FINANCIAL STATEMENTS

STATEMENT BY THE BOARD

In our opinion,

(a) the accompanying consolidated financial statements of Info-communications Development Authority of Singapore (the “Authority”) and its subsidiaries (the “Group”) are properly drawn up in accordance with the provisions of the Info-communications Development Authority of Singapore Act (Cap. 137A, 2000 Revised Edition) (the “Act”) and Singapore Statutory Board Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Authority as at 31 March 2010, and of the results, changes in equity of the Group and the Authority and cash flows of the Group for the financial year ended on that date;

(b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise; and

(c) the receipt, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the financial year have been in accordance with the provisions of the Act.

ON BEHALF OF THE BOARD

Yong Ying-I	Ronnie Tay
Chairman	Chief Executive Officer

Singapore
9 July 2010

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE BOARD OF INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE

REPORT ON THE FINANCIAL STATEMENTS

We have audited the consolidated financial statements of the Info-communications Development Authority of Singapore (the "Authority") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Authority as at 31 March 2010, the statements of income and expenditure, the statements of comprehensive income and statements of changes in equity of the Group and the Authority, and the consolidated statement of cash flows of the Group for the year then ended; and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 54.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Info-communications Development Authority of Singapore Act (Cap. 137A, 2000 Revised Edition) (the "Act") and Singapore Statutory Board Financial Reporting Standards ("SB-FRS"). This responsibility includes:

(a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

(a) the consolidated financial statements of the Group and the statement of financial position, statement of income and expenditure, statement of comprehensive income and statement of changes in equity of the Authority are properly drawn up in accordance with the provisions of the Act and SB-FRS so as to give a true and fair view of the state of affairs of the Group and of the Authority as at 31 March 2010, and of the results and changes in equity of the Group and of the Authority and cash flows of the Group for the financial year ended on that date; and

(b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Deloitte & Touche LLP

Public Accountants and
Certified Public Accountants
Singapore

9 July 2010

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	NOTE	THE GROUP 2009/2010 $'000	THE GROUP 2008/2009 $'000	THE AUTHORITY 2009/2010 $'000	THE AUTHORITY 2008/2009 $'000
Capital and reserves					
Share capital	6	1	1	1	1
Capital account		356,165	356,165	356,165	356,165
Fair value changes reserve		4,665	3,630	–	–
Accumulated surplus		350,618	323,820	360,438	333,068
		711,449	683,616	716,604	689,234
Trust and agency funds	7	7,306	5,375	7,306	5,375
Represented by:					
Non-current assets					
Property, plant and equipment	8	6,058	4,866	5,570	4,134
Intangible assets	9	718	225	718	225
Subsidiaries	10	–	–	304,735	302,835
Deferred expenditure	11	3,115	3,118	3,115	3,118
Staff loans receivable after one year	12	–	1	–	1
Available-for-sale investments	13	10,668	8,144	–	–
Investments at fair value through profit or loss	14	261,440	173,120	143,605	34,966
		281,999	189,474	457,743	345,279
Current assets					
Trade receivables	15	74,687	33,563	74,179	33,311
Due from subsidiaries – Non-trade		–	–	4,972	1,341
Other receivables	16	9,606	7,625	7,713	6,440
Staff loans receivable within one year	12	4	6	4	6
Tax recoverable	17b	323	1,171	–	–
Investments at fair value through profit or loss	14	80,301	29,790	24,361	17,881
Derivative financial instruments	18	12	–	12	–
Cash and cash equivalents	19	722,540	826,533	599,285	685,251
		887,473	898,688	710,526	744,230

	NOTE	THE GROUP 2009/2010 $'000	THE GROUP 2008/2009 $'000	THE AUTHORITY 2009/2010 $'000	THE AUTHORITY 2008/2009 $'000
Less:					
Current liabilities					
Derivative financial instruments	18	220	–	220	–
Fees received in advance	20	48,000	47,233	46,304	45,698
Trade payables	21	52,422	20,191	52,328	20,116
Other payables	22	117,504	80,203	114,780	78,311
Advances and deposits		1,365	461	90	102
Grants received in advance	23	21,367	12,765	21,367	12,765
Income tax payable	17c	315	107	–	–
Provision for pension and medical benefits	24	3,117	3,236	3,117	3,236
Contribution payable to consolidated fund	25	7,739	3,287	7,739	3,287
		252,049	167,483	245,945	163,515
Less:					
Non-current liabilities					
Deferred capital grants					
– Government		2,709	245	2,709	246
Deferred income	20	165,687	198,040	165,496	197,860
Provision for pension and medical benefits	24	37,495	38,654	37,495	38,654
Deferred tax liabilities	17d	63	124	–	–
Derivative financial instruments	18	20	–	20	–
		205,974	237,063	205,720	236,760
Net assets of the Authority		711,449	683,616	716,604	689,234
Net assets of trust and agency funds	7	7,306	5,375	7,306	5,375

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

STATEMENTS OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

		THE GROUP		THE AUTHORITY	
	NOTE	2009/2010 $'000	2008/2009 $'000	2009/2010 $'000	2008/2009 $'000
Revenue					
Service fees	26	152,637	134,763	145,662	132,050
Licence and frequency fees	26	73,159	66,481	73,159	66,481
Interest income	27	8,444	19,134	5,110	12,174
Positive fair value changes on investments at fair value through profit or loss		6,228	1,063	169	–
Gain on disposal of available-for-sale investments		1	21	–	–
Other income	28	9,148	6,928	10,087	7,290
Standard ICT service fees		90,054	19,633	90,054	19,633
Gain on disposal of property, plant and equipment		6	–	6	–
Dividend income		1,611	1,550	–	–
Distributions from fund investments		168	–	–	–
Total revenue before development project income		341,456	249,573	324,247	237,628
Development project income	32	24,555	5,010	24,555	5,010
Total revenue		366,011	254,583	348,802	242,638
Less:					
Expenses					
Salaries, CPF and other contributions	29	154,731	135,599	146,934	131,454
Professional services		56,483	41,504	55,887	41,052
Regulatory and promotion expenses		2,776	3,736	2,757	3,735
Other expenses	30	15,149	10,851	14,701	10,649
Standard ICT charges		90,035	20,266	90,035	20,266
Rental expenses		16,063	14,601	15,914	14,339
Staff welfare and allowance		5,649	5,132	5,095	5,035
Repairs and maintenance		4,179	4,575	3,564	4,306
Overseas missions and meetings		2,900	3,188	1,963	2,453
Supplies and services		2,603	2,547	2,304	2,429
Staff training		3,774	3,305	3,742	3,289
Depreciation of property, plant and equipment	8	3,761	2,344	3,343	1,963

	NOTE	THE GROUP 2009/2010 $'000	THE GROUP 2008/2009 $'000	THE AUTHORITY 2009/2010 $'000	THE AUTHORITY 2008/2009 $'000
Provision for pension and medical benefits	24	1,839	1,156	1,839	1,156
Property, plant and equipment expensed off		945	267	910	265
Board members' allowance		301	253	191	193
Negative fair value changes on investments at fair value through profit or loss		5,793	32,566	–	1,568
Loss on disposal of available-for-sale investments-net		–	690	–	–
Foreign currency exchange loss		346	214	302	222
Allowance of impairment on trade receivables		4	15	4	15
Property, plant and equipment written off		–	10	–	10
Loss on disposal of investments at fair value through profit or loss–net	31	287	13,842	–	3,820
Impairment loss of available-for-sale investments		–	729	–	–
Total expenses before development fund expenses		367,618	297,390	349,485	248,219
Development fund expenses	32	39,287	37,944	39,287	37,944
Total expenses		406,905	335,334	388,772	286,163
Deficit before government grants		(40,894)	(80,751)	(39,970)	(43,525)
Government grants					
Operating grants		73,397	34,175	73,397	34,175
Development grants		10,689	27,521	10,689	27,521
	23	84,086	61,696	84,086	61,696
Deferred capital grants amortised		1,407	88	1,407	88
		85,493	61,784	85,493	61,784
Surplus (Deficit) before contribution to consolidated fund and income tax		44,599	(18,967)	45,523	18,259
Contribution to consolidated fund	25	(15,260)	(3,287)	(15,260)	(3,287)
Income tax recoverable	17a	352	1,181	–	–
Net surplus (deficit) for the year		29,691	(21,073)	30,263	14,972

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	NOTE	THE GROUP 2009/2010 $'000	THE GROUP 2008/2009 $'000	THE AUTHORITY 2009/2010 $'000	THE AUTHORITY 2008/2009 $'000
Net surplus (deficit) for the year		29,691	(21,073)	30,263	14,972
Other comprehensive income					
Fair value changes on available-for-sale investments		1,035	(74)	–	–
Reversal of provision for deferred tax liability arising from fair value changes in prior years no longer required	17d	–	531	–	–
Other comprehensive income for the year, net of tax		1,035	457	–	–
Total comprehensive income (loss) for the year		30,726	(20,616)	30,263	14,972

