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**Managing State land and buildings
is just one of SLA's many functions.
This is the rest of the story.**

MISSION

To optimise land resources for the economic
and social development of Singapore.

We balance our economic and social needs while:

- Ensuring the best use of State land and buildings,
- Providing an effective and reliable land management system, including the issuance and guarantee of land titles and geo-spatial demarcation of land, and
- Enabling the full use of land information for better land management and creation of new business opportunities.

VISION

To be a World-Class Land Authority

CORE VALUES

Nation First

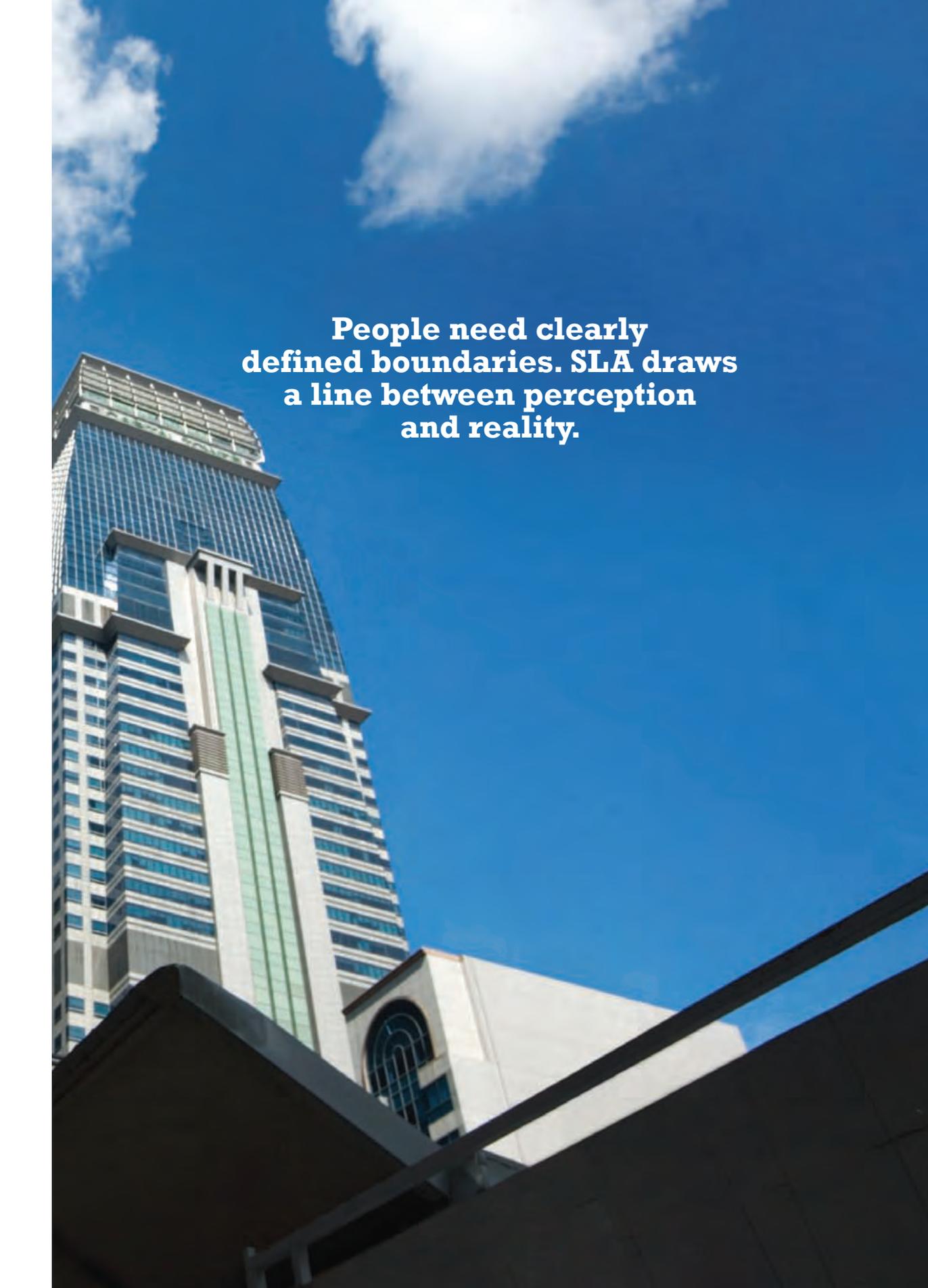
People Organisation

Innovation and Dynamism

Always Delighting Customers

Integrity and Professionalism





**People need clearly
defined boundaries. SLA draws
a line between perception
and reality.**





**A land title is
indispensable indeed.
SLA serves the public in
word and in deed.**





Land usage is optimised with the right information. SLA maps out the opportunities.



Chairman's Address

Singapore enjoyed strong economic growth in 2007. Against this backdrop, SLA had a busy year, and played a part in several strategic projects.

One new development is SLA's focus on establishing a national spatial data infrastructure to support geographic information exchange across government agency networks. This initiative is significant as it aids in both strategic planning and operations for the appropriate agencies. More importantly, it demonstrates a government-wide approach to problem solving and resource sharing.

With a strong property sector, SLA staff worked hard to cope with increased transaction volumes, while maintaining service delivery standards. Indeed, Singapore ranked high in a global World Bank survey of the time taken to register property transactions.

Responding to the market's urgent demand for office space in Singapore, SLA has been coordinating with various government agencies to release more State properties for re-use as offices through public tender. In addition, vacant State land was tendered out for transitional offices on shorter tenures.

SLA has been actively supporting EDB's Global Schoolhouse programme. This initiative has been successful in encouraging internationally renowned educational institutions to set up locally. These schools bring more foreign students to Singapore, and this is a key component in Singapore's competitiveness in attracting foreign investments.

To promote SLA as a preferred employer, staff training, career development and compensation plans have been enhanced. Development plans are

geared to staff's work and potential, and are updated annually after discussion with supervisors. Scholarships and grants are awarded for diploma, graduate and post-graduate studies, locally and overseas. Total compensation packages have also been reviewed. Salaries were revised in line with the market, while the link between reward and performance was strengthened.

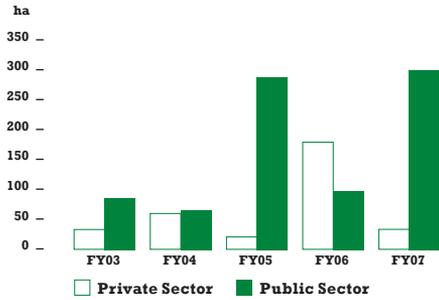
While 2007 was a year of good economic growth, 2008 will likely be more subdued. The global business environment has weakened considerably, and is reflected in Singapore's economic performance for the first half of 2008. In these more challenging economic times, SLA will work closely with our customers and partners, to ensure State land and properties are put to good use, and Singapore's land administration system continues to be well run. On behalf of the Board, our thanks and appreciation go to SLA's customers, stakeholders and staff who have all contributed to making FY2007/08 a strong year of growth and development. We look forward to your continued support in the years ahead.



GREG SEOW
Chairman

BEYOND THE HORIZON

Total area of State land sold to private and public sector



Chief Executive's Message

2007 was a busy year. We achieved high levels of operational output across all functions. Operating income grew 14% to \$100.9 million from \$88.6 million a year ago.

New records were set in land sales and title registrations. The occupancy rate for State properties also reached a high of 87%. In 2007, we launched 78 tenders, or an average of one tender every 4.5 days, a 8% increase from 2006. Correspondingly, the number of tenders awarded increased by 56%. With the strong growth in the property market, SLA registered 537,600 transactions and caveats, the highest volume in the last five years.

In the spirit of continuous improvement, we embarked on two key initiatives in 2007. The first is the development of an integrated registration system for both private and HDB properties. When implemented, it will extend online lodgment, registration and property search facilities currently available only for private properties to HDB properties. The second initiative is the development of an online application system for land resource management which will enable most transactions involving State land or properties to be conducted online.

Injecting more space to meet business needs

As part of the Government's efforts to meet the increased demand for office space, SLA made available 122,000 square metres of space for office use in FY07. This move was timely as it met the immediate needs of tenants moving out of the prime locations and those expanding their support operations. The potential for good rental yield has drawn many new and experienced investors to bid for the State properties.

Singapore's attractiveness as a regional hub for businesses and education has also resulted in strong demand for space in the education sector. SLA, working with various government agencies, was able to meet this growth in demand by awarding more than 40 State properties for educational uses.

In keeping with our mission of optimising use of vacant State land, SLA auctioned six infill sites for

small-scale developers and individuals to build their "dream homes". SLA also introduced an open and transparent bidding process for vacant residential properties. In the area of community development, SLA improved 284 sites and opened them up for casual recreational use.

Harnessing spatial data for positioning and mapping

SLA is the national mapping authority and lead agency for managing the land data hub of the government. SLA creates map data with the necessary reliability and robustness for emerging new applications. Over 100 government departments and agencies are currently using SLA's digitised land information and maps to provide essential public services. Our mapping services is complemented by the introduction of Singapore Satellite Positioning Reference Network for survey, positioning and geospatial activities.

Strengthening ties with customers and stakeholders

We value our close partnerships with our customers, tenants, professionals and businesses. We believe in maintaining high touch points with them through regular dialogue sessions. During the year, close to 100 representatives of legal firms, and some 60 registered land surveyors attended such sessions. The feedback has been most helpful to us in our efforts to be more pro-business and responsive. It leaves me to thank our customers, stakeholders and staff who have made FY 2007/08 another successful year for SLA.



LAM JOON KHOI
Chief Executive

Members of the Authority

From left to right:

JIMMY TAY
Chief Executive,
Southeast Asia and Senior Vice
President, Asia Pacific,
Hill & Knowlton

DR LEE TSAO YUAN
Executive Director,
SDC Consulting

CHALY MAH
CEO & Country Managing Partner,
Deloitte and Touche,
Certified Public Accountants

KOH LIN-NET
Deputy Secretary (Trade)
Ministry of Trade and Industry

ED NG
President and CEO,
Southeast Asia,
GE Commercial Finance

YAP KIM WAH
Senior Vice President,
Singapore Airlines Ltd



From left to right:

RITA SOH SIOW LAN
Director,
RDC Architects Pte Ltd

ONG CHONG TEE
Deputy Managing Director,
Monetary Authority of Singapore

LAM JOON KHOI
Chief Executive,
Singapore Land Authority

GREG SEOW
Chairman

LATIFF IBRAHIM
Managing Partner,
Harry Elias Partnership

Not in picture:

PROFESSOR PANG ENG FONG
Vice Provost
(Academic Strategic Planning),
Dean, Lee Kong Chian School
of Business, Singapore
Management University



Executive Management

From left to right:

NG SIAU YONG
Director,
Land Asset Management
Services Division and Land
Information Centre

LEE SENG LAI
Director,
Land Operations (Public)
Division

VINCENT HOONG
Deputy Chief Executive,
Commissioner of Lands
Registrar of Titles,
Controller of Residential Properties

SOH KHENG PENG
Chief Surveyor

BRYAN CHEW
Director,
Regulatory Division,
Senior Deputy Registrar,
Titles and Deeds

**MANIMEGALAI D/O
VELLASAMY**
Director,
Legal Division





From left to right:

GAW SENG SUAN
Director,
Land Data Division

CHIM VOON HOW
Director,
Information Technology Division

WONG CHOOI LING
Director,
Corporate Services Division

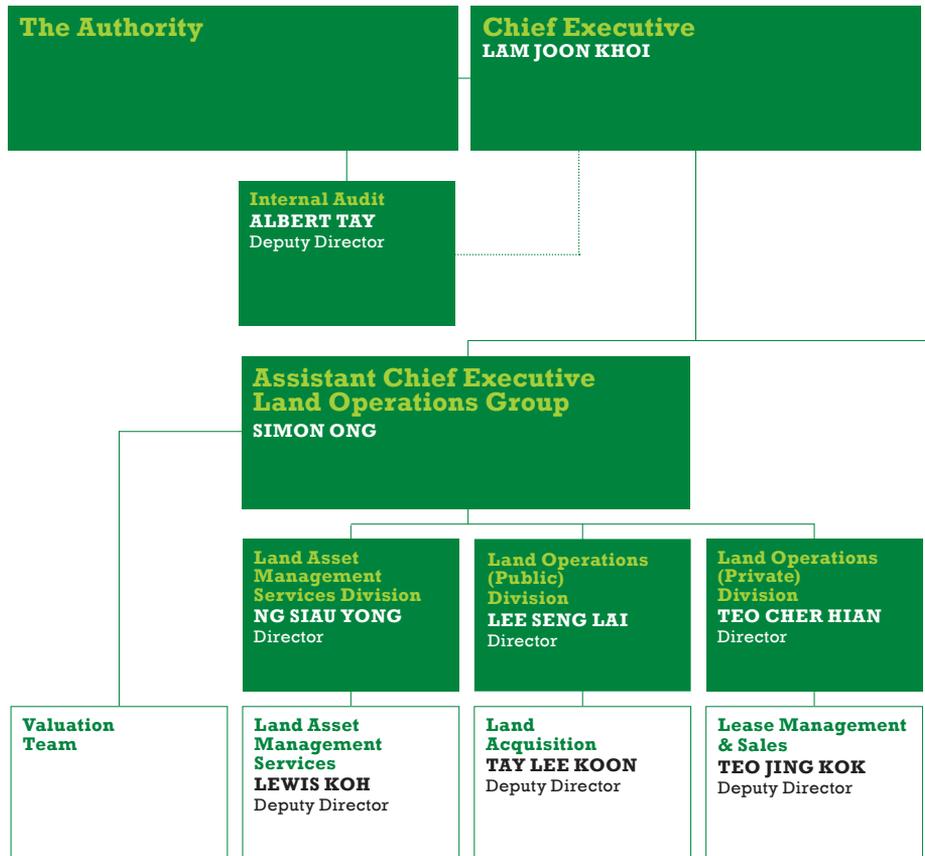
LAM JOON KHOI
Chief Executive

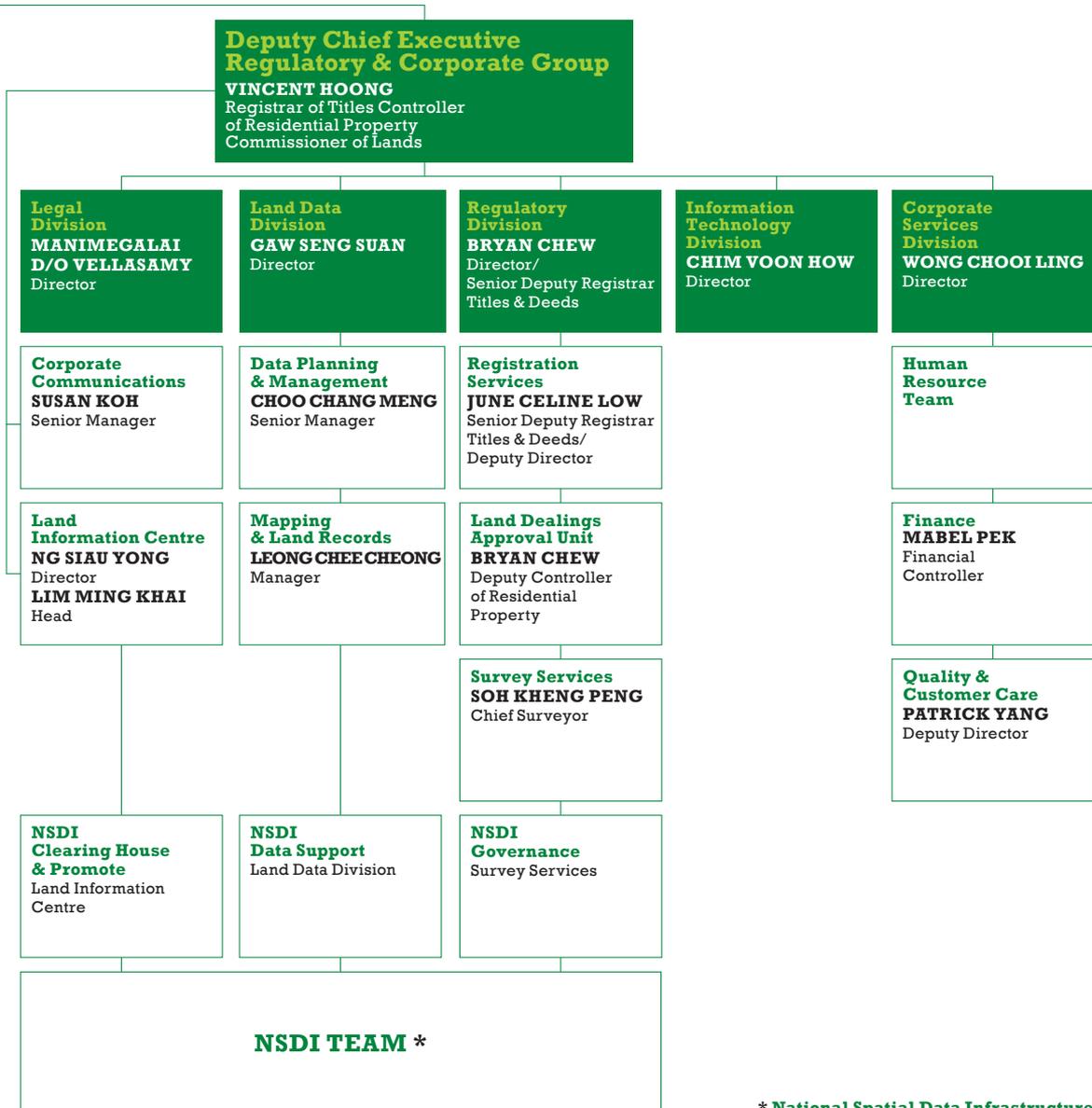
SIMON ONG
Assistant Chief Executive

TEO CHER HIAN
Director,
Land Operations (Private)
Division



Organisation Chart



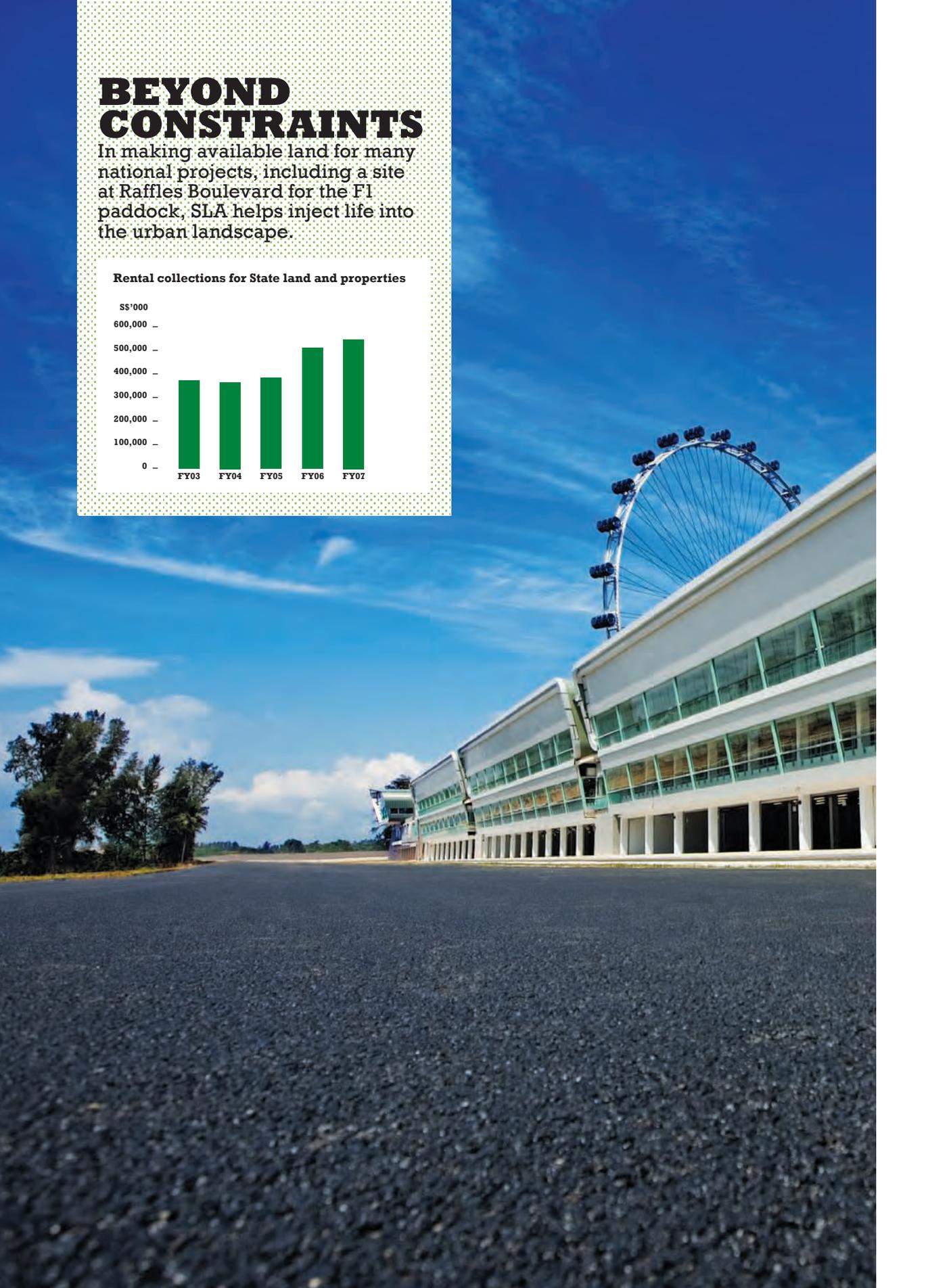
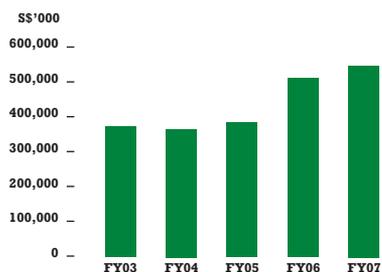


* National Spatial Data Infrastructure

BEYOND CONSTRAINTS

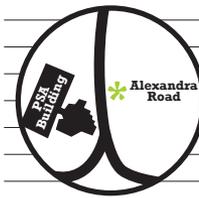
In making available land for many national projects, including a site at Raffles Boulevard for the F1 paddock, SLA helps inject life into the urban landscape.

Rental collections for State land and properties









Top Left

Easing the squeeze: Turning the former Pasir Panjang ITE into office premises brings respite to the space crunch.



Bottom Left

School's out! Office space is in: SLA has transformed the former Gan Eng Seng School's classrooms into boardrooms.

SLA's role in the management of vacant State properties can be likened to that of the recycling business.

State properties that are returned by government agencies at the end of their economic life-cycle or upon expiry of their leases are made available for adaptive interim use, pending their longer-term redevelopment. SLA leverages on the innovative spirit of private and social enterprise to give these properties a new lease of life to serve the varying needs of our people. In so doing, SLA is mindful of the need to strike a balance between competing, and sometimes conflicting, demands from within the private and public sectors.

Injecting more supply of commercial space to meet business needs

As part of the Government's efforts to ease the recent office space crunch, 13 State properties island-wide were awarded and subsequently converted from former schools and government institutional buildings to commercial offices. Some of these properties include the former Commercial Practices Investigation Bureau's office at 150 Cantonment Road, the former Moulmein Community Centre and the former Gan Eng Seng School at Raeburn Park. These properties and others injected about 122,000 additional square metres of office space into the market. There has been healthy take-up by local start-ups, MNCs, financial institutions and public-listed companies. Strong rental yields and encouraging sub-leasing figures have drawn repeat business.

This year, the Government sold a Grade A prime commercial building for the first time in recent history. The sale was unprecedented in that it was done through an Expression of Interest in line with market practice for such premium assets.

SLA has also been able to support our Government's efforts to enhance Singapore's position as an education hub through its involvement in the EDB-SLA Global Schoolhouse initiative. Besides attracting foreign students to study here, the availability of educational institutions offering foreign school systems is also a critical factor in a foreign company's decision to establish a business presence in Singapore. In recent years, the demand for places in international schools has intensified, putting pressure on international schools to expand their campuses quickly. SLA, working with various government agencies, was able to offer several State properties to meet this urgent need. Many of these properties were former schools and military camps which made the retro-fitting process relatively easier and more cost-effective. Increasing numbers of commercial and international schools are taking up State properties as their campuses, drawn by the appeal of the historical character, spaciousness and greenery of these sites. The education sector has seen a doubling in year-on-year growth as well. Among others, 371 Tanjong Katong Road was awarded to Canadian International School for its largest campus here





Top Left

More bang for the bark: With a view to supplying trees for the future gardens by the bay, SLA has availed 30 hectares of State land for NParks to set up tree nurseries.



Bottom Left

Growing attraction: SLA tendered out four agricultural sites in Sungei Tengah, one of which was awarded to the public-listed QianHu Corporation Ltd.

and the former Lee Kuo Chuan Primary School in Ah Hood Road was awarded to EASB Institute of Management for the first offshore campus of Queen Margaret University. SLA also offers State properties for use by kindergartens and childcare centres. In 2007, kindergartens and childcare centres took up 43 State properties, compared to 39 in 2006.

SLA also made available small pockets of vacant land that are sited within residential neighbourhoods. These “in-fill” sites, of which six were sold in 2007, were of particular interest to small-scale developers and individuals wishing to build their “dream homes”. In other residential sales, SLA awarded a 16,000 square metres site at Woodlands Avenue 2/Rosewood Drive to EL Development for \$56 million. SLA also introduced a new bidding system for renting residential State properties that became available when the tenancies expired and were not renewed. Those interested were invited to view the properties and submit their bids. The process, which is more transparent, was well received.

SLA also carved out space for agriculture. Four land parcels at Sungei Tengah were awarded for agricultural use with some ancillary commercial uses to help farmers and entrepreneurs diversify into new recreational and F&B uses. A total of 35 bids were received for the sites that came with 20-year leases.

SLA also responded to the needs of the local arts community. The former Methodist Girls School at 11

Mount Sophia Road was tenanted to a local company and transformed into an arts and creative hub called “The Old School”. Another State property at Upper Wilkie Road was tenanted to the National Arts Council for use as a creative space, named Emily Hill.

In the area of community development, SLA lived up to its motto of “making space for all” by opening up some 280 playfields for public use. Under SLA’s “Adopt-a-Field” programme, the Football Association of Singapore has adopted Farrer Park field to promote community football. Some 30 hectares of vacant State land in Sungei Tengah and West Coast were also identified as tree nurseries for the proposed Gardens by the Bay.

Contributing to national projects

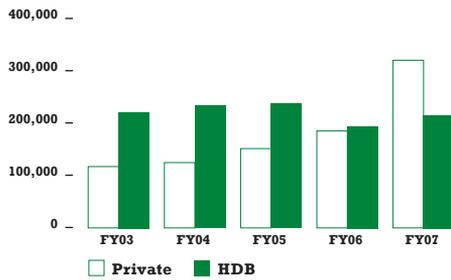
SLA played a part in Singapore’s efforts to attract major international sporting events here. SLA was represented on the inter-agency committee involved in the 2008 Formula One Singapore Grand Prix and facilitated adjustments and changes to processes to meet tight timelines.

One of Singapore’s key achievements in 2008 was our successful bid to host the 1st edition of the Youth Olympic Games in 2010. SLA first was involved in the preparation of the bid and subsequently in matters related to infrastructure and hosting facilities for the Games. SLA also made temporary premises at Kay Siang Road available to the Organising Committee.

