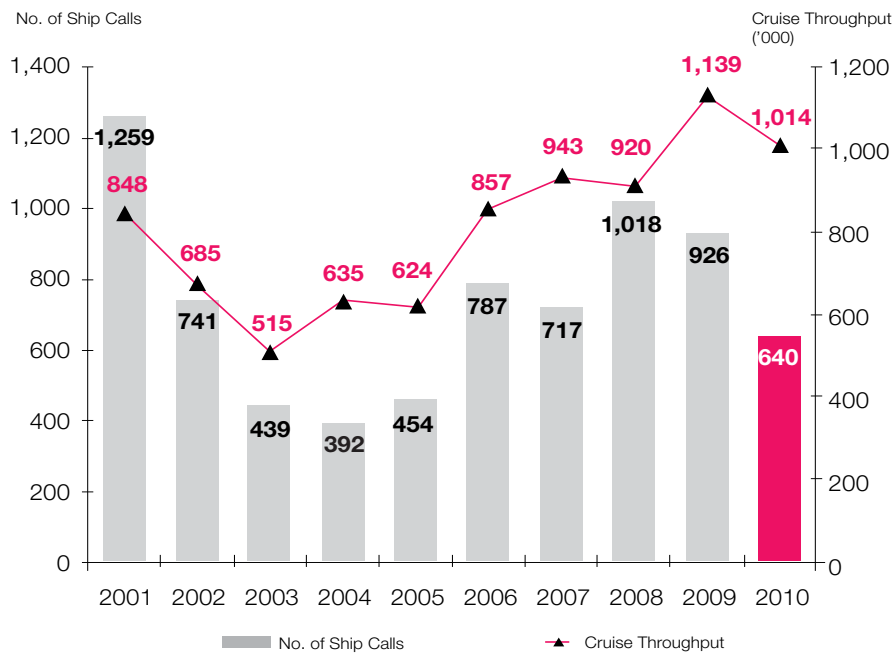
[1] The amount excludes sightseeing and entertainment expenditure (eg. entrance fees to attractions and nightspots, expenditure on day-tours, leisure events and entertainment at the Integrated Resorts) due to commercial sensitivity of information.

TOURISM SECTOR PERFORMANCE

CRUISE

Riding the Wave of Development

**SHIP CALLS AND CRUISE THROUGHPUT,
2001 - 2010**



Source: Singapore Cruise Centre

2010 welcomed an impressive 1.01 million cruise passengers and 640 ship calls to Singapore. Though two gaming ships ceased operations during the year, the cruise industry experienced an annual average increase of 10 per cent in passenger throughput from 2005 to 2010. More significantly, the industry saw a rise in the number of unique ships calling and an increase in the variety of sailing options from Singapore.

On track for its 2012 opening is the International Cruise Terminal at the Greater Marina Bay precinct, which will double Singapore's berth capacity and allow more and larger ships

to homeport in and call on Singapore with exciting Asian itineraries. Complementing the existing Singapore Cruise Centre at HarbourFront, the terminal is purpose-built to accommodate the new generation of larger liners such as Royal Caribbean's Oasis of the Sea, currently the largest cruise ship in the world, Norwegian's Epic and Carnival's Dream. The terminal's nautical inspired architecture will also augment the Singapore skyline, invoking a greater sense of anticipation of the island's offerings as guests aboard the ships approach land.

TOURISM SECTOR PERFORMANCE

Hotels

Building Towards Design and Personalisation

The average hotel occupancy rate rose by nine percentage points to 85 per cent for 2010 and the average room rate increased 14.7 per cent to S\$217, despite a 10.6 per cent jump in room numbers or an addition of more than 4,500 rooms. Total hotel room inventory now stands at over 47,000.

The new hotels that opened in 2010 embodied the creativity and exciting diversity found throughout Singapore's growing accommodation sector. Establishments ranging from boutique to full-service hotels are building on different concepts and offering quality, singular experiences to create greater value for discerning guests.

The country's recent surge in visitor arrivals has precipitated the need for the hospitality industry to become even more productive. To meet this rise in demand, the Singapore Hotel Association, supported by the Food Drinks and Allied Workers' Union and STB, launched Hotel Transformation 2010. This initiative brought over 70 hotels together in a pledging ceremony to formalise their commitment towards strengthening industry competitiveness by implementing productivity initiatives.

A hotel productivity plan was subsequently introduced to increase the sector's core capabilities and reduce its dependence on low-skilled foreign labour. This plan will tackle key challenges such as raising the value and attractiveness of hotel-related jobs for a better-skilled workforce, improving service quality and ensuring continuous improvements to sustain the sector's development in the long run.



The newly opened Fullerton Bay Hotel adds to the diversity of Singapore's hospitality offerings.

Sector Development

Service comes first

Going even further for service is the second phase of the "Go the Extra Mile for Service" (GEMS Up) movement. Represented by SPRING Singapore, STB, the Singapore Workforce Development Agency, the Institute of Service Excellence at the Singapore Management University and the National Trades Union Congress, GEMS Up focuses on service research, thought leadership, capability development and promotion and recognition.

This drive for greater service awareness brought about *Can You Serve*, the world's first reality TV series to pit contestants' customer service skills against each other. Making its debut in June 2010, the eight-part series saw nine contestants compete in various challenging roles across different service-oriented industries for the top prize of S\$70,000 in cash and S\$30,000 in training opportunities. As a joint initiative between activeTV and the GEMS Up movement and supported by the Restaurant Association of Singapore, Singapore Hotel Association and Singapore Retailers Association, *Can You Serve* showcased

TOURISM SECTOR PERFORMANCE

the professionalism, skills and progression opportunities in the service industry and enhanced the culture of service appreciation by reaching out to business decision makers, service staff and consumers.

To recognise establishments that champion good customer service, the Best of Singapore Service Star (SSS) initiative profiled 44 businesses that scored the highest in the mystery shopping exercises conducted throughout 2010. Businesses were chosen across the food and beverage, nightspot and retail sectors to serve as role models for other establishments looking to raise the bar on service excellence.

The travel services sector has also joined the SSS initiative and embarked on a comprehensive Customer-Centric Initiative led by the National Association of Travel Agents Singapore (NATAS) with support from STB and SPRING Singapore. The initiative aims for members of the travel agency industry to commit to service excellence and improve in customer service and operational efficiency. Some key programmes to be put in motion include the development of common service standards for all NATAS members and the appointment of Service Quality Managers in travel agencies.

In addition to good service, exceptional experiences are what keep visitors returning. With this in mind, the Singapore Experience Awards (SEA) was set up to differentiate Singapore as a premier tourist destination with its focus on the experiential elements of its products as well as service delivery to enhance the visitor experience. The awards have certainly spurred the industry on with three new awards, namely Best Education Experience, Best Enrichment Experience and Best Healthcare Experience, which were introduced in 2010 to reflect the creativity, quality and diversity of service providers



Visitors are enjoying their time in Singapore more with an increase in service awareness across the country's retail and hospitality sectors.

that have gone beyond traditional tourism. Also launched was the inaugural Singapore Experience Conversation, a forum that provided invited guests with opportunities for open dialogue and sharing of best practices to help tackle the ever-changing consumer landscape. More than 34,000 unique nominations were received in 2010, an approximate 30 per cent increase in the number of nominations received as compared to the previous year – a healthy indication that both the public and industry recognise the value of providing a holistic customer experience.

STB continues to find new and more effective ways of dealing with consumer-related complaints by tourists. An agreement with the Consumers Association of Singapore (CASE) sees both parties co-managing tourism retail-related complaints, providing visitors with a continual platform for recourse even after they depart Singapore while sending a strong signal to recalcitrant retailers to curb unfair trade practices.

TOURISM SECTOR PERFORMANCE

Attractions

Diversifying Our Tourism Offerings

The Attractions sector in Singapore saw exciting developments in 2010 with the opening of several new tourism products including the much-awaited Universal Studios Singapore® and the Sands SkyPark at Marina Bay Sands Integrated Resort. Existing attractions like the Singapore Cable Car, Skyline Luge Sentosa and Jurong Bird Park's Penguin Coast were also revamped and relaunched, rekindling public interest in them.

