

Financial Statements

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Auditors' Report

to the Members of National Parks Board

We have audited the financial statements of the National Parks Board (the "Board") and the consolidated financial statements of the Board and its subsidiary (the "Group") for the financial year ended 31 March 2005 set out on pages 62 to 84. These financial statements are the responsibility of the Board's management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- a) the financial statements of the Board and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the National Parks Act, Cap. 198A (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Board and of the Group as at 31 March 2005 and of the results, changes in capital account, Garden City Fund and accumulated surplus of the Board and of the Group and cash flows of the Group for the year ended on that date; and
- b) the accounting and other records required by the Act to be kept by the Board have been properly kept in accordance with the provisions of the Act.

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



Deloitte & Touche
Certified Public Accountants

Singapore
14 July 2005

Statement by the National Parks Board

In our opinion, the financial statements of the National Parks Board (the “Board”) and consolidated financial statements of the Board and its subsidiary (the “Group”) set out on pages 62 to 84 are properly drawn up so as to give a true and fair view of the state of affairs of the Board as at 31 March 2005, and of the results, changes in capital account, Garden City Fund and accumulated surplus of the Board and of the Group and cash flows of the Group for the financial year then ended.

On Behalf of the Board



Professor Leo Tan Wee Hin
Chairman

Singapore
14 July 2005



Dr Tan Wee Kiat
Chief Executive Officer

Balance Sheets

as at 31 March 2005

| | Note | GROUP | | BOARD | |
|--|------|---------------------|---------------------|---------------------|---------------------|
| | | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| CAPITAL ACCOUNT | 5 | 4,528,275 | 4,528,275 | 4,528,275 | 4,528,275 |
| GARDEN CITY FUND | 6 | 2,915,944 | 3,264,864 | 2,915,944 | 3,264,864 |
| ACCUMULATED SURPLUS | 7 | 2,789,702 | 1,356,001 | 3,823,439 | 1,865,437 |
| | | <u>10,233,921</u> | <u>9,149,140</u> | <u>11,267,658</u> | <u>9,658,576</u> |
| REPRESENTED BY: | | | | | |
| CURRENT ASSETS: | | | | | |
| Cash and cash equivalents | 8 | 25,476,540 | 27,062,982 | 25,458,484 | 27,060,305 |
| Trade receivables | 9 | 2,557,283 | 352,692 | 2,495,910 | 407,938 |
| Other receivables, deposits and prepayments | 10 | 4,137,533 | 1,300,384 | 4,234,380 | 1,316,903 |
| Total current assets | | <u>32,171,356</u> | <u>28,716,058</u> | <u>32,188,774</u> | <u>28,785,146</u> |
| NON-CURRENT ASSETS: | | | | | |
| Loan to subsidiary | 11 | - | - | 1,070,716 | 480,075 |
| Investment in subsidiary | 11 | - | - | 2 | 2 |
| Other investment | 12 | 311 | - | - | - |
| Property, plant and equipment | 13 | 145,781,348 | 139,767,049 | 145,746,146 | 139,731,226 |
| Total non-current assets | | <u>145,781,659</u> | <u>139,767,049</u> | <u>146,816,864</u> | <u>140,211,303</u> |
| LESS: CURRENT LIABILITIES: | | | | | |
| Payables and accruals | 14 | 20,215,848 | 18,743,561 | 20,234,734 | 18,747,467 |
| Rental and other deposits | | 1,963,210 | 936,437 | 1,963,210 | 936,437 |
| Government capital grants received in advance | 15 | 121,498 | 802,289 | 121,498 | 802,289 |
| Deferred revenue | 16 | 83,333 | 83,333 | 83,333 | 83,333 |
| Contribution payable to Consolidated Fund | 17 | 489,501 | 262,251 | 489,501 | 262,251 |
| Total current liabilities | | <u>22,873,390</u> | <u>20,827,871</u> | <u>22,892,276</u> | <u>20,831,777</u> |
| LESS: NON-CURRENT LIABILITY: | | | | | |
| Deferred revenue | 16 | 2,215,279 | 2,298,612 | 2,215,279 | 2,298,612 |
| Deferred capital grants | 18 | 145,546,369 | 139,472,348 | 145,546,369 | 139,472,348 |
| Total non-current liabilities | | <u>147,761,648</u> | <u>141,770,960</u> | <u>147,761,648</u> | <u>141,770,960</u> |
| NET ASSETS | | <u>7,317,977</u> | <u>5,884,276</u> | <u>8,351,714</u> | <u>6,393,712</u> |
| NET ASSETS OF GARDEN CITY FUND | 6 | <u>2,915,944</u> | <u>3,264,864</u> | <u>2,915,944</u> | <u>3,264,864</u> |
| | | <u>10,233,921</u> | <u>9,149,140</u> | <u>11,267,658</u> | <u>9,658,576</u> |