BEYOND GREY AREAS

SLA makes rules to optimise and personalise space; SLA, as the national registration authority, records property transactions and issues land titles.

Registration of instruments and caveats lodged for private and HDB properties









Top Left

Watertight security: SLA issues Certificate of Titles with watermarks on them, flushing out duplication and fraud.



Bottom Left

Title role: SLA plays a part in guarding homeowners' interests by maintaining all land titles.

One of SLA's core functions is land titles registration. SLA operates the land titles registry which functions as the national land registration authority.

Land constitutes a major share of a nation's wealth. For most of us living in land-scarce Singapore, the most valuable asset we own is our apartment or house.

An efficient, transparent, accurate and responsive system of land registration is an important instrument for the protection of property owners and the facilitation of innumerable financial transactions synonymous with Singapore's vibrant and increasingly global economy.

It enables those purchasing, financing or otherwise dealing in land to conduct their transactions and business affairs efficiently, effectively and confidently. In addition, the system provides an important mechanism for the Government to fulfil its social and legislative objectives.

SLA's other regulatory arm is the Chief Surveyor's Office. This department manages and maintains the cadastral survey system in Singapore as a foundation for land title and a spatial reference database. The Chief Surveyor also regulates the conduct of cadastral survey undertaken by registered surveyors.

Strong volumes, legislative changes

During the year, more than 537,600 transactions

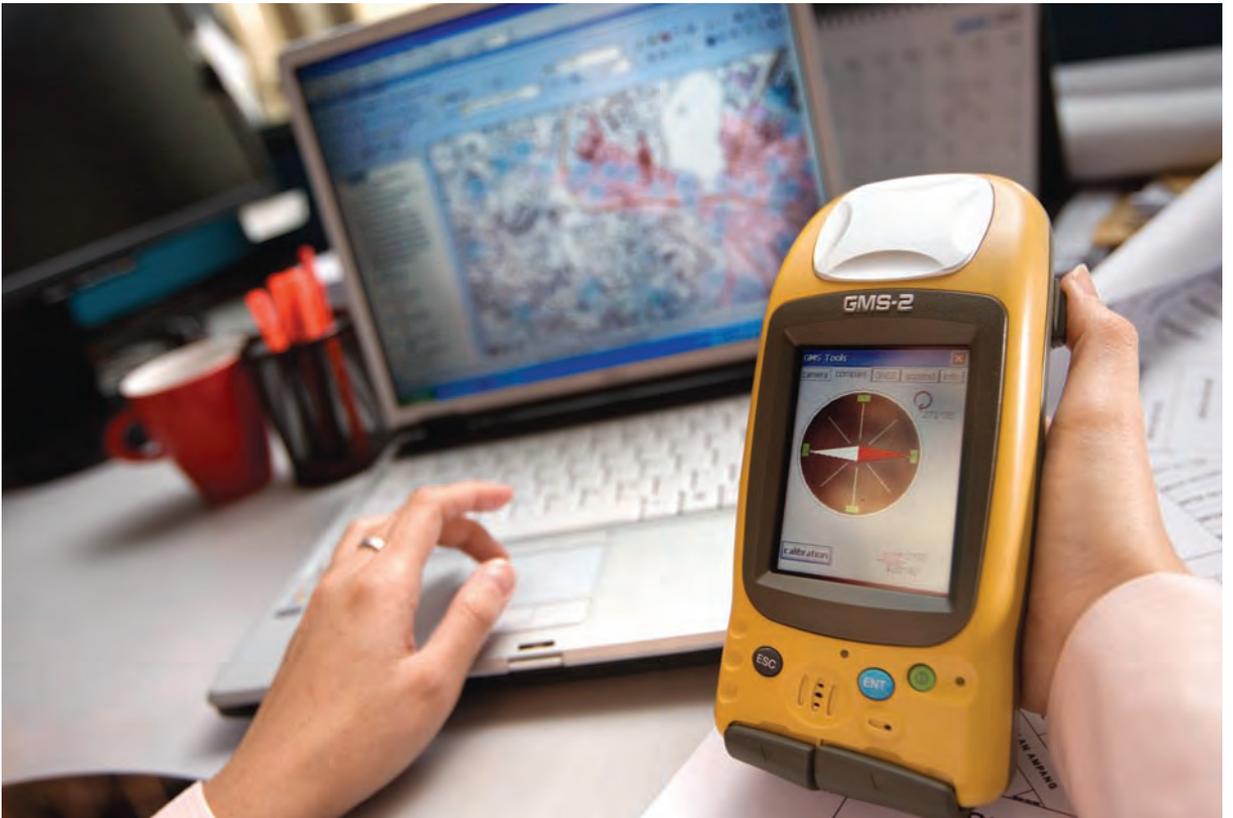
were registered, the highest number recorded since 2002. This was due largely to a buoyant property market coupled with an extremely active market for collective sales.

Pro-enterprise moves, user-friendly initiatives

The year saw SLA making numerous improvements to its property registration procedures and processes. The Electronic Lodgement System (ELS) was enhanced to streamline and simplify the preparation of legal documentation for the collective sale of strata developments.

For example, lawyers are now only required to prepare one transfer document to which subsequent transfers involving units within the same development could refer without having to repeat the information in those subsequent transfer documents.

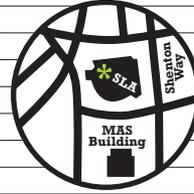
Similarly, the system validation checks on ELS were reviewed to allow law firms to use one lodgement form for related collective sale properties, eliminating unnecessary time spent on data entry. The electronic forms relating to collective sales have also been modified to allow entry of title references of properties in range instead of the past practice of individual entries.





Top Left

Laser-like accuracy: Precision is paramount in data collection. SLA uses all-weather, laser-guided technology integrated with DGPS to collect and record land data.



Bottom Left

Getting to the GIsT of it: Seamless is priceless. SLA utilises integrated GIS mapping toolkit to create smooth workflow between GPS field devices, GIS mapping software and GIS database.

The time allowed for the submission of hardcopy documents for cases lodged electronically was extended by a day to allow law firms sufficient time to forward the documents to the registry.

Last year, the Registrar of Titles and his staff hosted several dialogue sessions, attended by over 100 lawyers, para-legal officers and support staff, representing more than 80 law firms. These sessions were extremely useful as they enabled our customers to be briefed on recent changes and improvements, particularly those that were made in response to their feedback. Lawyers and their staff also used these forums to provide feedback and suggestions on how SLA's services could be further improved.

Precision on the field, stature in the industry

A significant initiative that was introduced by the Survey Services department was the establishment of the Singapore Satellite Positioning Reference Network (SiReNT). This system enables the use of Differential Global Positioning System (DGPS) for high precision mapping data collection as it is capable of sub-metre positioning accuracy. In 2007, SLA's field staff started using a Geographic Information Systems (GIS) mapping toolkit which makes use of a handheld laser-ranging device integrated with DGPS. This technique creates a seamless workflow between GPS field devices, GIS mapping

software and GIS databases. It helps overcome the limitations of GPS and makes data collection possible even under the most challenging of environments, such as when there is an obstructed sky view to GPS satellites.

A number of officers from Survey Services were attached to three land survey firms during the year as part of the ongoing professional development of our personnel. Over the course of two weeks spent at Lee Boon Haw Registered Surveyors, Tang Tuck Kim Registered Surveyors and United Surveyors, the officers gained a better understanding of the operations and key concerns of survey firms.

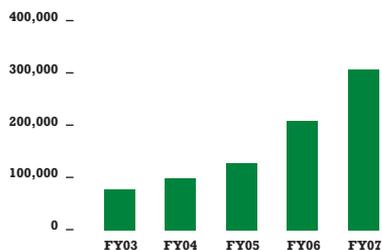
Survey Services also hosted students from Hwa Chong Institution in 2007. The students experienced hands-on field work such as GPS survey work and learned how cadastral jobs from registered surveyors are processed, among other things.

SLA represented Singapore at the meeting of the 13th Permanent Committee on GIS Infrastructure for Asia and the Pacific (PCGIAP). This bi-annual event brings together industry players in spatial information and data infrastructure. Singapore had the privilege of being selected as one of only five countries invited to deliver a paper. SLA's paper discussed various electronic initiatives to modernise cadastral survey, as well as our Integrated Land Information System (INLIS) and SiReNT.

BEYOND THE NAKED EYE

As a mapping authority, SLA sees the land in much greater details. Those details include hundreds of layers of information and over eight million attributes – all hidden from first sight.

Volume of integrated land information service (INLIS) transactions









Top Left

From satellite to classroom: The Spatial Challenge, an SLA classroom-initiative, has helped pre-university students and Geography teachers better grasp GIS concepts, applications and systems.



Bottom Left

Click for answers: SLA's online map portal, www.map.gov.sg provides up to-date information on land ownership, street maps and locations of wireless@SG hotspots.

SLA, as the national mapping authority, can lay claim to producing the most accurate, updated and detailed maps of Singapore.

Besides containing the most complete set of addresses, the maps also incorporate useful features such as building outlines, car parks and transport networks. SLA's maps are regularly updated with over 300 changes captured every month. Over 100 government agencies use SLA's digitised land information and maps to augment or support their public services.

Greater collaboration on licensing

During the year, SLA's maps were made available on GPS mobile and navigation devices for the first time through a partnership between SLA and Mapping (Singapore) Pte Ltd.

In another public-private partnership, SLA and publisher LivinStyle signed a five-year agreement to publish Singapore's first-ever street directory cum food guide, Venues. This novel 2-in-1 guide incorporates SLA's complete set of drawn-to-scale maps as well as LivinStyle's listing of over 80 dining outlets in Singapore.

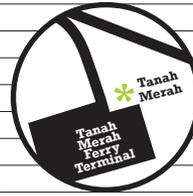
To provide a seamless mapping service to end-users, SLA launched the map portal, www.map.gov.sg in November 2007. This map portal serves as a gateway to all government map services managed by SLA. It provides a common platform through which public agencies can deliver map-based services and information to the public.

The map portal provides users with free street maps for personal use and information on land ownership. It also directs them to free WiFi hotspots all around the island. Many other government websites now make use of SLA's street maps to direct the public to government facilities and services. The site has been well received, attracting 70 million hits per month.

Spatial learning

In recent years, SLA has been actively promoting the use of Geographic Information Systems (GIS) in the local community. SLA, with support from the Ministry of Education and ESRI Singapore, organised





Left

Mad about maps? As the national mapping authority, SLA produces the most accurate, updated and detailed maps of Singapore. They are now available on MapKing's GPS mobile and navigation devices.

the SLA Spatial Challenge to encourage the use of GIS technology at pre-University level. Students were given the opportunity to tap on a wealth of Singapore GIS datasets and GIS software to investigate community issues. SLA also organised a series of GIS training courses for more than 160 Geography teachers and students who participated in the event. Participants were given access to the full spectrum of spatial data managed by SLA for their school projects. The aim was to allow these students and teachers to introduce GIS concepts and software skills into the classroom, and enliven Geography lessons. The Challenge also offered useful insights into the subject to those interested in further studies or a career in GIS. All in, the Challenge drew 23 teams from 15 Junior Colleges, Integrated Programme Schools and Institutes.

Building up national spatial data

SLA is spearheading the sharing of spatial data among government agencies through its leadership in LandNet, a common national spatial database of

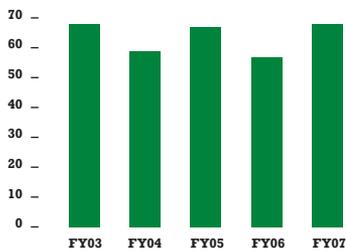
land-related information. In 2007, SLA successfully enlisted 16 more public agencies to join LandNet. The year also saw the number of datasets available in LandNet triple from 35 to 110. The new data sets now include, for example, trees from National Parks Board, dengue hotspots from National Environmental Agency and utility data from Public Utilities Board. A total of 1.2 million map sheets are now shared online via LandNet annually. With eGov 2010 vision in sight, LandNet looks set to progress beyond data sharing to become the preferred platform for inter-agency e-consultations and collaborations. SLA will continue to add more features and capacity to LandNet this year.

SLA also officially launched the State Land Register (SLR) service in early 2008, allowing authorised users within each Ministry to view listings of State land and buildings allocated to it. Presented in both textual and map formats, the listings are a major step towards a comprehensive inventory of State land and buildings.

BEYOND CORPORATE PHILOSOPHY

SLA is a modern organisation that demands hard work and celebrates heart work. To help the staff develop physically and mentally, SLA organises a cornucopia of well-attended activities.

Training hours









Left

Big on family: SLA regularly creates opportunities for singles to socialise and holds family life talks to help the staff manage family issues.

SLA's achievements would not have been possible without our dedicated and talented staff.

SLA is committed to supporting our people so that they can continue to excel in the knowledge that they will be adequately recognised and rewarded. Towards this end, a rigorous review of the Compensation and Career Development Framework was conducted by an independent external consultant.

Reviewing compensation, revamping careers

As a result of the review, a holistic compensation framework was introduced in January 2008 to increase responsiveness to market movements and create a stronger link between pay and performance, while focusing on a total compensation concept. All eligible staff members now enjoy a competitive annual total compensation package pegged to performance, potential and market conditions. From an organisational perspective, this new framework improves SLA's competitive positioning with regard to compensation issues.

The impetus for the review came from staff feedback on their aspirations for job growth. Some interim measures that have been introduced ahead of

full implementation in late 2008 include rethinking existing career paths. The Green Lane promotion programme, for example, has been introduced to allow young officers to be promoted more quickly. At the same time, the introduction of Cross Grade Application allows capable officers to apply for a job in a band one level above their existing appointments, thus enhancing the internal recruitment process.

To renew talent pool, three scholarships were awarded in 2007 for undergraduate courses at the National University of Singapore and the Nanyang Technological University. Another three postgraduate scholarships were awarded to existing staff for their professional development.