The much-anticipated *Shipwrecked: Tang Treasures and Monsoon Winds* exhibition collection was unveiled to the public in conjunction with the ArtScience Museum's grand opening at the Marina Bay Sands Integrated Resort in February 2011. Jointly organised by the Arthur M. Sackler Gallery, Smithsonian Institution, the Asian Civilisations Museum, National Heritage Board, Singapore and STB, this beautifully curated exhibition featured one of the oldest and most important marine archaeological finds of the late 20th century. *Shipwrecked* tells a dynamic tale of the existence of a maritime silk route between China and West Asia centuries ago and features hundreds of highlights from the remarkable find. The Singapore exhibition also marks the beginning of a world tour that will see the exhibition travel to prominent museums over the next few years.



Universal Studios Singapore® opened to great fanfare in 2010, adding to the island's range of family entertainment.



The Marina Bay Sands Integrated Resort gives the city skyline a new edge with its bold architectural elements.

Integrated Resorts

Worlds of Fun

It's been a while since the tourism landscape has transformed as dramatically as it did in 2010. In a short span of time, the two Integrated Resorts (IRs) have become an integral part of the cityscape, alongside iconic stalwarts like the Merlion, Singapore Changi Airport, Raffles Hotel and the Esplanade Theatres on the Bay.

The IRs have generated a positive spin-off effect across various sectors, namely arts and entertainment, dining, retail, hospitality, attractions and Meetings, Incentives, Conventions and Exhibitions (MICE). For one, the fashion-conscious among us celebrated the launch of Resorts World Sentosa's *Valentino Retrospective: Past/Present/Future* exhibition as well as the opening of Chanel's double-storey flagship store at Marina Bay Sands. On the artistic front, Moshe Safdie's design for the ArtScience Museum has been an architectural talking point from the start, not to mention the promise of notable exhibitions featuring works of artists from the region and beyond.

TOURISM SECTOR PERFORMANCE

The local gastronomic scene turned up the heat with the influx of celebrity chefs at the IRs. The esteemed company of Mario Batali, Daniel Boulud, Justin Quek, Susur Lee, Wolfgang Puck, Joel Robuchon, Guy Savoy, Kunio Tokuoka, Tetsuya Wakuda, Scott Webster and the late Santi Santamaria has given Singapore her culinary badge of honour with their signature cuisines and global following.

Though they are just in their first year of operations, the IRs are already recognised in the larger industry. Resorts World Sentosa bagged the 2010 IAAPA Asian Attraction Award in the Large Attraction Category while Marina Bay Sands was named the “The Best Hotel Investment of Asia 2010” by Asia Hotel Forum and “Asia’s Best MICE Hotel” by *CEI Asia*, the leading MICE Magazine.



Singapore serves up a plethora of gastronomic delights.

Lifestyle – Arts, Dining, Entertainment, Retail Non-stop Excitement

While Singapore’s reputation as a lifestyle hub is well-known, it was in 2010 when the country’s diverse range of quality leisure offerings brought it firmly into the international spotlight.

Our dining scene, in particular, has come a long way. Today, Singapore is an acclaimed global culinary capital and its restaurants are placed among international and regional rankings, including *The Miele Guide’s Asia’s Top 20 2010/2011* and *San Pellegrino World’s Best Restaurants Top 100 ranking 2011*. Apart from the World Gourmet Summit and Singapore Food Festival, events like the Singapore Restaurant Week and inaugural Asian Masters have also been emanating their fair share of buzz. In January 2011, the world received a sneak peek of the Singapore International Culinary Exchange (SPICE). Helmed by International Enterprise (IE) Singapore, STB and SPRING Singapore, SPICE is the first-ever integrated initiative which champions Singapore’s cuisine, culinary talent and food products globally. The initiative comprises the Singapore Takeout, a mobile pop-up kitchen serving up the finest in Singaporean cuisine, which will travel to nine key cities over 12 months, as well as the Global Chef Exchange, a chef immersion programme.

Singapore has also set several milestones in the arts and entertainment sector. Curtains rose on the debut of *The Lion King*, the first long-running Broadway musical in *Southeast Asia*; *Voyage de la Vie*, an original rock circus spectacular comprising world-renowned acrobatic stars; and the nightly waterfront Crane Dance. Home-grown club Zouk’s annual dance music festival, ZoukOut, marked its 10th year in 2010 by welcoming its biggest turnout of 30,000 partygoers at Sentosa’s Siloso Beach. Meanwhile, the inaugural edition of Art Stage Singapore, Asia’s premier international art fair, was a resounding success. The four-day fair and VIP preview that took place in January 2011 saw a total of 32,000 visitors, which showcased quality contemporary artworks from 121 galleries representing 26 countries.

TOURISM SECTOR PERFORMANCE



2010 was also a very important year for the retail scene. In April 2010, IE Singapore, STB and SPRING Singapore launched the inaugural Asia Fashion Exchange (AFX), a milestone not just for the fashion industry in Singapore but also in Asia and beyond. AFX's four key events, Star Creation, Asia Fashion Summit, Audi Fashion Festival and Blueprint, each serve a different segment of the industry and have been created to ensure the sustainability of the local fashion scene. The events also aim to profile local and Asian brands at an international level and position Singapore as the gateway to the Asia's fashion industry.

Sports

Revving up the Vibe

Singapore is fast developing a reputation for its strong sporting culture, with many high profile international sporting events such as the FORMULA ONE™ night race and the inaugural Youth Olympic Games showcasing the country's ability to have fun and relax.

Back to satisfy speed demons, the 2010 FORMULA ONE™ SingTel Singapore Grand Prix turned up the heat along Singapore's city streets from 24 to 26 September. As the world's only FORMULA ONE™ night race and Asian street circuit, Singapore's FORMULA ONE™ race remains one of the most highly-anticipated legs on the racing calendar. The sporting event attracted over 96,000 unique spectators, of which more than 40 per cent were foreign visitors. About 244,000 tickets were sold for the three-day event. The race also attracted S\$160 million in incremental tourism receipts, a commendable performance given that the race was already in its third year.

There were also broader economic spin-offs, with the event serving as a platform for the financial sector and private wealth management industry to network while boosting related businesses such as the hotels, nightspots, restaurants, retailers, airlines and even taxi drivers.



TOURISM SECTOR PERFORMANCE

No less exciting was the world's inaugural Youth Olympics Games, held from 14 to 26 August 2010. The Games made history by being the first of its kind to be dedicated solely to youths, and was the latest to be added to the Olympic movement in close to 100 years. The event gave Singapore immense media coverage and boosted tourism numbers.

With its mass global appeal and strong brand equity, these mega sporting events have provided the perfect platform to profile Singapore internationally and showcased the country as a vibrant sporting nation and world-class events and entertainment capital.

Education

Building trust

The private education sector underwent several significant developments in 2010. The Council for Private Education (CPE) was launched to regulate the industry with two schemes under the Private Education Act – the Enhanced Registration Framework and the EduTrust Certification scheme. With the new schemes, all Private Education Institutions (PEIs) are now required to register with CPE. In addition, PEIs enrolling foreign

students must meet stringent requirements to obtain EduTrust certification, a welcome move that will raise confidence among potential students and parents. Two established PEIs, the Singapore Institute of Management and the Management Development Institute of Singapore, were among the first to attain the four-year EduTrust certification in May 2010 and have since expanded their facilities to cater to the increase in international students.

FORMULA ONE™ fever also hit schools, with the World Finals for the F1 in Schools World Championships taking place in Singapore. Some 25 teams from 18 countries vied for the coveted trophy. A total of 51 local schools also took part in the F1 in Schools World Championships Technology Challenge Finals 2010, graced by the event ambassador Formula BMW Pacific racing driver and multiple British kart racing champion Richard Bradley.

