

10 PROPERTY, PLANT AND EQUIPMENT

The Group	Capital and General Funds										Restricted Funds	Others	Grand total			
	National Stadium Complex					Other Sports Facilities					Singapore Indoor Stadium					
	Leasehold land	Buildings	Leasehold land	Buildings	Furniture equipment and other fixed assets	Work-in-progress	Buildings	Furniture equipment and other fixed assets	Work-in-progress	Sub-total	Furniture equipment and other fixed assets	Furniture fittings and equipment				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Cost																
At April 1, 2008	274,226	43,945	241,402	563,982	38,008	30,415	113,564	8,303	690	1,314,535	918	5,925	1,321,378			
Additions	–	–	–	317	635	23,351	–	133	–	24,436	89	379	24,904			
Transfers	2,525	–	2,474	28,888	7,357	(41,244)	–	547	(547)	–	–	–	–			
Reclassifications	–	–	–	–	–	–	(204)	204	–	–	–	–	–			
Written off/disposal	–	(147)	(457)	(7)	(841)	(215)	–	–	(143)	(1,810)	(6)	(396)	(2,212)			
At March 31, 2009	276,751	43,798	243,419	593,180	45,159	12,307	113,360	9,187	–	1,337,161	1,001	5,908	1,344,070			
Additions	–	–	–	–	1,535	58,417	–	218	–	60,170	–	609	60,779			
Transfers	–	–	8,828	19,265	155	(28,248)	–	–	–	–	–	–	–			
Written off/disposal	–	–	(3,430)	(2,858)	(2,628)	–	–	(5)	–	(8,921)	(57)	–	(8,978)			
At March 31, 2010	276,751	43,798	248,817	609,587	44,221	42,476	113,360	9,400	–	1,388,410	944	6,517	1,395,871			
Accumulated depreciation																
At April 1, 2008	17,991	32,835	115,009	252,270	25,754	–	46,608	4,351	–	494,818	834	3,862	499,514			
Charge for the financial year	3,799	181	7,929	24,367	4,115	–	3,169	1,200	–	44,760	53	792	45,605			
Reclassifications	–	–	–	–	–	–	(14)	14	–	–	–	–	–			
Written off/disposal	–	(89)	(457)	(7)	(825)	–	–	–	–	(1,378)	(6)	(386)	(1,770)			
At March 31, 2009	21,790	32,927	122,481	276,630	29,044	–	49,763	5,565	–	538,200	881	4,268	543,349			
Charge for the year	1,191	181	8,128	25,572	3,617	–	3,156	1,149	–	42,994	29	724	43,747			
Written off/ disposal	–	–	(3,430)	(2,601)	(2,600)	–	–	(4)	–	(8,635)	(57)	–	(8,692)			
At March 31, 2010	22,981	33,108	127,179	299,601	30,061	–	52,919	6,710	–	572,559	853	4,992	578,404			
Impairment																
At April 1, 2008	–	9,621	–	–	–	–	–	–	–	9,621	–	–	9,621			
Reversal during the year	–	(58)	–	–	–	–	–	–	–	(58)	–	–	(58)			
At March, 2009 and 2010	–	9,563	–	–	–	–	–	–	–	9,563	–	–	9,563			
Carrying Amount																
At March 31, 2010	253,770	1,127	121,638	309,986	14,160	42,476	60,441	2,690	–	806,288	91	1,525	807,904			
At March 31, 2009	254,961	1,308	120,938	316,550	16,115	12,307	63,597	3,622	–	789,398	120	1,640	791,158			

Impairment loss in the carrying amount of buildings arises from the intended demolition of these buildings for the development of Sports Hub project.

The carrying amount of the Council's and the Group's property, plant and equipment includes an amount of \$6,850,000 (2009 : \$10,607,000) in respect of assets held under finance lease arrangements as disclosed in Note 21.

