

**SINGAPORE TOURISM BOARD  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2019**

**SINGAPORE TOURISM BOARD**

**REPORT AND FINANCIAL STATEMENTS**

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**SINGAPORE TOURISM BOARD**

**STATEMENT BY SINGAPORE TOURISM BOARD**

In our opinion,

- (a) the accompanying financial statements of Singapore Tourism Board (the "Board"), set out on pages 6 to 34 are drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Act") and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the financial position of the Board as at 31 March 2019, and the financial performance, changes in equity and cash flows of the Board for the financial year ended on that date;
- (b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the financial year are in accordance with the provisions of the Act, the Singapore Tourism Board Act, Cap 305B and the requirements of any other written law applicable to moneys of or managed by the Board; and
- (c) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.

On behalf of the Board



.....  
Chaly Mah  
Chairman



.....  
Keith Tan  
Chief Executive

Singapore  
15 July 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF SINGAPORE TOURISM BOARD**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Singapore Tourism Board (the "Board") which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 34.

In our opinion, the accompanying financial statements of the Board are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Board as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Board for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Matters**

The financial statements of the Board for the financial year ended 31 March 2018 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements in their report dated 12 July 2018.

#### **Information Other than Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the Statement by Singapore Tourism Board set out on page 1, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF SINGAPORE TOURISM BOARD**

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and the fair presentation of the financial statements in accordance with the provisions of the Act and SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Board or for the Board to cease operations.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF SINGAPORE TOURISM BOARD**

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

#### **Opinion**

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the Act, the Singapore Tourism Board Act, Cap 305B (the "STB Act") and the requirements of any other written law applicable to moneys of or managed by the Board; and
- (b) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.

#### **Basis for Opinion**

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Board in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

#### **Responsibilities of Management for Compliance with Legal and Regulatory Requirements**

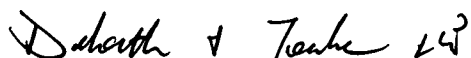
Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act, the STB Act and the requirements of any other written law applicable to moneys of or managed by the Board. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF SINGAPORE TOURISM BOARD

### Auditor's Responsibility for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act, the STB Act and the requirements of any other written law applicable to moneys of or managed by the Board.

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



Public Accountants and  
Chartered Accountants  
Singapore

15 July 2019

**SINGAPORE TOURISM BOARD**

**STATEMENT OF FINANCIAL POSITION  
31 March 2019**

	Note	2019 \$'000	2018 \$'000
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and cash equivalents	6	100,566	84,466
Deposits, prepayments and other receivables	7	29,241	18,192
Finance lease receivable	8	682	641
Financial assets under fund management	9	256,204	284,478
Total current assets		<u>386,693</u>	<u>387,777</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	599,152	513,288
Intangible assets	11	9,301	7,823
Prepayments	7	137	129
Finance lease receivable	8	17,857	18,539
Other investments	12	2,076	2,076
Other assets		150	150
Total non-current assets		<u>628,673</u>	<u>542,005</u>
<b>Total assets</b>		<u>1,015,366</u>	<u>929,782</u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current liabilities</b>			
Accruals and other payables	13	96,842	88,198
Advances and deposits received	14	12,166	14,014
Deferred long-term lease income		58	117
Total current liabilities		<u>109,066</u>	<u>102,329</u>
<b>Non-current liabilities</b>			
Accruals and other payables	13	38,298	86
Deferred long-term lease income		-	58
Deferred capital grants	15	212,979	149,182
Total non-current liabilities		<u>251,277</u>	<u>149,326</u>
<b>Equity</b>			
Share capital	16	562,565	560,305
Accumulated surplus		92,382	117,746
Revaluation reserve		76	76
Total equity		<u>655,023</u>	<u>678,127</u>
<b>Total liabilities and equity</b>		<u>1,015,366</u>	<u>929,782</u>
<b>Net assets of Trust and Agency Funds</b>	17	<u>31,147</u>	<u>343,307</u>

See accompanying notes to financial statements.