Other local organisations have offered short experiential programmes with interactive learning opportunities. Wildlife Reserves Singapore offers educational programmes such as overnight camps, behind-the-scenes tours, show-and-tell sessions and the Zoomazing Race, all of which provide unique opportunities for overseas students to gain valuable insights into the animal kingdom. Underwater World Singapore is making waves too in interactive learning with its Schooling School and Living in the Ocean marine conservation programmes, which have proven to be popular with overseas student groups. STB also works closely with organisations such as NYU-Tisch School of the Arts, Resorts World Sentosa Integrated Resort and ArtScience Museum to offer highly immersive experiences to foreign participants wishing to incorporate an unconventional, interactive learning element into their trip.



The creation of the Private Education Act was launched to boost trust in Singapore's education system.

TOURISM SECTOR PERFORMANCE

Healthcare

Focusing on quality care

Singapore's medical tourism scene has developed positively, with the country leading in terms of per patient revenue despite increasing competition from the region. In 2010, medical expenditure arising from travellers stood at S\$856 million, a 10.1 per cent year-on-year increase over 2009. Singapore may not be the most inexpensive option for healthcare, but international patients recognise the high quality of care offered here in modern facilities using state-of-the-art technology and equipment, making Singapore their top choice as a healthcare destination.

Singapore's healthcare landscape maintained its reputation with 13 hospitals and medical centres obtaining the established Joint Commission International (JCI) accreditation in 2010. Eleven hospitals have also been certified by the International Organization for Standardization (ISO), an affirmation of the high standard of healthcare services and quality management of medical offerings available.



Singapore's healthcare combines quality care with stellar service.

Precincts

Enlivening Singapore's heritage

Singapore's tourism precincts present visitors with a multitude of memorable experiences, be it shopping and relaxing along Orchard Road or exploring and re-living history and heritage in Chinatown, Kampong Glam or Little India.

Over the years, these precincts have, under the capable management of key place managers such as the Orchard Road Business Association (ORBA) and the Chinatown Business Association (CBA), developed into attractive zones that are bustling with activity all year round. Working closely with these place managers, STB is helping to ensure that the precincts are positively cultivated and aligned with Singapore's appeal as a rich multi-cultural destination.

Orchard Road, Singapore's main shopping and lifestyle belt, has consistently been the top free access attraction for visitors. 2010 saw the opening of Knightsbridge, a novel retail concept inspired by London's most luxurious address. New brands such as the trendy Swedish clothing giant H&M has opened and hip all-American label Abercrombie & Fitch will also be opening on Orchard Road in 2011, setting hearts aflutter among shopaholics.

These developments complemented signature crowd-pleasers that were led by ORBA and supported by STB, such as Fashion Season @ Orchard and Rev Up @ Orchard for retail enthusiasts and Christmas in the Tropics for holidaymakers during the year-end peak travel season. The Christmas Light Up at Orchard Road has been such a hit that it was voted as one of the "World's Top 10 Best Holiday Lights" by *Frommer's Travel Guide* in 2010.

Over at Chinatown, the CBA recognised the need to engage youths to inspire renewed interest in the precinct. This resulted in a proactive public relations and social media campaign,

TOURISM SECTOR PERFORMANCE

alongside the launch of a new website – www.chinatown.sg – to retell the Chinatown story and cultivate renewed appreciation for the precinct's rich culture and heritage. This campaign also succeeded in creating many online advocates via its Facebook group to spread the buzz overseas.

Not to be outdone, Little India has developed into a trendy area where visitors can enjoy its authentic charms and indulge in the many bars and restaurants that have opened to add new flavour to the visitor experience. STB also worked closely with the Little India Shopkeepers & Heritage Association (LISHA) to create a working plan to ramp up its management capabilities and ensure that the area continues to be relevant and exciting to visitors. An immediate outcome of this engagement was the launch of a new Little India website.

The ongoing rejuvenation of these precincts ensures that both STB and place managers are keeping up with changing precinct demographics and travel trends, while creating products and experiences that are unique to Singapore and not replicated elsewhere.



The streets of Chinatown (above) and little India (below) continue to buzz with activity even late into the night.



AWARDS & ACCOLADES



AWARDS AND ACCOLADES

Destination

- Asia's Greenest Metropolis, Asian Green City Index
- Ranked 1st, Water Management and Green Building Policy, Asia Pacific's Green Cities Study
- Ranked 10th, *HotelsCombined.com* Most Popular Travel Destinations for 2010
- Ranked 20th, Overall, *Newsweek* World's Best Countries Survey 2010
- Ranked 1st, Economic Dynamism, *Newsweek* World's Best Countries Survey 2010
- Ranked among the Top 25 Destinations in Asia, *TripAdvisor* Travelers' Choice Awards 2010.
- Destination of the Year, *TTG Asia* Travel Awards 2010
- Asia's Leading Sports Tourism Destination, World Travel Awards 2010

BTMICE

- Best Business City in Southeast Asia, *Business Traveller* Asia-Pacific Travel Awards 2010
- Asia's Best Convention Bureau/National Tourist Office, *CEI Asia* Industry Awards 2010
- Asia's Best City for Business Events, *CEI Asia* Industry Awards 2010
- Best Convention Bureau/National Tourist Office, *CEI Asia Pacific* Annual Industry Survey Readers' Choice Awards 2010
- Best City for MICE Events, *CEI Asia Pacific* Annual Industry Survey Readers' Choice Awards 2010
- Ranked 5th, Best Country for Business, *Forbes* Best Countries for Business Annual Rankings 2010
- Asia's Top Convention City, International Congress and Convention Association Global Rankings 2010
- Ranked 5th, Top Convention City in the World, International Congress and Convention Association Global Rankings 2010
- Top International Meeting City, Union of International Associations International Meetings Statistics 2010 Report
- Asia's Top Country and City for Meetings for 28 Consecutive Years, Union of International Associations International Meetings Statistics 2010 Report
- Ranked 1st, Ease of Doing Business, World Bank Doing Business Report 2010
- Ranked 1st, Country Most Open to International Trade and Investment, Global Enabling Trade Index, World Economic Forum Global Enabling Trade Report 2010

AWARDS AND ACCOLADES

Suntec Singapore International & Convention Centre

- Best Convention & Exhibition Centre, *TTG Asia* Travel Awards 2010
- Asia's Leading Meetings & Conference Centre, World Travel Awards 2010

Hospitality

Accor

- Best Global Hotel Chain, *TTG Asia* Travel Awards 2010

Banyan Tree Spas

- Best Spa Operator, *TTG Asia* Travel Awards 2010

Furama Riverfront, Singapore

- Best Mid-range Hotel, *TTG Asia* Travel Awards 2010

Ibis Singapore on Bencoolen

- Best Budget Hotel, *TTG Asia* Travel Awards 2010

Mandarin Orchard Singapore

- Best City Hotel – Singapore, *TTG Asia* Travel Awards 2010

Pan Pacific Singapore

- Asia's Leading Business Hotel, World Travel Awards 2010
- World's Leading Business Hotel, World Travel Awards 2010

Pan Pacific Serviced Suites

- Singapore's Leading Serviced Apartments, World Travel Awards 2010

Park Hotel Clarke Quay

- Best New City Hotel, *TTG Asia* Travel Awards 2010

Raffles Hotel Singapore

- Best Luxury Hotel, *TTG Asia* Travel Awards 2010

Royal Plaza on Scotts

- Best Independent Hotel, *TTG Asia* Travel Awards 2010

AWARDS AND ACCOLADES

Shangri-La Hotels & Resorts

- Best Regional Hotel Chain, *TTG Asia* Travel Awards 2010

Shangri-La Singapore

- Best Business Hotel Worldwide, *Business Traveller* Asia-Pacific Travel Awards 2010
- Best Business Hotel in Asia Pacific, *Business Traveller* Asia-Pacific Travel Awards 2010