Training to serve

To encourage a culture of lifelong learning, the Authority launched the inaugural Spatial Information Science programme in February 2008. The programme offers staff the opportunity to refresh their professional knowledge with the latest developments in spatial information science such as spatial data

infrastructure and remote sensing. This programme coincided with the launch of the National Spatial Data Infrastructure (NSDI), an important milestone in SLA's journey towards becoming a world-class land authority.

In the area of specialised training, the customer service support team worked with Human Resources to organise several service excellence courses in the second half of 2007 including the English language proficiency programme for frontline officers.

As a result of these sustained efforts to raise customer service levels, 70 per cent of respondents in the annual customer satisfaction survey rated SLA's services as "Good" or "Very Good" as compared to 53 per cent last year. Similarly, the customer satisfaction index, expressed on a scale of 1-5, improved from 3.62 in 2006 to 3.82 in 2007.

Growing as an organisation

The year in review saw SLA making progress on several different fronts. SLA successfully renewed its Singapore Quality Class and People Developer certification, registering an improvement of more than 100 points for each standard from our last certification in 2004.

SLA's promotion of a culture of continuous improvement and service excellence encompasses areas such as pro-enterprise rankings and surveillance audit. In a pro-enterprise ranking of 24 public

agencies, SLA's performance improved from 61.32 in 2006 to 63.76 in 2007.

For the fifth year running, SLA achieved zero non-compliance in the 2007 ISO 9001:2000 surveillance audit. The auditors commended SLA for driving organisation-wide initiatives for continual improvement and for promoting a strong quality culture.

Coming together as a family

A team from the Land Acquisition Department, named L.A United, clinched the Associate Professor Ho Peng Kee Challenge Trophy at the Ministry of Law's annual WITS convention. This is the sixth successive year that a team from SLA has won the challenge trophy. The same team also won the Best Spin-Off Award (Silver) at the PS21 ExCEL Convention.

SLA aims to be an employer that promotes a healthy work-life balance and pro-family policies. To this end, the Authority appointed a Work Life Advocate to drive pro-family schemes to help officers achieve a meaningful work-life balance. SLA also holds regular talks to give staff fresh insights on managing family-related issues.

Learning visits to SLA

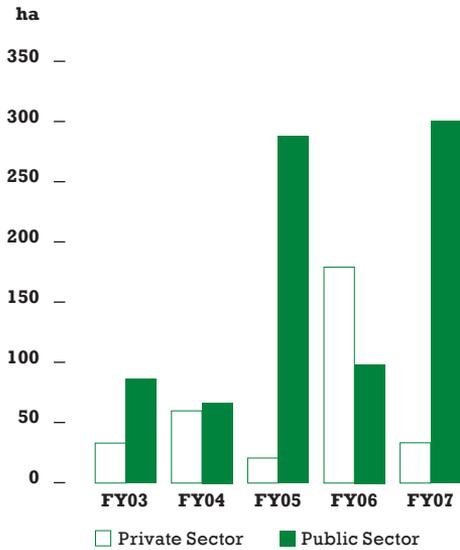
During the year, SLA hosted 23 delegations representing more than 15 countries. These visits enable us to build strong bilateral working relationships with our foreign counterparts.

Visits to SLA in FY 2007/08

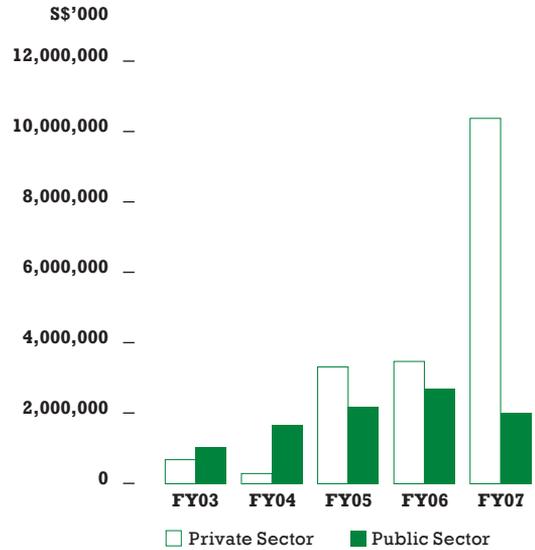
| | |
|--|------------------------------|
| Director, Land and Survey Department | Sarawak, Malaysia |
| Minister, Natural Resources and Water and Minister for Assisting the Premier | North Queensland, Australia |
| Chief Architect, Ministry of Finance | Finland |
| Deputy Division Head, Civil Service College | Macau |
| Director-General and CEO, Ordnance Survey | United Kingdom |
| Chief Survey Engineer, Thimphu City Corporation | Bhutan |
| Master students, University of Melbourne | Australia |
| His Excellency, Ambassador from Korea | Korea |
| Prime Secretary, National Land Agency | Indonesia |
| Minister, Housing and Urban Development | Maldives |
| Director-General, Survey Department | Brunei |
| Chief Executive Officer, Urban Planning Authority | Shenzhen, China |
| Officials, NUS-KoICA Urban Redevelopment Programme | Various Developing Countries |
| Manager, Landgate, Land Information Authority | Western Australia |
| Secretary, Ministry of Land & Land Development | Sri Lanka |
| Officials, Chinese Association of Mayors | China |
| Registrar of Titles and Executive Director, Land Victoria | Australia |
| Officials, Ministry of Construction | Shandong, China |
| Chief, National Land Secretariat Committee | Bhutan |
| Secretary-General, Ministry of Natural Resources and Environment | Malaysia |
| Deputy Director, Department of Land and Resources | Jiangsu, China |
| Senior Deputy Director, Ministry of Finance | Japan |
| Officials, Urban Planning Department | Rwanda |

Corporate Output and Performance

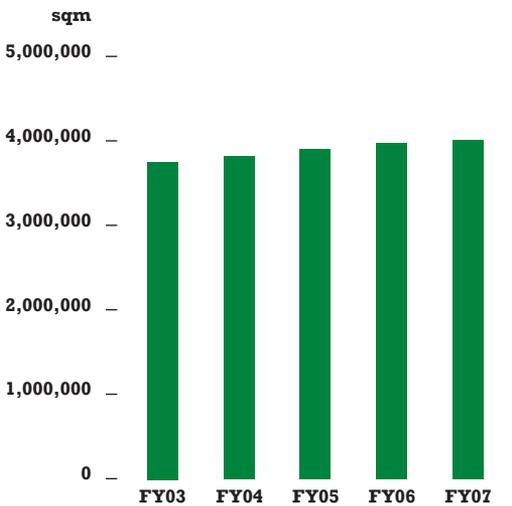
Total area of State land sold to private and public sector



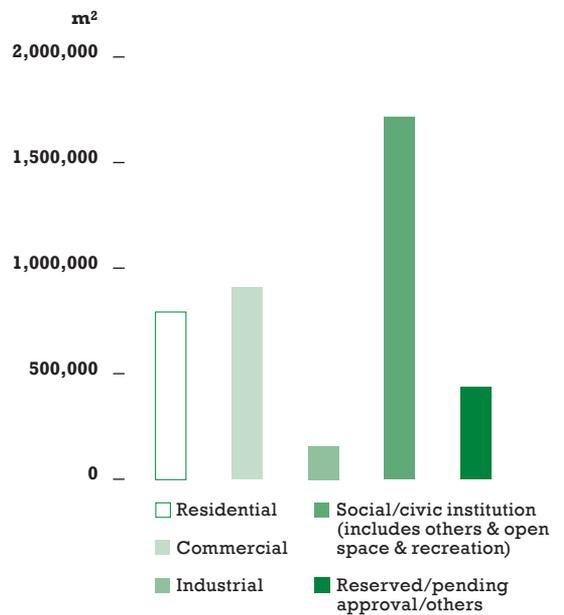
Land sales proceeds from private and public sector



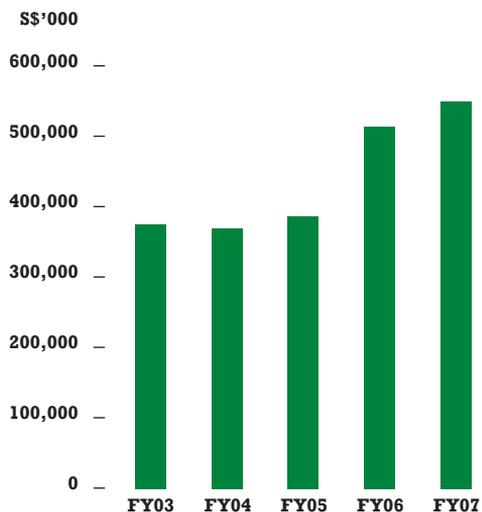
Total estimated Gross Floor Area of State properties managed by SLA



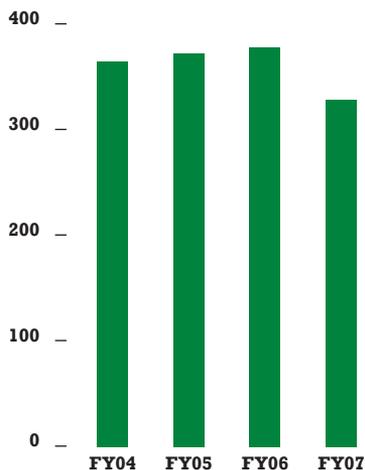
Breakdown by usage of SLA-managed properties in estimated Gross Floor Area



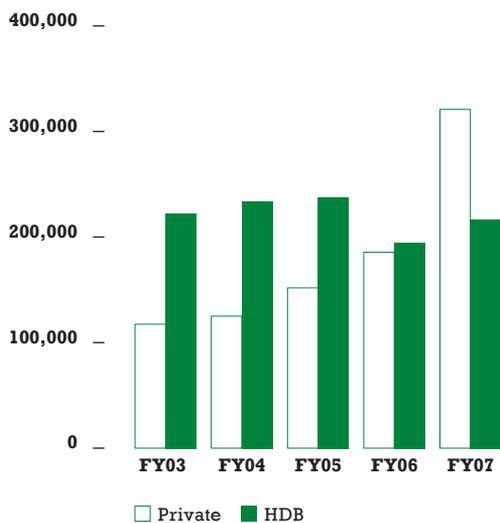
Rental collections for State land and properties



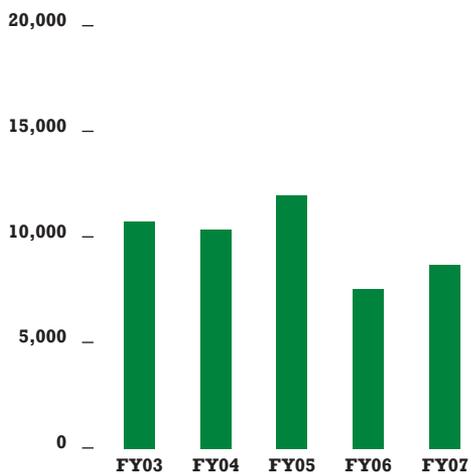
Number of licenses issued for one-off events (wayangs, funerals, etc)



Registration of instruments and caveats lodged for private and HDB properties



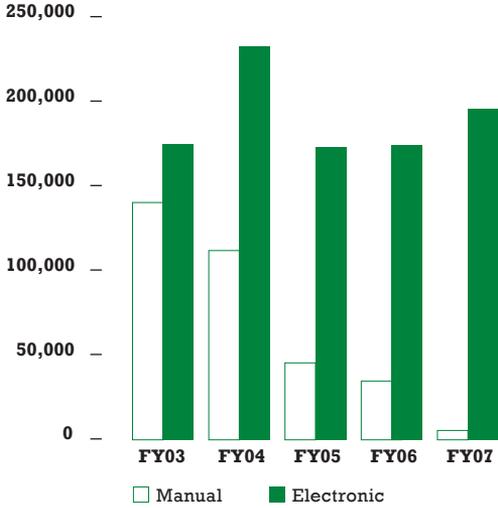
Issuance of title documents



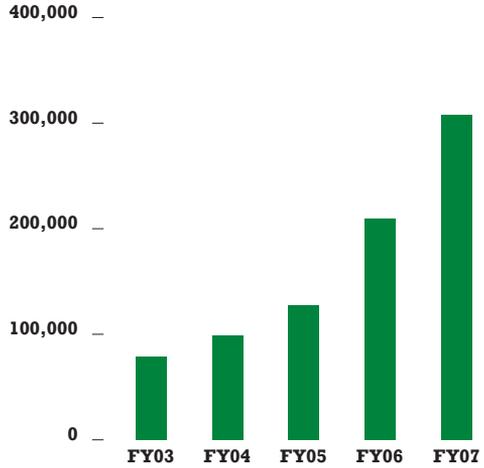
Corporate Output and Performance

Volume of document searches

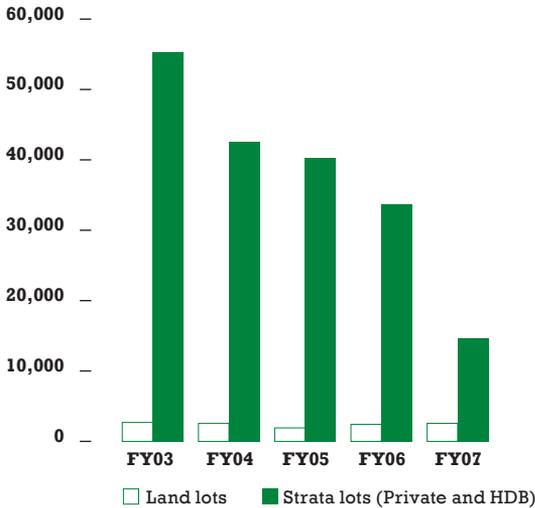
Manual means – Public Search (includes microprinting)
Electronic means – DIPS & STARS