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	THE GROUP					THE AUTHORITY			
	SHARE CAPITAL $'000	CAPITAL ACCOUNT $'000	FAIR VALUE CHANGES RESERVE $'000	ACCUMULATED SURPLUS $'000	TOTAL $'000	SHARE CAPITAL $'000	CAPITAL ACCOUNT $'000	ACCUMULATED SURPLUS $'000	TOTAL $'000
Balance at 1 April 2008	–	356,165	3,173	352,857	712,195	–	356,165	326,060	682,225
Total comprehensive income (loss) for the year	–	–	457	(21,073)	(20,616)	–	–	14,972	14,972
Issue of share capital (Note 6)	1	–	–	–	1	1	–	–	1
Dividend paid for the year (Note 34)	–	–	–	(7,964)	(7,964)	–	–	(7,964)	(7,964)
Balance at 31 March 2009	1	356,165	3,630	323,820	683,616	1	356,165	333,068	689,234
Total comprehensive income for the year	–	–	1,035	29,691	30,726	–	–	30,263	30,263
Dividend paid for the year (Note 34)	–	–	–	(2,893)	(2,893)	–	–	(2,893)	(2,893)
Balance at 31 March 2010	1	356,165	4,665	350,618	711,449	1	356,165	360,438	716,604

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	NOTE	THE GROUP 2009/2010 $'000	THE GROUP 2008/2009 $'000
Operating activities			
Deficit before government grants		(40,894)	(80,751)
Adjustments for:			
Depreciation of property, plant and equipment	8	3,761	2,344
Amortisation of deferred expenditure	11	569	731
Amortisation of intangible assets	9	810	338
Impairment loss on available-for-sale investments	13	–	729
Net (gain) loss on disposal of available-for-sale investments		(1)	669
Net loss on disposal of investments at fair value through profit or loss		287	13,842
Allowance of impairment on trade receivables	15	9	15
Bad debts recovered	15	(5)	(5)
(Gain) Loss on disposal of property, plant and equipment		(6)	10
Provision for pension and medical benefit	24	1,839	1,156
Dividend income		(1,611)	(1,550)
Fair value changes on investments at fair value through profit or loss (net)		(435)	31,503
Interest income	27	(8,444)	(19,134)
Deficit before working capital changes		(44,121)	(50,103)
Add (Deduct) changes in working capital:			
Decrease in fees received in advance and deferred income		(31,586)	(14,211)
Increase in trade and other payables		68,337	13,775
Increase in advance and deposits		904	109
Increase in trade and other receivables		(43,964)	(10,882)
Net cash used in operations		(50,430)	(61,312)
Add (Deduct) cash flows from:			
Net staff loans received		3	10
Deferred expenditure paid		(566)	(194)
Pension and medical benefit paid	24	(3,117)	(3,236)
Income tax refund (paid)		1,347	(234)
Contributions to consolidated fund		(10,808)	(6,109)
Net cash used in operating activities		(63,571)	(71,075)

	NOTE	THE GROUP 2009/2010 $'000	2008/2009 $'000
Investing activities			
Net (payments) proceeds from purchase and sale of investments at fair value through profit or loss		(138,683)	227,198
Interest income received		9,358	20,386
Dividend income received		1,540	1,629
Net payments from purchase of available-for-sale investments		(1,488)	(348)
Proceeds on disposal of property, plant and equipment		649	–
Purchase of:			
Intangible assets	9	(595)	(351)
Property, plant and equipment		(4,869)	(2,730)
Net cash (used in) inflow from investing activities		(134,088)	245,784
Financing activities			
Operating and development grants received	23	96,559	65,975
Decrease in not available for general use fixed deposits		1,278	2,080
Issue of capital	6	–	1
Dividends paid	34	(2,893)	(7,964)
Net cash inflow from financing activities		94,944	60,092
Net (decrease) increase in cash and cash equivalents		(102,715)	234,801
Cash and cash equivalents at beginning of the financial year		784,643	549,842
Cash and cash equivalents at end of the financial year (Note A)		681,928	784,643

Note A

	2009/2010 $'000	2008/2009 $'000
Summary of cash and cash equivalents:		
Cash with AGD	716,105	–
Cash at bank	2,043	71,179
Fixed deposits	4,392	755,354
	722,540	826,533
Less: Cash at bank not available for general use (Note 19c)	(40,612)	(41,890)
	681,928	784,643

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

NOTES TO FINANCIAL STATEMENTS
31 MARCH 2010

1 GENERAL

The Info-communications Development Authority of Singapore (the "Authority") is a statutory board established in Singapore under the Info-communications Development Authority of Singapore Act (Cap. 137A, 2000 Revised Edition) on 1 December 1999.

As a statutory board, the Authority is subjected to the control of its supervisory ministry, Ministry of Information, Communications and The Arts (MICA), and is required to follow policy and instructions issued from time to time by MICA and other government ministries and departments such as the Ministry of Finance (MOF).

The Authority is domiciled in Singapore and has its registered office at 8 Temasek Boulevard, #14-00 Suntec Tower Three, Singapore 038988. The financial statements are expressed in Singapore dollars.

The principal activities of the Authority are:

(a) to develop and promote the efficiency and international competitiveness of the info-communications industry in Singapore;

(b) to ensure that the telecommunication services are readily accessible and delivered competitively at performance standards that meet the social, industrial and commercial needs of Singapore;

(c) to exercise licensing and regulatory functions in respect of telecommunication systems and services in Singapore;

(d) to promote the use of the internet, broadband and electronic commerce and to establish regulatory frameworks for that purpose;

(e) to plan, promote, develop and implement information and communications technology systems and services for government ministries, departments and agencies; and

(f) to provide consultancy and advisory services concerning info-communications technology.

The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

The consolidated financial statements of the Group and statement of financial position, statement of income and expenditure, statement of comprehensive income and statement of changes in equity of the Authority for the financial year ended 31 March 2010 were authorised for issue by the Board on 9 July 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND ADOPTION OF NEW AND REVISED STANDARDS – The consolidated financial statements of the Group are prepared under the historical cost convention, except as disclosed in accounting policies below, and are drawn up in accordance with the provisions of the Info-communications Development Authority of Singapore Act (Cap. 137A, 2000 Revised Edition) and SB-FRS, including INT SB-FRS and guidance notes.

In the current financial year, the Group has adopted all the new and revised SB-FRSs, INT SB-FRS and Guidance notes that are relevant to its operations and effective for annual periods beginning on or after 1 April 2009. The adoption of these new/revised SB-FRSs, INT SB-FRSs and Guidance notes does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below and in the notes to the financial statements:

SB-FRS 1 – Presentation of Financial Statements (Revised)
The revised SB-FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes details of transactions with owners, with all non-owner changes in equity, presented as a single line item. The revised standard also introduces the statement of comprehensive income. The requirement is to present all items of income and expenses, together with all other items of comprehensive income, either in one single statement of comprehensive income, or in two linked statements (a separate statement of income and expenditure followed by a statement of comprehensive income). The Group has opted to present the statement of comprehensive income in two linked statements. The revisions also include changes in the titles of some of the financial statements' primary statements.

Amendments to SB-FRS 107 – Financial Instruments: Disclosures
The amendments to SB-FRS 107 expanded the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

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

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Authority and all the entities (including special purpose entities) controlled by the Authority (its subsidiaries). Control is achieved where the Authority has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of a consolidated subsidiary are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

In the Authority's financial statements, investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in income or expenditure.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

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

NOTES TO FINANCIAL STATEMENTS
31 MARCH 2010

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

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

Financial assets at fair value through profit or loss (FVTPL)
Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL on inception.

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and SB-FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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

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

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

Impairment of financial assets

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

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

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

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

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

Derecognition of financial assets

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

NOTES TO FINANCIAL STATEMENTS

31 MARCH 2010

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or other financial liabilities.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and SB-FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in income or expenditure. The net gain or loss recognised in income or expenditure incorporates any interest paid on the financial liability. Fair value is determined in the manner described in Note 4(c).

Other financial liabilities

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into credit derivative swaps and other derivative financial instruments, when deemed necessary, to manage its exposure to credit risk and other risks.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in income or expenditure immediately.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in income or expenditure.

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 Group as lessee
Rentals payable under operating leases are charged to income or expenditure 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.

PROPERTY, PLANT AND EQUIPMENT – These are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of property, plant and equipment, other than capital work-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Equipment, furniture and fittings	–	3 to 10 years
Plant and machinery	–	5 to 7 years
Buildings	–	50 years

No depreciation is provided for capital work-in-progress.

Assets below $2,000 are expensed off in the year of purchase.

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

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset is recognised in income or expenditure.

DEFERRED EXPENDITURE – Expenditure incurred in providing scholarships is capitalised and stated at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis to write off the cost over the period of the scholarship bond from 4 to 6 years commencing from the year that the scholars commence employment with the Group.

INTANGIBLE ASSETS – Application software including software development costs are capitalised on the basis of the costs incurred to bring to use or develop the specific software. Direct expenditure which enhances or extends the performance of application software beyond its specifications and which can be reliably measured is recognised as a capital improvement and added to the original cost of the software.