Swissotel The Stamford Singapore

- Best Business Hotel, *TTG Asia* Travel Awards 2010
- Asia's Leading City Hotel, World Travel Awards 2010
- Singapore's Leading Business Hotel, World Travel Awards 2010

The Ascott Limited

- Best Serviced Residence Operator, *TTG Asia* Travel Awards 2010

The Sentosa Resort & Spa

- Singapore's Leading Spa Resort, World Travel Awards 2010

Aviation and Airlines

Changi Airport

- Ranked 2nd, Airport Council International Airport Service Quality Awards 2010
- Best Airport in the World, *Business Traveller* Asia-Pacific Travel Awards 2010
- Best Airport in Asia Pacific, *DestinAsian* 5th Annual Readers' Choice Awards
- Travel Hall of Fame, *TTG Asia* Travel Awards 2010
- Top Worldwide Airport, *Wanderlust* Travel Awards 2011
- Asia's Leading Airport, World Travel Awards 2010
- World's Leading Airport, World Travel Awards 2010

SilkAir

- Travel Hall of Fame, *TTG Asia* Travel Awards 2010

AWARDS AND ACCOLADES

Singapore Airlines

- Best Airline, Best Long-Haul Airline, Best Business Class, Best Economy Class, Best Cabin Staff and Best Asian Airline, *Business Traveller* Asia-Pacific Travel Awards 2010
- Best Global Airline, *Conde Nast Traveler* Readers' Choice Awards 2010
- Best Premium Class and Economy Class Service, Best In-Flight Entertainment, Best Frequent-Flier Program and Overall Best Airline, *DestinAsian* 5th Annual Readers' Choice Awards
- Best International Airline, *Executive Travel Magazine* Leading Edge Awards 2010
- Ranked 2nd, Airline of the Year 2010, Skytrax World Airline Awards 2010
- Best Cabin Staff, Best Airline Seat – Business Class, Best Airline – Southeast Asia, Skytrax World Airline Awards 2010
- Best International Airline, *Travel & Leisure's* World's Best Awards 2010
- Travel Hall of Fame, *TTG Asia* Travel Awards 2010
- World's Leading Airline Inflight Entertainment, World Travel Awards 2010
- Top Airline, *Wanderlust* Travel Awards 2011

Integrated Resorts

Resorts World Sentosa

- The Most Popular Attraction, Large Attraction Category, International Association of Amusement Parks & Attractions Asian Attractions Awards 2011
- Universal Studios Singapore® Voted the Most Popular Attraction, Theme Park Category, International Association of Amusement Parks & Attractions Asian Attractions Awards 2011
- Asia's Leading New Resort, World Travel Awards 2010

Marina Bay Sands

- Best Hotel Investment of Asia, Asia Hotel Forum Awards 2010
- Asia's Best MICE Hotel, *CEI Asia* Industry Awards 2011
- Ranked 2nd, Asia' Best Convention and Exhibition Centre, *CEI Asia* Industry Awards 2011

AWARDS AND ACCOLADES

Attractions

Bukit Timah Nature Reserve

- Top 10 City Parks in the World 2010, *Lonely Planet*

Night Safari

- Most Popular Asian Attraction, Wildlife Park Category, International Association of Amusement Parks & Attractions Asian Attractions Awards 2010

Dining

Gunther's

- Ranked 84th, Top 100 ranking 2010, *San Pellegrino World's Best Restaurants 2010*
- Ranked 13th, *The Miele Guide's Asia Top 20 2010/2011*

Iggy's

- Ranked 28th, *San Pellegrino World's 50 Best Restaurants 2010*
- Ranked 1st, *The Miele Guide's Asia Top 20 2010/2011*

Jaan

- Ranked 39th, *San Pellegrino World's 50 Best Restaurants 2010*
- Ranked 4th, *The Miele Guide's Asia Top 20 2010/2011*

Les Amis

- Ranked 78th, Top 100 ranking 2010, *San Pellegrino World's Best Restaurants 2010*
- Ranked 11th, *The Miele Guide's Asia Top 20 2010/2011*
- 1st and Only Singapore Restaurant Listed in *Traditions et Qualite - Les Grandes Tables du Monde* (the Grand Tables of the World) 2011

Tipling Club

- Ranked 15th, *The Miele Guide's Asia Top 20 2010/2011*

AWARDS AND ACCOLADES

Cruise

Singapore Cruise Centre

- Most Responsive Port, *Dream World Cruise Destination Magazine Awards 2010*
- Most Efficient Port Services, *Dream World Cruise Destination Magazine Awards 2010*

Marina at Keppel Bay

- Best Asian Marina, *Asia Pacific Boating Awards 2010*

Healthcare

- Ranked 2nd, Health and Environment Competitive Landscape, *Institute for Management Development World Competitiveness Yearbook 2010*
- Top 10 Medical Travel Destinations 2010, *International Living Website*
- Ranked 7th, Health Sector, *Newsweek World's Best Countries Survey 2010*

Singapore General Hospital

- 1st Hospital in Asia, Accredited Under the "Magnet Recognition Programme", Recognised for Excellent Nursing Practices and Patient Care

Education

- Ranked 1st, Quality of the Educational System, *World Economic Forum Global Competitiveness Report 2010/11*
- One of World's Best-Performing School Systems 2010, *McKinsey Report*

Nanyang Technological University

- Ranked 33rd, Top 100 Institutions Providing Management Programmes, *Financial Times Global MBA Rankings 2011*
- Ranked 17th, *Quacquarelli Symonds Asian University Rankings 2010*
- World's 100 Best Universities in Reputation 2010, *Times Higher Education*
- World's 200 Best Universities 2010, *Times Higher Education* and *Thomson Reuters*

National University of Singapore

- Ranked 23rd, Top 100 Institutions Providing Management Programmes, *Financial Times Global MBA Rankings 2011*
- Ranked 3rd, *Quacquarelli Symonds Asian University Rankings 2010*
- World's 100 Best Universities in Reputation 2010, *Times Higher Education*
- World's 200 Best Universities 2010, *Times Higher Education* and *Thomson Reuters*

FINANCIAL STATEMENTS

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STATEMENT BY SINGAPORE TOURISM BOARD

In our opinion,

- (a) the accompanying financial statements of Singapore Tourism Board ("STB") set out on pages 59 to 88 are properly drawn up in accordance with the provisions of the Singapore Tourism Board Act, Cap. 305B (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to give a true and fair view of the state of affairs of STB as at 31 March 2011, and of the results, changes in equity and cash flows of STB for the financial year ended on that date;
- (b) proper accounting and other records, required by the Act to be kept by STB, have been properly kept in accordance with the provisions of the Act; and
- (c) the receipt, expenditure, investments of monies and the acquisition and disposal of assets by STB during the financial year have been in accordance with the provisions of the Act.

On behalf of STB



Chew Choon Seng
Chairman



Aw Kah Peng
Chief Executive

Singapore
4 July 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BOARD OF SINGAPORE TOURISM BOARD

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Tourism Board ("STB") which comprise the statement of financial position as at 31 March 2011; and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 59 to 88.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Tourism Board Act, Cap. 305B (the "Act") and Singapore Statutory Board Financial Reporting Standards ("SB-FRS"). 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 about 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 the 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.

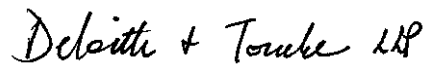
Opinion

In our opinion, the financial statements of STB are properly drawn up in accordance with the provisions of the Act and SB-FRS so as to give a true and fair view of the state of affairs of STB as at 31 March 2011 and of the results, changes in equity and cash flows of STB for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, proper accounting and other records required by the Act to be kept by STB have been properly kept in accordance with the provisions of the Act.

