Statement by the Board of the Info-Communications Development Authority of Singapore

In our opinion:

(a) the accompanying financial statements of Info-Communications Development Authority of Singapore (the "Authority") and its subsidiaries (the "Group") as set out on pages 32 to 94 are drawn up in accordance with the provisions of the Info-Communications Development Authority of Singapore Act (Cap. 137A, 2000 Revised Edition) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Group and of the Authority as at 31 March 2016, the results and changes in equity of the Group and of the Authority, and cash flows of the Group for the year ended on that date;

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

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

The Board of the Info-Communications Development Authority of Singapore has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board

Chan Yeng Kit
Chairman

14 July 2016
Independent auditors’ report

MEMBERS OF THE AUTHORITY INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE

Report on the financial statements

We have audited the financial statements of Info-Communications Development Authority of Singapore (the “Authority”) and its subsidiaries (the “Group”), which comprise the statements of financial position of the Group and the Authority as at 31 March 2016, the statements of income and expenditure, the statements of comprehensive income and statements of changes in equity of the Group and of the Authority and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 32 to 94.

Management’s responsibility for the financial statements

Management is responsible for the preparation of financial statements in accordance with the provisions of the Info-communications Development Authority of Singapore Act (Cap. 137A, 2000 Revised Edition) (the “Act”) and Statutory Board Financial Reporting Standards (“SB-FRS”), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of income and expenditure, statement of comprehensive income and statement of changes in equity of the Authority are properly drawn up in accordance with the provisions of the Act and SB-FRS so as to present fairly, in all material respects, the state of affairs of the Group and of the Authority as at 31 March 2016, the results and changes in equity of the Group and of the Authority, and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

Management’s responsibility for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.
Independent auditors’ report
MEMBERS OF THE AUTHORITY INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE

Auditors’ responsibility

Our responsibility is to express an opinion on management’s compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

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

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

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and acquisition and disposal of assets by the Authority during the year are, in all material respects, in accordance with the provisions of the Act;

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

(c) the accounting and other records of those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the Singapore Companies Act, Chapter 50.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which states that the Authority and Media Development Authority of Singapore will, pursuant to the announcement by Ministry of Communications and Information on 18 January 2016, be restructured to form Info-communications Media Development Authority of Singapore and Government Technology Agency. Following the restructuring, all the business and undertakings and all rights and obligations of the Authority will be transferred to either Government Technology Agency or Info-communications Media Development Authority of Singapore, being the restructured statutory boards. Subsequent to the restructuring, the Authority will cease to exist as a separate statutory board.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
14 July 2016
# Statements of financial position

AS AT 31 MARCH 2016

<table>
<thead>
<tr>
<th>Non-current assets</th>
<th>Note</th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>4</td>
<td>60,619</td>
<td>52,301</td>
<td>59,639</td>
<td>48,918</td>
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<tr>
<td>Intangible assets</td>
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<td>13,626</td>
<td>14,518</td>
<td>13,626</td>
<td>14,512</td>
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<tr>
<td>Subsidiaries</td>
<td>6</td>
<td>–</td>
<td>–</td>
<td>17,713</td>
<td>251,535</td>
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<tr>
<td>Deferred expenditure</td>
<td>7</td>
<td>5,219</td>
<td>4,999</td>
<td>5,219</td>
<td>4,999</td>
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<tr>
<td>Available-for-sale financial assets</td>
<td>8</td>
<td>–</td>
<td>10,584</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Investments at fair value through profit or loss</td>
<td>9</td>
<td>–</td>
<td>669,195</td>
<td>–</td>
<td>661,325</td>
</tr>
<tr>
<td>Investments at cost</td>
<td>10</td>
<td>–</td>
<td>14,305</td>
<td>–</td>
<td>–</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>79,464</strong></td>
<td><strong>765,902</strong></td>
<td><strong>96,197</strong></td>
<td><strong>981,289</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Current assets</th>
<th>Note</th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments at fair value through profit or loss</td>
<td>9</td>
<td>695,780</td>
<td>55,572</td>
<td>695,780</td>
<td>55,572</td>
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<tr>
<td>Trade receivables</td>
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<td>128,731</td>
<td>136,558</td>
<td>127,319</td>
<td>127,915</td>
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<tr>
<td>Due from subsidiaries (non-trade)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1,020</td>
<td>1,491</td>
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<tr>
<td>Other receivables</td>
<td>12</td>
<td>63,054</td>
<td>21,541</td>
<td>60,900</td>
<td>18,557</td>
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<tr>
<td>Grants receivables</td>
<td>13</td>
<td>83,455</td>
<td>67,021</td>
<td>83,455</td>
<td>67,021</td>
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<tr>
<td>Tax recoverable</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>323</td>
<td>–</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>15</td>
<td>523,270</td>
<td>481,269</td>
<td>495,445</td>
<td>425,298</td>
</tr>
<tr>
<td>Subsidiary held for sale</td>
<td>33</td>
<td>102,459</td>
<td>–</td>
<td>237,822</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,596,749</strong></td>
<td><strong>762,284</strong></td>
<td><strong>1,701,741</strong></td>
<td><strong>695,854</strong></td>
</tr>
</tbody>
</table>

| Total assets |  | **1,676,213** | **1,528,186** | **1,797,938** | **1,677,143** |