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Application software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis to write off the cost of application software over their expected useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Application software below $10,000 is expensed off in the year of purchase.

IMPAIRMENT OF NON-FINANCIAL ASSETS – At the end of each reporting period, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset 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 in income or expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 in income or expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

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

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

GOVERNMENT GRANTS AND CONTRIBUTION RECEIVED – All government grants and contributions from other organisations are accounted for on the accrual basis.

Capital account
Government grants for the establishment of the Authority and investments in subsidiaries and in other investments are recorded in the capital account.

Operating grants
Government grants and contributions from other organisations to meet current financial year's operating expenditure are recognised as income in the same financial year.

Development grants
Government grants and contributions from other organisations for specific development project expenditure are recognised as deferred income on the statement of financial position and transferred to income or expenditure to match the development expenditure incurred during the financial year.

Deferred capital grants
Government grants and contributions from other organisations utilised for the purchase of depreciable assets are recorded in the deferred capital grants account (shown as liability in the statement of financial position). Deferred capital grants are recognised in income or expenditure in the periods necessary to match the depreciation of the assets purchased with the related grants. Upon disposal of these assets, the balance of the related deferred capital grants is recognised in income or expenditure to match the net book value of the assets written off.

TRUST AND AGENCY FUNDS – Moneys received from the Government and other organisations where the Authority is not the owner and beneficiary are accounted for as trust and agency funds. The receipts and expenditure in respect of agency funds are taken directly to the funds accounts and the net assets relating to these funds are shown as a separate line item on the statement of financial position. Trust and agency funds are accounted for on an accrual basis.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Service fees
Service fees are recognised when the services are rendered to customers, net of goods and services tax.

Long-term service contracts
Where the outcome of a long-term service contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that direct labour costs incurred for work performed to date relative to the estimated total direct labour costs, except where this would not be representative of the stage of completion.

Where the outcome of a long-term service contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Licence and frequency fees
Licence and frequency fees are recognised on the accrual basis over the validity period, except for certain types of fees that are recognised in the financial year in which they are received, net of goods and services tax, where applicable.

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

Dividend income
Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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

Provision for pension and medical benefits for eligible retired employees is estimated by management based on the most recent valuation by professional actuaries. For pension and medical benefits, the cost of providing benefits is determined using the Projected Unit Credit ("PUC") actuarial method, with actuarial valuations being carried out at the end of each reporting period. Under the PUC method, a "projected accrued benefit" is calculated for each benefit. For all active members of the Scheme, the "projected accrual benefit" is based on the Scheme's accrual formula and upon service as of the valuation date, but using the employee's Scheme salary, projected to the age at which the employee is assumed to leave active service. For inactive members, it is the total benefit. The defined benefit obligation/project benefit obligation/plan liability is the discounted present value of the "projected accrued benefits". The service cost is the corresponding value of benefits earned by active members over the year as a result of one more year of service. Any actuarial gain or loss arising from the valuation of pension provision is immediately recognised in income or expenditure under staff costs.

TERMINATION BENEFITS – Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises expense relating to termination benefits as a result of an offer made due to voluntary redundancy.

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.

CONTRIBUTION TO CONSOLIDATED FUND – The Authority is required to make contribution to the Consolidated Fund based on a percentage of the net surplus of the Authority (before donation) for each of financial year. The percentage of contribution is determined by the Ministry of Finance.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit of the subsidiaries for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Authority and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in income or expenditure, except when they relate to items credited or debited outside income or expenditure (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside income or expenditure (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS – The individual financial statements of each entity in the Group are measured and presented in Singapore dollars, which is the currency of the primary economic environment in which the Authority and its subsidiaries operate (functional currency) and the presentation currency of the consolidated financial statements.

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

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

CASH AND CASH EQUIVALENTS – Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

In the application of the Group's accounting policies, which are described in Note 2, management is required to exercise 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.

Critical judgement in determining whether impairment has set in

The Group follows the guidance of SB-FRS 39 in determining when an available-for-sale investment is impaired as opposed to a temporary aberration. This determination process requires significant judgement and the use of estimates by management. The Group evaluates, among other factors, the duration and the extent to which the fair value of an investment falls short of its carrying amount; the financial health and near term business outlook of the investee entity, including factors such as changes in technology, overall industry and sector performance; as well as operational and financial cash flows historically generated and forecasted to be generated by the investee entity.

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Available-for-sale investments in unquoted equity and fund management entities with carrying value of $10.668 million (2008/2009 : $8.144 million) as at 31 March 2010 are carried at fair value as set out in Note 13. Management regularly monitors these investments for indicators of impairment, including deteriorating financial performance, disorderly change in top management, key product failure, loss of major customers and other adverse news and reports on the investee entities. Management exercises judgement to determine whether impairment has set in based on all relevant information available, and where accessible, interviews conducted with management team of the investee entities. If the impairment is determined to have set in, the quantum of impairment loss is estimated based on internal guidelines.

During the financial year ended 31 March 2010, impairment losses amounting to $Nil (2008/2009 : $0.729 million) were recorded for this category of unquoted available-for-sale investments.

Other than the above, management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements apart from those involving estimates, which are dealt with below.

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(a) Provision for pension and medical benefits

The provision for pension and medical benefits is estimated by the management based on the most recent valuation by professional actuaries. If the discount rate used in the valuation increased or decreased by 0.5%, the carrying amount of the provision for pension and medical benefits would be approximately $1.670 million (2008/2009 : $1.766 million) lower or $1.797 million (2008/2009 : $1.902 million) higher respectively.

(b) Fair valuation of investments in the absence of quote prices in an active market

When an unquoted available-for-sale equity investment has progressed to a sufficiently matured stage of its business life cycle, the Group will endeavour to determine its fair value using valuation techniques. The Group uses valuation methodology which involves the formulation of assumptions and estimates. Such assumptions and estimates are based on market conditions existing at the end of the reporting period. The valuation methodology involves references to multiple financial ratios, e.g. price-earnings ratio, book-to-price ratio, of comparable companies that operate in similar industries as the investee entities, with adjustments when deemed appropriate and necessary by management for any difference in operational scale and other disparities. There is an inherent limitation to this valuation technique as no two enterprises are identical in size, product mix, stage of business life cycle, management team, to name a few. To the extent that the actual considerations taken into by market participants deviate from the assumptions and estimates made by the management at end of the reporting period, there exists the risk that the recorded value derived using the said methodology will not be reflective of the fair value.

For FVTPL investments, the Group estimates the fair value of investments that do not have an active market by using suitable valuation techniques and/or obtain price quotes from third parties. The valuation techniques attempt to establish what the transaction price would have been on the measurement date for which the financial instruments could be exchanged or settled between knowledgeable, willing parties in an arm's length transaction. Fair values of investments are disclosed in Notes 13 and 14 to the financial statements.

(c) Current income tax and deferred income tax

One of the subsidiaries of the Group is subject to Singapore income tax on gains on disposal of investments which are deemed to be of revenue in nature. Conversely, the subsidiary is not subject to Singapore income tax on gains which are deemed to be capital in nature. The decision as to whether the gain on disposal of investment is capital in nature is dependent on many factors including relevant supporting documents and concurrence of the Inland Revenue Authority of Singapore.

In determining the amount of income tax expense and the amount of deferred tax assets to be recognised on the unused tax losses which have yet to be agreed by the Inland Revenue Authority of Singapore, management exercises significant judgement in assessing whether the gains are likely to be accepted by the Inland Revenue Authority of Singapore as capital in nature; and in respect of losses, as revenue in nature and the extent of unutilised tax losses which may be used in the future to offset future forecasted income. Management's stance is to exercise the relevant degree of conservatism in the evaluation process. The potential unutilised tax losses as at the year end for which no deferred tax asset has been recorded in the financial statements is set out in Note 17 to the financial statements.

(d) Impairment of investment in subsidiaries

At the end of each reporting period, management reviews the carrying amounts of the investment in subsidiaries to determine whether there is any indication that the investment is impaired. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, management need to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of these investments based on such estimates and concluded that no impairment loss need to be recorded.

(e) Long-term service contracts

Revenue on long-term contracts is recorded on the percentage-of-completion basis. The percentage of completion is determined by dividing the direct labour costs incurred at the end of the reporting period by the sum of incurred direct labour costs and anticipated direct labour costs for completing a contract. The percentage of completion is then applied to the contract value to determine the cumulative revenue earned. This method of revenue recognition requires management to prepare cost estimates to complete contract in progress, and in making such estimates, judgements are required to evaluate contingencies such as potential variances in labours costs. Management has made adequate provision for all known or anticipated losses.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects on its financial performance. The Board provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including price risk, foreign exchange risk, interest rate risk), credit risk and liquidity risk. Such written policies are reviewed annually by the Board and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. As a policy, the Group does not hold or issue derivative financial instruments for speculative purposes. However, when the need arises, the Group may enter into credit derivative swaps to manage the credit exposure of some of the securities in the investment portfolio.