**SINGAPORE TOURISM BOARD****STATEMENT OF COMPREHENSIVE INCOME**  
**Year ended 31 March 2019**

	<u>Note</u>	<u>2019</u>	<u>2018</u>
		\$'000	\$'000
<b>Operating income</b>	18	31,287	25,557
<b>Less: Operating expenses</b>			
Employee benefit expenses	19	(80,644)	(77,480)
Depreciation of property, plant and equipment	10	(36,764)	(35,049)
Amortisation of intangible assets	11	(8,049)	(3,924)
Other operating expenses		(172,751)	(171,565)
		<u>(298,208)</u>	<u>(288,018)</u>
<b>Non-operating income and expenses</b>			
Other income	20	17,475	12,248
Other expenses	21	(6,791)	(6,572)
		<u>10,684</u>	<u>5,676</u>
<b>Operating deficit before Government grants</b>		<u>(256,237)</u>	<u>(256,785)</u>
<b>Government grants</b>			
Operating grants		220,795	207,894
Amortisation of deferred capital grants	15	10,078	1,577
		<u>230,873</u>	<u>209,471</u>
<b>Net deficit before contribution to Consolidated Fund</b>		<u>(25,364)</u>	<u>(47,314)</u>
Contribution to Consolidated Fund	22	-	-
<b>Loss for the year, representing total comprehensive loss for the year</b>		<u>(25,364)</u>	<u>(47,314)</u>

See accompanying notes to financial statements.

**SINGAPORE TOURISM BOARD****STATEMENT OF CHANGES IN EQUITY**  
**Year ended 31 March 2019**

	<b>Share capital</b>	<b>Accumulated surplus</b>	<b>Revaluation reserve</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 April 2017</b>	557,122	171,859	76	729,057
Equity injections	3,183	-	-	3,183
Transfer of assets to another statutory board	-	(6,799)	-	(6,799)
Loss for the year, representing total comprehensive loss for the year	-	(47,314)	-	(47,314)
<b>Balance as at 31 March 2018</b>	560,305	117,746	76	678,127
Equity injections	2,260	-	-	2,260
Loss for the year, representing total comprehensive loss for the year	-	(25,364)	-	(25,364)
<b>Balance as at 31 March 2019</b>	<b>562,565</b>	<b>92,382</b>	<b>76</b>	<b>655,023</b>

See accompanying notes to financial statements.

**SINGAPORE TOURISM BOARD**

**STATEMENT OF CASH FLOWS**

**Year ended 31 March 2019**

	Note	<b>2019</b>	<b>2018</b>
		\$'000	\$'000
<b>Operating activities</b>			
Loss for the year		(25,364)	(47,314)
Adjustments for:			
Operating grants		(220,795)	(207,894)
Allowance (Write back) of doubtful debts		117	(11)
Depreciation of property, plant and equipment	10	36,764	35,049
Amortisation of intangible assets	11	8,049	3,924
(Gain) Loss on disposal of property, plant and equipment		(1)	9
Interest income		(8,992)	(7,983)
Deferred long-term lease		(117)	(117)
Amortisation of deferred capital grant	15	(10,078)	(1,577)
Fair value (gain) loss on financial assets under fund management		(8,482)	6,156
Finance lease income		(1,322)	(1,223)
Operating cash flows before movements in working capital		(230,221)	(220,981)
Deposits, prepayments and other receivables		(918)	(885)
Advances and deposits received		(1,848)	(2,322)
Accruals and other payables		(306)	10,367
Cash used in operations		(233,293)	(213,821)
Interest received		10,314	9,206
Net cash used in operating activities		(222,979)	(204,615)
<b>Investing activities</b>			
Purchase of property, plant and equipment		(75,487)	(4,898)
Purchase of intangible assets	11	(9,527)	(9,792)
Proceeds from disposal/reclassification of property, plant and equipment		22	87
Repayment of finance lease receivables		641	602
Investment under fund management		36,756	(39,134)
Net cash used in investing activities		(47,595)	(53,135)
<b>Financing activities</b>			
Operating grants received		210,539	207,606
Capital grants received	15	73,875	552
Equity injection	16	2,260	3,183
Net cash from financing activities		286,674	211,341
Net increase (decrease) in cash and cash equivalents		16,100	(46,409)
Cash and cash equivalents at beginning of year	6	84,466	130,875
<b>Cash and cash equivalents at end of year</b>	6	<b>100,566</b>	<b>84,466</b>

See accompanying notes to financial statements.

## **SINGAPORE TOURISM BOARD**

### **NOTES TO FINANCIAL STATEMENTS**

**31 March 2019**

#### **1 GENERAL**

The Singapore Tourism Board (the "Board"), a Singapore statutory board under the Ministry of Trade and Industry ("MTI"), is established in the Republic of Singapore under the Singapore Tourism Board Act, Cap 305B (the "Act") with its registered office and principal place of operations at Tourism Court, 1 Orchard Spring Lane, Singapore 247729.

The primary functions and duties of the Board are:

- (i) To develop and promote Singapore as a travel and tourist destination;
- (ii) To advise the Government on matters relating to travel and tourism;
- (iii) To enhance the travel and tourism sector's contribution to the Singapore economy; and
- (iv) To exercise licensing and regulatory functions in respect of such tourism enterprises as the Board may determine.