<table>
<thead>
<tr>
<th>Equity</th>
<th></th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
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<td>31,001</td>
<td>22,001</td>
<td>31,001</td>
<td>22,001</td>
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<tr>
<td>Capital account</td>
<td>16</td>
<td>356,165</td>
<td>356,165</td>
<td>356,165</td>
<td>356,165</td>
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<tr>
<td>Fair value reserve</td>
<td>16</td>
<td>12,435</td>
<td>12,345</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Translation reserve</td>
<td>16</td>
<td>(6)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Accumulated surpluses</td>
<td>16</td>
<td>437,292</td>
<td>468,264</td>
<td>426,713</td>
<td>453,855</td>
</tr>
<tr>
<td>Accumulated surpluses – restricted fund</td>
<td>17</td>
<td>94,490</td>
<td>21,037</td>
<td>94,490</td>
<td>21,037</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td><strong>931,377</strong></td>
<td><strong>879,812</strong></td>
<td><strong>908,369</strong></td>
<td><strong>853,058</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
## Statements of financial position (continued)

AS AT 31 MARCH 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2015/2016 $'000</th>
<th>Authority 2015/2016 $'000</th>
<th>Group 2014/2015 $'000</th>
<th>Authority 2014/2015 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Deferred income</strong></td>
<td>18</td>
<td>111,066</td>
<td>108,177</td>
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<tr>
<td></td>
<td><strong>Trade payables</strong></td>
<td></td>
<td>32,953</td>
<td>28,368</td>
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<tr>
<td></td>
<td><strong>Other payables, advances and deposits</strong></td>
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<td>183,824</td>
<td>181,050</td>
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<tr>
<td></td>
<td><strong>Grants received in advance</strong></td>
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<td>59,379</td>
<td>59,379</td>
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<tr>
<td></td>
<td><strong>Income tax payable</strong></td>
<td></td>
<td>26</td>
<td>–</td>
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<tr>
<td></td>
<td><strong>Provision for pension and medical benefits</strong></td>
<td>20</td>
<td>2,764</td>
<td>2,764</td>
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<tr>
<td></td>
<td><strong>Contribution payable to consolidated fund</strong></td>
<td>21</td>
<td>21,368</td>
<td>21,368</td>
</tr>
<tr>
<td></td>
<td><strong>Due to subsidiaries (non-trade)</strong></td>
<td>22</td>
<td>–</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td><strong>Subsidiary held for sale</strong></td>
<td>33</td>
<td>4,507</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>415,887</td>
<td>551,106</td>
</tr>
<tr>
<td></td>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Deferred income</strong></td>
<td>18</td>
<td>256,211</td>
<td>255,803</td>
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<tr>
<td></td>
<td><strong>Due to subsidiaries (non-trade)</strong></td>
<td>22</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td><strong>Deferred capital grants</strong></td>
<td></td>
<td>46,087</td>
<td>46,087</td>
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<tr>
<td></td>
<td><strong>Provision for pension and medical benefits</strong></td>
<td>20</td>
<td>26,573</td>
<td>26,573</td>
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<tr>
<td></td>
<td><strong>Deferred tax liabilities</strong></td>
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<td>78</td>
<td>6</td>
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<tr>
<td></td>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td>328,949</td>
<td>338,463</td>
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<tr>
<td></td>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>744,836</td>
<td>889,569</td>
</tr>
<tr>
<td></td>
<td><strong>Total equity and total liabilities</strong></td>
<td></td>
<td>1,676,213</td>
<td>1,797,938</td>
</tr>
<tr>
<td></td>
<td><strong>Net assets of trust and agency funds</strong></td>
<td>24</td>
<td>3,696</td>
<td>3,696</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
**Statements of income and expenditure**

**YEAR ENDED 31 MARCH 2016**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service fees</td>
<td>296,195</td>
<td>243,583</td>
<td>106,352</td>
<td>31,024</td>
<td>402,547</td>
<td>274,607</td>
<td>280,674</td>
<td>219,827</td>
<td>106,352</td>
<td>31,024</td>
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<tr>
<td>Licence and frequency fees</td>
<td>93,622</td>
<td>83,149</td>
<td>–</td>
<td>–</td>
<td>93,622</td>
<td>83,149</td>
<td>93,622</td>
<td>83,149</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Interest income</td>
<td>21,762</td>
<td>22,042</td>
<td>–</td>
<td>–</td>
<td>21,762</td>
<td>22,042</td>
<td>20,883</td>
<td>21,661</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Fair value changes on investments at fair value through profit or loss</td>
<td>–</td>
<td>37,521</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>37,521</td>
<td>–</td>
<td>36,862</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Gain on disposal of Available-for-sale financial assets</td>
<td>345</td>
<td>359</td>
<td>–</td>
<td>–</td>
<td>345</td>
<td>359</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Gain on disposal of investments at fair value through profit or loss</td>
<td>11,533</td>
<td>933</td>
<td>–</td>
<td>–</td>
<td>11,533</td>
<td>933</td>
<td>11,533</td>
<td>933</td>
<td>–</td>
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<tr>
<td>Other income</td>
<td>10,983</td>
<td>17,179</td>
<td>10,834</td>
<td>3,736</td>
<td>21,817</td>
<td>20,915</td>
<td>10,622</td>
<td>17,345</td>
<td>10,834</td>
<td>3,736</td>
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<tr>
<td>Dividend income</td>
<td>1,597</td>
<td>1,318</td>
<td>–</td>
<td>–</td>
<td>1,597</td>
<td>1,318</td>
<td>3,159</td>
<td>2,366</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Revenue distributions from venture fund</td>
<td>2,327</td>
<td>1,231</td>
<td>–</td>
<td>–</td>
<td>2,327</td>
<td>1,231</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total income before development project income</strong></td>
<td>478,585</td>
<td>567,894</td>
<td>117,186</td>
<td>34,760</td>
<td>595,771</td>
<td>602,654</td>
<td>460,714</td>
<td>542,722</td>
<td>117,186</td>
<td>34,760</td>
</tr>
<tr>
<td>Development project income</td>
<td>7,487</td>
<td>8,799</td>
<td>–</td>
<td>–</td>
<td>7,487</td>
<td>8,799</td>
<td>7,487</td>
<td>8,799</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>486,072</td>
<td>576,693</td>
<td>117,186</td>
<td>34,760</td>
<td>603,258</td>
<td>611,453</td>
<td>468,201</td>
<td>551,521</td>
<td>117,186</td>
<td>34,760</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
### Statements of income and expenditure (continued)