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(b) CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2009/2010 $'000	2008/2009 $'000
THE GROUP		
Financial Assets		
Investments at FVTPL	344,118	201,096
Credit derivatives at FVTPL	(2,377)	1,814
Loans and receivables (including cash and cash equivalents)	803,910	866,315
Available-for-sale investments	10,668	8,144
Derivative financial instruments at fair value	12	–
	1,156,331	1,077,369
Financial Liabilities		
Derivative financial instruments at fair value	240	–
Amortised cost	210,890	145,911
	211,130	145,911

	2009/2010 $'000	2008/2009 $'000
THE AUTHORITY		
Financial Assets		
Investments at FVTPL	167,966	52,847
Loans and receivables (including cash and cash equivalents)	683,307	725,065
Derivative financial instruments at fair value	12	–
	851,285	777,912
Financial Liabilities		
Derivative financial instruments at fair value	240	–
Amortised cost	208,265	143,706
	208,505	143,706

(c) MARKET RISK MANAGEMENT

Market risk refers to the risk arising from uncertainty in the future values of the financial instruments, resulting from movements in factors such as market interest rates, foreign exchange rates and equity prices.

The Group's primary exposure to market risk is associated with the future values of its available-for-sale investments, as well as other financial assets carried at FVTPL.

The Group manages the market risk by the close monitoring of the investment portfolio and regular review of the performance of each of the investment.

FAIR VALUE OF FINANCIAL INSTRUMENTS/EQUITY PRICE RISK MANAGEMENT

Fair value is defined as the amount at which a financial instrument could be exchanged between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. The following methods and assumptions are made to estimate the fair value of each class of financial instruments (where it is practicable to estimate that value).

i) Cash and cash equivalents/Trade and other receivables and payables

The carrying amount approximates the fair value due to the relatively short term maturity of these financial instruments.

ii) Available-for-sale investments and FVTPL investments

These investments are stated on the statement of financial position at their fair values, except that certain available-for-sale and FVTPL investments are carried at cost less allowance for impairment loss as their fair values cannot be reliably measured by alternative valuation methods.

Available-for-sale and FVTPL investments are fair valued using the following manners:

a) For investments quoted on the stock exchanges, they are fair valued at the close of business at the end of the reporting period by reference to the relevant stock exchanges quoted bid prices.

b) Unquoted investments are either fair valued at the:

i) initial public offering price; or

ii) transaction price of a new financing round if there is more than 20% interest acquired by an independent third party; or

iii) quotes from third parties and in house valuation.

c) For any other unquoted investments not listed in (b) and whose fair values cannot be reliably measured by alternative valuation methods described above, they are carried at cost less any impairment loss.

PRICE SENSITIVITY ANALYSIS

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk, which are further discussed below), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Group is exposed to market price risk arising from its investments in certain debt and equity securities. The management monitors the market risk on a regular basis.

At 31 March 2010, if market prices had been 10% higher with all other variables held constant, the increase in fair value of available-for-sale investments, and the corresponding increase in fair value reserves would have been $1.066 million (2008/2009 : $0.814 million), and the increase in fair value of the FVTPL investments, and the corresponding increase in surplus for the year would be $3.546 million (2008/2009 : deficit for the year would have been lower by $3.548 million). If market prices had been 10% lower with all other variables held constant, the fair value would have decreased by an equal amount.

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The estimated change in fair values above is based on an instantaneous increase or decrease of 10% for instruments at the reporting date, with all other variables remaining constant. 10% represents management's assessment of the possible change in market prices. The sensitivity analysis is for illustrative purposes only. In practice, market rates rarely change in isolation and are likely to be interdependent.

FOREIGN EXCHANGE RISK MANAGEMENT

The foreign exchange risk of the Group mainly arises from its investment activities. Certain of the Group's investments originated outside of Singapore, the primary economic environment of the Group, and are denominated in currencies other than Singapore dollars. As a result, there are foreign exchange exposures arising from the periodic fair valuation process, as well as upon settlement of purchases and sales of those investments. The Group holds investments in various foreign currencies, mainly in the United States dollars.

The Group uses forward exchange derivative financial instruments, where appropriate, to mitigate this risk. Further details on the forward exchange derivative financial instruments are found in Note 18 to the financial statements.

At the respective reporting dates, the carrying amounts of assets and liabilities that are denominated in currencies other than the Group entities' functional currencies are as follows:

	LIABILITIES		ASSETS	
	2009/2010 $'000	2008/2009 $'000	2009/2010 $'000	2008/2009 $'000
THE GROUP				
United States dollar	1,059	838	8,274	12,237
Pound Sterling	–	15	–	–
Swiss Franc	–	426	–	–
Chinese Renminbi	–	–	9	87
Qatari	–	–	15	43
Indian Rupee	–	–	12	57
THE AUTHORITY				
United States dollar	–	639	1	37
Pound Sterling	–	15	–	–
Swiss Franc	–	426	–	–
Chinese Renminbi	–	–	9	30
Qatari	–	–	15	43
Indian Rupee	–	–	12	57

Foreign currency sensitivity analysis

As highlighted above, the Group is mainly exposed to the United States dollars.

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against Singapore dollars, the functional currency of the respective entities within the Group. 5% represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes all outstanding foreign currency denominated monetary items and available-for-sale investments. This translation has been adjusted at the period end for a 5% change in foreign currency rate.

If the relevant foreign currencies were to weaken by 5% against the Singapore dollars, the functional currency of the Group, the surplus for the year (2008/2009 : deficit for the year will increase (decrease)) and fair value reserve will decrease (increase) by the following amounts:

	INCOME OR EXPENDITURE		FAIR VALUE RESERVE	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
THE GROUP				
United States dollar	128	372	232	198
Pound Sterling	–	(1)	–	–
Swiss Franc	–	(21)	–	–
Chinese Renminbi	1	4	–	–
Qatari	1	2	–	–
Indian Rupee	1	3	–	–
THE AUTHORITY				
United States dollar	–	(30)	–	–
Pound Sterling	–	(1)	–	–
Swiss Franc	–	(21)	–	–
Chinese Renminbi	1	1	–	–
Qatari	1	2	–	–
Indian Rupee	1	3	–	–

A 5% strengthening of the relevant foreign currencies against Singapore dollar would have resulted in an equal but opposite effect in income or expenditure and fair value reserve, on the basis that all other variables remain constant.

INTEREST RATE RISK MANAGEMENT

The Group has exposure to interest rate risks due to its investment in mid to long term external debt securities as well as bank deposits as further disclosed in Notes 14 and 19 to the financial statements.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for cash and cash equivalents and debt securities at the end of the reporting period. A 25 basis points for cash and bank balances and 100 basis points for debt securities increase or decrease represents management's assessment of the possible change in interest rates.

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i) *Cash and cash equivalents*

If interest rates had been 25 basis points higher or lower and all other variables were held constant, the Group's surplus for the year ended 31 March 2010 would increase/decrease by $1.801 million (2008/2009 : deficit for the year would decrease/increase by $1.888 million).

If interest rates had been 25 basis points higher or lower and all other variables were held constant, the Authority's surplus for the year ended 31 March 2010 would increase/decrease by $1.496 million (2008/2009 : surplus for the year would increase/decrease by $1.579 million).

ii) *Debt securities*

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's surplus for the year ended 31 March 2010 would decrease by $11.258 million (2008/2009 : deficit for the year would increase by $2.983 million). A reduction in interest rates by 100 basis points would increase the Group's surplus for the year by $11.548 million (2008/2009 : deficit for the year would decrease by $2.774 million).

If interest rates had been 100 basis points higher and all other variables were held constant, the Authority's surplus for the year ended 31 March 2010 would decrease by $5.153 million (2008/2009 : surplus for the year would decrease by $0.644 million). A reduction in interest rates by 100 basis points would increase the Authority's surplus for the year by $5.376 million (2008/2009 : surplus for the year would increase by $0.658 million).

The Group holds certain unquoted equity investments that carry embedded debt derivatives at fixed rates. The fair values of those derivatives would accordingly be impacted by any changes in interest rates. However, as the embedded derivatives are not capable of being separated from the host equity instruments, the fair values thereof cannot be reliably derived.

LIQUIDITY RISK MANAGEMENT

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

Derivative financial assets and liability

Details of the Group's derivative financial instruments are disclosed in Note 18 to the financial statements.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	ON DEMAND OR WITHIN 1 YEAR	WITHIN 2 TO 5 YEARS	AFTER 5 YEARS	ADJUSTMENT	TOTAL
	%	$'000	$'000	$'000	$'000	$'000
THE GROUP						
2009/2010						
Non-interest bearing	–	80,572	3,247	10,390	–	94,209
Floating interest rate instruments	–	716,105	–	–	–	716,105
Fixed interest rate instruments	2.81% - 3.56%	126,154	235,674	11,817	(25,263)	348,382
		922,831	238,921	22,207	(25,263)	1,158,696
2008/2009						
Non-interest bearing	–	110,975	7,747	9,145	–	127,867
Fixed interest rate instruments	0.68% - 3.91%	775,934	192,166	12,225	(32,637)	947,688
		886,909	199,913	21,370	(32,637)	1,075,555
THE AUTHORITY						
2009/2010						
Non-interest bearing	–	83,327	–	–	–	83,327
Floating interest rate instruments	–	598,540	–	–	–	598,540
Fixed interest rate instruments	3.18%	28,863	145,385	–	(4,842)	169,406
		710,730	145,385	–	(4,842)	851,273
2008/2009						
Non-interest bearing	–	93,593	–	–	–	93,593
Fixed interest rate instruments	0.76% - 4.24%	636,148	56,617	–	(8,446)	684,319
		729,741	56,617	–	(8,446)	777,912

Non-derivative financial liabilities

The Group's non-derivative financial liabilities as shown on the statement of financial position and in the respective notes to the financial statements are non-interest bearing and repayable on demand or within one year from the end of the reporting period.