These financial statements are presented in Singapore dollar, which is the Board's functional currency. All values presented are rounded to the nearest thousand ("'\$'000"), unless indicated otherwise.

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

The financial statements of the Board for the year ended 31 March 2019 were authorised for issue by the Board of Directors on 15 July 2019.

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

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 Act, and Statutory Board Financial Reporting Standards ("SB-FRS"), including Interpretations of SB-FRS ("INT SB-FRS") and SB-FRS Guidance Notes.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Board takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SB-FRS 102 *Share-based Payment*, leasing transactions that are within the scope of SB-FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SB-FRS 2 *Inventories* or value in use in SB-FRS 36 *Impairment of Assets*.

## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS

31 March 2019

#### 2.2 Adoption of new and revised standards

On 1 April 2018, the Board adopted all the new and revised SB-FRSs, INT SB-FRS and SB-FRS Guidance Notes that are effective from that date and relevant to its operations. The adoption of these standards do not result in changes to the Board's accounting policies and has no material effect on the amounts reported for the current or prior year.

##### SB-FRS 109 *Financial Instruments*

SB-FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The Board applied SB-FRS 109 with an initial application date of 1 April 2018. The Board has not restated the comparative information, which continues to be reported under SB-FRS 39. There is no material impact on adoption of SB-FRS 109.

##### (a) Classification and measurement of financial assets and financial liabilities

The Board has applied the requirements of SB-FRS 109 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The classification of financial assets is based on two criteria: the Board's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. There are no changes in classification and measurement of the Board's financial assets and financial liabilities, other than those disclosed in the notes to the financial statements.

##### (b) Impairment of financial assets

SB-FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under SB-FRS 39. The expected credit loss model requires the Board to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

##### SB-FRS 115 *Revenue from Contracts with Customers*

SB-FRS 115 supersedes SB-FRS 18 *Revenue* and the related Interpretations. SB-FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in SB-FRS 115 to deal with specific scenarios. There is no material impact on the Board's financial statements on adoption of SB-FRS 115.

## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS

31 March 2019

#### 2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following SB-FRS that is relevant to the Board was issued but not yet effective:

- SB-FRS 116 *Leases*  
(Effective for annual periods beginning on or after 1 April 2019)

##### SB-FRS 116 Leases

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor SB-FRS 17.

As at 31 March 2019, the Board has non-cancellable operating lease arrangements as disclosed in Note 24. A preliminary assessment indicates that these arrangements will meet the definition of a lease under SB-FRS 116, and hence the Board will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon application of SB-FRS 116. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Board's financial statements and management is currently assessing its potential impact.

Other than the above, management anticipates that the adoption of the other SB-FRSs, INT SB-FRSs and amendments to SB-FRS Guidance Notes that were issued as at the date of authorisation of these financial statements but effective only in future periods will not have a material impact on the financial statements in the period of their initial adoption.

#### 2.4 Financial instruments

##### Financial assets

##### Initial recognition and measurement

Financial assets are recognised when, and only when the Board becomes party to the contractual provisions of the instruments. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS

31 March 2019

#### Classification of financial assets

##### (i) Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

##### (ii) Financial assets at fair value through other comprehensive income

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Equity instruments designated as at FVTOCI*

The Board has made an irrevocable election to designate its investment in unquoted equity shares that are not held for trading as at FVTOCI on initial application of SB-FRS 109 (see Note 12). The Board is of the view that the cost of the unquoted equity shares represents the fair value of the investment.

Investment in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to accumulated surplus.

Dividends on these investments in equity instruments are recognised in profit or loss when the Board's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS

31 March 2019

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

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Board may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Board may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Board may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. Financial assets at FVTPL include the Board's investment portfolio of quoted debt instruments, quoted equity securities and derivative financial instruments under fund management. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the "other income" (Note 20) or "other expenses" (Note 21).

Impairment of financial assets

The Board recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Board expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For debtors, the Board applies a simplified approach in calculating ECLs. Therefore, the Board does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECLs on these financial assets are estimated based on the Board's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Board considers a financial asset in default when internal or external information indicates that the Board is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

The Board derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition, any difference between the carrying amount and the sum of proceeds received is recognised in the profit or loss.



## **SINGAPORE TOURISM BOARD**

### **NOTES TO FINANCIAL STATEMENTS**

**31 March 2019**

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Debt and equity instruments issued by the Board are classified as either financial liabilities or as equity 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 the Board after deducting all of its liabilities. Equity instruments issued by the Board are recognized at the proceeds received, net of direct issue costs.

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

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss.

##### Derecognition of financial liabilities

The Board derecognises financial liabilities when, and only when, the Board's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

## **SINGAPORE TOURISM BOARD**

### **NOTES TO FINANCIAL STATEMENTS**

**31 March 2019**

#### **2.5 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.

##### The Board as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Board'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 the Board's net investment outstanding in respect of the leases.