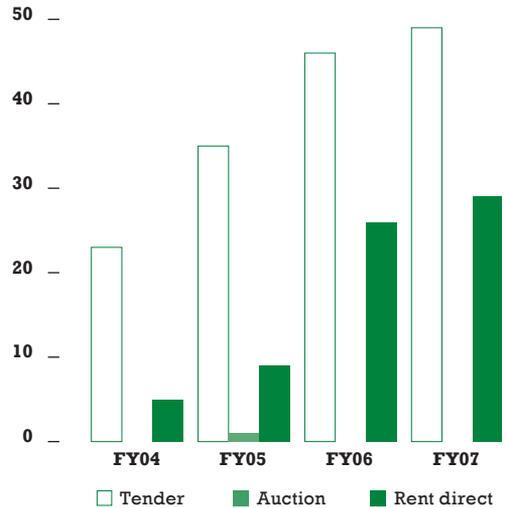
Volume of integrated land information service (INLIS) transactions



Approval of land and strata lots



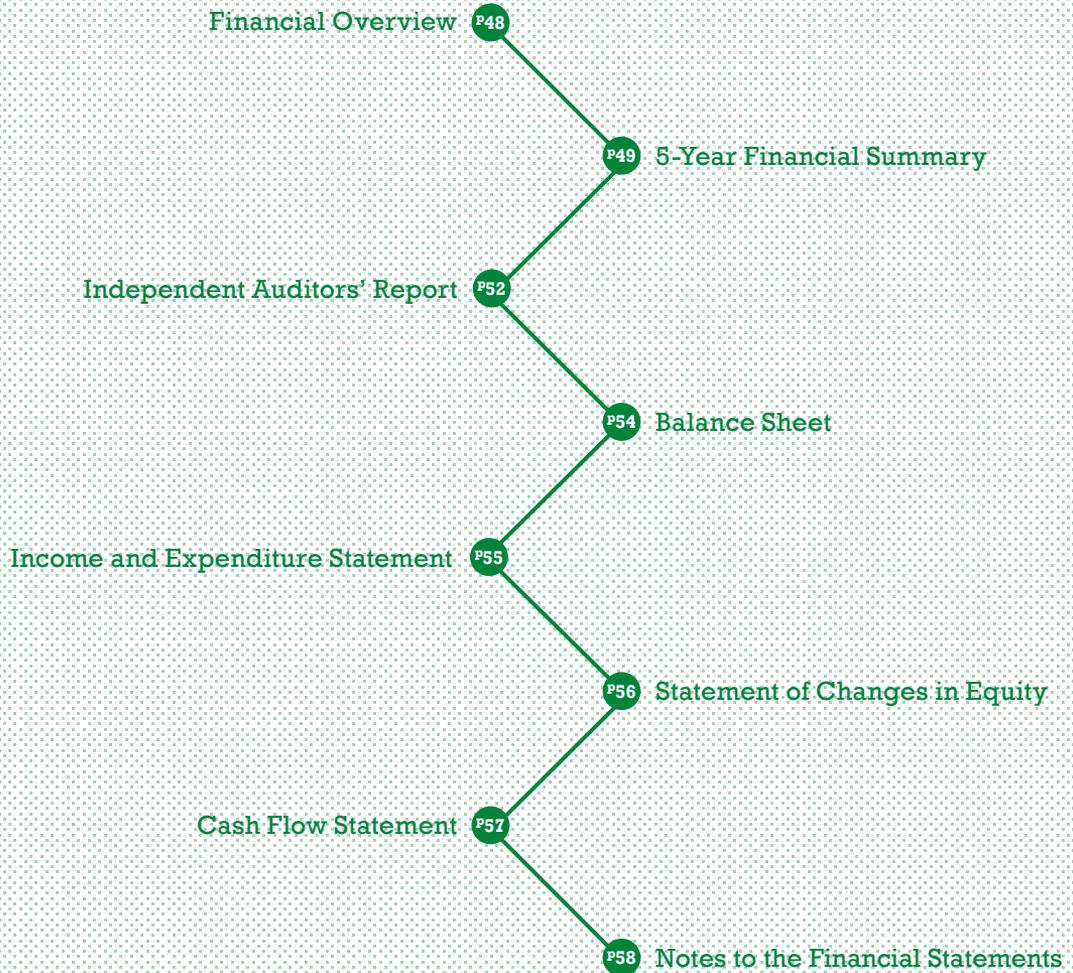
No of State properties tendered



Efficiency indicators

| | FY03 | FY04 | FY05 | FY06 | FY07 |
|--|------|------|------|-------|-------|
| Utilisation rate of State land | 76% | 82% | 76% | 77.8% | 77.8% |
| Occupancy rate of State properties | 83% | 82% | 82% | 86% | 87% |
| % of e-enabled transactions performed electronically | – | – | 93% | 96.1% | 99.5% |

FINANCIAL STATEMENTS



Operating surplus for the year was \$17.1 million, close to that achieved last year. During the year, SLA made a special contribution of \$10 million to the Government consolidated fund. After accounting for this special payout and the annual statutory contribution, SLA recorded a net surplus of \$6.3 million (FY 2006/07: \$13.7 million).

Operating income saw a strong 14% growth to \$100.9 million from \$88.6 million a year ago, with sterling performance from land sales agency service and title registration business.

Non operating income of \$2.7 million (FY 2006/07: \$2.6 million) comprised mainly interest earned from fixed deposits and investments.

Operating income

Against the backdrop of unprecedented boom in property sector, operating income hit a 5-year high, reporting an increase of \$12.3 million over last year. Agency fees from the Land business segment contributed \$61.6 million (FY 2006/07: \$54.8 million) whilst fees and charges from the Regulatory and other business segments contributed \$39.3 million (FY 2006/07: \$33.8 million). Land sales agency services posted an increase of \$5 million (45%) in income whilst title registration, \$4.3 million (17%). Rental agency services (up 8%) and sale of land information (up 50%) also saw increases in income.

Operating expenditure

Operating expenditure (net of reimbursements) for FY 2007/08 has increased by \$12.4 million to \$83.8 million. Operating expenditure consists of 5 main categories, namely manpower & related cost, general & administration, depreciation, agency expenditure and provision for assurance fund. Staff related cost accounted for 47% (FY 2006/07: 46%) of total operating expenditure, followed by general & administration at 29% (FY 2006/07: 28%) and agency expenditure at 17% (FY 2006/07: 17%).

Staff cost were up \$6.2 million (19%) mainly due to increased headcount, salary revision and annual increment. Total headcount at end of Mar 08 was 499 compared to 479 a year ago mainly due to increased operational needs for the land operation businesses. Other operating expenses increased by \$6.2 million (16%) in tandem with the increase in business activity.

Outlook

Operating income will continue to be driven by the Singapore economy which is expected to grow at a more moderate pace in 2008. The key uncertainty lies in the extent of the fallout from global economic woes. Rental and salaries cost are poised to rise significantly driven by the supply crunch and tight labour market in Singapore. In view of rising business cost amid the current inflationary climate, efforts will be focused on sustaining operating profit margins. Barring unforeseen circumstances, SLA expect the recurring earnings for FY2008/09 to be satisfactory.

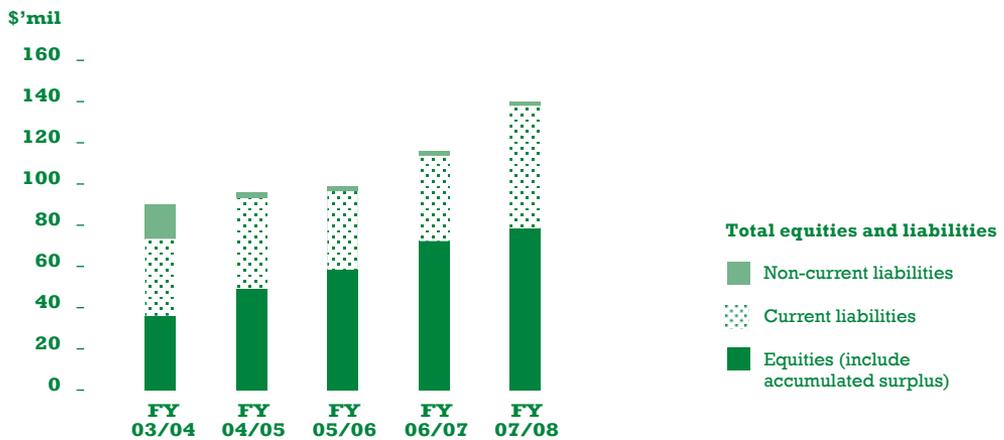
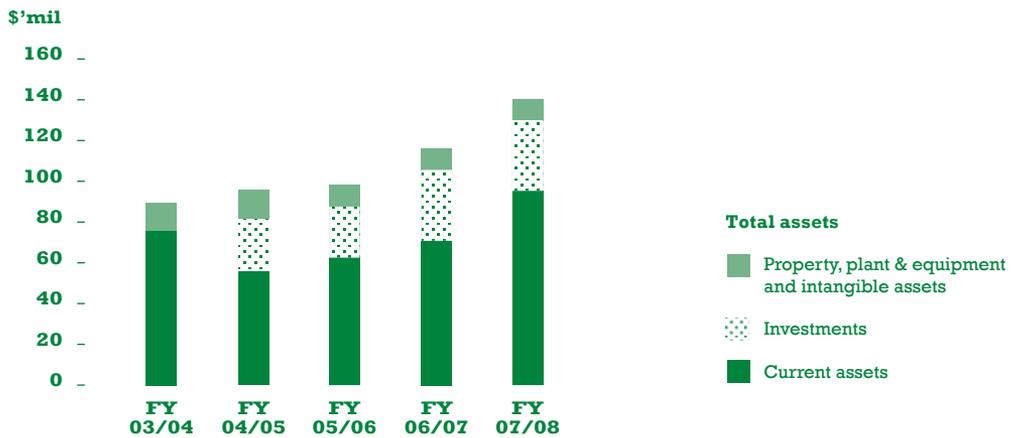
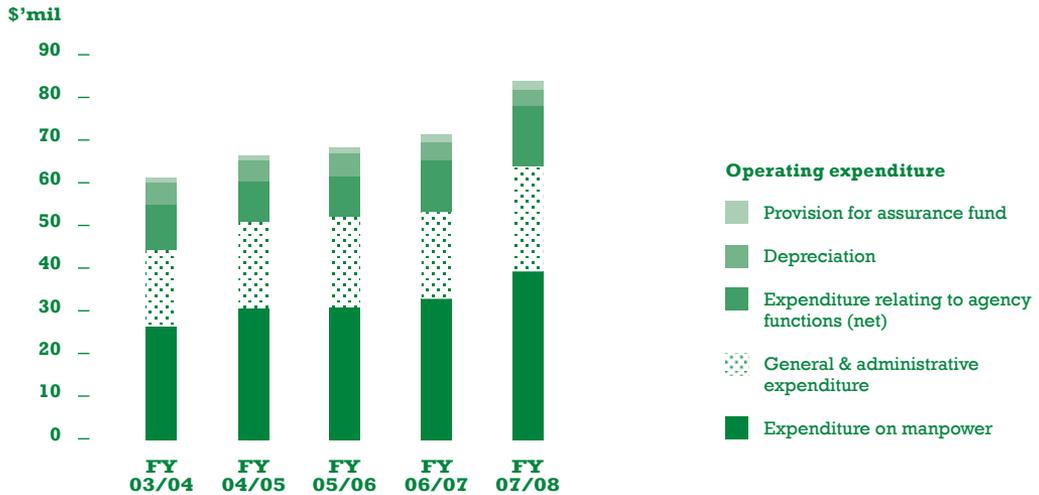
Capital expenditure

During the year, SLA incurred \$4 million on capital projects, as compared to \$3.4 million spent last year. The capital expenditure was mainly incurred for the implementation of IT systems.

Financial position

As at 31 March 2008, total assets increased by \$24.3 million or 21% to \$140.4 million, whilst liabilities grew by 41% to \$61.7 million.

Equities amounted to \$78.7 million (FY 2006/07: \$72.4 million). Equities comprised accumulated surplus of \$78.2 million and capital of \$0.5 million. The improved equity position was largely attributable to the net surplus of \$6.3 million recorded during the year. 19% of accumulated surplus have been utilised for the purchase of assets and earmarked for committed projects. About \$35 million are invested in short and medium term bonds and variable rate notes. The remaining accumulated surplus represents working capital and for financing future capital projects.