11 PREPAID LAND PREMIUM

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Prepaid land premium	4,504	4,820
Less: Current portion	(316)	(316)
Non-current portion	<u>4,188</u>	<u>4,504</u>

12 SUBSIDIARY

	The Council	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Unquoted equity shares, at cost	<u>1,572</u>	<u>1,572</u>

Details of the Council's subsidiary as at March 31, 2010 are as follows:

<u>Name of subsidiary</u>	<u>Country of incorporation and operation</u>	<u>Proportion of ownership and voting power held</u>		<u>Principal activity</u>
		<u>2010</u> %	<u>2009</u> %	
<u>Held by the Council</u>				
SISTIC.COM Pte Ltd*	Singapore	65	65	Ticketing services

*Audited by PriceWaterhouseCoopers, Singapore.

13 AVAILABLE-FOR-SALE INVESTMENTS

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Quoted equity shares - at fair value	<u>5,776</u>	<u>3,413</u>

Quoted equity shares offer the Council opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these shares are based on the quoted closing market prices on the last market day of the financial year.

14 STAFF LOANS

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Repayable within 12 months (current asset)	5	–
Repayable after 12 months (non-current asset)	<u>18</u>	<u>20</u>

Management estimates the fair value of the non-current staff loans to approximate their carrying amounts.

15 RECEIVABLES AND PREPAYMENTS

	The Council		The Group	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000
Receivable from Government	7,733	99,133	7,733	99,133
Trade receivables	1,562	3,683	3,866	5,809
Prepayments	2,186	1,835	2,335	2,062
Other debtors	<u>3,695</u>	<u>2,433</u>	<u>3,955</u>	<u>2,797</u>
	15,176	107,084	17,889	109,801
Less: Amount due after 12 months (shown under non-current assets)	<u>(4,734)</u>	<u>(92,324)</u>	<u>(4,734)</u>	<u>(92,324)</u>
	<u>10,442</u>	<u>14,760</u>	<u>13,155</u>	<u>17,477</u>

The average credit period is 30 days (2009 : 30 days) except for receivable from Government. No interest is charged on the amounts over-due.

Movement in the allowance for doubtful receivables:

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Balance at the beginning of year	30	–
Amount written off during the year	(12)	–
Increase in allowance recognised in income or expenditure	<u>20</u>	<u>30</u>
Balance at end of year	<u>38</u>	<u>30</u>

Trade receivables are provided for based on estimated irrecoverable amounts from the rendering of services, determined by reference to past default experience. In determining the recoverability of the receivables, the Group considers any change in the credit quality of the receivables from the date of credit was initially granted up to the end of the reporting period.

Aging of trade receivables that are past due but not impaired as follows:

	The Council		The Group	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000
30 to 90 days	315	699	776	1,102
More than 90 days	<u>251</u>	<u>78</u>	<u>251</u>	<u>80</u>
	<u>566</u>	<u>777</u>	<u>1,027</u>	<u>1,182</u>

The Council's and Group's receivables and prepayments that are not denominated in the functional currencies of the respective entities are as follows:

	The Council		The Group	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000
Australian dollar	-	-	15	78
United States dollar	<u>-</u>	<u>-</u>	<u>153</u>	<u>278</u>

16 LOANS TO A THIRD PARTY

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Loan receivables	1,656	1,646
Allowance for doubtful receivables	<u>(1,656)</u>	<u>(1,646)</u>
Net	<u>-</u>	<u>-</u>

Movement in the allowance for doubtful receivables:

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Balance at the beginning of year	1,646	1,158
Increase in allowance recognised in income or expenditure (Note 30)	<u>10</u>	<u>488</u>
Balance at end of year	<u>1,656</u>	<u>1,646</u>

On March 14, 2006, the Council entered into a memorandum of understanding (the "MOU") with a third party (the "Party"). The Council would provide support to the Party by offering it the preferential hiring and lease terms and rental of facilities at the Singapore Indoor Stadium ("SIS"). Also stipulated in the MOU, in return for the support, the Party granted an Ordinary Share Option to the Council, whereby the Council has the option over 250 "A" ordinary shares in the capital of the Party. The option may only be exercised by the Council upon simultaneous exercise of the Preference Share Option (see below) and upon the payment of \$10 per ordinary share.