Lease 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 as an expense over the lease term on the same basis as the lease income. Contingent rentals arising under operating leases are recognised as revenue in the period in which they are earned.

##### The Board as lessee

Rentals payable under operating leases are charged to 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.

#### **2.6 Property, plant and equipment**

##### Measurement

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

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Board.

## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS

31 March 2019

#### Depreciation

Assets under construction are not depreciated until they are available for use.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

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

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. The effects of any revision of the residual values and useful lives are included in income or expenditure when the changes arise.

#### Derecognition

On disposal or retirement of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

### 2.7 Intangible assets

Intangible assets are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses.

Intangible assets with finite lives are amortised over their estimated useful lives, using the straight-line method on the following bases:

Computer software	-	3 years
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Intangible assets under development are not depreciated until they are available for use.

The estimated useful lives, residual values and amortisation method of intangible assets 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 intangible assets 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 profit or loss in the year the asset is derecognised.

## **SINGAPORE TOURISM BOARD**

### **NOTES TO FINANCIAL STATEMENTS**

**31 March 2019**

#### **2.8 Impairment of non-financial assets**

At the end of each reporting period, the Board reviews the carrying amounts of its non-financial 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, the Board estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's 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 assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately as income, unless the asset is valued at revalued amount, in which case the reversal is treated as a revaluation increase.

#### **2.9 Provisions**

Provisions are recognised when the Board has a present obligation (legal or constructive) as a result of a past event, it is probable that the Board 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.

#### **2.10 Trust and agency funds**

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

## **SINGAPORE TOURISM BOARD**

### **NOTES TO FINANCIAL STATEMENTS**

**31 March 2019**

#### **2.11 Government grants**

Government grants are not recognised until there is reasonable assurance that the Board will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Board should purchase, construct or otherwise acquire non-current assets are recognised as deferred capital grant in the statement of financial position and transferred to income or expenditure 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 the Board with no future related costs are recognised in income or expenses in the period in which they become receivable.

#### **2.12 Income recognition**

Income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

##### Events-related income

Events-related income is recognised over time when the Board satisfies a performance obligation by transferring control of a service to the customer. The amount of income recognised is the amount of the transaction price allocated to each satisfied performance obligation. Transaction price is the amount of consideration in the contract to which the Board expects to be entitled in exchange for transferring the promised services.

##### Lease income

The Board's policy for recognition of income from operating leases is described in Note 2.5 above.

##### Interest income

Interest income is recognised over time, on a time proportion basis using the effective interest method.

##### Dividend income

Dividend income is recognised at a point in time when the Board's right to receive payment is established.

## **SINGAPORE TOURISM BOARD**

### **NOTES TO FINANCIAL STATEMENTS**

**31 March 2019**

#### **2.13 Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. 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 the Board's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

#### **2.14 Employee leave entitlement**

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

#### **2.15 Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances, fixed deposit with financial institutions and cash balances placed with the Accountant-General's Department ("AGD") which are subject to an insignificant risk of changes in value.

#### **2.16 Foreign currency transactions and translation**

In preparing the financial statements, transactions in currencies other than the Board's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### **3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Board'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.

Management is of the opinion that there are no critical judgements or significant estimates that would have a significant effect on the amounts recognised in the financial statements.

**SINGAPORE TOURISM BOARD****NOTES TO FINANCIAL STATEMENTS  
31 March 2019****4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT***(a) Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
<b>Financial assets</b>		
Financial assets at amortised cost:		
Deposits and other receivables excluding prepayments and GST receivables (Note 7)	23,190	14,138
Cash and cash equivalents (Note 6)	100,566	84,466
Cash balances under fund management (Note 9)	3,960	49,877
Settlements in transit under fund management (Note 9)	(2,703)	(116)
Other receivables under fund management (Note 9)	2,796	2,464
Finance lease receivables (Note 8)	18,539	19,180
	<u>146,348</u>	<u>170,009</u>
Financial assets measured at FVTPL (Note 9)	<u>252,151</u>	<u>232,253</u>
Other investments (Note 12)	<u>2,076</u>	<u>2,076</u>
	<u>400,575</u>	<u>404,338</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost (Note 13)	<u>144,472</u>	<u>100,411</u>

Financial risk management policies and objectives

The Board's key financial risks include market risk (including interest rate risk, currency risk and market price risk), credit risk and liquidity risk.

There has been no change to the Board's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The Board does not hold or issue derivative financial instruments for speculative purposes.

## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS

31 March 2019

(i) Foreign exchange risk management

The Board has exposure to foreign currency risk as a result of its externally managed investments in foreign currency denominated assets and liabilities.

For the externally managed investments, the fund managers use foreign exchange derivative financial instruments when necessary to reduce exposure to fluctuation in foreign exchange rates.

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 the Board's operations and cash flows.

(ii) Interest rate risk management

The Board's exposure to interest rate risk relates primarily to its deposits with AGD, and quoted debt securities as disclosed in Notes 6 and 9 respectively.

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 the Board'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 the Board. In managing credit risk exposure, credit review and approval processes as well as monitoring mechanisms are applied.

The Board's major classes of financial assets are cash and deposits with AGD, cash and bank balances, other receivables, and financial assets held at fair value through profit or loss. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position.

(iv) Market price risk management

The Board is exposed to market risks arising from quoted equity securities, quoted debt instruments and derivative investments designated as fair value through profit or loss (FVTPL), managed by fund managers. The Board diversifies its portfolio in accordance with its investment mandate to manage exposure to fluctuations in market prices.

Further details of these investments can be found in Note 9 to the financial statements.

Market price sensitivity

The sensitivity analyses have been determined based on the exposure to market price risks at the end of the reporting period.

In respect of the FVTPL investments, if the underlying market prices had been 2% higher/lower, the loss of the Board will decrease/increase by \$5,043,000 (2018 : loss of the Board would decrease/increase by \$4,645,000). The Board's sensitivity to equity prices has not changed significantly from the prior year.



## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS

31 March 2019

(v) Liquidity risk management

The Board manages liquidity risk by maintaining sufficient funds to enable it to meet its operational requirements.

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

The Board has non-derivative financial assets as shown on the statement of financial position under financial assets under fund management which are substantially managed externally by professional fund managers. The non-derivative financial assets comprise investments in debt securities which are mainly quoted (as disclosed under Note 9). The non-derivative financial assets may be liquidated readily when required.

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

(vi) Fair value of financial assets and financial liabilities

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

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

Quoted equity securities and quoted debt instruments (Note 9) are measured based on Level 1 of the fair value hierarchy. Unquoted equity shares (Note 12) are measured based on Level 3 of the fair value hierarchy. The Board is of the view that the cost of the unquoted equity shares represents the fair value of the investment.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year.

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

(b) Capital risk management policies and objectives

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

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

The capital structure of the Board consists of accumulated surplus and capital account. The overall strategy of the Board remains unchanged from the previous financial year.

## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS 31 March 2019

#### 5 RELATED PARTY TRANSACTIONS

##### (a) Transactions with Ministries and Government Agencies

For the purposes of these financial statements, related parties refer to Ministries, Organ of States and other Statutory Boards. The transactions with Government-related entities other than Ministries, Organ of States, and other Statutory Boards, are not disclosed unless there are circumstances to indicate that these transactions are of interest to the readers of the financial statements.

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

Other than as disclosed elsewhere in the financial statements, the following significant transactions took place between the Board and its related parties during the financial year:

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
<u>MTI</u>		
Services and expenses paid to MTI	3,786	848
Services rendered to MTI	(138,373)	(24,339)
<u>Other Ministries and Government Agencies</u>		
Purchases and services paid to other ministries	351	88
Purchases and services paid to other government agencies	99,231	21,227
Expenses made on behalf by other ministries	127	146
Expenses made on behalf by other government agencies	1,969	1,578
Computer and IT related expenses	3,879	3,972
Services rendered to other ministries	(218)	(118)
Services rendered to other government agencies	(2,440)	(2,013)

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

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Remuneration and other short-term benefits	19,217	16,973
Contributions to defined contribution plan	1,184	1,114
	<u>20,401</u>	<u>18,087</u>

The above includes Board members' allowance of \$141,593 (2018 : \$156,358).

**SINGAPORE TOURISM BOARD**

**NOTES TO FINANCIAL STATEMENTS**  
**31 March 2019**

**6 CASH AND CASH EQUIVALENTS**

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Cash and bank deposits <sup>(i)</sup>	100,566	84,466

(i) This included cash deposits placed with Accountant General's Department ("AGD") under the Centralised Liquidity Management Scheme ("CLM") under AGD Circular 4/2009. The CLM Scheme includes placement of cash deposits with approved financial institutions. Deposits, which are interest-bearing, are centrally managed by AGD and are available to the Board upon request and earn interest at the average rate of 1.76% (2018 : 1.23%) per annum.