| | FY07/08 S\$'000 | FY06/07 S\$'000 | Inc/(Dec) S\$'000 | % | FY05/06 S\$'000 | FY04/05 S\$'000 | FY03/04 S\$'000 |
|-----------------------------------|--------------------|--------------------|----------------------|-------------|--------------------|--------------------|--------------------|
| Income & expenditure | | | | | | | |
| Operating income | 100,863 | 88,624 | 12,239 | 14 | 80,817 | 82,816 | 77,708 |
| Operating expenditure | 83,813 | 71,449 | 12,364 | 17 | 68,057 | 66,461 | 61,090 |
| Operating surplus | 17,050 | 17,175 | (125) | (1) | 12,760 | 16,355 | 16,618 |
| Non-operating income (net) | 2,720 | 2,571 | 149 | 6 | 1,315 | 1,692 | 132 |
| Surplus | 19,770 | 19,746 | 24 | - | 14,075 | 18,047 | 16,750 |
| Government grants | 120 | 471 | (351) | (75) | 1,343 | 1,388 | 3,695 |
| Surplus before consolidated fund | 19,890 | 20,217 | (327) | (2) | 15,418 | 19,435 | 20,445 |
| Contribution to consolidated fund | | | | | | | |
| – statutory | 3,581 | 4,044 | (463) | (11) | 3,084 | 3,888 | 4,497 |
| – special | 10,000 | 2,500 | 7,500 | 300 | 2,500 | 2,500 | - |
| Net surplus | 6,309 | 13,673 | (7,364) | (54) | 9,834 | 13,047 | 15,948 |
| Capital expenditure | 4,014 | 3,421 | 593 | 17 | 4,974 | 7,366 | 3,604 |
| Balance sheet | | | | | | | |
| Property, plant and equipment | 2,569 | 2,861 | (292) | (10) | 1,952 | 2,682 | 3,212 |
| Intangible assets | 7,929 | 7,604 | 325 | 4 | 9,367 | 11,482 | 10,958 |
| Investments | 34,705 | 34,816 | (111) | - | 24,996 | 25,357 | - |
| Current assets | 95,186 | 70,850 | 24,336 | 34 | 62,687 | 56,343 | 76,020 |
| | 140,389 | 116,131 | 24,258 | 21 | 99,002 | 95,864 | 90,190 |
| Capital and reserves | 78,728 | 72,419 | 6,309 | 9 | 58,745 | 48,911 | 35,864 |
| Current liabilities | 59,659 | 41,624 | 18,035 | 43 | 38,101 | 43,844 | 37,392 |
| Non-current liabilities | 2,002 | 2,088 | (86) | (4) | 2,156 | 3,109 | 16,934 |
| | 140,389 | 116,131 | 24,258 | 21 | 99,002 | 95,864 | 90,190 |

| Financial indicators | FY07/08 | FY06/07 | FY05/06 | FY04/05 | FY03/04 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Return on equity | 8% | 19% | 17% | 27% | 44% |
| Return on total assets | 4% | 12% | 10% | 14% | 18% |
| Operating surplus/operating income | 17% | 19% | 16% | 20% | 21% |
| Operating surplus per employee | S\$34,868 | S\$35,377 | S\$26,337 | S\$34,431 | S\$34,875 |
| Value-added per employee | S\$130,128 | S\$119,302 | S\$108,294 | S\$116,196 | S\$110,012 |
| Value-added per employment cost | S\$1.6 | S\$1.8 | S\$1.8 | S\$1.9 | S\$2.0 |

We have audited the accompanying financial statements of Singapore Land Authority (the "Authority"), which comprise the balance sheet as at 31 March 2008, and the income and expenditure statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Authority's management are responsible for the preparation and fair presentation of these financial statements in accordance with the provision of the Singapore Land Authority Act 2001 (No. 17 of 2001) (the "Act") and Statutory Board Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Authority as at 31 March 2008 and the results, changes in equity and cash flows of the Authority for the financial year ended on that date;
- (b) the accounting and other records required by the Act to be kept by the Authority have been properly kept in accordance with the provisions of the Act; and

during the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure and investments of monies 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.



Foo Kon Tan Grant Thornton

Certified Public Accountants

Singapore, 26 June 2008

| | Note | 2007/08 \$ | 2006/07 \$ |
|---|------|--------------------|---------------|
| Assets | | | |
| Non-current | | | |
| Property, plant and equipment | 4 | 2,568,815 | 2,861,269 |
| Intangible assets | 5 | 7,928,517 | 7,604,214 |
| Investments | 6 | 34,705,154 | 34,815,585 |
| | | 45,202,486 | 45,281,068 |
| Current | | | |
| Trade receivables | | 27,705,667 | 10,803,057 |
| Other receivables | | 2,440,456 | 2,117,683 |
| Cash and cash equivalents | 7 | 65,039,966 | 57,929,462 |
| | | 95,186,089 | 70,850,202 |
| Total assets | | 140,388,575 | 116,131,270 |
| Equity | | | |
| Capital and reserves | | | |
| Voted equity | 3 | 504,967 | 504,967 |
| Accumulated surplus | | 78,223,079 | 71,913,785 |
| Total equity | | 78,728,046 | 72,418,752 |
| Liabilities | | | |
| Non-current | | | |
| Retention payable | 9 | 14,740 | – |
| Finance lease payable | 10 | 11,622 | 21,628 |
| Loan payable to MOF | 11 | – | 429,221 |
| Provision for pension | 14 | 1,976,000 | 1,637,848 |
| | | 2,002,362 | 2,088,697 |
| Current | | | |
| Trade payables | | 19,406,862 | 7,484,430 |
| Other payables and accruals | 8 | 16,359,238 | 11,122,104 |
| Deferred survey revenue | | 13,743 | 20,122 |
| Retention payable | 9 | 74,561 | 547,170 |
| Finance lease payable | 10 | 10,006 | 10,006 |
| Loan payable to MOF | 11 | 429,221 | 572,295 |
| Provision for assurance fund | 12 | 19,783,569 | 17,823,614 |
| Provision for contribution to consolidated fund | | 3,580,967 | 4,044,080 |
| | | 59,658,167 | 41,623,821 |
| Total liabilities | | 61,660,529 | 43,712,518 |
| Total equity and liabilities | | 140,388,575 | 116,131,270 |



Greg Seow
Chairman
Singapore, 26 June 2008



Lam Joon Khoi
Chief Executive

| | Note | 2007/08 \$ | 2006/07 \$ |
|---|------|---------------------|---------------|
| Income | | | |
| Agency fees | | 61,584,455 | 54,772,668 |
| Other fees and charges | | 39,278,606 | 33,851,442 |
| Total income | | 100,863,061 | 88,624,110 |
| Less: Expenditure | | | |
| Expenditure on manpower | 15 | 39,235,389 | 33,012,823 |
| General and administrative expenditure | 16 | 24,273,524 | 19,877,598 |
| Depreciation of property, plant and equipment | 4 | 1,481,426 | 1,527,602 |
| Amortisation of intangible assets | 5 | 2,422,300 | 2,741,241 |
| Provision for assurance fund | 12 | 1,959,955 | 1,925,075 |
| Expenditure relating to agency functions | | 79,925,173 | 58,196,868 |
| Total expenditure before reimbursement | | 149,297,767 | 117,281,207 |
| Less: Reimbursement of pass-through costs | | (65,485,194) | (45,832,576) |
| Total expenditure | | 83,812,573 | 71,448,631 |
| Operating surplus | | 17,050,488 | 17,175,479 |
| Non-operating income | | | |
| Interest income | | 2,749,482 | 2,622,430 |
| Interest expense | | (29,782) | (51,474) |
| Surplus before grants | | 19,770,188 | 19,746,435 |
| Government grants | 13 | | |
| – Operating grant | | 120,073 | – |
| – Deferred capital grant amortised | | – | 470,963 |
| Surplus before contribution to consolidated fund | | 19,890,261 | 20,217,398 |
| Less: Statutory contribution to consolidated fund | 17 | (3,580,967) | (4,044,080) |
| Less: Special contribution to consolidated fund | 17 | (10,000,000) | (2,500,000) |
| Net surplus for the year | | 6,309,294 | 13,673,318 |

Statement of Changes in Equity

For the year ended 31 March 2008

| | Note | 2007/08 \$ | 2006/07 \$ |
|---------------------------------|------|-------------------|---------------|
| Voted equity | | | |
| Balance at beginning and at end | 3 | 504,967 | 504,967 |
| Accumulated surplus | | | |
| Balance at beginning | | 71,913,785 | 58,240,467 |
| Net surplus for the year | | 6,309,294 | 13,673,318 |
| Balance at end | | 78,223,079 | 71,913,785 |
| Total equity | | 78,728,046 | 72,418,752 |

| | Note | 2007/08 \$ | 2006/07 \$ |
|--|------|---------------------|---------------|
| Cash flows from operating activities | | | |
| Surplus before contribution to consolidated fund | | 19,890,261 | 20,217,398 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | | 1,481,426 | 1,527,602 |
| Amortisation of intangible assets | | 2,422,300 | 2,741,241 |
| Loss/(gain) on disposal of property, plant and equipment | | 69,045 | (21,578) |
| Gain on disposal of intangible assets | | - | (200) |
| Amortisation of capital grant | | - | (470,963) |
| Interest expense | | 29,782 | 51,474 |
| Interest income | | (2,749,482) | (2,622,430) |
| Provision for assurance fund | | 1,959,955 | 1,925,075 |
| Operating surplus before working capital changes | | 23,103,287 | 23,347,619 |
| Increase in trade receivables | | (16,902,610) | (1,256,418) |
| (Increase)/decrease in other receivables | | (472,630) | 210,870 |
| Increase in trade payables | | 11,922,432 | 581,328 |
| Increase in other payables and accruals | | 5,236,326 | 2,266,571 |
| Decrease in deferred survey revenue | | (6,378) | (17,863) |
| Increase in provision for pension | | 338,152 | 476,129 |
| Decrease in retention payable | | (457,869) | (84,069) |
| Cash generated from operations | | 22,760,710 | 25,524,167 |
| Contribution to consolidated fund, paid | | (14,044,080) | (5,583,615) |
| Payment from assurance fund | | - | (1,640,470) |
| Net cash generated from operating activities | | 8,716,630 | 18,300,082 |
| Cash flows from investing activities | | | |
| Net receipts/(payments) for matured and purchase of investments | | 77,148 | (9,867,128) |
| Interest received | | 2,933,430 | 2,411,802 |
| Proceeds from disposal of property, plant and equipment | | 9,234 | 26,625 |
| Proceeds from disposal of intangible assets | | - | 200 |
| Payments for purchase of property, plant and equipment | | (1,175,352) | (757,852) |
| Payments for purchase of intangible assets | | (2,838,503) | (2,662,877) |
| Net cash used in investing activities | | (994,043) | (10,849,230) |
| Cash flows from financing activities | | | |
| Interest paid | | (29,782) | (51,474) |
| Repayment of loan | | (572,295) | (572,294) |
| Repayment of hire-purchase | | (10,006) | (10,006) |
| Net cash used in financing activities | | (612,083) | (633,774) |
| Net increase in cash and cash equivalents | | 7,110,504 | 6,817,078 |
| Cash and cash equivalents at beginning | 7 | 57,929,462 | 51,112,384 |
| Cash and cash equivalents at end | 7 | 65,039,966 | 57,929,462 |

1 General

Singapore Land Authority (the "Authority"), a Statutory Board under the Ministry of Law ("MinLaw"), was established in The Republic of Singapore under the Singapore Land Authority Act 2001 (No. 17 of 2001) on 1 June 2001. The Authority's registered office is at 8 Shenton Way, #26-01, Singapore 068811.

The principal activities of the Authority are to:

- (a) optimise land resources for the social and economic development of Singapore;
- (b) manage all state land and buildings, land acquisitions, leases sales and leases;
- (c) develop, maintain and market national land information;
- (d) issue title to land, register instruments and deeds and approve cadastral surveys; and
- (e) make available land for residential, commercial, educational, institutional, social and other related purposes.

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

The Authority receives reimbursement from MinLaw of between 96.4% and 100% of certain direct expenditure relating to management of State land and buildings.

2 Summary of Significant Accounting Policies

2.1 Effect of changes in legislation

Pursuant to the Accounting Standards Act 2007 which came into effect on 1 November 2007, statutory boards are required to prepare and present their financial statements in compliance with the accounting standards established by the Accountant-General, known as the Statutory Board Financial Reporting Standards ("SB-FRS"). Hence, these financial statements, including the comparative figures, have been prepared in accordance with SB-FRS. The SB-FRS will have the same effective dates as those previously adopted under Singapore Financial Reporting Standards.

Previously, the Authority prepared its financial statements in accordance with Singapore Financial Reporting Standards. The adoption of SB-FRS did not have material impact on the accounting policies of the Authority and figures presented in the financial statements for the financial year ended 31 March 2008, other than the exemption from disclosure of transactions and balances with other state-controlled entities previously required under Singapore Financial Reporting Standard 24 – Related Party Disclosure.

2.2 Basis of preparation

The financial statements of the Authority, which are expressed in Singapore dollars, have been prepared on a historical cost basis and in accordance with the provisions of the Singapore Land Authority Act 2001 (No. 17 of 2001) (the "Act") and SB-FRS.

The accounting policies have been consistently applied by the Authority and are consistent with those used in the previous financial year.

2 Summary of Significant Accounting Policies *(cont'd)*

2.3 Significant accounting estimates and judgments

Estimates and assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Authority's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The cost of property, plant and equipment and intangible assets are depreciated and amortised respectively on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these assets to be within 3 to 7 years. These are common life expectancies applied. The carrying amount of the Authority's property, plant and equipment and intangible assets at 31 March 2008 were \$2,568,815 (2006/07 – \$2,861,269) and \$7,928,517 (2006/07 – \$7,604,214) respectively.

Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges and amortisation could be revised.

2.4 Interpretations and amendments to published standards effective in 2007/08

On 1 April 2007, the Authority adopted the new or amended SB-FRS and Interpretations of SB-FRS ("INT SB-FRS") that are mandatory for application on their respective dates. Changes to the Authority's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective SB-FRS and INT SB-FRS.

| No. | Title | Effective date <i>(annual periods beginning on or after)</i> |
|----------------|---|--|
| SB-FRS 1 | Amendment to SB-FRS 1 (revised), Presentation of Financial Statements (Capital Disclosures) | 1 January 2007 |
| SB-FRS 32 | Financial Instruments: Presentation | 1 January 2007 |
| SB-FRS 40 | Investment Property | 1 January 2007 |
| INT SB-FRS 108 | Scope of SB-FRS 102, Share-based Payment | 1 May 2006 |
| INT SB-FRS 109 | Reassessment of Embedded Derivatives | 1 June 2006 |
| INT SB-FRS 110 | Interim Financial Reporting and Impairment | 1 November 2006 |
| INT SB-FRS 111 | Group and Treasury Share Transactions | 1 March 2007 |

The adoption of the above SB-FRS and INT SB-FRS did not result in any substantial changes to the Authority's accounting policies nor any significant impact on these financial statements.

2 Summary of Significant Accounting Policies *(cont'd)*

2.4 Interpretations and amendments to published standards effective in 2007/08 *(cont'd)*

The amendment to SB-FRS 1 requires the Authority to make new disclosures to enable users of the financial statements to evaluate the Authority's objectives, policies and processes for managing capital.