**YEAR ENDED 31 MARCH 2016**

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, CPF and other contributions</td>
<td>308,984</td>
<td>275,069</td>
</tr>
<tr>
<td>Professional services</td>
<td>62,509</td>
<td>65,647</td>
</tr>
<tr>
<td>Regulatory and promotion expenses</td>
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<td>6,515</td>
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<tr>
<td>Standard ICT charges</td>
<td>38,912</td>
<td>147,679</td>
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<tr>
<td>Rental expenses</td>
<td>54,176</td>
<td>52,245</td>
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<tr>
<td>Staff welfare and allowance</td>
<td>7,213</td>
<td>7,238</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>12,599</td>
<td>8,458</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>2,202</td>
<td>2,612</td>
</tr>
<tr>
<td>Staff training</td>
<td>6,683</td>
<td>4,673</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>24,819</td>
<td>16,063</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>8,475</td>
<td>5,481</td>
</tr>
<tr>
<td>Provision for pension and medical benefits</td>
<td>594</td>
<td>478</td>
</tr>
<tr>
<td><strong>Balance carried forward</strong></td>
<td>539,716</td>
<td>595,899</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
### Statements of Income and Expenditure (continued)

**YEAR ENDED 31 MARCH 2016**

<table>
<thead>
<tr>
<th>Note</th>
<th>General fund</th>
<th>Restricted fund</th>
<th>Total</th>
<th>General fund</th>
<th>Restricted fund</th>
<th>Total</th>
<th>General fund</th>
<th>Restricted fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance brought forward</td>
<td>539,716</td>
<td>595,899</td>
<td>24,955</td>
<td>9,334</td>
<td>564,671</td>
<td>605,233</td>
<td>507,737</td>
<td>559,428</td>
<td>24,955</td>
</tr>
<tr>
<td>Property, plant and equipment expensed off</td>
<td>682</td>
<td>1,011</td>
<td>212</td>
<td>1</td>
<td>894</td>
<td>1,012</td>
<td>668</td>
<td>1,004</td>
<td>212</td>
</tr>
<tr>
<td>Board members’ allowance</td>
<td>306</td>
<td>293</td>
<td>–</td>
<td>–</td>
<td>306</td>
<td>293</td>
<td>243</td>
<td>263</td>
<td>–</td>
</tr>
<tr>
<td>Fair value changes on investments at fair value through profit or loss</td>
<td>22,111</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>22,111</td>
<td>–</td>
<td>22,013</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other expenses</td>
<td>31,929</td>
<td>27,216</td>
<td>4,895</td>
<td>83</td>
<td>36,824</td>
<td>27,299</td>
<td>29,382</td>
<td>24,719</td>
<td>4,895</td>
</tr>
<tr>
<td>Net foreign currency exchange gain</td>
<td>(817)</td>
<td>(191)</td>
<td>–</td>
<td>–</td>
<td>(817)</td>
<td>(191)</td>
<td>(857)</td>
<td>(85)</td>
<td>–</td>
</tr>
<tr>
<td>Write back of impairment on trade receivables</td>
<td>–</td>
<td>(6)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(6)</td>
<td>–</td>
<td>(6)</td>
<td>–</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>78</td>
<td>7</td>
<td>–</td>
<td>–</td>
<td>78</td>
<td>7</td>
<td>12</td>
<td>7</td>
<td>–</td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>594,005</td>
<td>624,229</td>
<td>30,062</td>
<td>9,418</td>
<td>624,067</td>
<td>633,647</td>
<td>559,198</td>
<td>585,330</td>
<td>30,062</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
**Statements of income and expenditure**

(continued)

**YEAR ENDED 31 MARCH 2016**

<table>
<thead>
<tr>
<th>Note</th>
<th>Group</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General fund</td>
<td>Restricted fund</td>
</tr>
<tr>
<td>Balance brought forward</td>
<td>594,005</td>
<td>624,229</td>
</tr>
<tr>
<td>Impairment loss of investments at cost</td>
<td>372</td>
<td>–</td>
</tr>
<tr>
<td>Impairment loss of investment in a subsidiary</td>
<td>6</td>
<td>–</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total expenses before development expenses</td>
<td>594,377</td>
<td>624,229</td>
</tr>
<tr>
<td>Development project expenses</td>
<td>27a</td>
<td>106,451</td>
</tr>
<tr>
<td>Total expenditure (Deficit)/Surplus before government grants</td>
<td>700,828</td>
<td>697,947</td>
</tr>
<tr>
<td>(214,756)</td>
<td>(121,254)</td>
<td>87,124</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
## Statements of income and expenditure (continued)