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FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

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

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

INVESTMENTS MEASURED AT FAIR VALUE

THE GROUP

	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets				
2009/2010				
Financial assets at FVTPL	341,741	180,876	157,014	3,851
Derivative financial instruments	12	–	12	–
Available-for-sale investments	10,668	–	–	10,668
Total	352,421	180,876	157,026	14,519
Financial liabilities				
2009/2010				
Derivative financial instruments	240	–	240	–

THE AUTHORITY

	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets				
2009/2010				
Financial assets at FVTPL	167,966	143,605	24,361	–
Derivative financial instruments	12	–	12	–
Total	167,978	143,605	24,373	–
Financial liabilities				
2009/2010				
Derivative financial instruments	240	–	240	–

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

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE CLASSIFIED AS LEVEL 3

	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE INVESTMENTS	TOTAL
	$'000	$'000	$'000
THE GROUP			
2009/2010			
Opening balance	9,510	8,144	17,654
Total loss in income or expenditure	(5,659)	–	(5,659)
Disposals during the year	–	(452)	(452)
Total gain in other comprehensive income	–	1,035	1,035
Purchases	–	1,941	1,941
Closing balance	3,851	10,668	14,519
Total loss for the period included in income or expenditure for assets held at the end of the reporting period	(5,659)	–	(5,659)
Total gain for the period included in income or expenditure for assets held at the end of the reporting period	–	1,035	1,035

CREDIT RISK MANAGEMENT

Credit risks, or the risk of counterparties defaulting, are controlled by the application of regular monitoring procedures. The extent of the Group's credit exposure is represented by the aggregate balance of cash and cash equivalents, receivables and investment in debt securities.

The Group places funds with AGD (Accountant General's Department) and reputable financial institutions. It is the policy of the Group to invest only in securities based on the criteria approved by the Investment Committee.

When the need arises, the Group may enter into credit derivative swaps to manage the credit exposure arising from its investment in debt securities.

The Group

At 31 March 2010, if credit swaps points had been 100 basis points higher with all other variables held constant, the fair value of the investments at FVTPL would decrease, and the corresponding decrease in surplus for the year would be $10.643 million (2008/2009 : deficit for the year would have been higher by $2.464 million). If credit swaps points had been 100 basis points lower with all other variables held constant, the investments at FVTPL would increase, and the corresponding increase in surplus for the year would be $10.903 million (2008/2009 : deficit for the year would have been lower by $2.006 million).

The Authority

At 31 March 2010, if credit swaps points had been 100 basis points higher with all other variables held constant, the fair value of the investments at FVTPL would decrease, and the corresponding decrease in surplus for the year would be $5.153 million (2008/2009 : surplus for the year would have been lower by $0.644 million). If credit swaps points had been 100 basis points lower with all other variables held constant, the investments at FVTPL would increase, and the corresponding increase in surplus for the year would be $5.376 million (2008/2009 : surplus for the year would have been higher by $0.658 million).

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity as detailed in the statement of changes in equity.

The Group reviews its capital structure at least annually. As part of this review, the Group considers the cost of capital and risks associated with it. There have been no changes to the Group's overall capital policy as compared to 2008/2009.

5 SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Authority'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.

Under SB-FRS 24 – Related Party Disclosures, the Authority is exempted from disclosure of transactions and balances with other state-controlled entities. Accordingly, transactions and balances with government ministries, statutory boards and government-linked companies have not been disclosed in these financial statements.

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COMPENSATION OF KEY MANAGEMENT PERSONNEL
The remuneration of members of key management during the year was as follows:

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Short term benefits	7,484	6,458	4,840	4,786
Post employment benefits	180	173	112	121
Total	7,664	6,631	4,952	4,907

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

During the year, the key management personnel entered into the following trading transactions with related parties:

	AMOUNTS OWED BY RELATED PARTIES		AMOUNTS OWED TO RELATED PARTIES	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Non-state owned entities	2,213	18	27,667	55

6 SHARE CAPITAL

	THE GROUP AND AUTHORITY			
	2009/2010	2008/2009	2009/2010	2008/2009
	NUMBER OF SHARES		$'000	$'000
Issued and fully paid up:				
At beginning of year	1,000	–	1	–
Issuance of shares	–	1,000	–	1
At end of year	1,000	1,000	1	1

In 2008/2009, the Authority issued 1,000 shares at $1.00 each as part of the Capital Management Framework for Statutory Boards under Finance Circular Minute M26/2008. The shares have been fully paid for and are held by the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183).

The holders of these shares are entitled to receive dividends as and when declared by the Authority. The shares carry neither voting rights nor par value.

7 TRUST AND AGENCY FUNDS

Trust and agency funds represent moneys received in trust and managed by the Authority as agent on behalf of or under instructions from the principals which comprise the Government and other statutory boards. The activities carried out in these funds include those relating to the Authority's function as the Government Chief Information Office ("GCIO"), and programmes to promote the development of the info-communications industry. The receipts and expenditure relating to the funds are taken directly to the funds accounts.

The movements and net assets in these funds are as follows:

	THE GROUP AND AUTHORITY	
	2009/2010	2008/2009
	$'000	$'000
Balance at beginning of financial year	5,375	3,090
Receipts	172,472	123,044
Expenditures	(170,549)	(120,759)
Interest income	8	–
Balance at end of financial year	7,306	5,375
Represented by:		
Cash and cash equivalents	3,535	3,815
Fixed deposit	6,334	2,000
Interest receivable	6	–
Trade and other payables	(2,569)	(440)
Net assets	7,306	5,375

8 PROPERTY, PLANT AND EQUIPMENT

	EQUIPMENT, FURNITURE AND FITTINGS	PLANT AND MACHINERY	BUILDINGS	CAPITAL WORK-IN-PROGRESS	TOTAL
	$'000	$'000	$'000	$'000	$'000
THE GROUP					
Cost:					
At 1 April 2008	22,195	5,970	809	164	29,138
Additions	3,074	182	–	988	4,244
Disposals	(2,060)	(28)	–	–	(2,088)
At 31 March 2009	23,209	6,124	809	1,152	31,294
Additions	5,889	201	–	214	6,304
Disposals	(1,315)	(55)	–	–	(1,370)
Reclassification	380	64	–	(444)	–
Reclassification to intangible asset	–	–	–	(708)	(708)
At 31 March 2010	28,163	6,334	809	214	35,520

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	EQUIPMENT, FURNITURE AND FITTINGS $'000	PLANT AND MACHINERY $'000	BUILDINGS $'000	CAPITAL WORK-IN-PROGRESS $'000	TOTAL $'000
Accumulated depreciation:					
At 1 April 2008	21,040	4,313	809	–	26,162
Depreciation for the year	1,459	885	–	–	2,344
Disposals	(2,050)	(28)	–	–	(2,078)
At 31 March 2009	20,449	5,170	809	–	26,428
Depreciation for the year	3,078	683	–	–	3,761
Disposals	(674)	(53)	–	–	(727)
At 31 March 2010	22,853	5,800	809	–	29,462
Carrying amount:					
At 31 March 2010	5,310	534	–	214	6,058
At 31 March 2009	2,760	954	–	1,152	4,866
THE AUTHORITY					
Cost:					
At 1 April 2008	20,684	5,970	809	164	27,627
Additions	1,988	181	–	988	3,157
Disposals	(1,519)	(28)	–	–	(1,547)
At 31 March 2009	21,153	6,123	809	1,152	29,237
Additions	5,746	202	–	183	6,131
Disposals	(1,292)	(55)	–	–	(1,347)
Reclassification	380	64	–	(444)	–
Reclassification to intangible asset	–	–	–	(708)	(708)
At 31 March 2010	25,987	6,334	809	183	33,313
Accumulated depreciation:					
At 1 April 2008	19,555	4,313	809	–	24,677
Depreciation for the year	1,078	885	–	–	1,963
Disposals	(1,509)	(28)	–	–	(1,537)
At 31 March 2009	19,124	5,170	809	–	25,103
Depreciation for the year	2,660	683	–	–	3,343
Disposals	(650)	(53)	–	–	(703)
At 31 March 2010	21,134	5,800	809	–	27,743
Carrying amount:					
At 31 March 2010	4,853	534	–	183	5,570
At 31 March 2009	2,029	953	–	1,152	4,134

The Authority has legal title to the land and building that is presently the Singapore Philatelic Museum ("SPM"), with an original cost amounting to $3.179 million (2008/2009 : $3.179 million), and carrying amount of $1 (2008/2009 : $1) as at 31 March 2010. The Authority is holding the land and building in trust for the operations of the Singapore Philatelic Museum on behalf of the National Heritage Board.