2.5 SB-FRS and INT SB-FRS not yet effective

The Authority has not applied the following SB-FRS and INT SB-FRS that have been issued but not yet effective:

| No. | Title | Effective date |
|----------------|---|----------------------------------|
| SB-FRS 1 | Presentation of Financial Statements | 1 January 2009 |
| SB-FRS 2 | Inventories | 1 January 2009 |
| SB-FRS 7 | Cash Flow Statements | 1 January 2009 |
| SB-FRS 8 | Accounting Policies, Changes in Accounting Estimates and Errors | 1 January 2009 |
| SB-FRS 11 | Construction Contracts | 1 January 2009 |
| SB-FRS 16 | Property, Plant and Equipment | 1 January 2009 |
| SB-FRS 19 | Employee Benefits | 1 January 2009 |
| SB-FRS 23 | Borrowing Costs | 1 January 2009 |
| SB-FRS 27 | Consolidated and Separate Financial Statements | 1 January 2009 |
| SB-FRS 33 | Earnings Per Share | 1 January 2009 |
| SB-FRS 34 | Interim Financial Reporting | 1 January 2009 |
| SB-FRS 36 | Impairment of Assets | 1 January 2009 |
| SB-FRS 38 | Intangible Assets | 1 January 2009 |
| SB-FRS 101 | First-time Adoption of Financial Reporting Standards | 1 January 2009 |
| SB-FRS 105 | Non-current Assets Held for Sale and Discontinued Operations | 1 January 2009 |
| SB-FRS 106 | Exploration for and Evaluation of Mineral Resources | 1 January 2009 |
| SB-FRS 108 | Operating Segments | 1 January 2009 |
| INT SB-FRS 29 | Amendments to Disclosure – Service Concession Agreements | 1 January 2008 |
| INT SB-FRS 101 | Amendments to Changes in Existing Decommissioning, Restoration and Similar Liabilities | 1 January 2009 |
| INT SB-FRS 104 | Amendments to Determining whether an Arrangement Contains a Lease | 1 January 2008 |
| INT SB-FRS 112 | Service Concession Arrangement Amendments to Service Concession Arrangements | 1 January 2008 1 January 2009 |

The Authority expects that the adoption of the above pronouncements will not have a significant impact on the financial statements in the period of initial application.

2 Summary of Significant Accounting Policies *(cont'd)*

2.6 Income recognition

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

- (a) Income from agency fees is recognised on the accrual basis based on the following:
 - an agreed percentage on land sales and acquisition, management of rental of state-owned properties and management of state land projects; and
 - a pre-determined rate per hectare from management of vacant state land.
- (b) Service income is recognised when services are rendered and accepted by the customer.
- (c) Interest income is recognised on accrual basis.

2.7 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. All items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost of office renovation works also includes the cost of dismantlement, removal or restoration of the office premise to its original state. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income and expenditure statement in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property, plant and equipment.

Assets taken over from the former land departments, namely Land Office, Singapore Land Registry, Survey Department and Land Systems Support Unit, and the existing Computer Information Systems Department ("CISD") in MinLaw were valued on the following bases at the date of transfer:

- (a) Assets-under-construction were valued at cost.
- (b) Other assets were transferred at their book values.

2 Summary of Significant Accounting Policies *(cont'd)*

2.7 Property, plant and equipment and depreciation *(cont'd)*

Assets-under-construction represent computerisation projects which have been capitalised and are stated at cost. These include cost of hardware and software, and other direct costs. Assets-under-construction are not depreciated until such time as the relevant phases are completed and put into operational use.

In general, property, plant and equipment costing \$2,000 and below per item or totalled \$100,000 and below as a group will be charged to the income and expenditure statement in the month of purchase. Assets costing more than \$2,000 per item or totalled more than \$100,000 as a group will be capitalised.

Property, plant and equipment are depreciated using the straight-line method to write off the cost of the assets over their estimated useful lives (based on the stipulated years of useful lives as noted below or lower of their remaining useful lives as at the date of transfer) as follows:

| | |
|---|-------------------|
| Furniture and fittings, office equipment and renovation works | 5 years |
| IT equipment | 3 years – 5 years |
| Motor vehicles | 7 years |
| Plant and machinery | 5 years |

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

2.8 Intangible assets and amortisation

Intangible assets acquired, which comprise computer software development costs, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over their estimated useful lives ranging from 3 to 5 years. The amortisation expense on intangible assets is recognised in the income and expenditure statement through the 'amortisation of intangible assets' line item.

The carrying value of uncompleted software development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year. Upon completion, software development costs are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

2 Summary of Significant Accounting Policies *(cont'd)*

2.9 Impairment of non-financial assets

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Authority makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income and expenditure statement as 'general and administrative expenditure'.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the income and expenditure statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.10 Financial assets

Financial assets within the scope of SB-FRS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Authority becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Authority determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

2 Summary of Significant Accounting Policies (cont'd)**2.10 Financial assets** (cont'd)

- (a) Financial assets at fair value through profit or loss
Derivative financial instruments whose fair value is positive are classified as financial assets at fair value through profit or loss.

The Authority does not designate any financial assets as financial assets at fair value through profit or loss.

- (b) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Authority has the positive intention and ability to hold the assets to maturity. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount and minus any reduction for impairment or uncollectibility. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

For investments carried at amortised cost, gains and losses are recognised in the income and expenditure statement when the investments are derecognised or impaired, as well as through the amortisation process.

The Authority classifies the following financial assets as held-to-maturity investments:

- Bonds
- Variable rate notes

- (c) Loans and receivables
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income and expenditure statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Authority classifies the following financial assets as loans and receivables:

- Cash and cash equivalents
- Trade and other receivables

2 Summary of Significant Accounting Policies (cont'd)

2.10 Financial assets (cont'd)

(d) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income and expenditure statement.

The Authority does not designate any financial assets as available-for-sale.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, and short-term bank deposits that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

2.12 Impairment of financial assets

The Authority assesses at each balance sheet date whether there is any objective evidence that any financial asset or a group of financial assets is impaired.

(a) Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income and expenditure statement.

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 was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income and expenditure statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(b) Assets carried at cost

If there is objective evidence that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of the loss is recognised in the income and expenditure statement. Such impairment losses are not reversed in subsequent periods.

2 Summary of Significant Accounting Policies (cont'd)

2.12 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income and expenditure statement, is transferred from equity to the income and expenditure statement. Reversals in respect of equity instruments classified as available-for-sale are not recognised in the income and expenditure statement. Reversals of impairment losses on debt instruments are reversed through the income and expenditure statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the income and expenditure statement.

2.13 Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the income and expenditure statement.

2.14 Financial liabilities

Financial liabilities include trade payables, other payables and accruals, which are normally settled on 30 day terms, and loan payable and payables to related parties. Financial liabilities are recognised on the balance sheet when, and only when, the Authority becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income and expenditure statement when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

2.15 Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) where as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2 Summary of Significant Accounting Policies (cont'd)**2.16 Employee benefits**

(a) Pensions and other post employment benefits

○ Contribution to Central Provident Fund ("CPF")

The Authority makes contributions to the CPF scheme in Singapore, a defined contribution pension scheme. Contributions to CPF schemes are recognised as an expense in the period in which the related service is performed.

○ Contribution to Civil Service Pension Fund ("CSPF")

The Authority has employees who are pensionable under the CSPF scheme.

Following the CSPF's decision to decentralise the management of the Government Pension Fund, the Authority assumed the responsibility of managing the pension entitlements of certain officers from 1 June 2001. These officers are those who did not opt for the CPF scheme launched in 1955 and continued to be entitled to pension benefits under the CSPF scheme.

Upon retirement, the pension entitlements of these officers will be met by both CSPF and the Authority in proportion to their length of service before and after the establishment of the Authority on 1 June 2001. Accordingly, pension payable to pensionable officers prior to 1 June 2001 are excluded in arriving at the Authority's pension liabilities.

The Authority's net obligation in respect of defined pension plans under the CSPF scheme is calculated separately for each defined benefit plan by estimating the present value of the amount for future benefit that employees have earned in return for their service in the current and prior periods. The discount rate is the yield at balance sheet date as indicated by the Authority based on current investment climate. The calculation is performed taking into account factors such as mortality rates, retirement and withdrawal patterns, as well as wage escalations. As these assumptions may not be satisfied exactly as the fund progresses, a review is conducted once every three years.

Actuarial gains and losses are recognised in the period in which they occur.

(b) Employee leave entitlement

Employees' entitlement to annual leave is recognised when it accrues to the employees. A provision is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the balance sheet date.

2 Summary of Significant Accounting Policies (cont'd)**2.16 Employee benefits** (cont'd)

(c) Termination compensation

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 Authority recognises termination compensation when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination compensation as a result of an offer made to encourage voluntary redundancy. Compensation falling due more than 12 months after balance sheet date is discounted to present value.

2.17 Functional currency

Items included in the financial statements of the Authority are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Authority ("the functional currency"). The financial statements of the Authority are presented in Singapore dollars, which is also the functional currency of the Authority.

2.18 Foreign currency transactions

Transactions in foreign currencies are measured in Singapore dollar and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at balance sheet date. Non-monetary assets and liabilities are measured using exchange rates ruling at the transaction dates or, in the case of items carried at fair value, the exchange rates that existed when the fair values were determined. All resultant exchange differences are recognised in the income and expenditure statement.

2.19 LeasesFinance lease

Finance leases, which effectively transfer to the Authority substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. Finance charges are charged directly to the income and expenditure statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

2 Summary of Significant Accounting Policies (cont'd)**2.19 Leases** (cont'd)Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the income and expenditure statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.20 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2.21 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recorded as an operating grant and recognised in the income and expenditure statement over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred capital grant account and classified as liability. The amount is released to the income and expenditure statement over the expected useful life of the relevant asset.

2.22 Borrowing costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

3 Voted Equity

Operating assets and completed computerisation projects were transferred at net book value to the Authority when it was formed. The values of these assets were settled by loan, cash and grant, and the remaining by way of voted equity injection from the Ministry of Finance.

Capital management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise value. In order to maintain or achieve an optimal capital structure, the Authority considers the future capital requirements, prevailing and projected operating cash flows, projected capital expenditure and projected strategic investment opportunities.

The Authority is not subject to externally imposed capital requirements.

4 Property, Plant and Equipment

| | Furniture and fittings, office equipment, and renovation works \$ | IT equipment \$ | Motor vehicles \$ | Plant and machinery \$ | Assets- under- construction \$ | Total \$ |
|---------------------------------|--|-----------------------|-------------------------|------------------------------|---|-------------------|
| Cost | | | | | | |
| At 1 April 2006, | | | | | | |
| previously reported | 4,479,973 | 8,004,006 | 450,758 | 764,227 | – | 13,698,964 |
| Reclassification from | | | | | | |
| intangible assets | – | 2,225,941 | – | – | 107,119 | 2,333,060 |
| At 1 April 2006, restated | 4,479,973 | 10,229,947 | 450,758 | 764,227 | 107,119 | 16,032,024 |
| Additions | 16,820 | 741,032 | – | – | – | 757,852 |
| Disposals | (214,385) | (467,411) | – | – | – | (681,796) |
| At 31 March 2007 | 4,282,408 | 10,503,568 | 450,758 | 764,227 | 107,119 | 16,108,080 |
| Additions | 215,911 | 387,434 | – | – | 572,007 | 1,175,352 |
| Disposals | (2,937,578) | (2,663,433) | – | – | – | (5,601,011) |
| Reclassification | – | 658,149 | – | – | (566,249) | 91,900 |
| At 31 March 2008 | 1,560,741 | 8,885,718 | 450,758 | 764,227 | 112,877 | 11,774,321 |
| Accumulated depreciation | | | | | | |
| At 1 April 2006, | | | | | | |
| previously reported | 3,066,923 | 7,729,392 | 289,810 | 661,072 | – | 11,747,197 |
| Reclassification from | | | | | | |
| intangible assets | – | 648,762 | – | – | – | 648,762 |
| At 1 April 2006, restated | 3,066,923 | 8,378,154 | 289,810 | 661,072 | – | 12,395,959 |
| Depreciation for the year | 784,059 | 650,752 | 65,625 | 27,166 | – | 1,527,602 |
| Disposals | (209,482) | (467,268) | – | – | – | (676,750) |
| At 31 March 2007 | 3,641,500 | 8,561,638 | 355,435 | 688,238 | – | 13,246,811 |
| Depreciation for the year | 538,062 | 859,911 | 63,456 | 19,997 | – | 1,481,426 |
| Disposals | (2,859,298) | (2,663,433) | – | – | – | (5,522,731) |
| At 31 March 2008 | 1,320,264 | 6,758,116 | 418,891 | 708,235 | – | 9,205,506 |
| Net book value | | | | | | |
| At 31 March 2008 | 240,477 | 2,127,602 | 31,867 | 55,992 | 112,877 | 2,568,815 |
| At 31 March 2007 | 640,908 | 1,941,930 | 95,323 | 75,989 | 107,119 | 2,861,269 |

The net book value of motor vehicle held under finance lease at the end of the year was \$29,758 (2006/07 – \$44,042).