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

Income and Expenditure Statements

for the Financial Year ended 31 March 2005

| | Note | GROUP | | BOARD | |
|--|------|---------------------|---------------------|---------------------|---------------------|
| | | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Operating Income: | | | | | |
| Rental income | | 3,842,429 | 3,210,526 | 3,842,429 | 3,210,526 |
| Admission charges | | 809,651 | 318,697 | 809,651 | 318,697 |
| Fines and forfeitures | | 353,580 | 436,514 | 353,580 | 436,514 |
| Agency fees | | 514,293 | 370,788 | 514,293 | 370,788 |
| Miscellaneous income | | 1,637,436 | 1,036,615 | 1,477,693 | 1,061,825 |
| | | <u>7,157,389</u> | <u>5,373,140</u> | <u>6,997,646</u> | <u>5,398,350</u> |
| Operating Expenditure: | | | | | |
| Staff costs | 19 | (39,652,141) | (38,037,299) | (39,132,530) | (37,755,764) |
| Maintenance and improvement of parks | | (30,969,902) | (26,978,294) | (30,969,902) | (26,978,294) |
| General and administrative expenses | | (15,764,760) | (15,719,934) | (15,608,208) | (15,549,490) |
| Depreciation of property, plant and equipment | 13 | (8,961,641) | (9,921,093) | (8,953,760) | (9,898,206) |
| | | <u>(95,348,444)</u> | <u>(90,656,620)</u> | <u>(94,664,400)</u> | <u>(90,181,754)</u> |
| Operating deficit | 20 | (88,191,055) | (85,283,480) | (87,666,754) | (84,783,404) |
| Non-operating income: | | | | | |
| Interest income | 21 | 193,626 | 40,051 | 193,626 | 49,411 |
| Deficit before government grants | | <u>(87,997,429)</u> | <u>(85,243,429)</u> | <u>(87,473,128)</u> | <u>(84,733,993)</u> |
| Government operating grants | 22 | 80,299,966 | 75,178,050 | 80,299,966 | 75,178,050 |
| Deferred capital grants amortised | 18 | 9,620,665 | 10,747,994 | 9,620,665 | 10,747,994 |
| Surplus before Consolidated Fund Contribution | | <u>1,923,202</u> | <u>682,615</u> | <u>2,447,503</u> | <u>1,192,051</u> |
| Contribution to Consolidated Fund | 17 | (489,501) | (262,251) | (489,501) | (262,251) |
| Surplus for the year | | <u>1,433,701</u> | <u>420,364</u> | <u>1,958,002</u> | <u>929,800</u> |

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

Statement of Changes in Capital Account, Garden City Fund and Accumulated Surplus

for the Financial Year ended 31 March 2005

| | Capital Account \$ | Garden City Fund \$ | Accumulated Surplus \$ | Total \$ |
|--------------------------------|--------------------------|------------------------------|------------------------------|-------------|
| GROUP | | | | |
| Balance at 31 March 2003 | 4,528,275 | 2,733,310 | 935,637 | 8,197,222 |
| Surplus for the year | - | 531,554 | 420,364 | 951,918 |
| Balance at 31 March 2004 | 4,528,275 | 3,264,864 | 1,356,001 | 9,149,140 |
| Surplus (Deficit) for the year | - | (348,920) | 1,433,701 | 1,084,781 |
| Balance at 31 March 2005 | 4,528,275 | 2,915,944 | 2,789,702 | 10,233,921 |
| BOARD | | | | |
| Balance at 31 March 2003 | 4,528,275 | 2,733,310 | 935,637 | 8,197,222 |
| Surplus for the year | - | 531,554 | 929,800 | 1,461,354 |
| Balance at 31 March 2004 | 4,528,275 | 3,264,864 | 1,865,437 | 9,658,576 |
| Surplus (Deficit) for the year | - | (348,920) | 1,958,002 | 1,609,082 |
| Balance at 31 March 2005 | 4,528,275 | 2,915,944 | 3,823,439 | 11,267,658 |