Capital work-in-progress represents equipment installation in progress, which upon completion, will be reclassified to the relevant asset categories.

9 INTANGIBLE ASSETS

	THE GROUP AND AUTHORITY	
	2009/2010	2008/2009
	$'000	$'000
Cost:		
Balance at beginning of financial year	5,575	6,299
Additions	595	351
Reclassification from capital work-in-progress	708	–
Disposals	(48)	(1,075)
Balance at end of financial year	6,830	5,575
Accumulated amortisation:		
Balance at beginning of financial year	5,350	6,087
Amortisation for the financial year (Note 30)	810	338
Disposals	(48)	(1,075)
Balance at end of financial year	6,112	5,350
Carrying amount:		
Balance at end of financial year	718	225

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10 SUBSIDIARIES

	THE AUTHORITY 2009/2010 $'000	THE AUTHORITY 2008/2009 $'000
(a) Unquoted shares, at cost	304,735	302,835

(b) The subsidiaries, which are all incorporated in Singapore, are as follows:

NAME	PRINCIPAL ACTIVITIES	COST OF INVESTMENT 2009/2010 $'000	COST OF INVESTMENT 2008/2009 $'000	PROPORTION OF OWNERSHIP INTEREST AND VOTING POWER HELD 2009/2010 %	PROPORTION OF OWNERSHIP INTEREST AND VOTING POWER HELD 2008/2009 %
Infocomm Investments Pte Ltd	Investment holding and investment management	291,022	291,022	100	100
Singapore Network Information Centre (SGNIC) Pte Ltd	Registry of internet domain names	3,813	3,813	100	100
IDA International Pte Ltd	Provide consultancy services to foreign governments and public agencies as part of its overall charter to develop, collaborate and promote the Singapore local infocomm enterprises overseas	9,900*	8,000	100	100
		304,735	302,835		

* During the financial year, the Authority subscribed to 1,900,000 ordinary shares for $1 each for cash.

All subsidiaries of the Group are audited by Deloitte & Touche LLP, Singapore.

11 DEFERRED EXPENDITURE

	THE GROUP AND AUTHORITY 2009/2010 $'000	THE GROUP AND AUTHORITY 2008/2009 $'000
Cost:		
Balance at beginning of financial year	6,428	6,232
Additions	1,113	498
Written-off	(547)	(302)
Balance at end of financial year	6,994	6,428
Accumulated amortisation:		
Balance at beginning of financial year	3,310	2,579
Amortisation for the financial year (Note 30)	569	731
Balance at end of financial year	3,879	3,310
Carrying amount:		
Balance at end of financial year	3,115	3,118

12 STAFF LOANS RECEIVABLES

	THE GROUP AND AUTHORITY 2009/2010 $'000	2008/2009 $'000
Other loans	4	7
Amounts due within one year	(4)	(6)
Amounts due after one year	-	1

Other loans which include computers and renovation, are repayable by monthly instalments over a period of 2 to 7 years at Nil interest (2008 : Nil) and 5% (2008/2009 : 5%) interest per annum respectively.

13 AVAILABLE-FOR-SALE INVESTMENTS

	THE GROUP 2009/2010 $'000	2008/2009 $'000	THE AUTHORITY 2009/2010 $'000	2008/2009 $'000
(a) Fund investments, at fair value	3,248	3,975	–	–
(b) Unquoted equity shares, at fair value	7,420	4,169	–	–
(c) Unquoted equity shares, at cost	1,602	2,592	–	–
Less: Impairment loss	(1,602)	(2,592)	–	–
Total	10,668	8,144	–	–

Fund investments at fair value include impairment losses amounting to $9.182 million (2008/2009 : $9.182 million). The fair value of the underlying funds held by the portfolio fund is based on the unaudited net asset values of the underlying funds provided by the administrator of those funds. When the audit of the underlying fund is completed, the value may change.

Some investments in unquoted equity shares, at cost, represent equity interest in companies that are involved in start up activities in the information and communication technologies sectors which have a gestation period of at best 3 to 5 years. The fair value estimates of these investments generated by the various valuation models cannot be reliably estimated as the range of fair values varied significantly. Accordingly, these investments are stated at cost less impairment loss.

Movement in allowance for impairment loss during the year are as follows:

	THE GROUP 2009/2010 $'000	2008/2009 $'000	THE AUTHORITY 2009/2010 $'000	2008/2009 $'000
(a) Fund investments				
At beginning of financial year	9,182	8,976	–	–
Disposal	–	(523)	–	–
Charged to income or expenditure	–	729	–	–
At end of the financial year	9,182	9,182	–	–

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	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
(b) Unquoted equity shares				
At beginning of financial year	2,592	13,312	–	–
Eliminated on disposal of investments	(990)	(10,720)	–	–
At end of the financial year	1,602	2,592	–	–

The Group's available-for-sale investments which are not denominated in the functional currency of the respective entities are as follows:

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
United States dollar	4,650	3,247	–	–

14 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
(a) At fair value				
Quoted – Preference shares	32,496	26,715	–	–
Quoted – Debt securities	287,305	141,420	167,966	52,847
Unquoted – Debt securities	21,940	34,775	–	–
Total	341,741	202,910	167,966	52,847
(b) Classified as				
– Current	80,301	29,790	24,361	17,881
– Non-current	261,440	173,120	143,605	34,966
Total	341,741	202,910	167,966	52,847

Subsequent to the end of the current reporting period, one of the unquoted debt securities with a fair value of $2.104 million as at 31 March 2010 was sold off in May 2010 at approximately its carrying value.

Investments at FVTPL represent financial assets held by the Group which are designated as FVTPL on inception as the management is of the view that the performance of these investments are monitored on the basis of fair value, and/or financial instruments with embedded derivatives that require bifurcation pursuant to SB-FRS 39. For the latter, these are mainly debt instruments and preference shares that are equity in nature, and which carry a right to demand certain fixed returns upon the trigger of some performance events. Where the embedded derivatives are not capable of being measured separately from the host contracts, either at inception or at subsequent reporting periods, the entire contract is designated as FVTPL.

i) Investments in quoted preference shares and quoted equity shares offer the Group the opportunity for returns through dividend income and fair value gains. They have no fixed maturity or coupon rates. The fair value of these instruments are based on the quoted closing market prices (bid prices) on the last day of the financial year.

ii) The fair value of the quoted debts securities are based on the quotes readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency on the last day of the financial year.

iii) Included in the unquoted debts securities at fair value are instruments amounting to $15.533 million (2008/2009 : $26.015 million) which were acquired with embedded credit derivatives. The fair values of the embedded credit derivatives and the unquoted debt securities are based on the average of the price quoted by the banks, independent external valuers based on their proprietary valuation models and the Group's in-house valuation model.

Quoted and unquoted debt securities with principal amounts of $304.686 million (2008/2009 : $179.650 million) bear interest at fixed rates. They have effective interest rates ranging from 2.25% to 5.50% (2008/2009 : 3.19% to 5.50%) per annum and have maturity dates ranging from May 2010 to September 2019 (2008/2009 : June 2009 to September 2019).

The Group's investments carried at FVTPL which are not denominated in the functional currencies of the respective entities are as follows:

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
United States dollar	2,244	8,035	–	–

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15 TRADE RECEIVABLES

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Outside parties	74,687	33,563	74,179	33,311

The average credit period on sales of services is 30 days (2008/2009 : 30 days). No interest is charged on the overdue trade receivables.

The table below is an analysis of trade receivables as at the end of the reporting period:

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Not past due and not impaired	63,349	30,105	62,841	29,853
Past due but not impaired (i)	11,338	3,458	11,338	3,458
Impaired receivables - individually assessed (ii)	22	18	22	18
Less: Provision for impairment	(22)	(18)	(22)	(18)
Total trade receivables, net	74,687	33,563	74,179	33,311

Included in the Group's trade receivable balance are debtors with a carrying amount of $11.338 million (2008/2009 : $3.458 million) which are past due at the end of the reporting period for which the Group has not provided as more than 90% (2008/2009 : 90%) of the balance belongs to Government Organisations ("GO") and the amounts are still considered recoverable as the risk of default of receivables from GOs is low. The Group does not hold any collateral over these balances. The average age of these receivables are 55 days (2008/2009 : 44 days).

(i) These amounts are stated before any deduction for impairment losses.

(ii) These receivables are not secured by any collateral or credit enhancements.

MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS

	THE GROUP	
	2009/2010 $'000	2008/2009 $'000
Balance at beginning of the year	18	8
Amounts recovered during the year	(5)	(5)
Increase in allowance recognised in income or expenditure	9	15
Balance at end of the year	22	18

Trade receivables that are not denominated in the functional currencies of the respective entities in the Group are as follows:

	THE GROUP		THE AUTHORITY	
	2009/2010 $'000	2008/2009 $'000	2009/2010 $'000	2008/2009 $'000
Denominated in:				
United States dollar	701	195	–	–
Chinese Renminbi	–	57	–	–

16 OTHER RECEIVABLES

	THE GROUP		THE AUTHORITY	
	2009/2010 $'000	2008/2009 $'000	2009/2010 $'000	2008/2009 $'000
Sundry debtors and deposit	3,546	2,311	3,209	2,236
Interest receivables	2,610	3,524	1,658	2,919
Dividend receivables	515	444	–	–
Prepayment	2,935	1,346	2,846	1,285
Total	9,606	7,625	7,713	6,440

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17 TAX RECOVERABLE AND INCOME TAX PAYABLE

(a) The Group's income tax relates wholly to the subsidiaries of the Authority. The Group's income tax benefit is made up as follows:

	THE GROUP	
	2009/2010	2008/2009
	$'000	$'000
Current income tax	315	90
Deferred taxation	(61)	(936)
	254	(846)
Overprovision in prior financial years - current income tax	(606)	(335)
Total	(352)	(1,181)

The income tax benefit varied from the amount of income tax benefit determined by applying the Singapore income tax rate of 17% (2008/2009 : 17%) to loss before income tax of the subsidiaries due to the following factors:

	THE GROUP	
	2009/2010	2008/2009
	$'000	$'000
Surplus (Deficit) before contribution to consolidated fund and income tax	44,599	(18,967)
Surplus of the Authority subject to contribution to consolidated fund	(45,523)	(18,259)
Loss before income tax of the subsidiaries	(924)	(37,226)
Income tax benefit at statutory rate	(157)	(6,328)
Expenses exempted for tax purposes	(26)	(26)
Effect of concessionary tax rate	(144)	2,175
Non-taxable item	14	25
Income not subject to tax	(274)	(263)
Utilisation of prior years' tax losses carry forward	(96)	–
Tax benefits on current year losses not recorded	881	4,079
Deferred tax assets not recognised	–	(508)
Foreign tax	56	–
Overprovision in the prior financial years	(606)	(335)
Net	(352)	(1,181)

A subsidiary of the Group invested in certain debt financial instruments which generate income that are taxed at a concessionary tax rate of 10% (2008/2009 : 10%).

As at 31 March 2010, a subsidiary of the Group has unused tax losses with tax benefits amounting to approximately $2.887 million (2008/2009 : $3.240 million) under the 10% concessionary tax category and tax benefit of $3.660 million (2008/2009 : $2.166 million) under the full corporate tax category. Another subsidiary of the Group has unused tax losses with tax benefits amounting to approximately $8.416 million (2008/2009 : $3.231 million) and tax benefit of $1.430 million (2008/2009 : $0.549 million) under the full corporate tax category. These subsidiaries have not recognised any deferred tax asset in respect of such tax losses which may be available for offsetting against profits as there is no certainty that the tax losses will be realised in the foreseeable future.

(b) Movements in tax recoverable

	THE GROUP 2009/2010 $'000	THE GROUP 2008/2009 $'000
Balance at beginning of the financial year	1,171	936
Tax refund received	(1,461)	–
Tax deducted at source	–	531
Reclassification from income tax payable	613	(296)
Balance at end of the financial year	323	1,171

(c) Movements in income tax payable

Balance at beginning of the financial year	107	882
Over provision in respect of prior financial years	(606)	(335)
Income tax paid during the year	(114)	(234)
Current year tax provision	315	90
Reclassified to tax recoverable	613	(296)
Balance at end of the financial year	315	107

(d) Movements in deferred taxation

Balance at beginning of the financial year	124	1,060
Tax (credit) charge to income or expenditure	(61)	120
Write back of deferred tax no longer required	–	(525)
Provision for deferred tax liability arising from fair value changes in prior years no longer required	–	(531)
Balance at end of the financial year	63	124

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18 DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP AND AUTHORITY	
	ASSETS	LIABILITIES
	2009/2010	2009/2010
	$'000	$'000
Forward foreign exchange contracts	12	240
Classified as		
– Current	12	220
– Non-current	–	20
	12	240

The Group utilises forward foreign exchange contracts to hedge significant future foreign currency transactions and cash flows. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

At the end of the reporting period, the notional amount of outstanding foreign exchange contracts to which the Group has committed are as follows:

Foreign Currency Contract Value

	FOREIGN CURRENCY		CONTRACT VALUE	
	2009/2010	2008/2009	2009/2010	2008/2009
	FC'000	FC'000	$'000	$'000
Sell United States dollar	5,600	–	7,855	–
Buy Swiss Franc	7,875	–	10,563	–

19 CASH AND CASH EQUIVALENTS

(a)

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Cash with AGD	716,105	–	598,540	–
Fixed deposits with financial institutions	4,392	755,354	–	631,471
Bank and cash balances	2,043	71,179	745	53,780
Total	722,540	826,533	599,285	685,251

The cash with AGD (Accountant General's Department) is centrally maintained as a consolidated pool under the terms and conditions prescribed by AGD. The funds are interest bearing and are available upon request by the Group.

The fixed deposits with financial institutions mature within 12 months (2008/2009 : 1 to 12 months).

The effective interest rate of these deposits was 0.64% (2008/2009 : 0.28% - 0.76%) per annum.

Cash and cash equivalents that are not denominated in the functional currencies of the respective entities within the Group are as follows:

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
United States dollar	679	45	1	37
Chinese Renminbi	9	30	9	30
Qatari	15	43	15	43
Indian Rupee	12	57	12	57

(b) Included in cash and cash equivalents of the Group and Authority is an amount of $Nil (2008/2009 : $236.360 million) which is earmarked for investment in securities.

(c) Cash and cash equivalents of the Group and Authority include an amount of approximately $40.610 million (2008/2009 : $41.890 million) earmarked for payment of pension and medical benefits to pensioners.

20 FEES RECEIVED IN ADVANCE AND DEFERRED INCOME

Fees received in advance comprise mainly annual licence fees received in advance from licensees and initial licence and frequency fees that are to be recognised in income or expenditure in the following financial year. Deferred income relates to the initial licence and frequency fees that are to be recognised in income or expenditure after the following financial year and over the remaining period of the licence.

21 TRADE PAYABLES

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Outside parties	52,422	20,191	52,328	20,116

The average credit period is 30 days (2008/2009 : 30 days).

Trade payables that are not denominated in the functional currencies of the respective entities within the Group are as follows:

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Pound Sterling	–	15	–	15
Swiss Franc	–	426	–	426
United States dollar	–	838	–	639

NOTES TO FINANCIAL STATEMENTS
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22 OTHER PAYABLES

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Accrual of expenses under development funds	12,482	15,125	12,482	15,125
Accrual for payroll related expenses	44,874	43,307	42,708	42,092
Accrual for operating and other expenses	57,199	20,257	56,641	19,580
Accrual for purchase of fixed assets	2,949	1,514	2,949	1,514
Total	117,504	80,203	114,780	78,311

Other payables that are not denominated in the functional currencies of the respective entities within the Group are as follows:

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
United States dollar	1,059	–	–	–

23 OPERATING AND DEVELOPMENT GRANTS – GOVERNMENT

	THE GROUP AND AUTHORITY	
	2009/2010	2008/2009
	$'000	$'000
Balance at beginning of the financial year	12,765	8,486
Operating grants – Government	75,130	33,262
Development grants – Government	21,429	32,713
Net grants received during the financial year	96,559	65,975
Transfer to deferred capital grants	(3,871)	–
Grants received in advance	(21,367)	(12,765)
Grants recognised in income or expenditure	84,086	61,696

24 PROVISION FOR PENSION AND MEDICAL BENEFITS

	THE GROUP AND AUTHORITY	
	2009/2010	2008/2009
	$'000	$'000
Balance at beginning of the financial year	41,890	43,970
Provision for the financial year	1,839	1,156
Payments during the financial year	(3,117)	(3,236)
Net	40,612	41,890
Amounts due within one year	(3,117)	(3,236)
Amounts due after one year	37,495	38,654

Amounts recognised in income or expenditure in respect of the defined benefit plan are as follows:

	THE GROUP AND AUTHORITY	
	2009/2010 $'000	2008/2009 $'000
Interest cost	582	815
Actuarial loss for the year	1,257	341
	1,839	1,156

The provision has been estimated by management based on the latest valuation of the pension scheme as at 31 March 2010 and 2009 performed by an independent firm of professional actuaries.

The principal assumptions used by the professional actuaries in determining the pension and medical benefits are as follows:

	2009/2010	2008/2009
Discount rate	1.3%	1.5%
Mortality age	88 years	88 years
Medical inflation rate	5.0%	5.0%

25 CONTRIBUTION PAYABLE TO CONSOLIDATED FUND

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

The total contribution for the year can be reconciled to the net surplus (before donations) as follows:

	THE GROUP AND AUTHORITY	
	2009/2010 $'000	2008/2009 $'000
Surplus of the Authority before donations and contribution to consolidated fund	45,523	18,259
Contribution at 17%* (2008/2009 : 18%*)	7,739	3,287
Additional contribution	7,521	–
	15,260	3,287

In the current year, there was an additional contribution to the consolidated fund amounting to $7.521 million which arose from the return of surplus on the central procurement function operated by IDA-GCIO. To better utilise the funds efficiently, MOF approved the contribution of the amount to the consolidated fund.