**YEAR ENDED 31 MARCH 2016**

<table>
<thead>
<tr>
<th>Note</th>
<th>Group</th>
<th>Authority</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General fund</td>
<td>Restricted fund</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Government grants</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grants</td>
<td>125,852</td>
<td>98,418</td>
<td>–</td>
</tr>
<tr>
<td>Development grants</td>
<td>98,530</td>
<td>78,364</td>
<td>13</td>
</tr>
<tr>
<td>Deferred capital grants</td>
<td>224,382</td>
<td>176,782</td>
<td>13</td>
</tr>
<tr>
<td><strong>Surplus before contribution to consolidated fund and income tax</strong></td>
<td>249,932</td>
<td>193,527</td>
<td>13</td>
</tr>
<tr>
<td>Contribution to consolidated fund</td>
<td>35,176</td>
<td>72,273</td>
<td>87,137</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(36,893)</td>
<td>(11,925)</td>
<td>(12,859)</td>
</tr>
<tr>
<td><strong>Net (deficit)/surplus for the year</strong></td>
<td>(2,167)</td>
<td>60,002</td>
<td>74,278</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
## Statements of comprehensive income

**YEAR ENDED 31 MARCH 2016**

<table>
<thead>
<tr>
<th>Net (deficit)/surplus for the year</th>
<th>General fund 2015/2016 $'000</th>
<th>Restricted fund 2015/2016 $'000</th>
<th>Total 2015/2016 $'000</th>
<th>General fund 2014/2015 $'000</th>
<th>Restricted fund 2014/2015 $'000</th>
<th>Total 2014/2015 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2,167)</td>
<td>60,002</td>
<td>74,278</td>
<td>21,034</td>
<td>81,036</td>
<td>58,224</td>
<td>74,278</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that may not be reclassified subsequently to profit or loss:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit plan remeasurements</td>
<td>20</td>
<td>(1,834)</td>
<td>131</td>
<td>(1,834)</td>
<td>131</td>
<td>(1,834)</td>
</tr>
<tr>
<td>Items that may be reclassified subsequently to profit or loss:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td>(6)</td>
<td>-</td>
<td>-</td>
<td>(6)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net impact of liquidation of subsidiary</td>
<td>6</td>
<td>-</td>
<td>24</td>
<td>-</td>
<td>24</td>
<td>-</td>
</tr>
<tr>
<td>Items relating to subsidiary held for sale (Note 33)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative change in fair value of available-for-sale financial investments</td>
<td></td>
<td>90</td>
<td>7,136</td>
<td>90</td>
<td>7,136</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
<td></td>
<td>(1,750)</td>
<td>7,291</td>
<td>(1,750)</td>
<td>7,291</td>
<td>(1,834)</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>(3,917)</td>
<td>74,278</td>
<td>88,327</td>
<td>(171)</td>
<td>74,107</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
## Consolidated statement of changes in equity

**Year Ended 31 March 2016**

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital $’000</th>
<th>Capital account $’000</th>
<th>Fair value reserve $’000</th>
<th>Translation reserve $’000</th>
<th>Statutory reserve $’000</th>
<th>Accumulated surpluses - restricted fund $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td>356,165</td>
<td>18,001</td>
<td>5,209</td>
<td>32</td>
<td>32</td>
<td>408,091</td>
<td>787,485</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net surplus by the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit plan remeasurements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fair value of Available-for-sale financial investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net impact of liquidation of subsidiary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactions with owners, recognised directly in equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions by and distributions to owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue of share capital</td>
<td>4,000</td>
<td>27,001</td>
<td>356,165</td>
<td>12,345</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total contributions by and distributions to owners</td>
<td>4,000</td>
<td>468,204</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
## Consolidated statement of changes in equity (continued)

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital $’000</th>
<th>Capital account $’000</th>
<th>Fair value reserve $’000</th>
<th>Translation reserve $’000</th>
<th>Accumulated surpluses restricted fund $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2015</td>
<td>22,001</td>
<td>356,165</td>
<td>12,345</td>
<td>–</td>
<td>468,264</td>
<td>21,037</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(2,167)</td>
</tr>
<tr>
<td>Net (deficit)/surplus for the year</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(1,834)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
<td>90</td>
<td>(6)</td>
<td>–</td>
<td>(1,834)</td>
</tr>
<tr>
<td>Defined benefit plan remeasurements</td>
<td>33</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>90</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>90</td>
</tr>
<tr>
<td>Cumulative change in fair value of available-for-sale financial investments relating to a subsidiary held for sale</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>90</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>–</td>
<td>–</td>
<td>90</td>
<td>(6)</td>
<td>(1,834)</td>
<td>–</td>
</tr>
<tr>
<td>Transactions with owners, recognised directly in equity</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Contributions by and distributions to owners</td>
<td>16</td>
<td>9,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Dividend paid for the year</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(26,971)</td>
</tr>
<tr>
<td>Issue of share capital</td>
<td>–</td>
<td>90,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total contributions by and distributions to owners</td>
<td>9,000</td>
<td>90,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>At 31 March 2016</td>
<td>31,001</td>
<td>356,165</td>
<td>12,435</td>
<td>(6)</td>
<td>437,292</td>
<td>94,490</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
## Statement of changes in equity