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



Public Accountants and
Certified Public Accountants

Singapore
4 July 2011

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2011

	Note	2010/2011 \$'000	2009/2010 \$'000
Capital and Reserves			
Share capital	5	326,440	95,318
Accumulated surplus		<u>223,420</u>	<u>181,395</u>
		<u>549,860</u>	<u>276,713</u>
Represented by:			
Non-Current Assets			
Heritage materials	12	26,399	-
Property, plant and equipment	7	332,146	127,030
Investment properties	8	20,238	19,662
Finance lease receivable	9	22,290	22,705
Available-for-sale-investments	10	2,000	2,000
Other assets		150	150
Total non-current assets		<u>403,223</u>	<u>171,547</u>
Current Assets			
Cash and cash equivalents	11	205,476	117,208
Receivables and prepayments	12	13,223	42,270
Current portion of finance lease receivable	9	415	390
Financial assets under fund management	13	33,553	33,003
Total current assets		<u>252,667</u>	<u>192,871</u>
Less:			
Current Liabilities			
Advances and deposits received	14	8,929	13,655
Trade and other payables	15	94,485	71,299
Current portion of deferred long-term lease income		117	117
Total current liabilities		<u>103,531</u>	<u>85,071</u>
Net Current Assets		<u>149,136</u>	<u>107,800</u>
Non-Current Liabilities			
Deferred long-term lease income		875	991
Deferred capital grant	20	1,624	1,643
Total non-current liabilities		<u>2,499</u>	<u>2,634</u>
Net Assets		<u>549,860</u>	<u>276,713</u>
Net Assets of Trust and Agency Funds	6	<u>2,107</u>	<u>2,180</u>

The accompanying notes form part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2011

	Note	2010/2011 \$'000	2009/2010 \$'000
Income:			
Funding from Government		214,131	185,153
Other operating income	16	24,728	18,920
		238,859	204,073
Expenses:			
Employee benefit expense	17	(53,829)	(50,528)
Depreciation of property, plant and equipment	7	(8,680)	(9,811)
Depreciation of investment properties	8	(293)	(273)
Others operating expenses	18	(135,190)	(139,512)
Operating surplus		40,867	3,949
Non-operating income, net	19	1,139	1,660
Surplus before government grants		42,006	5,609
Deferred capital grants amortised representing government grants	20	19	19
Surplus before contribution to consolidated fund		42,025	5,628
Contribution to consolidated fund	21	-	-
Surplus for the year, representing total comprehensive income for the year		42,025	5,628

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2011

	Note	Share capital \$'000	Accumulated surplus \$'000	Total \$'000
At 1 April 2009		53,935	175,767	229,702
Total comprehensive income for the year		-	5,628	5,628
Equity injection	5	<u>41,383</u>	<u>-</u>	<u>41,383</u>
At 31 March 2010		95,318	181,395	276,713
Total comprehensive income for the year		-	42,025	42,025
Equity injection	5	<u>231,122</u>	<u>-</u>	<u>231,122</u>
At 31 March 2011		<u>326,440</u>	<u>223,420</u>	<u>549,860</u>

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2011

	2010/2011 \$'000	2009/2010 \$'000
Operating activities		
Surplus before contribution to consolidated fund	42,025	5,628
Adjustments for:		
Depreciation of property, plant and equipment	8,680	9,811
Depreciation of investment properties	293	273
(Gain) Loss on disposal of property, plant and equipment	(15)	104
Loss on disposal of club membership	-	9
Interest income	(1,700)	(1,353)
Deferred long-term lease income	(116)	(117)
Amortisation of deferred capital grant	(19)	(19)
Allowance/Write off for doubtful receivables	69	167
Change in fair value of financial assets under fund management	410	(818)
Finance lease income	(1,435)	(1,458)
Surplus before movement in working capital	<u>48,192</u>	<u>12,227</u>
Receivables and prepayments	2,579	26,529
Advances and deposit received	(4,726)	1,986
Trade and other payables	23,186	13,820
Cash generated from operating activities	<u>69,231</u>	<u>54,562</u>
Interest received	3,135	2,811
Net cash from operating activities	<u>72,366</u>	<u>57,373</u>
Investing activities		
Purchase of property, plant and equipment	(213,864)	(69,687)
Purchase of investment properties	(869)	(3,943)
Proceeds from disposal of property, plant and equipment	83	20
Repayment of finance lease from lessee	390	367
Net increase in financial assets under fund management	(960)	(770)
Net cash used in investing activities	<u>(215,220)</u>	<u>(74,013)</u>

	2010/2011	2009/2010
	\$'000	\$'000
Financing activities		
Deferred capital grant received	-	1,662
Equity injection	231,122	41,383
Net cash from financing activities	<u>231,122</u>	<u>43,045</u>
Net increase in cash and cash equivalents	88,268	26,405
Cash and cash equivalents at the beginning of year	<u>117,208</u>	<u>90,803</u>
Cash and cash equivalents at the end of year (Note 11)	<u>205,476</u>	<u>117,208</u>

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2011

1 GENERAL

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

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

STB's primary functions are to:

- (a) develop and promote Singapore as a travel and tourist destination;
- (b) advise the Government on matters relating to travel and tourism;
- (c) enhance the travel and tourism sector's contribution to the Singapore economy; and
- (d) exercise licensing and regulatory functions in respect of such tourism enterprises as STB may determine.

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

The financial statements of STB for the financial year ended 31 March 2011 were authorised for issue by members of the Board of Directors on 4 July 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING AND ADOPTION OF NEW AND REVISED STANDARDS

The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Tourism Board Act, Chapter 305B and the Statutory Board Financial Reporting Standards ("SB-FRS"), including INT SB-FRS and Guidance Notes.

In the current financial year, STB has adopted all the new and revised SB-FRSs, INT SB-FRS and SB-FRS Guidance Notes that are relevant to its operations and effective for annual periods beginning on or after 1 April 2010. The adoption of these new/revised SB-FRSs, INT SB-FRSs and SB-FRS Guidance Notes do not result in changes to STB's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following SB-FRSs, INT SB-FRS and amendments to SB-FRSs that are relevant to STB were issued but not effective:

- Improvements to Singapore Statutory Board Financial Reporting Standards (issued in October 2010)
- SB-FRS 24 (Revised) Related Party Disclosures

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2011

SB-FRS 24 (Revised) Related Party Disclosures is effective for annual periods beginning on or after January 1, 2011. The revised standard clarifies the definition of a related party and consequently additional parties may be identified as related to the reporting entity.

Where the exemption applies for government related entities (in relation to the disclosure of transactions, outstanding balances and commitments) the reporting entity has to make additional disclosure, including the nature of the relationship between STB and the government related entities and information on significant transactions or group of transactions involved.

In the period of initial adoption, the changes to related party disclosures, if any, will be applied retrospectively with restatement of the comparative information.

Management has considered and is of the view that the adoption of the SB-FRSs, INT SB-FRSs and Amendments to SB-FRSs that were issued at the date of authorisation of these financial statements but not effective until future periods will have no material impact on the financial statements in the period of their initial adoption.

(b) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when STB becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expenses are recognised on an effective interest basis for debt instruments.

Financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets “at fair value through profit or loss, “available-for-sale” financial assets and “loans and receivables”. The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2011

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and receivables

Trade and other receivables, loans and finance lease receivable that have fixed or determinable payments and are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets at fair value through profit or loss (FVPL)

Financial assets are classified as FVPL where the financial asset is either held for trading or it is designated as FVPL.

A financial asset is classified as held for trading if:

- (i) it has been acquired principally for the purpose of selling in the near future; or
- (ii) it is a part of an identified portfolio of financial instruments that STB manages and has a recent actual pattern of short-term profit-taking; or
- (iii) it is a derivative that is not designated as effective hedging instrument.

A financial asset other than a financial asset held for trading may be designated as FVPL upon initial recognition if:

- (a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- (b) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with STB's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- (c) it forms part of a contract containing one or more embedded derivatives, and SB-FRS 39 permits the entire combined contract (asset or liability) to be designated as FVPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in income or expenses. The net gain or loss recognised in income or expense incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 4(b).