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

Consolidated Cash Flow Statement

for the Financial Year ended 31 March 2005

| | Note | 2004/ 2005 \$ | 2003/ 2004 \$ |
|---|------|---------------------|---------------------|
| Cash flows from operating activities: | | | |
| Deficit before government grants | | (87,997,429) | (85,243,429) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 13 | 8,961,641 | 9,921,093 |
| Property, plant and equipment written off | 13 | 629,595 | 600,606 |
| Loss on disposal of property, plant and equipment | | 63,931 | 153,205 |
| (Write back) Allowance for doubtful debts on trade receivables | | (527,271) | 533,332 |
| Amortisation of lease premium received in advance | | (83,333) | (83,333) |
| Interest income | | (193,626) | (40,051) |
| Deficit before working capital changes | | (79,146,492) | (74,158,577) |
| Trade receivables | | (1,677,320) | (427,950) |
| Other receivables, deposits and prepayments | | (1,349,292) | 6,130,769 |
| Payables and accruals | | 1,472,286 | (5,787,551) |
| Rental and other deposits | | 1,026,774 | (59,366) |
| Cash used in operations | | (79,674,044) | (74,302,675) |
| Contribution to consolidated fund paid | | (262,251) | - |
| Net cash used in operating activities | | (79,936,295) | (74,302,675) |
| Cash flows from investing activities: | | | |
| Proceeds on disposal of property, plant and equipment | | 32,501 | 281,298 |
| Purchase of property, plant and equipment | | (14,190,963) | (10,685,084) |
| Interest received | | 193,626 | 40,051 |
| Acquisition of other investment | | (311) | - |
| Net cash used in investing activities | | (13,965,147) | (10,363,735) |
| Cash flows from financing activity: | | | |
| Government grants received | | 92,315,000 | 86,666,450 |
| Net (decrease) increase in cash and cash equivalents | | (1,586,442) | 2,000,040 |
| Cash and cash equivalents at beginning of year | 8 | 27,062,982 | 25,062,942 |
| Cash and cash equivalents at end of year | 8 | 25,476,540 | 27,062,982 |

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

Notes to the Financial Statements

31 March 2005

1 General

The registered office of the National Parks Board (“the Board”) is at Singapore Botanic Gardens, 1 Cluny Road, Singapore 259569 and its principal place of business is in Singapore. The financial statements are expressed in Singapore dollars. The measurement currency is the Singapore dollar as majority of the Board’s and the Group’s transactions are denominated in Singapore dollars.

The principal activities of the Board are:

- a) to develop, manage and promote the National Parks and Nature Reserves as valuable reserves for recreation, conservation, research and education; and
- b) to develop, upgrade, manage and maintain the public parks, open spaces on behalf of the Government.

The principal activities of the subsidiary are described in Note 11 to the financial statements.

The financial statements of the Board for the year ended 31 March 2005 were authorised for issue by the Members of the Board on 14 July 2005.

2 Summary of Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention and are drawn up in accordance with the provisions of the National Parks Act, Cap 198A and Singapore Financial Reporting Standards.

b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Board and subsidiary of the Board made up to 31 March each year.

c) Financial Assets

Financial assets include cash and cash equivalents, trade and other receivables. Trade and other receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts.

d) Financial Liabilities

Financial liabilities include trade and other payables which are stated at their nominal values.

Notes to the Financial Statements

31 March 2005

e) Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Construction-in-progress consists of land cost, related acquisition expenses and construction costs incurred during the period of construction.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

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

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

Depreciation is not provided on work-in-progress.

Fully depreciated assets still in use are retained in the financial statements.

Fixed assets costing less than \$1,000 each are charged to the income and expenditure statement in the year of purchase.

All expense incurred for general improvements to the parks are charged to the income and expenditure statement when incurred.

f) Other Investment

Other investment are stated at cost. Provision is made for any impairment in value of investment.

g) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

h) Provisions

Provisions are recognised when the Board has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

Notes to the Financial Statements

31 March 2005

i) Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

j) Income Recognition

Rental income, agency fees and consultancy fees are recognised on an accrual basis, over the lease and service period.

Admission charges are recognised upon the sale of admission tickets to visitors. Fines and forfeitures are recognised on the issuance of the notice of offence to offenders. Donations are accounted for on a cash basis.

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

k) Government Grants

The value of land at the Singapore Botanic Gardens and the Fort Canning Park vested in the Board when it was established in June 1990 was taken to the Deferred Capital Grants Account. The value of all other assets net of liabilities transferred from the former Parks and Recreation Department ("PRD") to the Board in June 1990 and July 1996 amounting to \$4,528,275 was taken to the Capital Account.

Government grants for the purchase or construction of depreciable assets are first taken to the Grants Received in Advance Account when received and transferred to the Deferred Capital Grants Account as and when they are utilised. Contributions from other organisations for similar purpose and donations of depreciable assets are taken directly to the Deferred Capital Grants Account.