**YEAR ENDED 31 MARCH 2016**

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital $’000</th>
<th>Capital account $’000</th>
<th>Accumulated surpluses $’000</th>
<th>Accumulated surpluses – restricted fund $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td>18,001</td>
<td>356,165</td>
<td>395,500</td>
<td>3</td>
<td>769,669</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net surplus for the year</td>
<td>–</td>
<td>–</td>
<td>58,224</td>
<td>21,034</td>
<td>79,258</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit plan remeasurements</td>
<td>–</td>
<td>–</td>
<td>131</td>
<td>–</td>
<td>131</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td>–</td>
<td>–</td>
<td>131</td>
<td>–</td>
<td>131</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
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<td>–</td>
<td>58,355</td>
<td>21,034</td>
<td>79,389</td>
</tr>
<tr>
<td><strong>Transactions with owners, recognised directly in equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions by and distributions to owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue of share capital</td>
<td>4,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>4,000</td>
</tr>
<tr>
<td>Total contributions by and distributions to owners</td>
<td>4,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>4,000</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>22,001</td>
<td>356,165</td>
<td>453,855</td>
<td>21,037</td>
<td>853,058</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
### Statement of changes in equity (continued)

**YEAR ENDED 31 MARCH 2016**

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital $’000</th>
<th>Capital account $’000</th>
<th>Accumulated surpluses $’000</th>
<th>Accumulated surpluses – restricted fund $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At 1 April 2015</strong></td>
<td>22,001</td>
<td>356,165</td>
<td>453,855</td>
<td>21,037</td>
<td>853,058</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net surplus for the year</strong></td>
<td>–</td>
<td>–</td>
<td>1,663</td>
<td>74,278</td>
<td>75,941</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Defined benefit plan remeasurements</strong></td>
<td>20</td>
<td>–</td>
<td>(1,834)</td>
<td>–</td>
<td>(1,834)</td>
</tr>
<tr>
<td><strong>Other comprehensive income for the year</strong></td>
<td>–</td>
<td>–</td>
<td>(1,834)</td>
<td>–</td>
<td>(1,834)</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>–</td>
<td>–</td>
<td>(171)</td>
<td>74,278</td>
<td>74,107</td>
</tr>
<tr>
<td><strong>Transactions with owners, recognised directly in equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contributions by and distributions to owners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Issue of share capital</strong></td>
<td>16</td>
<td>9,000</td>
<td>–</td>
<td>–</td>
<td>9,000</td>
</tr>
<tr>
<td><strong>Dividend paid for the year</strong></td>
<td>–</td>
<td>–</td>
<td>(26,971)</td>
<td>(825)</td>
<td>(27,796)</td>
</tr>
<tr>
<td><strong>Total contributions by and distributions to owners</strong></td>
<td>9,000</td>
<td>–</td>
<td>(26,971)</td>
<td>(825)</td>
<td>(18,796)</td>
</tr>
<tr>
<td><strong>At 31 March 2016</strong></td>
<td>31,001</td>
<td>356,165</td>
<td>426,713</td>
<td>94,490</td>
<td>908,369</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
Consolidated statement of cash flows

YEAR ENDED 31 MARCH 2016

<table>
<thead>
<tr>
<th></th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficit before government grants</td>
<td>(127,632)</td>
<td>(95,912)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>24,820</td>
<td>16,063</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>8,475</td>
<td>5,481</td>
</tr>
<tr>
<td>Loss on liquidation of subsidiary</td>
<td>–</td>
<td>13</td>
</tr>
<tr>
<td>Amortisation of deferred expenditure</td>
<td>1,017</td>
<td>1,003</td>
</tr>
<tr>
<td>Impairment loss on investments at cost</td>
<td>372</td>
<td>–</td>
</tr>
<tr>
<td>Allowance for impairment</td>
<td>–</td>
<td>(6)</td>
</tr>
<tr>
<td>Staff loan written off</td>
<td>–</td>
<td>3</td>
</tr>
<tr>
<td>Provision for pension and medical benefit</td>
<td>594</td>
<td>478</td>
</tr>
<tr>
<td>Interest income</td>
<td>(21,762)</td>
<td>(22,042)</td>
</tr>
<tr>
<td>Gain on disposal of available-for-sale financial assets</td>
<td>(345)</td>
<td>(359)</td>
</tr>
<tr>
<td>Net gain on disposal of investments at fair value through profit or loss</td>
<td>(11,533)</td>
<td>(933)</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>78</td>
<td>7</td>
</tr>
<tr>
<td>Dividend income</td>
<td>(1,597)</td>
<td>(1,318)</td>
</tr>
<tr>
<td>Fair value changes on investments at fair value through profit or loss (net)</td>
<td>22,111</td>
<td>(37,521)</td>
</tr>
<tr>
<td>Amortisation of deferred income in the income and expenditure</td>
<td>(101,943)</td>
<td>(91,623)</td>
</tr>
<tr>
<td></td>
<td>(207,345)</td>
<td>(226,666)</td>
</tr>
</tbody>
</table>

Changes in working capital:

<table>
<thead>
<tr>
<th></th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in deferred income</td>
<td>121,615</td>
<td>227,135</td>
</tr>
<tr>
<td>Increase in trade and other payables</td>
<td>15,767</td>
<td>18,656</td>
</tr>
<tr>
<td>Increase/(decrease) in advances and deposits</td>
<td>784</td>
<td>27</td>
</tr>
<tr>
<td>Decrease in trade and other receivables</td>
<td>(30,855)</td>
<td>(31,301)</td>
</tr>
<tr>
<td>Cash used in operations</td>
<td>(100,034)</td>
<td>(12,203)</td>
</tr>
<tr>
<td>Deferred expenditure paid</td>
<td>(1,237)</td>
<td>(1,949)</td>
</tr>
<tr>
<td>Grants disbursed</td>
<td>–</td>
<td>(44,364)</td>
</tr>
<tr>
<td>Pension and medical benefit paid</td>
<td>(2,779)</td>
<td>(2,780)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(436)</td>
<td>(349)</td>
</tr>
<tr>
<td>Contributions to consolidated fund</td>
<td>(44,617)</td>
<td>(1,462)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(149,103)</td>
<td>(63,107)</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
Consolidated statement of cash flows (continued)
YEAR ENDED 31 MARCH 2016

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>Group</th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investments at fair value through profit or loss</td>
<td>(5,527)</td>
<td>(2,097)</td>
<td></td>
</tr>
<tr>
<td>Net proceed from disposal of investments at fair value through profit or loss</td>
<td>10,638</td>
<td>24,699</td>
<td></td>
</tr>
<tr>
<td>Interest income received</td>
<td>18,235</td>
<td>20,136</td>
<td></td>
</tr>
<tr>
<td>Dividend income received</td>
<td>1,597</td>
<td>1,318</td>
<td></td>
</tr>
<tr>
<td>Purchase of available-for-sale financial assets</td>
<td>–</td>
<td>(62)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from disposal of available-for-sale financial assets</td>
<td>–</td>
<td>1,688</td>
<td></td>
</tr>
<tr>
<td>Proceeds from investments at cost</td>
<td>844</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Proceeds on disposal of property, plant and equipment</td>
<td>91</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Proceeds on disposal of intangible assets</td>
<td>1</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>(5,713)</td>
<td>(13,301)</td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(26,386)</td>
<td>(56,562)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(6,220)</td>
<td>(24,157)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>Group</th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating and development grants received</td>
<td>276,233</td>
<td>306,125</td>
<td></td>
</tr>
<tr>
<td>Decrease in cash earmarked for payment of pension and medical benefits</td>
<td>351</td>
<td>2,433</td>
<td></td>
</tr>
<tr>
<td>Increase in cash set aside for specific purposes and restricted fund</td>
<td>(44,924)</td>
<td>(35,233)</td>
<td></td>
</tr>
<tr>
<td>Issue of share capital</td>
<td>9,000</td>
<td>4,000</td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(27,796)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash from financing activities</strong></td>
<td>212,864</td>
<td>277,325</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase in cash and bank balances</th>
<th>Group</th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at the beginning of year</td>
<td>57,541</td>
<td>190,061</td>
<td></td>
</tr>
<tr>
<td>Effects of exchange rate changes on the balance of cash held in foreign currencies</td>
<td>242,147</td>
<td>52,072</td>
<td></td>
</tr>
<tr>
<td><strong>Cash and bank balances at the end of year (Note A)</strong></td>
<td>(2)</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td><strong>Cash and bank balances at the end of year</strong></td>
<td>299,686</td>
<td>242,147</td>
<td></td>
</tr>
</tbody>
</table>

**Note A**
- Cash with Accountant General Department ("AGD") | 490,086 | 446,316 |
- Cash with custodians | 32,983 | 32,957 |
- Cash at bank | 201 | 1,996 |
| **Total cash and cash balances** | 523,270 | 481,269 |

| Cash and cash balances of subsidiary held for sale | 60,111 | – |
| **Total cash and cash balances** | 583,381 | 481,269 |

**Less:**
- Cash earmarked for payment of pension and medical benefits (Note 15) | (29,337) | (29,688) |
- Cash set aside for specific purposes and restricted funds (Note 15) | (254,358) | (209,434) |
| **Total cash and cash balances** | 299,686 | 242,147 |

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 14 July 2016.

1 Domicile and activities

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

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

The Authority is domiciled in Singapore and has its registered office at 10 Pasir Panjang Road, #10-01, Mapletree Business City, Singapore 117438.

The principal activities of the Authority are:

(a) to develop and promote the efficiency and international competitiveness of the info-communications industry in Singapore;
(b) to ensure that the telecommunication services are readily accessible and delivered competitively at performance standards that meet the social, industrial and commercial needs of Singapore;
(c) to exercise licensing and regulatory functions in respect of telecommunication systems and services in Singapore;
(d) to promote the use of the internet, broadband and electronic commerce and to establish regulatory frameworks for that purpose;
(e) to plan, promote, develop and implement information and communications technology systems and services for government ministries, departments and agencies;
(f) to provide consultancy and advisory services concerning info-communications technology;
(g) to provide administrative support, including the provision of premises, office supplies and equipment and manpower and premises to the Personal Data Protection Commission in the performance of its functions under the Personal Data Protection Act 2012; and
(h) to perform the functions and duties and exercise the powers of the Administration Body under the Personal Data Protection Act 2012, if so appointed.

The consolidated financial statements of the Group comprise the Authority and its subsidiaries (together referred to as the "Group" and individually as the "Group entities"). The principal activities of the subsidiaries are as stated in Note 6.