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2011

Available-for-sale financial assets

Certain equity instruments held by STB are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 4(b). Gains and losses arising from changes in fair value are recognized in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in income or expense. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulate in revaluation reserve is reclassified to income or expense. Dividends on available-for-sale equity instruments are recognised in income or expense when STB's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in income or expense, and other changes are recognised in other comprehensive income.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in income or expense.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to income or expense.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through income or expense to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2011

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets

STB derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If STB neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, STB recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If STB retains substantially all the risks and rewards of ownership of a transferred financial asset, STB continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by STB are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of STB after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

STB derecognises financial liabilities when, and only when obligations are discharged, cancelled or they expire.

(c) LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2011

STB as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of STB's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on STB's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

STB as lessee

Rentals payable under operating leases are charged to income or expense on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(d) PROPERTY, PLANT AND EQUIPMENT

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

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

Leasehold land	–	Over the lease periods of 99 years
Buildings	–	25 years
Building improvements	–	5 years
Furniture, fittings and equipment	–	3 to 5 years
Motor vehicles	–	5 years
Electrical installation and air-conditioners	–	7 years
Tourism assets	–	3 to 10 years

Capital work-in-progress included in property, plant and equipment is not depreciated as these assets are not available for use. Fully depreciated assets still in use are retained in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at the end of each reporting period with the effect of any changes in estimates accounted for on a prospective basis.

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

(e) INVESTMENT PROPERTIES

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are depreciated over the lease period as follows:

Leasehold land and building	-	Over the lease periods of 99 years
-----------------------------	---	------------------------------------

The estimated useful lives, residual values and depreciation method of investment properties are reviewed, and adjusted as appropriate at each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

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

(f) HERITAGE MATERIALS

Heritage materials pertain to cargo of artefacts transferred to STB from another Statutory Board in Singapore as settlement of a short-term loan granted in previous financial years. Heritage materials are initially recorded at cost (being the value of the loan settled) less any accumulated impairment losses. The heritage materials have indefinite useful life and are not depreciated. Further details are disclosed in Note 12 of the financial statements.

(g) OTHER ASSETS

Other assets pertain to the club memberships which are stated at cost, less any impairment in net recoverable value.

NOTES TO THE FINANCIAL STATEMENTS

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(h) IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, STB reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, STB estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income or expense.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income or expense.

(i) PROVISIONS

Provisions are recognised when STB has a present obligation (legal or constructive) as a result of a past event, it is probable that STB will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(j) SHARE CAPITAL

Pursuant to the Financial Circular Minute ("FCM") No. 26/2008 on Capital Management Framework ("CMF"), equity injection from the Government is recorded as share capital.

NOTES TO THE FINANCIAL STATEMENTS

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(k) GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that STB will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that STB should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to income or expenses on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to STB with no future related costs are recognised in income or expenses in the period in which they become receivable.

(l) TRUST AND AGENCY FUNDS

Trust and agency funds are set up to account for funds held in trust where STB is not the owner and beneficiary of the funds received from the Government and other organisation. The receipts and expenditure in respect of agency funds are taken directly to the funds accounts and the net assets relating to the funds are shown as a separate line item in the statement of financial position. Trust and agency funds are accounted for on the cash basis.

STB administers the funds on behalf of the holders of these funds. Upon dissolution of these funds, the remaining monies in these funds shall be returned to the owners of the funds.

(m) DEFERRED LONG-TERM LEASE INCOME

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

(n) INCOME RECOGNITION

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

Funding from Government

Funding from supervisory ministry is based on a percentage of trade receipts and recognised on an accrual basis.

Events-related revenue

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

Lease income

Lease income is accounted for in accordance with the accounting policy for leases as detailed in Note 2(c) above.

NOTES TO THE FINANCIAL STATEMENTS

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Dividend income

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

Interest income

Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

(o) EMPLOYEE BENEFITS

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where STB's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Employee leave entitlement

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

(p) CONTRIBUTION TO CONSOLIDATED FUND

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

In lieu of income tax, STB is required to make contribution to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The provision is based on the guidelines specified by the Ministry of Finance. It is computed based on the net surplus of STB for each of the financial year (adjusted for any accumulated deficits brought forward from prior years) at the prevailing corporate tax rate for the Year of Assessment. Contribution to consolidated fund is provided for on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

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(q) FOREIGN CURRENCY TRANSACTIONS

The financial statements of STB are measured and presented in Singapore dollars, which is the currency of the primary economic environment in which STB operates (its functional currency).

In preparing the financial statements of STB, transactions in currencies other than STB's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in income or expense for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income or expense for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the respective reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

NOTES TO THE FINANCIAL STATEMENTS

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Depreciation of property, plant and equipment and investment properties

The cost of property, plant and equipment and investment properties are depreciated on a straight-line basis over their useful lives. STB estimates the useful lives of these property, plant and equipment and investment properties to be within 3 to 99 years, based on the lease period for leasehold properties and estimated useful lives of the assets. The carrying amounts are disclosed in Note 7 and 8 of the financial statements. Changes in the expected level of usage, technological developments and economic condition could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments:

	2010/2011 \$'000	2009/2010 \$'000
Financial assets		
At fair value through profit or loss (Note 13)	28,560	24,337
Loans and receivables (including cash and cash equivalent)	243,022	186,885
Available-for-sale investments	2,000	2,000
Total	<u>273,582</u>	<u>213,222</u>
Financial liability		
Amortised cost	101,246	82,860
Derivative financial instruments at fair value	24	112
Total	<u>101,270</u>	<u>82,972</u>

(b) *Financial risk management policies and objectives*

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

NOTES TO THE FINANCIAL STATEMENTS

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(i) Foreign exchange risk management

STB has exposure to foreign currency risk from transactions denominated in foreign currencies arising from its normal course of operations and from its investment portfolio arising from securities denominated in foreign currencies. Where appropriate, STB may hedge these risks as they arise.

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

Foreign currency sensitivity analysis has not been presented as management do not expect any reasonable possible changes in foreign currency exchange rates to have a significant impact on STB's operations and cashflows.

(ii) Interest rate risk management

STB's exposure to changes in interest rates relates primarily to investments in fixed income instruments and fixed deposits. Fixed income instruments are managed by external fund managers appointed by STB. It is STB's policy to obtain the most favourable interest rate for its fixed deposits depending on the immediate cash requirements. Interest rate sensitivity analysis has not been presented as management do not expect any reasonable possible changes in interest rates to have a significant impact on STB's operations and cash flows.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to STB.

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

Credit risks, or the risk of counterparties defaulting, are controlled by the application of regular monitoring procedures. The extent of STB's credit exposure is represented by the aggregate balance of financial assets at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

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(iv) Liquidity risk

STB monitors and maintains a level of cash and cash equivalents deemed adequate to finance its' operations. The investment portfolio comprises mainly of quoted debt securities with resale markets to ensure portfolio liquidity.

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

STB does not have a significant exposure to liquidity risk as at the end of each reporting periods.

(v) Fair values of financial assets and financial liabilities

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

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- Unquoted investment whose fair value cannot be reliably measured by alternative valuation methods are carried at cost less any impairment losses.

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

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Financial instruments:

	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<u>2010/2011</u>				
Financial assets at FVPL:				
Quoted debt securities (Note 13)	<u>28,560</u>	<u>28,560</u>	<u>-</u>	<u>-</u>
Financial liabilities at FVPL:				
Derivative financial Instruments (Note 13)	<u>24</u>	<u>24</u>	<u>-</u>	<u>-</u>
<u>2009/2010</u>				
Financial assets at FVPL:				
Quoted debt securities	<u>24,449</u>	<u>20,595</u>	<u>3,854</u>	<u>-</u>
Financial liabilities at FVPL:				
Derivative financial instruments	<u>112</u>	<u>112</u>	<u>-</u>	<u>-</u>

There were no significant transfers between levels of the fair value hierarchy during the financial year.

(c) *Capital risk management policies and objectives*

STB manages its capital to ensure that STB will be able to continue as a going concern while fulfilling its objective as a statutory board.

The capital structure of STB consists of share capital and accumulated surplus. STB's overall strategy remains unchanged from the previous financial year.