Deferred capital grants are recognised in the Income and Expenditure Statement over the periods necessary to match the depreciation of the assets purchased, constructed or donated except for the assets transferred as mentioned in Note 5. Upon the disposal of these assets, the balance of the related deferred capital grants is recognised in the Income and Expenditure Statement to match the net book value of the assets disposed off.

Government grants to meet current year's operating expenses are recognised as income in the same year. Both operating and capital grants are accounted for on an accrual basis.

Notes to the Financial Statements

31 March 2005

l) Garden City Fund

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

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

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

The details of the Garden City Fund are disclosed in Note 6 to the financial statements.

Upon dissolution of the Garden City Fund, the remaining monies in the Fund shall be donated to charitable organisations which have been designated as institutions of a public character under Section 37(2) of the Income Tax Act and registered under the Charities Act Cap. 37.

m) Retirement Benefit Costs

Payments to state-managed defined contribution retirement benefit plans are charged as an expense when incurred.

n) 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 balance sheet date.

o) Contribution to Consolidated Funds

Contribution to Consolidated Fund is provided on an accrual basis. The contribution is based on the net surplus of the Board for the financial year at the prevailing corporate tax rate for the Year of Assessment.

Notes to the Financial Statements

31 March 2005

p) Income Tax

The income taxes are accounted using the asset and liability method which requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised.

3 Financial Risks and Management

a) Interest Rate Risk

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

b) Credit Risk

The Group places its cash and cash equivalents with creditworthy institutions. The Group has adopted guidelines on extending credit terms to its debtors. The Group monitors continuously the credit reliability of its debtors and reviews their financial status to determine credit limits to be granted.

The maximum credit risk that the Group is exposed to is represented by the carrying amounts of its financial assets as stated in the balance sheet.

c) Foreign Currency Exchange Risk

The Group has no exposure to foreign currencies as its transactions are denominated in the Singapore dollars, which is also its reporting currency.

d) Liquidity Risk

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

e) Fair Values of Financial Assets and Financial Liabilities

The carrying amounts of financial assets and liabilities reported in the balance sheet approximate their fair values.

The management have not estimated the fair value of other investment (Note 12) because it is not practicable within the constraint of cost to reliably determine the fair value of this investment.

Notes to the Financial Statements

31 March 2005

4 Related Company Transactions

Related companies in these financial statements refer to members of the Board's group of companies.

Some of the Board's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and without fixed repayment terms unless stated otherwise.

Significant intercompany transactions, other than those disclosed elsewhere in the notes to Income and Expenditure Statement are as follows:

| | GROUP | | BOARD | |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Consultancy services income | - | - | (30,755) | (60,821) |
| Support services income | - | - | (19,164) | (14,373) |
| Interest income | - | - | (40,406) | (9,360) |
| Rental and related income | - | - | (20,074) | (15,624) |
| Consultancy fees expense | - | - | 31,540 | 27,471 |

5 Capital Account

This represents the value of assets net of liabilities transferred from the former Parks and Recreation Department ("PRD") when the Board was established in June 1990 and when PRD was merged with the Board in July 1996. It excludes the leasehold land which was acquired via a Government Capital Grant.

6 Garden City Fund

The following represents the Garden City Non-Endowment Fund. There has been no contributions to the Garden City Endowment Fund during the year.

Notes to the Financial Statements

31 March 2005

6 Garden City Fund (Cont'd)

| | 2004/ 2005 \$ | 2003/ 2004 \$ |
|--|---------------------|---------------------|
| Donations received | 1,569,626 | 947,694 |
| Sales of publications | 37,708 | 40,511 |
| Interest income | 16,779 | 9,673 |
| | <u>1,624,113</u> | <u>997,878</u> |
| Less: Maintenance fees | 1,318,958 | - |
| Professional fees | 368,553 | - |
| Printing and stationery | 96,813 | 114,674 |
| Maintenance | 80,481 | 113,900 |
| Rental expenses | 43,087 | - |
| Training and courses | 19,760 | - |
| Horticultural works | 15,515 | 83,015 |
| Publicity | 8,415 | 64,830 |
| Photographic materials | 3,754 | 12,555 |
| Administrative expenses | 3,249 | 8,662 |
| Promotional activities | 2,047 | 61,126 |
| Depreciation | 692 | - |
| Others | 11,709 | 7,562 |
| | <u>1,973,033</u> | <u>466,324</u> |
| Surplus (Deficit) | (348,920) | 531,554 |
| Balance at the beginning of the financial year | 3,264,864 | 2,733,310 |
| Balance at the end of the financial year | <u>2,915,944</u> | <u>3,264,864</u> |
| Represented by: | | |
| Current assets: | | |
| Cash and cash equivalents | 3,017,554 | 3,255,917 |
| Trade receivables | 75,418 | 6,522 |
| Other receivables, deposits and prepayments | 7,808 | 2,425 |
| Total current assets | <u>3,100,780</u> | <u>3,264,864</u> |
| Non-current asset: | | |
| Plant and equipment | <u>8,170</u> | - |
| Less: Current liabilities: | | |
| Trade creditor | 166,863 | - |
| Accrual | 26,143 | - |
| Total current liabilities | <u>193,006</u> | - |
| Net assets | <u>2,915,944</u> | <u>3,264,864</u> |