On 18 January 2016, pursuant to the announcement by Ministry of Communications and Information, the Authority and Media Development Authority of Singapore will be restructured to form Government Technology Agency and Info-communications Media Development Authority of Singapore. Following the restructuring, all the business and undertakings and all rights and obligations of the Authority will be transferred to either Government Technology Agency or Info-communications Media Development Authority of Singapore, being the restructured statutory boards. As a result, it is still appropriate for the Group to continue to prepare the consolidated financial statements on a going concern basis. Subsequent to the restructuring, the Authority will cease to exist as a separate statutory board.
Notes to the financial statements

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provision of the Info-communications Development Authority of Singapore Act (Cap. 137A, 2000 Revised Edition) and Statutory Board Financial Reporting Standards ("SB-FRS"), including Interpretations of SB-FRS ("INT SB-FRS") and SB-FRS Guidance notes as promulgated by the Accountant-General.

2.2 Basis of measurement

The financial statements have been presented on the historical cost basis except for certain financial assets and liabilities which are measured at fair value or reasonable value as stated in the respective accounting policies detailed below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the functional currency of the Authority. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SB-FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as follows:

- Classification of investments at fair value through profit or loss, investments at cost less impairment and available-for-sale financial assets

The Group designated investments at fair value through profit or loss in the following circumstances:

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

- The designation eliminated or significantly reduced an accounting mismatch, which would otherwise have arisen; or

- The asset contains an embedded derivative that significantly modified the cash flows that would otherwise have been required to be bifurcated. Where the embedded derivatives are not capable of being measured separately from the host contracts, either at inception or at subsequent reporting periods, the entire contract is designated as investments at fair value through profit or loss.

The Group designated investments at cost less impairment in the following circumstances:

- Investment in unquoted equity securities that do not have a quoted price in an active market and whose fair value of these companies cannot be reliably measured by other valuation techniques given the significant range of reasonable fair value measurement and the probabilities of various estimates cannot be reasonably assessed. Accordingly, these investments are stated at cost less impairment (see Note 10).
Notes to the financial statements

The Group designated available-for-sale financial assets in the following circumstances:

- Long term investments in companies that are involved in start up activities in the information and communication technologies sectors with an expected investment period of 3 – 5 years that are not designated as investments at fair value through profit or loss or loans and receivables; and
- Any other investment that is not designated as investments at fair value through profit or loss or loans and receivables.

- **Service fees**

  The Group applies judgment and consideration of all relevant facts and circumstances in determining whether the Group is acting as a principal or as an agent in its contractual arrangements. The Group would be determined to be acting as a principal when the Group assumes risks and rewards associated with the transactions.

- **OneKey security devices**

  In order to achieve pervasive adoption of strong authentication by public facing online services, OneKey security devices will be distributed free to all Singaporeans and Permanent Residents within the first five years of the roll-out of the National Authentication Framework (“NAF”) Programme. Management has assessed that these devices will be expensed off upon the Group incurring the present legal obligations as it reflects the underlying economic substance at the current implementation phase of the NAF project.

Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- **Impairment loss on property, plant and equipment**

  The Group assesses the carrying amounts of its property, plant and equipment against their recoverable amounts at each reporting date to determine whether there is any indication of impairment.

  Estimates of recoverable amounts were based on the higher of calculated value-in-use and fair value less cost to sell as determined by an independent professional valuer. The fair value are based on estimated amounts obtainable for the sale of the asset on an arm’s length transaction between knowledgeable, willing parties, less the cost of disposal, utilising an open market value and replacement costs basis for separately identifiable components of the asset.

- **Impairment loss on subsidiaries**

  Management reviews the carrying amounts of the investment in subsidiaries at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated.

  Estimates of recoverable amounts were based on the higher of calculated value-in-use and fair value less cost to sell. In assessing value-in-use, management need to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate to calculate the present value of future cash flows.

- **Impairment of available-for-sale financial assets and investments at cost**

  The Group follows the guidance of S8-FRS 39 in determining when an available-for-sale investment is impaired as opposed to a temporary aberration. This determination process requires the exercising of significant judgement and the use of estimates by management. The Group evaluates, among other factors, the duration or the extent to which the fair value of an investment falls short of its carrying amount; the financial health and near term business outlook of the investee entity, including factors such as changes in technology, overall industry and sector performance; as well as operational and financial cash flows historically generated and forecasted to be generated by the investee entity.
Notes to the financial statements

Management regularly monitors these investments for indicators of impairment, including deteriorating financial performance, disorderly change in top management, key product failure, loss of major customers and other adverse news and reports on the investee entities. Management exercises judgement to determine whether there are indicators of impairment based on all relevant information available, and where accessible, interviews conducted with management team of the investee entities.

• **Valuation of investments**

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 23. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group’s critical judgement is required in determining the accounting policy on fair value measurements and in relation to the designation of financial instruments into the different levels (i.e. Level 1 to 3).

• **Provision for medical and pension benefits**

Provision for medical and pension benefits is estimated by management based on the most recent valuation by professional actuaries. Changes to assumptions and estimates used in the valuation would result in change to the provision for medical and pension benefits amounts estimated.