5 Intangible Assets

| | Software and application systems \$ | Assets under construction \$ | Total \$ |
|---|---|------------------------------------|-------------------|
| Cost | | | |
| At 1 April 2006, previously reported | 20,545,018 | 774,923 | 21,319,941 |
| Reclassification to property, plant and equipment | (2,225,942) | (107,118) | (2,333,060) |
| At 1 April 2006, restated | 18,319,076 | 667,805 | 18,986,881 |
| Additions | 438,235 | 2,224,642 | 2,662,877 |
| Disposals | (7,292) | – | (7,292) |
| Reclassification | 2,538,519 | (2,538,519) | – |
| Balance at 31 March 2007 | 21,288,538 | 353,928 | 21,642,466 |
| Additions | 801,196 | 2,037,307 | 2,838,503 |
| Reclassification | 348,293 | (440,193) | (91,900) |
| Balance at 31 March 2008 | 22,438,027 | 1,951,042 | 24,389,069 |
| Accumulated amortisation | | | |
| At 1 April 2006, previously reported | 11,953,065 | – | 11,953,065 |
| Reclassification to property, plant and equipment | (648,762) | – | (648,762) |
| At 1 April 2006, restated | 11,304,303 | – | 11,304,303 |
| Charge for the year | 2,741,241 | – | 2,741,241 |
| Disposals | (7,292) | – | (7,292) |
| Balance at 31 March 2007 | 14,038,252 | – | 14,038,252 |
| Charge for the year | 2,422,300 | – | 2,422,300 |
| Balance at 31 March 2008 | 16,460,552 | – | 16,460,552 |
| Net book value | | | |
| Balance at 31 March 2008 | 5,977,475 | 1,951,042 | 7,928,517 |
| Balance at 31 March 2007 | 7,250,286 | 353,928 | 7,604,214 |

Average remaining amortisation period is 1¹/₃ (2006/07 – 2¹/₃) years.

6 Investments

| | 2007/08 \$ | 2006/07 \$ |
|----------------------|-------------------|---------------|
| Cost of investments: | | |
| Bonds | 25,705,154 | 25,815,585 |
| Variable rate notes | 9,000,000 | 9,000,000 |
| | 34,705,154 | 34,815,585 |
| Effective yields: | | |
| Bonds | 3.52% | 3.00% |
| Variable rate notes | 2.78% | 3.47% |

Both bonds and variable rate notes are classified as held-to-maturity investments under SB-FRS 39. The accounting policies of these financial assets are stated in Note 2.10.

7 Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statement comprise the following:

| | 2007/08 \$ | 2006/07 \$ |
|------------------------|-------------------|---------------|
| Fixed deposits | 63,800,512 | 55,400,993 |
| Cash and bank balances | 1,239,454 | 2,528,469 |
| | 65,039,966 | 57,929,462 |

Cash at bank earns interest at floating rates based on bank deposit rates. Fixed deposits earn interest at respective short-term deposit rates, ranging from 0.81% to 2.65% (2006/07 – 2.44% to 3.48%) per annum.

8 Other Payables and Accruals

| | 2007/08 \$ | 2006/07 \$ |
|-----------------------------|-------------------|---------------|
| Accrued employees' benefits | 2,608,642 | 1,988,767 |
| Accrued agents' expenses | 1,164,081 | 1,727,874 |
| Accrued operating expenses | 6,726,006 | 5,044,663 |
| Deposits payable | 5,860,509 | 2,360,800 |
| | 16,359,238 | 11,122,104 |

9 Retention Payable

This relates to retention monies held for computerisation projects which had been commissioned. These monies will only be paid after the relevant warranty period has expired.

| | 2007/08 \$ | 2006/07 \$ |
|---|------------------|---------------|
| Balance at beginning | 547,170 | 631,239 |
| Addition for the year | 36,850 | 982,237 |
| Payment during the year | (494,719) | (1,066,306) |
| Balance at end | 89,301 | 547,170 |
| Due not later than one year | 74,561 | 547,170 |
| Due later than one year and not later than five years | 14,740 | – |
| | 89,301 | 547,170 |

10 Finance Lease Payable

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

| | Total minimum lease payments 2007/08 \$ | Present value of payments 2007/08 \$ | Total minimum lease payments 2006/07 \$ | Present value of payments 2006/07 \$ |
|--|--|---|--|---|
| Due not later than one year | 11,616 | 10,006 | 11,616 | 10,006 |
| Due later than one year and not later than five years | 13,500 | 11,622 | 25,116 | 21,628 |
| Total minimum lease payments | 25,116 | 21,628 | 36,732 | 31,634 |
| Less: Finance charges | (3,488) | – | (5,098) | – |
| Present value of minimum lease payments | 21,628 | 21,628 | 31,634 | 31,634 |

The remaining lease term is 2 years (2006/07 – 3 years) and bears interest at 2.3% (2006/07 – 2.3%) per annum. There is no exposure to interest risk because the interest rate is fixed at the contract date. The lease is on a fixed repayment basis, denominated in Singapore dollars and secured by the lessor's charge over the leased assets.

11 Loan Payable to MOF

| | 2007/08 \$ | 2006/07 \$ |
|---|------------------|---------------|
| Balance at beginning | 1,001,516 | 1,573,810 |
| Instalment payments during the year | (572,295) | (572,294) |
| Balance at end | 429,221 | 1,001,516 |
| Due not later than one year | 429,221 | 572,295 |
| Due later than one year and not later than five years | – | 429,221 |
| | 429,221 | 1,001,516 |

On 17 December 2003, the Ministry of Finance granted the Authority a loan facility of \$2,861,473 to finance the purchase of operating assets and computerisation projects that were transferred from MinLaw as at 1 June 2001. The loan is unsecured, bears interest at 3.8% (2006/07 – 3.8%) per annum and repayable over five years from the date of the first drawdown of the loan on 24 December 2003.

12 Provision for Assurance Fund

| | 2007/08 \$ | 2006/07 \$ |
|-----------------------------|-------------------|---------------|
| Balance at beginning | 17,823,614 | 17,539,009 |
| Provision for the year | 1,959,955 | 1,925,075 |
| Utilisation during the year | – | (1,640,470) |
| Balance at end | 19,783,569 | 17,823,614 |

The assurance fund was established in accordance with Section 151(1) of the Singapore Land Titles Act (Cap 157). The amount in this fund can only be utilised in accordance with the above Act.

13 Government Grant

| | Operating Grant | | Deferred Capital Grant | |
|--------------------------------|------------------|---------------|------------------------|---------------|
| | 2007/08 \$ | 2006/07 \$ | 2007/08 \$ | 2006/07 \$ |
| Balance at beginning | – | – | – | 470,963 |
| Grant received during the year | 120,073 | – | – | – |
| Amortisation during the year | (120,073) | – | – | (470,963) |
| Balance at end | – | – | – | – |

14 Provision for Pension

| | 2007/08 \$ | 2006/07 \$ |
|----------------------------------|------------------|---------------|
| Balance at beginning | 1,637,848 | 1,122,269 |
| Provision for the year | 342,563 | 653,054 |
| Returns on the fund for the year | – | 39,450 |
| Utilisation during the year | (4,411) | (176,925) |
| Balance at end | 1,976,000 | 1,637,848 |

The principal assumptions used in determining the Authority's pension obligations are:

- (a) All pensioners under the CSPF scheme will retire at the exact age of 62.
- (b) The discount rate of the pension fund is 3% (2006/07 – 2.9%) per annum.
- (c) The expected rate of salary increase is 3% per annum (2006/07 – 3.5% per annum until the pensioner reaches the age of 53 and 1% per annum until the pensioner reaches the age of 62).
- (d) In 2006/07, a retrospective provision of \$562,816 was made for 9 eligible officers who exercised the option to return to the pension scheme as offered by the government.

Pension payable to pensionable officers prior to the establishment of the Authority on 1 June 2001 will be borne by MinLaw and is excluded from the amount stated above.

15 Expenditure on Manpower

| | 2007/08 \$ | 2006/07 \$ |
|---|-------------------|---------------|
| Salaries and wages | 33,052,215 | 27,387,618 |
| CPF contributions | 3,698,258 | 2,954,604 |
| CSPF contributions | 342,563 | 653,054 |
| Staff development and scholarship expenditure | 1,458,104 | 1,432,319 |
| Other staff related expenditure | 684,249 | 577,484 |
| Termination compensation | – | 7,744 |
| | 39,235,389 | 33,012,823 |

16 General and Administrative Expenditure

Included in general and administrative expenditure were:

| | 2007/08 \$ | 2006/07 \$ |
|--|------------------|---------------|
| Auditors' remuneration | 48,000 | 45,000 |
| Board members' allowances | 110,624 | 88,751 |
| Business functions expenditure | 11,055 | 19,359 |
| (Gain)/loss on disposal of property, plant and equipment | 69,045 | (21,778) |
| Rental of office, equipment and car-parking | 5,318,938 | 5,308,822 |
| Transport and travelling expenditure | 312,378 | 293,258 |

17 Contribution to Consolidated Fund

In lieu of income tax, the Authority is required to make contribution to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act. The annual contribution to consolidated fund is made based on the prevailing statutory corporate income tax rate of 18% for the year of assessment 2008 (2006/07 – 20%). During the year the Authority also made a special contribution of \$10,000,000 (2006/07 – \$2,500,000) to the consolidated fund.

18 Commitments

(a) Capital commitments

Estimated amount committed for future capital expenditure but not provided for in the financial statements are as follows:

| | 2007/08 \$ | 2006/07 \$ |
|--|-------------------|---------------|
| Amount approved and contracted for | 4,711,836 | 5,494,629 |
| Amount approved but not contracted for | 14,030,913 | 13,508,642 |
| | 18,742,749 | 19,003,271 |

(b) Operating lease commitments

Future minimum rentals under non-cancellable leases are as follows as at 31 March:

| | 2007/08 \$ | 2006/07 \$ |
|---|-------------------|---------------|
| Due not later than one year | 9,050,958 | 5,239,645 |
| Due later than one year and not later than five years | 2,843,044 | 11,894,002 |
| | 11,894,002 | 17,133,647 |

(c) Other commitments

Under the Authority's Scholarship Programme and Education Scheme, the Authority has an obligation to fund the scholars' and employees' educational expenses. At the balance sheet date, the total committed expenditure is estimated at \$238,741 (2006/07 – \$971,872).

18 Commitments (cont'd)

(d) Contingent liabilities

On 5 October 2005, the Authority commenced action against Virtual Map (Singapore) Pte Ltd ("VM") for infringement of property rights by reproducing the Authority's works without consent. The Authority obtained judgement against VM. VM then appealed to the High Court against the District Judge's decision. At the High Court appeal, the High Court Judge upheld the District Judge's decision. VM has taken out an application to the Court of Appeal for leave to appeal against the High Court Judge's decision. At the same time, VM has filed a notice of appeal against the High Court Judge's decision directly to the Court of Appeal. The Authority is contesting to both the above. Should the action be unsuccessful, the Authority would be liable for possible legal costs and disbursements which is estimated to be about \$400,000. It is not practicable to state the timing of any payment as the suit is still in progress. The Authority has been advised by its counsel that they are of the view that VM's chances of succeeding in the Court of Appeal are the same as those at the High Court and District Court level.

19 Related Party Transactions

Compensation of key management personnel was:

| | 2007/08 \$ | 2006/07 \$ |
|--------------------------------|------------------|---------------|
| Short-term employment benefits | 3,207,694 | 2,383,705 |
| Post employment benefits | 26,544 | 26,256 |
| | 3,234,238 | 2,409,961 |

20 Amounts Held in Trust

Amounts held in trust and managed by the agents on behalf of the Authority comprise cash and deposit balances with financial institutions.

These amounts are accrued to the Government and have been excluded from the Authority's financial statements.

| | 2007/08 \$ | 2006/07 \$ |
|--|-------------------|---------------|
| Cash and cash equivalents held by agents | 10,542,683 | 32,540,223 |

21 Financial Risk Management Objectives and Policies

The Authority is exposed to market risk, including primarily changes in interest rates. The risk management objective is to focus on minimising interest rate risk, liquidity risk, credit risk and market risk which are summarised below:

21.1 Interest rate risk

Surplus funds of the Authority are placed in deposits with financial institutions, and invested in fixed income bonds and variable rate notes. If interest rates for the variable rate notes had been 50 basis points higher or lower and all other variables were held constant, the Authority's surplus for the year ended 31 March 2008 would increase/decrease by \$45,123 (2006/07 – increase/decrease by \$37,849).

21 Financial Risk Management Objectives and Policies *(cont'd)*

21.2 Liquidity risk

Liquidity risk arises in the general funding of the Authority's operating activities. It includes the risk of not being able to fund operating activities at settlement dates and liquidate positions in a timely manner at reasonable price. The Authority manages its liquidity risk by placing primarily its funds in deposits with financial institutions for varying periods depending on its immediate cash requirements.

21.3 Credit risk

The Authority's credit risk is primarily attributable to its cash and cash equivalents, trade receivables and other receivables. The Authority places its cash and cash equivalents with credit-worthy financial institutions.

The credit risk with respect to receivables is low as the Authority deals with credit-worthy organisations such as government ministries and other statutory boards. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is not significant.

The Authority has significant transactions and balances with the government ministries.

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

21.4 Fair values

The carrying amount of financial assets and liabilities approximate their fair values due to their short-term nature.

The loan payable to MOF and the investments are carried at amortised cost in the balance sheet. Their fair values are disclosed in the following table:

| | Carrying amount | | Fair value | |
|---------------------|-------------------|---------------|-------------------|---------------|
| | 2007/08 \$ | 2006/07 \$ | 2007/08 \$ | 2006/07 \$ |
| Loan payable to MOF | 429,221 | 1,001,515 | 413,798 | 919,552 |
| Bonds | 25,705,154 | 25,815,585 | 25,686,359 | 25,998,493 |
| Variable rate notes | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |

The fair value of the bonds and variable rate notes is estimated with reference to the market value whereas the fair value of the loan payable to MOF is estimated using the discounted cash flow analysis based on prime rate of borrowings in the market.

22. Comparatives

Certain comparative figures have been reclassified to conform to current year's presentation.

| | Balance as restated 2006/07 \$ | Balance as previously reported 2006/07 \$ |
|-------------------------------|---|--|
| Property, plant and equipment | 2,861,269 | 1,640,184 |
| Intangible assets | 7,604,214 | 8,825,299 |

The Authority accounts for computer application systems as intangible assets. Included in the intangible assets were IT equipment supporting the application systems. These equipments have been reclassified to tangible assets in FY2007/08. The comparative figures are restated accordingly.

23 Authorisation of Financial Statements

The financial statements for the financial year ended 31 March 2008 were authorised for issue by the Directors of the Authority 26 June 2008.