**7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Deposits	1,588	1,539
Prepayments	6,188	2,988
Other receivables:		
- Operating grants	10,256	288
- Ministries and other government agencies	1,755	1,545
- Others	9,708	10,768
- GST receivables	-	1,195
	29,495	18,323
Less: Allowance for doubtful debts	(117)	(2)
Net deposits, prepayments and other receivables	29,378	18,321
Less: Non-current prepayments	(137)	(129)
Deposits, prepayments and other receivables presented as current assets	29,241	18,192

Allowance for doubtful debts has been measured at an amount equal to ECL. Apart from the above, no impairment allowance is necessary in respect of the remaining receivables after taking into account the historical default experience in which the debtors operate, together with the value of deposits.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period.

Movement in the allowance for doubtful debts:

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Balance at beginning of year	2	381
Increase (Decrease) in allowance recognised in profit or loss	117	(11)
Bad debts write off	(2)	(368)
Balance at end of year	117	2

**SINGAPORE TOURISM BOARD**

**NOTES TO FINANCIAL STATEMENTS**

**31 March 2019**

**8 FINANCE LEASE RECEIVABLE**

The Board entered into an agreement with a third party company incorporated in Singapore to lease a parcel of land granted to the Board by the Singapore Land Authority for the purpose of a tourism-related project. The average discount rate implicit in the lease is 6.4% (2018 : 6.4%) per annum.

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

	<u>Future minimum lease receivables</u>		<u>Present value of minimum lease receivables</u>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	\$'000	\$'000	\$'000	\$'000
Amount receivable under finance lease:				
Within one year	1,825	1,825	682	641
In the second to fifth year inclusive	7,302	7,301	3,192	3,000
After fifth year	20,535	22,361	14,665	15,539
	29,662	31,487	18,539	19,180
Less: Unearned finance income	(11,123)	(12,307)	-	-
Present value of minimum lease receivable	<u>18,539</u>	<u>19,180</u>	18,539	19,180
Less: Amount due for settlement within 12 months (shown under current receivables)			<u>(682)</u>	<u>(641)</u>
Amount due for settlement after 12 months			<u>17,857</u>	<u>18,539</u>

**SINGAPORE TOURISM BOARD****NOTES TO FINANCIAL STATEMENTS****31 March 2019****9 FINANCIAL ASSETS UNDER FUND MANAGEMENT**

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
<u>Financial assets (liabilities)</u>		
Marketable investments, at market value:		
- Quoted debt instruments	233,090	215,386
- Quoted equity securities	18,821	17,078
- Derivative financial instruments	240	(211)
Financial assets at FVTPL	<u>252,151</u>	<u>232,253</u>
Add (Less):		
- Cash balances	3,960	49,877
- Other receivables	2,796	2,464
- Settlements in transit	(2,703)	(116)
Total financial assets	<u>256,204</u>	<u>284,478</u>

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

As part of the Board's strategy to manage foreign currency risk, derivative financial instruments such as foreign currency futures and forward contracts were entered into by fund managers appointed by the Board. The gross value of financial assets under fund management denominated in United States dollar amounted to \$137.1m [net of derivatives : \$20.1m] (2018 : \$133.7m [net of derivatives : \$18.8m]) at the end of the reporting period.

During the financial year, fair value gain [net of foreign currency exchange loss] relating to financial assets under fund management amounting to \$2.2m (2018 : fair value loss of \$1.9m [net of foreign currency exchange gain]) was recorded.

**SINGAPORE TOURISM BOARD**

**NOTES TO FINANCIAL STATEMENTS**  
**31 March 2019**

**10 PROPERTY, PLANT AND EQUIPMENT**

	Leasehold land	Buildings	Building improvements	Furniture, fittings and equipment	Motor vehicles	Electrical installation and air-conditioners	Infrastructure	Capital work- in-progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost:</b>									
At 1 April 2017	194,067	477,856	28,047	14,161	1,355	27,609	48,739	2,675	794,509
Additions	516	-	1,013	1,118	27	1,416	-	808	4,898
Reclassifications	-	-	150	1,178	-	48	-	(2,650)	(1,274)
Disposals/Written off	-	(8,498)	(350)	(279)	-	(11)	-	-	(9,138)
At 31 March 2018	194,583	469,358	28,860	16,178	1,382	29,062	48,739	833	788,995
Additions	50,000	65,885	2,097	2,311	68	2,001	281	6	122,649
Reclassifications	-	833	-	-	-	-	-	(833)	-
Disposals/Written off	-	-	-	(367)	(103)	-	(31)	-	(501)
At 31 March 2019	244,583	536,076	30,957	18,122	1,347	31,063	48,989	6	911,143
<b>Accumulated depreciation:</b>									
At 1 April 2017	11,939	145,075	18,429	12,161	710	17,178	37,409	-	242,901
Depreciation	2,521	18,924	2,661	1,768	232	3,953	4,990	-	35,049
Disposals/Written off	-	(1,700)	(264)	(274)	-	(5)	-	-	(2,243)
At 31 March 2018	14,460	162,299	20,826	13,655	942	21,126	42,399	-	275,707
Depreciation	5,021	21,108	2,984	1,837	198	4,078	1,538	-	36,764
Disposals/Written off	-	-	-	(346)	(103)	-	(31)	-	(480)
At 31 March 2019	19,481	183,407	23,810	15,146	1,037	25,204	43,906	-	311,991
<b>Carrying amount:</b>									
At 31 March 2019	225,102	352,669	7,147	2,976	310	5,859	5,083	6	599,152
At 31 March 2018	180,123	307,059	8,034	2,523	440	7,936	6,340	833	513,288