5 SHARE CAPITAL

	2010/2011 Number of shares (in '000)	2009/2010 \$'000	2010/2011 \$'000	2009/2010 \$'000
Issued and fully paid up:				
Balance at beginning of financial year	95,318	53,935	95,318	53,935
Equity injection ⁽¹⁾	<u>231,122</u>	<u>41,383</u>	<u>231,122</u>	<u>41,383</u>
Balance at end of financial year	<u>326,440</u>	<u>95,318</u>	<u>326,440</u>	<u>95,318</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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6 TRUST AND AGENCY FUNDS

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

	2010/2011 \$'000	2009/2010 \$'000
Balance at beginning of the year	2,180	5,238
Add: Receipts - Funds received	198,981	162,085
Less: Disbursements - Funds disbursed to		
- External parties	(199,054)	(163,450)
- Returned to Government	-	(1,693)
Balance at end of the year	<u>2,107</u>	<u>2,180</u>
Represented by:		
Cash at bank	2,147	1,981
Trade receivables	23	476
Fixed deposits	-	-
Trade payables	(63)	(277)
Net assets at end of the year	<u>2,107</u>	<u>2,180</u>

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

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7 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Buildings	Building improvements	Furniture fittings and equipment	Motor vehicles	Electrical Installation and air-conditioners	Capital work-in-progress	Tourism assets*	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:									
At 31 March 2009	3,430	66,125	10,491	24,924	1,514	1,329	5,152	27,964	140,929
Additions	-	-	-	358	-	-	65,132	4,197	69,687
Reclassification	-	-	225	638	-	-	(863)	-	-
Disposal/write-off	-	-	(589)	(329)	(127)	(21)	-	-	(1,066)
At 31 March 2010	3,430	66,125	10,127	25,591	1,387	1,308	69,421	32,161	209,550
Additions	-	-	74	510	-	10	206,399	6,871	213,864
Reclassification	-	-	35	1,348	-	-	(3,883)	2,500	-
Disposal/write-off	-	-	(768)	(1,789)	(141)	(18)	-	-	(2,716)
At 31 March 2011	3,430	66,125	9,468	25,660	1,246	1,300	271,937	41,532	420,698
Accumulated depreciation:									
At 31 March 2009	547	36,973	8,745	22,449	1,160	978	-	2,799	73,651
Depreciation	39	2,645	722	2,560	163	133	-	3,549	9,811
Disposal/write-off	-	-	(487)	(315)	(127)	(13)	-	-	(942)
At 31 March 2010	586	39,618	8,980	24,694	1,196	1,098	-	6,348	82,520
Depreciation	39	2,556	468	1,143	117	94	-	4,263	8,680
Disposal/write-off	-	-	(739)	(1,763)	(128)	(18)	-	-	(2,648)
At 31 March 2011	625	42,174	8,709	24,074	1,185	1,174	-	10,611	88,552
Carrying amount:									
At 31 March 2011	2,805	23,951	759	1,586	61	126	271,937	30,921	332,146
At 31 March 2010	2,844	26,507	1,147	897	191	210	69,421	25,813	127,030

* Tourism assets includes assets such as lightings, barriers, bridges, storage building, food stall kiosks, street-lamps, roadworks and others.

NOTES TO THE FINANCIAL STATEMENTS

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8 INVESTMENT PROPERTIES

	2010/2011 \$'000	2009/2010 \$'000
Cost:		
Balance at beginning of the year	24,089	20,146
Additions	869	3,943
Balance at end of the year	<u>24,958</u>	<u>24,089</u>
Accumulated depreciation		
Balance at beginning of the year	4,427	4,154
Depreciation for the year	293	273
Balance at end of the year	<u>4,720</u>	<u>4,427</u>
Carrying amount	<u>20,238</u>	<u>19,662</u>
Fair value	<u>55,300</u>	<u>56,376</u>

Investment properties are held by STB for the purpose of tourism promotion and development and generate rental income for STB.

The fair values of investment properties at end of the respective reporting periods are determined by independent professional valuers with appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The valuation were arrived at by reference to market evidence of transaction prices for similar properties.

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

The following amounts are recognised in the income or expense:

	2010/2011 \$'000	2009/2010 \$'000
Rental income	382	246
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income	<u>687</u>	<u>227</u>

9 FINANCE LEASE RECEIVABLE

STB entered into an agreement with a third party company incorporated in Singapore to lease a parcel of land granted to STB by the Singapore Land Authority for the purpose of a tourism-related project. The average discount rate implicit in the lease is 6.4% (2009/2010 : 6.4%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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

	Minimum lease receivable		Present value of minimum lease receivable	
	2010/2011 \$'000	2009/2010 \$'000	2010/2011 \$'000	2009/2010 \$'000
Amount receivable under finance lease:				
Within one year	1,825	1,825	415	390
In the second to fifth year inclusive	7,301	7,301	1,943	1,826
After fifth year	35,138	36,964	20,347	20,879
	<u>44,264</u>	<u>46,090</u>	<u>22,705</u>	<u>23,095</u>
Less: Unearned finance income	(21,559)	(22,995)	N/A	N/A
Present value of minimum lease receivable	<u>22,705</u>	<u>23,095</u>	<u>22,705</u>	<u>23,095</u>
Less: Amount due from settlement within 12 months (shown under current assets)			415	390
Amount due for settlement after 12 months			<u>22,290</u>	<u>22,705</u>
			<u>22,705</u>	<u>23,095</u>

The carrying amount of the finance lease receivables approximates the fair value as at the end of the reporting period.

10 AVAILABLE-FOR-SALE INVESTMENTS

	2010/2011 \$'000	2009/2010 \$'000
Unquoted equity shares	2,076	2,076
Less: Impairment loss	(76)	(76)
	<u>2,000</u>	<u>2,000</u>

11 CASH AND CASH EQUIVALENTS

	2010/2011 \$'000	2009/2010 \$'000
Cash and bank balances	32,976	10,513
Deposits with Accountant-General's Department (AGD) ⁽ⁱ⁾	171,130	65,668
Fixed deposits ⁽ⁱⁱ⁾	1,370	41,027
Cash and cash equivalents	<u>205,476</u>	<u>117,208</u>

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^① With effect from financial year 2009/2010, Statutory Boards are to participate in the Centralised Liquidity Management by the AGD under AGD Circular 4/2009. Deposits, which are interest-bearing, are centrally managed by AGD and are available to the statutory board upon request and earns interest at the average rate of 0.56% (2009/2010 : 0.64%) per annum.

^② Short-term fixed deposits are made for varying periods of up to 365 days (2009/2010 : 4 days to 365 days) depending on the immediate cash requirements of STB, and earn interest at the average deposit rates of 0.67% (2009/2010 : 0.03% to 1.975%) per annum. The fixed deposits mature within 5 months (2009/2010 : within 6 months) from the end of the respective reporting periods and are easily convertible to cash upon request by STB.

The cash and cash equivalents are sustainably denominated in the functional currency of STB.

12 RECEIVABLES AND PREPAYMENTS

	2010/2011 \$'000	2009/2010 \$'000
Deposits	1,798	2,091
Short-term loan ^①	-	26,399
Prepayments	1,626	2,018
Other receivables	10,247	12,141
	<u>13,671</u>	<u>42,649</u>
Less: Allowance for doubtful receivables	(448)	(379)
	<u>13,223</u>	<u>42,270</u>

^① The short-term loan was granted to a Statutory Board in Singapore. It was secured by a deed of charge over a cargo of artefacts owned by a wholly-owned subsidiary of the borrower and non-interest bearing. Under the terms of the loan agreement, subject to the mutual agreement between STB and the borrower, the repayment of the loan would be by way of cash or the transfer of all rights, title and benefits to the cargo of artefacts and the related intellectual property rights in lieu of cash. The loan was non-interest bearing, repayable upon a demand made by STB by giving notice to the borrower of not less than 90 business days.