Notes to the Financial Statements

31 March 2005

7 Accumulated Surplus

The accumulated surplus represents the surplus that has not been utilised, committed or approved for future capital expenditure except for capital commitments disclosed in Note 25.

8 Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement consists of the following:

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Cash and bank balances | 15,183,104 | 9,771,276 | 15,165,048 | 9,768,599 |
| Fixed deposits with financial institutions | 10,293,436 | 17,291,706 | 10,293,436 | 17,291,706 |
| | <u>25,476,540</u> | <u>27,062,982</u> | <u>25,458,484</u> | <u>27,060,305</u> |

Notes to the Financial Statements

31 March 2005

9 Trade Receivables

| | GROUP | | BOARD | |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Outside parties | 2,563,344 | 886,024 | 2,496,087 | 866,076 |
| Allowance for doubtful debts | (6,061) | (533,332) | (6,061) | (533,332) |
| | 2,557,283 | 352,692 | 2,490,026 | 332,744 |
| Subsidiary (Note 4) | - | - | 5,884 | 75,194 |
| | 2,557,283 | 352,692 | 2,495,910 | 407,938 |

10 Other Receivables, Deposits and Prepayments

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Receivables from the Ministry of National Development | 2,371,405 | 92,555 | 2,371,405 | 92,555 |
| Prepayments | 789,139 | 305,571 | 787,729 | 301,171 |
| Other receivables | 607,088 | 434,950 | 603,829 | 435,009 |
| Deposits | 369,901 | 467,308 | 368,901 | 465,108 |
| Subsidiary (Note 4) | - | - | 102,516 | 23,060 |
| | 4,137,533 | 1,300,384 | 4,234,380 | 1,316,903 |

Notes to the Financial Statements

31 March 2005

11 Investment in Subsidiary

| | BOARD | |
|---------------------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Unquoted equity shares, at cost | 2 | 2 |

The subsidiary of the Group is set out below:

| Name of company | Principal activities/ Country of incorporation | Effective equity interest held by Group | | Cost of investment | |
|--------------------------------------|--|--|--------------------|-----------------------|---------------------|
| | | 2004/ 2005 % | 2003/ 2004 % | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Singapore Garden City Pte Ltd (a) | Landscape planning, advisory services and business consulting services/ Singapore | 100 | 100 | 2 | 2 |

(a) The loan due from the subsidiary is unsecured, bears interest at 5% (2003/2004: 5%) per annum and is repayable by April 2009.

(b) The subsidiary is audited by another firm of auditors, Chio Lim & Associates.

12 Other Investment

| | GROUP | |
|---------------------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Unquoted equity shares, at cost | 311 | - |

Notes to the Financial Statements

31 March 2005

13 Property, Plant and Equipment

| | Leasehold land \$ | Building/ structures, capital and other improvements \$ | Office equipment, furniture and fittings \$ | Laboratory and gardening equipment \$ | Motor vehicles \$ | Work-in- progress \$ | Total \$ |
|--------------------------------------|-------------------------|--|---|---|-------------------------|----------------------------|-------------|
| GROUP | | | | | | | |
| Cost: | | | | | | | |
| At 1 April 2004 | 60,935,129 | 84,689,861 | 24,969,624 | 870,411 | 6,291,443 | 16,950,696 | 194,707,164 |
| Additions | - | 15 | 891,850 | 15,229 | 363,721 | 14,431,152 | 15,701,967 |
| Transfers | - | 3,348,115 | 524,529 | - | - | (3,872,644) | - |
| Write-off* | - | - | - | - | - | (629,595) | (629,595) |
| Disposals | - | - | (539,565) | (12,500) | (382,591) | - | (934,656) |
| At 31 March 2005 | 60,935,129 | 88,037,991 | 25,846,438 | 873,140 | 6,272,573 | 26,879,609 | 208,844,880 |
| Accumulated depreciation: | | | | | | | |
| At 1 April 2004 | 5,151,444 | 27,552,777 | 17,661,388 | 647,223 | 3,927,283 | - | 54,940,115 |
| Charge for the year | 657,237 | 4,344,305 | 3,380,339 | 67,960 | 511,800 | - | 8,961,641 |
| Disposals | - | - | (512,831) | (12,350) | (313,043) | - | (838,224) |
| At 31 March 2005 | 5,808,681 | 31,897,082 | 20,528,896 | 702,833 | 4,126,040 | - | 63,063,532 |
| Depreciation charge for 2003/2004 | 654,491 | 4,166,345 | 4,532,077 | 81,978 | 486,202 | - | 9,921,093 |
| Carrying amount: | | | | | | | |
| At 31 March 2005 | 55,126,448 | 56,140,909 | 5,317,542 | 170,307 | 2,146,533 | 26,879,609 | 145,781,348 |
| At 31 March 2004 | 55,783,685 | 57,137,084 | 7,308,236 | 223,188 | 2,364,160 | 16,950,696 | 139,767,049 |