- (a) Included in leasehold land, buildings and infrastructure are tourism assets held by the Board for the purpose of tourism promotion/development.
- (b) As at 31 March 2019, acquisition of leasehold land amounting to \$47,162,000 remained unpaid and was included in accruals and other payables (Note 13).

**SINGAPORE TOURISM BOARD**

**NOTES TO FINANCIAL STATEMENTS  
31 March 2019**

**11 INTANGIBLE ASSETS**

	Computer software \$'000	Development projects-in- progress \$'000	Total \$'000
Cost:			
At 1 April 2017	7,547	481	8,028
Additions	9,687	105	9,792
Reclassifications	1,731	(457)	1,274
At 31 March 2018	18,965	129	19,094
Additions	8,856	671	9,527
Reclassifications	129	(129)	-
At 31 March 2019	27,950	671	28,621
Accumulated amortisation:			
At 1 April 2017	7,347	-	7,347
Amortisation for the year	3,924	-	3,924
At 31 March 2018	11,271	-	11,271
Amortisation for the year	8,049	-	8,049
At 31 March 2019	19,320	-	19,320
Carrying amounts:			
At 31 March 2019	8,630	671	9,301
At 31 March 2018	7,694	129	7,823

**12 OTHER INVESTMENTS**

	<b>2019</b> \$'000	<b>2018</b> \$'000
Unquoted equity shares at FVTOCI	2,076	2,076

**SINGAPORE TOURISM BOARD****NOTES TO FINANCIAL STATEMENTS****31 March 2019****13 ACCRUALS AND OTHER PAYABLES**

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Accruals	61,625	61,679
Other payables:		
- Ministries and other government agencies	58,242	4,111
- Others	15,273	22,494
Total accruals and other payables	135,140	88,284
Less: Amount due for settlement after 12 months	(38,298)	(86)
Amount due for settlement within 12 months	96,842	88,198
Total accruals and other payables	135,140	88,284
Add:		
Advances and deposits received (Note 14)	12,166	14,014
Less:		
Provision for employees' unutilised leave	(2,593)	(1,887)
GST payables	(241)	-
Financial liabilities carried at amortised cost	144,472	100,411

The average credit period for trade payables is 30 to 90 days (2018 : 30 to 90 days).

**14 ADVANCES AND DEPOSITS RECEIVED**

Included in advances and deposits received are \$388,252 (2018 : \$1,452,978) received from the Government, which are to be disbursed for designated projects.

**15 DEFERRED CAPITAL GRANTS**

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
At beginning of year	149,182	150,207
Capital grants received	73,875	552
Less: Amortisation of deferred capital grant	(10,078)	(1,577)
At end of year	212,979	149,182



**SINGAPORE TOURISM BOARD**

**NOTES TO FINANCIAL STATEMENTS**

**31 March 2019**

**16 SHARE CAPITAL**

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	Number of ordinary shares		\$'000	\$'000
	'000	'000		
Issued and paid up:				
At beginning of year	560,305	557,122	560,305	557,122
Equity injection <sup>(1)</sup>	2,260	3,183	2,260	3,183
At end of year	<u>562,565</u>	<u>560,305</u>	<u>562,565</u>	<u>560,305</u>

(1) Injections of capital in 2018 and 2019 are part of the Capital Management Framework for Statutory Boards under Finance Circular Minute M26/2008. The shares have been fully paid for to fund tourism-related assets and are held by the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183). The holder of these shares, which has no par value, is entitled to receive dividends from the Board.