Following the MOU, on March 31, 2006, the Council and the Party entered into a hiring agreement for the hire of the SIS Arena and an office lease agreement for the lease of office space in SIS. The agreements are for a period of 5 years commencing from July 1, 2006 to June 30, 2011. As stipulated in the second addendum of the hiring and office lease agreements dated on March 5, 2009, the hiring charges including rent and service charges for the first three years (from July 2006 to June 2010) would be fixed, and an option was granted to the Council to acquire 250 "B" preference shares at \$2,875 each in the capital of the Party in lieu of the repayment of an amount of \$718,750 owing by the Party, being the amount owing by the Party at June 30, 2010, i.e., end of three years. This option may be exercised by the Council at any time and on as many occasions. In addition, as of March 31, 2010, \$719,000 (2009 : \$714,000) was recorded as a receivable from the Party, which was included in the loan receivables at year end.

Based on management accounts of the Party as at March 31, 2010, the Party was at a net capital deficiency position of \$5,110,000 (2009 : \$3,568,000) and incurred a loss of \$570,981 (2009 : \$612,000) for the year then ended. For the financial year ended March 31, 2010, management has made an additional impairment loss of \$10,000 (2009 : \$488,000) for the total amount outstanding as of year end. In addition, management has not recorded the value of the options given to the Council as this is expected to be immaterial and based on the financial position of the Party, the value of the options would be fully impaired.

17 CASH AND BANK BALANCES

	The Council		The Group	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000
Cash with AGD	151,671	-	151,671	-
Cash on hand and bank	<u>12,087</u>	<u>51,882</u>	<u>17,560</u>	<u>57,137</u>
	163,758	51,882	169,231	57,137
Fixed deposits	-	<u>45,241</u>	<u>15,794</u>	<u>57,985</u>
	<u>163,758</u>	<u>97,123</u>	<u>185,025</u>	<u>115,122</u>

The cash with Accounting General's Department ("AGD") represents cash that is centrally maintained as a consolidated pool and available on request.

The fixed deposits mature within 7 days to 3 months (2009 : 1 days to 3 months) and bears interest at 0.060% to 0.263% (2009 : 0.055% to 0.388%) per annum.

Cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	The Group	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
United States dollar	<u>1,473</u>	<u>1,603</u>

18 DERIVATIVE FINANCIAL INSTRUMENTS

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Interest rate swaps (current liability)	<u>5,823</u>	<u>8,683</u>

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank loan (Note 20) by swapping the loans from floating rates to fixed rates.

The first contract with notional value of \$90 million has fixed interest payments at 3.63% per annum for a tenure of 25 years and has floating interest receipts based on six-month Singapore Swap Offer Rate plus a credit margin of 19 basis points, which approximates an average interest rate of 1.46% per annum.

The fair value of swap entered into on April 7, 2009 is estimated at \$5,468,000 (liability) as at March 31, 2010, measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. The interest rate swap is designated and effective as cash flow hedge and the fair value thereof has been deferred in equity. An amount of \$1,252,000 (loss) has been offset against hedged interest payment made in the year.

The second contract with notional value of \$25 million has fixed interest payments at 2.82% per annum for a tenure of 10 years and has floating interest receipts based on six-month Singapore Swap Offer Rate plus a credit margin of 140 basis points, which approximates an average interest rate of 1.97% per annum.

The fair value of swap entered into on March 16, 2010 is estimated at \$355,000 (liability) as at March 31, 2010, measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. The interest rate swap is designated and effective as cash flow hedge and the fair value thereof has been deferred in equity. An amount of \$29,958 (loss) has been offset against hedged interest payment made in the year.

The interest rate swaps settle on a six-monthly basis. The Group settles the difference between the fixed and floating interest rates on a net basis.