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26 REVENUE

(a) Service fees are fees charged for professional services and data centre facilities rendered mainly to government ministries and statutory boards.

(b) Licence fees comprise annual fees, initial fees and fees set aside for development projects. Annual fees are charged to the service providers in Singapore based on either a percentage of their annual gross turnover of the services provided by the service providers or a flat fee, depending on the types of licence issued. Initial fees are one-off fees charged to certain service providers for their long term licences and are recognised over the period of the licences.

(c) Frequency fees are mainly fees charged for the use of radio frequency spectrum for telecommunication, broadcasting and other radio networks. Fees set aside for development projects are recognised on a realisation basis.

27 INTEREST INCOME

	THE GROUP		THE AUTHORITY	
	2009/2010 $'000	2008/2009 $'000	2009/2010 $'000	2008/2009 $'000
Fixed deposits and bank accounts	1,207	6,628	869	6,323
Debt securities	7,230	12,505	4,240	5,850
Others	7	1	1	1
Total	8,444	19,134	5,110	12,174

28 OTHER INCOME

	THE GROUP		THE AUTHORITY	
	2009/2010 $'000	2008/2009 $'000	2009/2010 $'000	2008/2009 $'000
Allocation fee	–	100	–	–
Reactivation	3	3	–	–
Registered accreditation fees	5	37	–	–
Other service income	8,959	6,045	8,959	6,045
Others	181	743	1,128	1,245
Total	9,148	6,928	10,087	7,290

29 SALARIES, CPF AND OTHER CONTRIBUTIONS

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Wages and salaries	138,647	122,258	131,280	118,467
Employer's contribution to Central Provident Fund	12,786	10,062	12,393	9,876
Other related staff costs	3,298	3,279	3,261	3,111
Total	154,731	135,599	146,934	131,454

30 OTHER EXPENSES

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
IT promotion and sponsorship	475	511	475	511
Utilities	3,118	2,402	3,117	2,402
Publicity expense	723	926	644	919
Telecommunications and internet services	1,497	1,432	1,452	1,429
Irrecoverable GST	2,928	2,513	2,928	2,498
General and administration expense	3,312	1,430	3,085	1,255
Amortisation of intangible assets (Note 9)	810	338	810	338
Local travelling	633	568	599	566
Reinstatement cost	1,084	–	1,022	–
Amortisation of deferred expenditure (Note 11)	569	731	569	731
Total	15,149	10,851	14,701	10,649

31 LOSS ON DISPOSAL OF INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS – NET

As part of the risk management process, the management of the Group conducts ongoing review of its financial assets held in the investment portfolio. In the prior year, in view of the global financial crisis then, financial assets were divested during that financial year to safeguard the Group's capital assets. In the current year, the management continue to divest certain financial assets as part of its ongoing review.

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32 NET DEVELOPMENT FUND EXPENSES

	THE GROUP AND AUTHORITY	
	2009/2010	2008/2009
	$'000	$'000
Development fund expenses:		
Cluster Development Fund project	176	1,495
Infocomm 21 Fund project	5,843	11,338
Infocomm Security Masterplan 2	515	–
Youth Olympic Games	4,464	–
E-Lifestyle Marketing project	511	1,728
Wired with Wireless project	3,022	16,156
Connected Singapore Blueprint	2,529	1,295
iN2015 Masterplan	22,227	5,932
	39,287	37,944
Less: Development project income/funding:		
Infocomm 21 Fund project	739	1,602
Wired with Wireless project	17,506	1,672
Connected Singapore Blueprint	34	18
iN2015 Masterplan	6,276	1,718
	24,555	5,010
Net development fund expenses	14,732	32,934

The development activities relate to project income and fund expenses to develop Singapore Info-communications industry. All development project income and fund expenses are funded mainly by development grants received from the Government, except for expenses incurred for E-Lifestyle Marketing Project, Wired with Wireless Project and Connected Singapore Blueprint which are funded by IDA itself.

(a) CLUSTER DEVELOPMENT FUND PROJECT
The Cluster Development Fund was established in 1995 to accelerate the realisation of the IT2000 Masterplan and to nurture a vibrant IT industry. Its objectives are to provide seed funding for IT2000 flagship projects, to encourage industry initiatives by sharing risks, to co-invest in strategic projects and companies, and to support the development or critical IT skills.

(b) INFOCOMM 21 FUND PROJECT
The Infocomm 21 Fund was established in 2000 to facilitate the implementation of the Infocomm 21 Strategic Plan to develop Singapore into a premier info-communications capital in the Asia-Pacific.

(c) INFOCOMM SECURITY MASTERPLAN 2
The Infocomm Security Masterplan 2 aims to ensure the high resilience and availability of Singapore's national infocomm infrastructure and entrench the nation's reputation as a secure and trusted hub so as to attract high value-added and critical business operations into Singapore.

(d) YOUTH OLYMPIC GAMES (YOG)
Under this initiative, IDA will develop a virtual world to engage youth around the world to form virtual communities and interact with one another. The Youth Olympic Village, key YOG sports venues will be modelled in the virtual world. IDA will also establish new media platform for participants, youths and spectators through mobile and online channels to reach out to the large YOG community.

(e) E-LIFESTYLE MARKETING PROJECT

Under this initiative, IDA will undertake several programmes in phases to target low-income households, different ethnic groups and the late adopters of info-communications technology. These programmes are aimed to raise their awareness about how info-communications technology can enhance their quality of life.

(f) WIRED WITH WIRELESS PROJECT

To position Singapore as a living lab and business catalyst for wireless development in Asia, the 'Wired with Wireless' programme promotes the development of mobile infrastructure, products and services. The three main areas of focus are location-based services, mobile commerce and wireless multimedia.

(g) CONNECTED SINGAPORE BLUEPRINT

The blueprint aims to develop a vibrant info-communications industry, create advanced Info-communications users in all sectors, and create a conducive environment.

(h) IN2015 MASTERPLAN

The Intelligent Nation 2015 (iN2015) Masterplan is Singapore's next long-term strategic info-communications master plan to further enhance quality of life and create new national competitive advantage through info-communications. The plan seeks to enrich the lives of the people, enhance Singapore's economic competitiveness and increase the growth of the info-communications industry.

33 COMMITMENTS

(a) CAPITAL AND INVESTMENT COMMITMENTS

At the end of the reporting period, capital commitments not provided for in the financial statements are as follows:

	THE GROUP		THE AUTHORITY	
	2009/2010	2008/2009	2009/2010	2008/2009
	$'000	$'000	$'000	$'000
Capital expenditure	4,890	1,167	3,798	1,110
Refurbish of website	15	–	–	–
Total	4,905	1,167	3,798	1,110

(b) LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases for office premises, facilities and equipment contracted for at the end of the reporting period but not recognised as liabilities are as follows:

	THE GROUP AND AUTHORITY	
	2009/2010	2008/2009
	$'000	$'000
Not later than one year	14,083	13,291
Later than one year but not later than five years	62,137	44,340
Later than 5 years	62,645	8,563
Total	138,865	66,194

Operating lease payments represents rentals payable by the Group for certain of its office properties and office equipments. Leases are negotiated for an average term of 1 to 10 years and rentals are fixed for the duration of the lease except for the lease of data centre facilities whereby the lease payment is based on the actual number of units used.

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(c) DEVELOPMENT FUND EXPENSE COMMITMENTS

As at the end of the reporting period, the development fund expenses committed amounted to approximately $1.051 billion (2008/2009 : $197.400 million).

(d) YOUTH OLYMPIC GAMES EXPENSE COMMITMENTS

As at the end of the reporting period, the Youth Olympic Games expenses committed amounted to approximately $31.866 million (2008/2009 : $Nil).

(e) OTHER COMMITMENTS

1. Under the Housing Loan Scheme, the Authority has a contractual obligation with a financial institution to:

   (i) subsidise the interest payable by the Authority's staff on housing loans from the financial institution if the current interest rate exceeds certain prescribed rates under the Scheme; and

   (ii) pay to the financial institution any fire insurance premiums due to the financial institution which cannot be recovered from the Authority's staff.

   At the end of the reporting period, total housing loans under the Scheme amounted to approximately $0.060 million (2008/2009 : $0.074 million). Liabilities arising from the Scheme are accrued for in the financial year in which they are incurred.

2. Under the Scholarship Programme, the Authority has an obligation to fund the scholars' educational expenses. At the end of the reporting period, the total committed expenditure is estimated at $4.759 million (2008/2009 : $3.346 million).

34 DIVIDENDS

During the financial year ended 31 March 2010, the Authority declared and paid a dividend of $2,893 per share (total dividend : $2.893 million) on the ordinary shares issued to the Minister for Finance in respect of the financial year ended 31 March 2010. In 2008/2009, the dividend paid was $7,964 per share (total dividend : $7.964 million).