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

Notes to the Financial Statements

31 March 2005

| | Leasehold land \$ | Building/ structures, capital and other improvements \$ | Office equipment, furniture and fittings \$ | Laboratory and gardening equipment \$ | Motor vehicles \$ | Work-in- progress \$ | Total \$ |
|--------------------------------------|-------------------------|--|---|---|-------------------------|----------------------------|-------------|
| BOARD | | | | | | | |
| Cost: | | | | | | | |
| At 1 April 2004 | 60,935,129 | 84,689,861 | 24,910,914 | 870,411 | 6,291,443 | 16,950,696 | 194,648,454 |
| Additions | - | 15 | 884,590 | 15,229 | 363,721 | 14,431,152 | 15,694,707 |
| Transfers | - | 3,348,115 | 524,529 | - | - | (3,872,644) | - |
| Write-off* | - | - | - | - | - | (629,595) | (629,595) |
| Disposals | - | - | (539,565) | (12,500) | (382,591) | - | (934,656) |
| At 31 March 2005 | 60,935,129 | 88,037,991 | 25,780,468 | 873,140 | 6,272,573 | 26,879,609 | 208,778,910 |
| Accumulated depreciation: | | | | | | | |
| At 1 April 2004 | 5,151,444 | 27,552,777 | 17,638,501 | 647,223 | 3,927,283 | - | 54,917,228 |
| Charge for the year | 657,237 | 4,344,305 | 3,372,458 | 67,960 | 511,800 | - | 8,953,760 |
| Disposals | - | - | (512,831) | (12,350) | (313,043) | - | (838,224) |
| At 31 March 2005 | 5,808,681 | 31,897,082 | 20,498,128 | 702,833 | 4,126,040 | - | 63,032,764 |
| Depreciation charge for 2003/2004 | 654,491 | 4,166,345 | 4,509,190 | 81,978 | 486,202 | - | 9,898,206 |
| Carrying amount: | | | | | | | |
| At 31 March 2005 | 55,126,448 | 56,140,909 | 5,282,340 | 170,307 | 2,146,533 | 26,879,609 | 145,746,146 |
| At 31 March 2004 | 55,783,685 | 57,137,084 | 7,272,413 | 223,188 | 2,364,160 | 16,950,696 | 139,731,226 |

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

Notes to the Financial Statements

31 March 2005

14 Payables and Accruals

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Trade payables | 7,391,513 | 7,417,362 | 7,391,513 | 7,417,362 |
| Accrued operating expenses | 9,674,202 | 7,863,359 | 9,659,480 | 7,858,501 |
| Amount owing to Garden City Fund | 74,599 | - | 74,599 | - |
| Payable to the Ministry of National Development | 770,361 | 651,369 | 770,361 | 651,369 |
| Accrual for unutilised leave | 1,448,816 | 1,654,825 | 1,448,816 | 1,654,825 |
| GST payable | 620,101 | 696,072 | 620,101 | 696,072 |
| Other creditors | 236,256 | 460,574 | 269,864 | 441,867 |
| Subsidiary (Note 4) | - | - | - | 27,471 |
| | <u>20,215,848</u> | <u>18,743,561</u> | <u>20,234,734</u> | <u>18,747,467</u> |

15 Government Capital Grants Received in Advance

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Balance at 1 April | 802,289 | 50,169 | 802,289 | 50,169 |
| Grants received | 10,751,500 | 10,637,950 | 10,751,500 | 10,637,950 |
| Grants receivable | 1,680,846 | - | 1,680,846 | - |
| Less: Transfer to Deferred Capital Grants (Note 18) | (12,931,152) | (9,775,924) | (12,931,152) | (9,775,924) |
| Less: Refunded to Ministry of National Development | (150,238) | (4,618) | (150,238) | (4,618) |
| Less: Minor development expenses reimbursed | - | (105,268) | - | (105,268) |
| Add/Less: Others | (31,747) | (20) | (31,747) | (20) |
| Balance at 31 March | <u>121,498</u> | <u>802,289</u> | <u>121,498</u> | <u>802,289</u> |