19 PAYABLES AND ACCRUED LIABILITIES

	The Council		The Group	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000
Accounts payable	4,182	3,373	4,884	3,985
Amount due to minority shareholder	–	–	211	359
Accrued liabilities	26,823	28,077	27,881	29,226
Provision for financial penalty*	–	–	989	–
	<u>31,005</u>	<u>31,450</u>	<u>33,965</u>	<u>33,570</u>

*Provision for financial penalty

On 15 December 2009, the Competition Commission of Singapore ("CCS") issued a Proposed Infringement Decision ("PID") against the Company ("SISTIC") for contravening section 47 of the Competition Act ("Act") by abusing its dominant position in the ticketing service market via various exclusive agreements.

Section 47 of the Act prohibits a dominant undertaking from abusing its dominant position in any market in Singapore. The consequences of an infringement finding may involve the imposition of a financial penalty and/or a direction to modify the infringing business conduct or arrangements.

The Company has separate exclusive agreements with The Esplanade Co. Ltd, Singapore Sports Council and 17 other event promoters (collectively referred to as "Contractual Partners") which contain explicit restrictions to use the Company as the sole ticketing service provider.

On 9 February 2010, the Company submitted written representations to CCS that it has not infringed section 47 of the Act, in response to the PID issued on 15 December 2009.

On 16 April 2010, the CCS acceded to the Company's request for an oral representation to be made in respect of the written representations submitted on 9 February 2010. The CCS further issued supplementary evidence to the Company in response to the written representations submitted by the Company.

On 26 April 2010, the Company submitted its written representations to CCS in response to the supplementary evidence issued on 16 April 2010.

On 29 April 2010, the Company made an oral representation to CCS.

The written and oral representations made to the CCS conveyed the Company's position that its actions have not infringed section 47 of the Act.

On 4 June 2010, the CCS issued an Infringement Decision (“ID”) against the Company and levied a financial penalty of \$989,000. CCS also directed the Company to modify the exclusive agreements with immediate effect, to remove any clause(s) that require the Company’s contractual partners to use the Company exclusively.

At the end of the reporting period, the Company has made a provision of \$989,000 for the financial penalty. However, the Company remains of the view that its actions are not in breach of the section 47 prohibition and is in the process of preparing a Notice of Appeal to the Competition Appeal Board.

20 BANK LOANS

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$’000	\$’000
Term loans – unsecured	100,600	88,200
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(3,600)</u>	<u>(3,600)</u>
Amount due for settlement after 12 months	<u>97,000</u>	<u>84,600</u>

A term loan with an initial amount of \$90 million was converted from the bridging loan on April 7, 2009 and will mature on April 7, 2033. It bears interest based on six-month Swap Offer Rate with a credit margin of 19 basis points which approximates an average interest rate of 1.46% per annum. The Council uses interest rate swap to hedge the fluctuation in interest rates (Note 18). The loan is repayable over 50 six-monthly instalments.

During the year the Council secured a new term loan facility of \$25 million. An initial amount of \$16 million was drawn down on March 16, 2010. Another \$4 million will be drawn down on 16 June, 2010 while the balance \$5 million will be drawn down on March 16, 2011. The full loan will mature on March 16, 2020. The term loan bears interest based on six-month Swap Offer Rate with a credit margin of 140 basis points which approximates an average interest rate of 1.97% per annum for the \$16 million drawdown. The Council uses interest rate swap to hedge the fluctuation in interest rates (Note 18). The loan is repayable over 18 six-monthly instalments, commencing September 16, 2011. Management is of the opinion that the fair values of the Group’s bank loans approximate their carrying values as the interest rates are at the current market level.