During the current financial year, STB received the repayment of the loan by way of the transfer of all rights, title and benefits to the cargo of artefacts and the related intellectual property rights in lieu of cash. Accordingly, the artefacts were recognised as heritage materials on the statement of financial position.

Movement in the allowance for doubtful debts:

	2010/2011 \$'000	2009/2010 \$'000
Balance at beginning of year	379	376
Charge to income or expense	69	3
Balance at the end of year	<u>448</u>	<u>379</u>

The receivables and prepayments are sustainably denominated in the functional currency of STB.

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13 FINANCIAL ASSETS UNDER FUND MANAGEMENT

	2010/2011 \$'000	2009/2010 \$'000
Marketable investments, at market value		
- Quoted debt instruments	28,560	24,449
- Derivative financial instruments	(24)	(112)
	<u>28,536</u>	<u>24,337</u>
Add/(Less):		
- Cash balances	2,118	1,510
- Fixed deposits	2,592	6,881
- Other receivables	333	302
- Other payables	(26)	(27)
	<u>33,553</u>	<u>33,003</u>

Amounts under fund management are classified as financial assets held for trading with the fair value movements taken to income or expense. The fair values of these investments are based on closing market price on the last market day of the financial year.

Fixed deposits earn interest at the respective short-term deposit rates which ranged from 0.1% to 0.25% (2009/2010 : 0.02% to 0.30%) per annum.

Included in financial assets under fund management are the following significant amounts denominated in currencies other than the functional currency:

	2010/2011 \$'000	2009/2010 \$'000
Euro	3,606	4,452
United States dollar	4,019	2,420
Japanese yen	1,783	1,737
Sterling pound	529	539
Canadian dollar	744	224
	<u>744</u>	<u>224</u>

14 ADVANCES AND DEPOSITS RECEIVED

Included in advances and deposits received are \$5,548,571 (2009/2010 : \$8,434,327) received from the Government and/or third parties, which are to be disbursed for designated projects/approved capital and promotional expenditure in connection with the leasehold land.

NOTES TO THE FINANCIAL STATEMENTS

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15 TRADE AND OTHER PAYABLES

	2010/2011 \$'000	2009/2010 \$'000
Trade payables	41,637	15,577
Accruals	39,560	51,216
Other payables	13,288	4,506
	<u>94,485</u>	<u>71,299</u>

The average credit period for trade payables is 30 to 90 days (2009/2010 : 30 to 90 days).

The trade and other payables are sustainably denominated in the functional currency of STB.

16 OTHER OPERATING INCOME

	2010/2011 \$'000	2009/2010 \$'000
Events-related revenue	18,210	12,845
Lease income	3,800	3,671
Others	2,718	2,404
	<u>24,728</u>	<u>18,920</u>

17 EMPLOYEE BENEFIT EXPENSE

	2010/2011 \$'000	2009/2010 \$'000
Salaries and allowances	44,281	41,542
Contributions to defined contribution plans	4,228	4,163
Increase in provision for employee leave entitlement	453	244
Others	4,867	4,579
	<u>53,829</u>	<u>50,528</u>

18 OTHER OPERATING EXPENSES

	2010/2011 \$'000	2009/2010 \$'000
Marketing and advertising expenses	60,315	70,139
Business development expenses	18,505	12,353
Rental and property maintenance expenses	9,697	11,164
Professional and consultancy fees	17,155	23,918
General and administrative expenses	29,518	21,938
	<u>135,190</u>	<u>139,512</u>

NOTES TO THE FINANCIAL STATEMENTS

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19 NON-OPERATING (EXPENSES) INCOME, NET

	2010/2011 \$'000	2009/2010 \$'000
Interest income	1,700	1,353
Change in fair value of financial assets under fund management	(410)	818
Loss on disposal of club membership	-	(9)
Gain (Loss) on disposal/write-off of property, plant and equipment	15	(104)
Expenses on financial assets under management	(111)	(111)
Exchange gain (loss) on financial assets under fund management	14	(120)
Allowance/write off for doubtful receivables	(69)	(167)
	<u>1,139</u>	<u>1,660</u>

20 DEFERRED CAPITAL GRANTS

	2010/2011 \$'000	2009/2010 \$'000
Balance at the beginning of the financial year	1,643	-
Add: Government Grants received	-	1,662
Less: Amortisation of Deferred Capital Grants	(19)	(19)
Balance at the end of the financial year	<u>1,624</u>	<u>1,643</u>

21 CONTRIBUTION TO CONSOLIDATED FUND

STB is required to make contributions to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Cap 319A, 2004 Revised Edition) and in accordance with the Finance Circular Minute No. M5/2005 with effect from 2004/2005. The contribution is based on a percentage, as decided by Ministry of Finance*, of the net surplus for the year, adjusted for any accumulated deficits carried forward of STB.

At the end of the financial year, STB has accumulated deficits carried forward as follows:

	2010/2011 \$'000	2009/2010 \$'000
Balance at beginning of the year	120,468	126,096
Amount utilised in current year	(42,025)	(5,628)
Balance at end of the year	<u>78,443</u>	<u>120,468</u>
Benefits on above not recognised at 17% (2009/2010 : 17%)	<u>13,335</u>	<u>20,480</u>

Benefits in relation to the accumulated deficits were not recognised due to the unpredictability of future surplus streams.

* As decided by Ministry of Finance, the applicable rate for contributions to be paid in FY2010/2011 is 17% (FY2009/2010 : 17%).

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22 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

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

During the financial year, STB did not have any significant dealings with related parties (i.e. entities in which the Board members have control or significant influence) which are not stated-controlled entities.

BOARD MEMBER AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2010/2011 \$'000	2009/2010 \$'000
Remuneration and other short-term benefits	8,919	8,486
Post-employment benefits	477	478
Total	<u>9,396</u>	<u>8,964</u>

The above includes total Board members' allowance of \$88,594 (2009/2010 : \$149,478).

STB adopts the guidelines set by Public Service Division (PSD) and takes into consideration the reporting officers' assessment of individual officers in determining the remuneration of key management.

23 COMMITMENTS

(a) Operating lease arrangements - as lessee

STB has entered into operating leases mainly for premises in respect of overseas offices. These leases have an average period of between 1 and 10 years.

	2010/2011 \$'000	2009/2010 \$'000
Minimum lease payments under operating lease included in income or expense	<u>2,918</u>	<u>3,820</u>

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities as at 31 March 2011 are as follows:

	2010/2011 \$'000	2009/2010 \$'000
Within one year	2,303	2,699
In the second to fifth years inclusive	2,047	1,936
After five years	308	165
	<u>4,658</u>	<u>4,800</u>

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(b) *Operating lease arrangements - as lessor*

STB has entered into tourism-related property leases. These leases have remaining non-cancellable lease terms of between 1 and 14 years. Rental income earned during the year was \$2,326,729 (2009/2010 : \$2,178,639).

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

	2010/2011 \$'000	2009/2010 \$'000
Within one year	1,982	1,673
In the second to fifth years inclusive	1,360	750
After five years	543	698
	<u>3,885</u>	<u>3,121</u>

(c) *Capital commitments*

	2010/2011 \$'000	2009/2010 \$'000
Commitments for capital expenditure contracted but not provided for in the financial statements	<u>222,886</u>	<u>198,149</u>

(d) During this financial year, STB guaranteed Singapore GP Pte Ltd for a standby letter of credit issued by a bank for the purpose of the payment of the 2011 F1 race franchise fees.

24 LITIGATIONS

During the financial year 2008/2009, Children's Media Limited ("CML") and Anthony David Hollingsworth ("Hollingsworth") filed an appeal against a judgment that the Singapore Court has delivered in favour of STB. On 14 November 2008, the Singapore Court of Appeal dismissed the appeal and ordered that Hollingsworth and CML pay the costs of the appeal to STB.

The case has reached a conclusion in Singapore upon the issuance of a final judgment by Singapore's Court of Appeal. The financial statements for the year ended 31 March 2011 have not been adjusted for the potential recovery of damages as these cannot be reasonably estimated.