Notes to the Financial Statements

31 March 2005

16 Deferred Revenue

| | GROUP | | BOARD | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Lease premium received in advance* | 2,298,612 | 2,381,945 | 2,298,612 | 2,381,945 |
| Current portion | 83,333 | 83,333 | 83,333 | 83,333 |
| Non-current portion | 2,215,279 | 2,298,612 | 2,215,279 | 2,298,612 |

* This represents the unamortised balance of a lease premium received in advance from a tenant.

17 Contribution to Consolidated Fund

With effect from 1 April 2003, the Board is required to make a contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A). This contribution is based on the net surplus for the financial year at the prevailing corporate tax rate for Year of Assessment 2005 of 20% (2003/2004: 22%).

18 Deferred Capital Grants

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Balance at 1 April | 139,472,348 | 139,593,968 | 139,472,348 | 139,593,968 |
| Add: Capital grants utilised | | | | |
| during the year (Note 15) | 12,931,152 | 9,775,924 | 12,931,152 | 9,775,924 |
| Transferred from Garden City Fund | 1,500,000 | - | 1,500,000 | - |
| Amount transferred from | | | | |
| government operating grants | | | | |
| utilised during the year (Note 22) | 1,263,534 | 850,450 | 1,263,534 | 850,450 |
| | 155,167,034 | 150,220,342 | 155,167,034 | 150,220,342 |
| Less: Deferred capital grants amortised | (9,620,665) | (10,747,994) | (9,620,665) | (10,747,994) |
| Balance at 31 March (including grants-in-kind less amortisation) | 145,546,369 | 139,472,348 | 145,546,369 | 139,472,348 |
| Total capital grants received (excluding grants-in-kind transfer from Garden City Fund) and utilised since establishment | 151,725,131 | 137,530,445 | 151,725,131 | 137,530,445 |

Notes to the Financial Statements

31 March 2005

19 Staff Costs

| | GROUP | | BOARD | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Number of employees at end of year | 770 | 781 | 765 | 775 |
| Wages and salaries | 34,513,018 | 32,072,092 | 34,041,836 | 31,815,278 |
| Employers' contribution to CPF | 3,811,203 | 4,138,939 | 3,762,774 | 4,114,218 |
| Other staff benefits | 687,428 | 1,241,971 | 687,428 | 1,241,971 |
| Pension costs | 640,492 | 584,297 | 640,492 | 584,297 |
| | 39,652,141 | 38,037,299 | 39,132,530 | 37,755,764 |

There are currently 24 (2003/2004: 31) employees of the Board who are under pension schemes other than CPF. The pension amount to be paid to each employee upon retirement under this scheme is dependent on, among other factors, the number of years of service and the last drawn salary. The pension costs are shared between the Board and the Accountant-General's Department.

20 Operating Deficit

In addition to the charges and credits disclosed elsewhere in the notes to the income and expenditure statement, this item includes the following charges (credit):

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Transport and travelling expenses | 821,827 | 825,692 | 821,827 | 825,692 |
| Research expenses | 218,171 | 168,858 | 218,171 | 168,858 |
| Property tax | 285,254 | 277,495 | 285,254 | 277,495 |
| Audit fees | 77,200 | 67,200 | 75,000 | 65,000 |
| Board honorarium and expenses | 40,232 | 38,668 | 40,232 | 38,668 |
| Property, plant and equipment written off (Note 13) | 629,595 | 600,606 | 629,595 | 600,606 |
| Loss on disposal of property, plant and equipment | 63,931 | 153,205 | 63,931 | 153,205 |
| Entertainment expenses | 9,284 | 3,310 | 4,068 | 3,310 |
| (Writeback) Allowance for doubtful debts on trade receivables | (527,271) | 533,332 | (527,271) | 533,332 |
| Bad debts written off | - | 12,442 | - | 12,442 |

Notes to the Financial Statements

31 March 2005

21 Interest Income

This relates to interest income from non-related parties.