21 FINANCE LEASE

	The Council and the Group			
	<u>Minimum lease payments</u>		<u>Present value of minimum lease payments</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$’000	\$’000	\$’000	\$’000
Amounts payable under finance leases:				
Within one year	2,990	2,990	2,701	2,569
In the second to fifth years inclusive	4,734	7,724	4,561	7,262
	<u>7,724</u>	<u>10,714</u>	<u>7,262</u>	<u>9,831</u>
Less: Future finance charges	(462)	(883)	–	–
Present value of lease obligations	<u>7,262</u>	<u>9,831</u>	7,262	9,831
Less: Amount due for settlement within 12 months (shows under current liabilities)			<u>(2,701)</u>	<u>(2,569)</u>
Amount due for settlement after 12 months			<u>4,561</u>	<u>7,262</u>

During the year ended March 31, 2008, the Council leased its new temporary office from a third party, following the closure of the National Stadium. The lease term is expected for a period of 5 years. The average effective borrowing rate is 5% (2009 : 5%) per annum, which is used to derive the present value of the minimum lease payments.

The fair value of the Council’s and the Group’s lease obligations approximates its carrying amount.

22 DEFERRED REVENUE

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$’000	\$’000
Balance at the beginning of year	4,962	5,845
Less: Transfer to income or expenditure	<u>(458)</u>	<u>(883)</u>
	4,504	4,962
Less: Current portion	<u>(316)</u>	<u>(458)</u>
Non-current portion	<u>4,188</u>	<u>4,504</u>

23 GRANTS RECEIVED IN ADVANCE

	The Council and the Group					
	Operating grants		Development grants		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance at the beginning	-	-	17,188	15,577	17,188	15,577
Add:						
Government grants received	20,983	-	33,145	12,585	54,128	12,585
Less:						
Transfer to deferred capital grants	-	-	(35,679)	(10,974)	(35,679)	(10,974)
Balance at the end of year	<u>20,983</u>	<u>-</u>	<u>14,654</u>	<u>17,188</u>	<u>35,637</u>	<u>17,188</u>

24 REFUNDABLE DEPOSITS

	The Council		The Group	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Refundable deposits	<u>2,621</u>	<u>2,132</u>	<u>2,721</u>	<u>2,281</u>

25 GATE COLLECTIONS HELD IN TRUST

	The Council		The Group	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Gate collections held in trust	<u>-</u>	<u>46</u>	<u>12,369</u>	<u>10,759</u>

The year end balance consists mainly of the balance of monies collected from the sale of tickets on behalf of the organisers for performances held and to be held. The monies would be paid to the various organisations after the completion of the events and after deducting the Group's share of commission and fees for services rendered on gate-takings.

26 PROVISION FOR CONTRIBUTION TO CONSOLIDATED FUND/TAX

	The Council		The Group	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Provision for contribution to consolidated fund	<u>4,178</u>	<u>-</u>	<u>4,428</u>	<u>368</u>

27 DEFERRED TAX LIABILITY

The following are the major deferred tax liabilities recognised by the Group, and the movements thereon, during the current and prior end of the reporting periods:

	The Group	
	2010 \$'000	2009 \$'000
Deferred tax liability – Accelerated tax depreciation		
Balance at the beginning of year	325	361
Credited to income or expenditure (Note 35)	(44)	(16)
Effect of change in tax rate (Note 35)	-	(20)
Balance at the end of year	<u>281</u>	<u>325</u>

28 DEFERRED CAPITAL GRANTS - GOVERNMENT

	The Council and the Group					
	Capital and General Funds		Restricted Funds		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance at the beginning of year	579,860	604,869	-	-	579,860	604,869
Less: Adjustment for Government grant withdrawn	(87,107)	-	-	-	(87,107)	-
	492,753	604,869	-	-	492,753	604,869
Grants drawn down during the year	<u>37,235</u>	<u>13,819</u>	-	-	<u>37,235</u>	<u>13,819</u>
	529,988	618,688	-	-	529,988	618,688
Less:						
Grant taken to the income or expenditure:						
i) To match property, plant and equipment written off	(284)	(230)	-	-	(284)	(230)
ii) To match depreciation	(37,079)	(38,052)	-	-	(37,079)	(38,052)
iii) To match interest expense on obligation under finance lease	(421)	(546)	-	-	(421)	(546)
	<u>(37,784)</u>	<u>(38,828)</u>	<u>-</u>	<u>-</u>	<u>(37,784)</u>	<u>(38,828)</u>
Balance at the end of year	<u>492,204</u>	<u>579,860</u>	<u>-</u>	<u>-</u>	<u>492,204</u>	<u>579,860</u>