**17 TRUST AND AGENCY FUNDS**

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

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Balance at beginning of year	343,307	36,776
Add: Receipts - funds received from the Government	135,136	492,408
Less: Funds disbursed/payable to:		
- External parties	(444,675)	(183,005)
- Other government agencies	(2,621)	(2,872)
Balance at end of year	<u>31,147</u>	<u>343,307</u>
Represented by:		
- Cash balances	23,758	351,017
- Other receivables	368	170
- Trade receivables	7,908	92
- Trade payables	(441)	(7,951)
- Accruals	(446)	(21)
	<u>31,147</u>	<u>343,307</u>

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

**SINGAPORE TOURISM BOARD**

**NOTES TO FINANCIAL STATEMENTS**

**31 March 2019**

**18 OPERATING INCOME**

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Events-related income	17,205	14,754
Lease income	7,976	6,709
Others	6,106	4,094
	<u>31,287</u>	<u>25,557</u>

**19 EMPLOYEE BENEFIT EXPENSES**

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Wages and salaries	63,854	62,627
Contributions to defined contribution plan	7,641	7,326
Other staff benefits	9,149	7,527
	<u>80,644</u>	<u>77,480</u>

**20 OTHER INCOME**

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Interest income	8,992	7,983
Gain on disposal of property, plant and equipment	1	-
Net fair value gain on financial assets under fund management	8,482	-
Exchange gain on financial assets under fund management	-	4,254
Reversal of allowance for doubtful debts	-	11
	<u>17,475</u>	<u>12,248</u>

**21 OTHER EXPENSES**

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Loss on disposal of property, plant and equipment	-	9
Net fair value loss on financial assets under fund management	-	6,156
Exchange loss on financial assets under fund management	6,244	-
Expenses on financial assets under fund management	430	407
Allowance for doubtful debts	117	-
	<u>6,791</u>	<u>6,572</u>

## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS 31 March 2019

#### 22 CONTRIBUTION TO CONSOLIDATED FUND

The Board is required to make contributions to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The contribution is based on the guidelines specified by the Ministry of Finance. It is computed at the prevailing corporate tax rate based on the net surplus (if any) of the Board for each of the financial year adjusted for any accumulated deficits brought forward from prior years. Contribution to consolidated fund is provided on an accrual basis. The Board has \$139,398,189 (2018 : \$114,033,837) of unrecognised deferred benefits relating to unutilised deficits to be carried forward to offset against future surplus.

#### 23 COMMITMENTS

##### (a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised in the financial statements were analysed as follows:

	<u>2019</u>	<u>2018</u>
	\$'000	\$'000
Amount contracted for capital expenditure	8,754	9,337

##### (b) Other commitments

During the financial year, the Board paid a total fee of \$857,886 (2018 : \$606,857) for the use of the computer equipment and related services under Whole-of-Government Information Communications Technology. These incurrences were recognised in the statement of comprehensive income.

The future aggregate minimum committed payments at the reporting date but not recognised as liabilities as at 31 March 2019 are as follows:

	<u>2019</u>	<u>2018</u>
	\$'000	\$'000
Within one year	825	728
In the second to fifth year inclusive	421	975
	<u>1,246</u>	<u>1,703</u>

##### (c) During the financial year, the Board guaranteed Singapore GP Pte Ltd for a standby letter of credit issued by a bank for the purpose of the payment of the 2019 F1 race franchise fee.

## SINGAPORE TOURISM BOARD

### NOTES TO FINANCIAL STATEMENTS

31 March 2019

#### 24 OPERATING LEASE ARRANGEMENTS

##### *The Board as a lessee*

The Board has entered into operating leases mainly for premises in respect of overseas offices for the Regional Offices, the Formula 1 pit building and Design Orchard. These leases typically run for an initial period of one to nine years, with an option to renew the lease after that period. Lease payments are usually increased annually to reflect market rentals.

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Minimum lease payments under operating lease included in profit or loss	<u>7,380</u>	<u>7,452</u>

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

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Within one year	6,154	3,129
In the second to fifth year inclusive	8,365	7,003
After fifth year	848	255
	<u>15,367</u>	<u>10,387</u>

##### *The Board as a lessor*

The Board has entered into property leases. These leases typically run for an initial period of one to twenty years, with an option to renew the lease after that period. Lease income earned during the year was \$6,536,799 (2018 : \$5,369,413).

The future aggregate minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables were analysed as follows:

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Within one year	12,789	2,342
In the second to fifth year inclusive	41,970	5,370
After fifth year	18	-
	<u>54,777</u>	<u>7,712</u>

#### 25 EVENT AFTER THE REPORTING PERIOD

In April 2019, STB had accepted a lease of approximately 48 years over a parcel of land from Singapore Land Authority ("SLA") at the land premium of approximately \$1.3 billion. On the same day, the Board entered into an agreement with Marina Bay Sands Pte Ltd ("MBS") to lease the same parcel of land at the same land premium of approximately \$1.3 billion for the expansion development of the MBS integrated resort for a lease period of approximately 48 years. The land premium was paid directly by MBS, the lessee, to SLA.