22 Government Operating Grants

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Operating grants received during the year | 81,563,500 | 76,028,500 | 81,563,500 | 76,028,500 |
| Less: Amount transferred to Deferred Capital Grants (Note 18) | (1,263,534) | (850,450) | (1,263,534) | (850,450) |
| Amount taken to Income and Expenditure Statement | 80,299,966 | 75,178,050 | 80,299,966 | 75,178,050 |

Total operating grants received less transferred to Deferred Capital Grants since establishment are as follows:

| | GROUP | | BOARD | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Total at the beginning of the financial year | 601,319,476 | 526,141,426 | 601,319,476 | 526,141,426 |
| Add: Operating grants received during the year | 81,563,500 | 76,028,500 | 81,563,500 | 76,028,500 |
| Less: Amount transferred to Deferred Capital Grants during the year (Note 18) | (1,263,534) | (850,450) | (1,263,534) | (850,450) |
| Total at the end of the financial year | 681,619,442 | 601,319,476 | 681,619,442 | 601,319,476 |

Notes to the Financial Statements

31 March 2005

23 Income Tax Expense

The Board is required to make a contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) as mentioned in Note 17.

The subsidiary is in a tax loss position and has tax loss carryforwards and temporary differences from capital allowances available for offsetting against future taxable income as follows:

| | 2004/ 2005 \$ | 2003/ 2004 \$ |
|--|---------------------|---------------------|
| Tax loss carryforwards | | |
| Amount at beginning of year | 506,120 | - |
| Amount in current year | 527,617 | 506,120 |
| Amount at end of year | <u>1,033,737</u> | <u>506,120</u> |
| Deferred tax benefit on above not recorded | <u>206,747</u> | <u>101,224</u> |
| Temporary differences from capital allowances | | |
| Amount at beginning of year | 3,315 | - |
| Amount in current year | 4,565 | 3,315 |
| Amount at end of year | <u>7,880</u> | <u>3,315</u> |
| Deferred tax benefit on above not recorded | <u>1,576</u> | <u>663</u> |

The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined. Where provision for deferred tax arising from temporary differences has been offset against the above tax loss carryforwards, such provision for deferred tax will be required to be set up when the tax loss are utilised in the future.

Notes to the Financial Statements

31 March 2005

24 Contingent Liabilities

At the balance sheet date, significant contingent liabilities are as follows:

- a) Since the last financial year, the Singapore Land Authority (“SLA”) informed the Board that the Board has to pay a differential premium of \$7,849,027 for the addition in gross floor area of buildings in a park owned by the Board.
- i) SLA has reviewed and revised the differential premium payable by a tenant from \$2,806,374 to \$1,752,096 in respect of the addition in gross floor area of a building on the basis of a 30-year lease. The differential premium of \$1,752,096 incurred by the tenant has been paid directly to the SLA.
- ii) The Board is currently in the process of discussing the balance of the differential premium of \$5,042,653 with the SLA. Of this balance, the Board has paid \$1,881,533 to the SLA during the financial year for differential premium collected from a previous tenant in FY 1996/1997. Pending the outcome of the discussion, no provision for the balance of the differential premium of \$3,161,120 has been made in the financial statements.
- b) Various claims amounting to \$381,000 have been made against the Board in respect of third parties damages. These claims, for which no provision has been made in the financial statements, have been referred to the Board’s insurers for their assessment.

25 Capital Expenditure Commitments

Capital expenditure which have been approved by the Board and contracted for but not provided for in the financial statements are as follows:

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Amount approved and contracted for | 44,822,169 | 35,632,489 | 44,822,169 | 35,632,489 |
| Less: Amount for direct development expenditure to be reimbursed by Ministry of National Development | (20,543,913) | (7,467,142) | (20,543,913) | (7,467,142) |
| | 24,278,256 | 28,165,347 | 24,278,256 | 28,165,347 |

Notes to the Financial Statements

31 March 2005

26 Operating Lease Commitments

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Minimum lease payments under operating leases included in the income and expenditure statement | 1,814,468 | 1,890,995 | 1,778,087 | 1,860,511 |

At the balance sheet date, commitments in respect of non-cancellable operating leases for rental of premises were as follows:

| | GROUP | | BOARD | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2004/ 2005 \$ | 2003/ 2004 \$ | 2004/ 2005 \$ | 2003/ 2004 \$ |
| Future minimum lease payments payable: | | | | |
| Within one year | 1,339,352 | 1,470,328 | 1,339,352 | 1,459,328 |
| In the second to fifth year inclusive | 359,930 | 362,400 | 359,930 | 362,400 |
| Total | 1,699,282 | 1,832,728 | 1,699,282 | 1,821,728 |

27 Reclassifications and Comparative Figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements. The Board has previously classified Deferred Capital Grants under Equity on the face of the Balance Sheet. They are now classified under Non-Current Liabilities. The reclassification is made in furtherance to the requirements laid down in Finance Circular Minute No. M4/2005 dated 11 February 2005 issued by the Ministry of Finance. Comparative figures have been adjusted to conform with current year's presentation.