29 DEFERRED CAPITAL GRANTS – NON-GOVERNMENT

	The Council and the Group					
	Capital and General Funds		Restricted Funds		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance at the beginning of year	46,854	49,553	1	13	46,855	49,566
Less:						
Grants taken to income or expenditure to match depreciation	(2,597)	(2,699)	(1)	(12)	(2,598)	(2,711)
Balance at the end of year	<u>44,257</u>	<u>46,854</u>	<u>-</u>	<u>1</u>	<u>44,257</u>	<u>46,855</u>

30 OPERATING EXPENSES

Operating expenses comprise mainly expenditure on sports facilities, grants disbursements, program and event expenditures. Included in operating expenses are mainly the following:

	The Council		The Group	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Grant disbursements*	34,478	32,978	34,478	32,978
Program/Event expenses	36,364	15,046	36,364	15,046
Utilities	9,526	10,537	9,585	10,604
Rental of equipment	1,659	1,045	1,659	1,045
Loss on property, plant and equipment written off/disposal	286	276	286	324
Allowance for doubtful loan receivables	10	488	10	488
Net foreign exchange (gain) loss	<u>-</u>	<u>-</u>	<u>26</u>	<u>(5)</u>

* Grant disbursements mainly pertain to the disbursements made to the various National Sports Associations.

31 EMPLOYEE BENEFITS EXPENSE

Employee benefit expense comprises the following:

	The Council		The Group	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Salaries and bonuses	44,611	44,124	47,920	47,569
Cost of defined contribution plans	5,819	5,709	6,105	5,978
Staff training and welfare	4,439	1,386	4,355	1,464
Other employee benefits*	<u>1,282</u>	<u>4,070</u>	<u>1,381</u>	<u>4,169</u>
	<u>56,151</u>	<u>55,289</u>	<u>59,761</u>	<u>59,180</u>

*The Group's expense amount is after netting off of \$116,000 (2009 : \$85,000) received by the subsidiary in relation to a cash grant under jobs credit scheme introduced in the Singapore Budget 2009 to help business preserve jobs in the economic downturn. The job credits will be paid to eligible employers in four payments and the amount an employer can receive would depend on the fulfilment of the conditions as stated in the scheme.

32 OTHER EXPENSES

Other expenses comprise the following:

	The Council		The Group	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Council Members' allowances	141	156	141	156
Transport and travelling	759	1,111	866	1,217
Consultancy costs#	4,021	6,709	4,046	6,751
Expenses related to small scale projects	663	3,166	663	3,166
Financial penalty	-	-	989	-
Miscellaneous expenses	<u>3,286</u>	<u>3,387</u>	<u>4,486</u>	<u>3,951</u>
	<u>8,870</u>	<u>14,529</u>	<u>11,191</u>	<u>15,241</u>

Consultancy costs mainly pertain to professional advisory services sought for the Sports Hub project.

33 INCOME FROM INVESTMENTS

Income from investments comprises the following:

	The Council						The Group	
	General Funds		Restricted Funds		Total			
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Interest income	57	347	21	48	78	395	130	554
Dividends from quoted equity shares	-	-	226	323	226	323	226	323
Gain on disposal of investments	-	-	-	575	-	575	-	575
	<u>57</u>	<u>347</u>	<u>247</u>	<u>946</u>	<u>304</u>	<u>1,293</u>	<u>356</u>	<u>1,452</u>

34 OPERATING GRANTS

	The Council and the Group	
	2010 \$'000	2009 \$'000
Accumulated operating grants received from the Government at the beginning of year	1,299,653	1,168,761
Operating grants received during the financial year	<u>173,961</u>	<u>130,892</u>
Accumulated Government operating grants received and utilised at the end of year	<u>1,473,614</u>	<u>1,299,653</u>

35 CONTRIBUTION TO CONSOLIDATED FUND/TAX

	The Council						The Group	
	General Funds		Restricted Funds		Total			
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current tax								
- current year	4,174	-	4	-	4,178	-	4,425	324
- in respect of prior year	-	-	-	-	-	-	(55)	(1)
Deferred tax (Note 27)								
- current year	-	-	-	-	-	-	(44)	(16)
- in respect of change in tax rate	-	-	-	-	-	-	-	(20)
	<u>4,174</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>4,178</u>	<u>-</u>	<u>4,326</u>	<u>287</u>

The Council is required to make a contribution to the Consolidated Fund in accordance with section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A).

The contribution to the consolidated fund varied from the amount of contribution determined by applying the prevailing corporate tax rate of 17% for Year of Assessment 2011 (Year of Assessment 2010 : 17%) to the surplus as a result of the following differences:

	The Council		The Group	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
(Deficit) Surplus before contribution to consolidated fund	<u>29,370</u>	<u>(1,711)</u>	<u>31,371</u>	<u>233</u>
Contribution in lieu of tax/income tax expense calculated at 17% (2009 : 17%)	4,993	(291)	5,333	40
(Income) not subject to tax	(39)	-	(65)	(26)
Unutilised tax losses brought forward	(776)	-	(776)	-
Effect of deficit incurred by the Council	-	291	-	291
Effect of change of tax rate	-	-	-	(20)
Tax incentives	-	-	(81)	-
Under provision in prior years	-	-	(55)	(1)
Others	-	-	(30)	(5)
Total contribution to consolidated fund/tax	<u>4,178</u>	<u>-</u>	<u>4,326</u>	<u>279</u>

36 CAPITAL COMMITMENTS

	The Council and the Group	
	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Capital expenditures approved by the Council and the Group but not provided for in the financial statements are as follows:		
Amount approved and contracted for	42,496	13,821
Amount approved but not contracted for	<u>40,758</u>	<u>117,014</u>
	<u>83,254</u>	<u>130,835</u>

37 OPERATING LEASE ARRANGEMENTS

	The Council		The Group	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000
Minimum lease payments under operating leases included in income or expenditure	<u>1,008</u>	<u>1,007</u>	<u>1,287</u>	<u>1,152</u>

At the end of the reporting period, outstanding commitments under non-cancellable operating leases, which falls due as follows:

	The Council		The Group	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000
Within one year	1,501	1,006	2,088	1,446
In the second to fifth years inclusive	<u>635</u>	<u>251</u>	<u>869</u>	<u>251</u>
	<u>2,136</u>	<u>1,257</u>	<u>2,957</u>	<u>1,697</u>

Operating lease represents minimum lease payments for rental of office equipment, and office and data storage space. The leases are negotiated for terms of 2 to 4 years and are fixed for an average of 3 years.

The Council and the Group as lessor

The Council and the Group rents out its office space, food and beverage outlets, carparks and golf courses, located at various sports and swimming complexes, sports halls and centres, stadiums and golf courses to third parties under operating leases.

All of the properties leased have committed tenants for the next 1 to 20 years.

At the end of the reporting period, the Council and the Group have contracted with tenants for the following future minimum lease payments:

	The Council		The Group	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000
Within one year	5,724	7,345	5,724	7,345
In the second to fifth years inclusive	<u>3,676</u>	<u>6,371</u>	<u>3,676</u>	<u>6,371</u>
After 5 years	<u>1,080</u>	<u>1,277</u>	<u>1,080</u>	<u>1,277</u>
	<u>10,480</u>	<u>14,993</u>	<u>10,480</u>	<u>14,993</u>



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