• **Utilisation of tax losses**

Certain subsidiaries have unused tax losses at the end of the reporting period. Utilisation of such losses is subject to the retention of majority shareholders and agreement of the Inland Revenue Authority of Singapore. These subsidiaries have not recognised any deferred tax benefits in respect of such tax losses which may be available for offsetting against profits due to the unpredictability of future profit streams.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Differences between the actual results and management’s estimates would affect the results of the period in which such differences are determined.

2.5 **Venture capital and consolidation**

The Group has elected to measure investments in associates and joint ventures at fair value through profit or loss in accordance with SB-FRS 39 Financial Instruments: Recognition and Measurement as the Group meets the criteria of SB-FRS 28 Investments in Associates and Joint Ventures.

2.6 **Changes in accounting policies**

The Group has adopted all the new and revised SB-FRSs, INT SB-FRSs and Guidance notes which became effective during the year. The initial adoption of these SB-FRSs, INT SB-FRSs and Guidance notes did not have a material impact on these financial statements.

3 **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.
Notes to the financial statements

3.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Investments in associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

As the Group meets the criteria of SB-FRS 28 Investments in Associates and Joint Ventures, the Group has elected to measure these investments in associates and joint ventures at fair value through profit or loss in accordance to SB-FRS 39. Please refer to Note 2.5.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expense arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iv) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Authority’s statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the exchange rate at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).
Notes to the financial statements

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes: the cost of materials and direct labour; any other costs directly attributable to bringing the assets to a working condition for their intended use; when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.
Notes to the financial statements

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Capital-work-in-progress is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Leasehold Improvements, Furniture and fittings - over the remaining lease term ranging from 3 to 10 years
Equipment - 3 to 5 years
Plant and machinery - 5 to 7 years
Buildings - 50 years
Infrastructure - 3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

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

3.4 Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Application software - 3 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

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

3.5 Deferred expenditure

Expenditure incurred in providing scholarships is capitalised and stated at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis to write off the cost over the period of the scholarship bond from 1 to 6 years commencing from the year that the scholars commence employment with the Group.
Notes to the financial statements

3.6 Government grants and contribution received

Government grants and contributions from other organisations are recognised initially at their fair value where there is reasonable assurance that the grants and contributions will be received and the Group will comply with the conditions associated with the grants and contributions.

(i) Operating grants

Government grants and contributions from other organisations that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

(ii) Development grants

Government grants and contributions from other organisations for specific development project expenditure are recognised as grants received in advance on the statement of financial position, upon receipt or grants receivable where accrued and are recognised in profit or loss on a systematic basis in the same periods in which the development expenses are recognised.

(iii) Capital grants

Capital grants are recognised in profit or loss on a systematic basis over the useful life of the asset. Government grants and contributions from other organisations utilised for the purchase of depreciable assets are initially recorded as ‘deferred capital grants’ on the statement of financial position of the Group. Deferred capital grants are then recognised in the statement of income and expenditure over the periods necessary to match the depreciation of the assets purchased, with the related grants. Upon the disposal of the asset, the balance of the related deferred capital grants is recognised in the statement of income and expenditure to match the net book value of the assets written off.

3.7 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: investments at fair value through profit or loss, investments at cost, loans and receivables and available-for-sale financial assets.
Notes to the financial statements

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it has embedded derivatives or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages and evaluates the performance of the assets on fair value basis in accordance with the Group’s documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets designated as investments at fair value through profit or loss comprise equity securities and fund investments that otherwise would have been classified as available-for-sale.

Investments at cost less impairment

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value of these companies cannot be reliably measured by other valuation techniques given the significant range of reasonable fair value measurement and the probabilities of various estimates cannot be reasonably assessed. Accordingly, these investments are stated at cost less impairment (see Note 10).

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade receivables, and amount due from subsidiaries (non-trade). Cash and cash equivalents comprise cash maintained centrally with the Accountant General’s Department (“AGD”) as a consolidated pool, cash balances and short-term deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and fund investments.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.
Notes to the financial statements

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise amount due to subsidiaries (non-trade) and trade and other payables.

(iii) Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(iv) Derivative financial instruments

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

Embedded derivatives are separate from the host contract and accounted for separately if the economic characteristics and risk of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

In cases where the embedded derivative cannot be separated from its host contract because the Group is unable to measure the embedded derivate separately either at acquisition or at a subsequent financial reporting date, it shall designate the entire hybrid (combined) contract as at fair value through profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is used economically or the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in profit or loss.

3.8 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.
Notes to the financial statements

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management’s judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset’s original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (“CGU”) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.
Notes to the financial statements

3.9 Subsidiary held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with Group’s accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to financial assets, deferred tax assets and employee benefits assets, which continue to be measured in accordance with the Group’s accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Site Restoration

In accordance with the applicable terms and conditions in the lease agreement governing the Group’s use of assets under operating leases and a provision for site restoration in respect of the leased premises, and the related expense, was recognised at the date of inception of the lease.

3.11 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Contributions on the employees’ salaries are made to the Central Provident Fund (“CPF”) as required by law. The CPF contributions are recognised as expenses in the period when the employees rendered their services.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group’s net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating future benefit that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group’s obligations and that are denominated in the same currency in which the benefits are expected to be paid.
Notes to the financial statements

The calculation is performed annually by a qualified actuary using the projected unit credit method. Under the method, a “projected accrued benefit” is calculated for each benefit. For all active members of the scheme, the “projected accrual benefit” is based on the scheme’s accrual formula and upon service as of the valuation date, but using the employee’s scheme salary, projected to the age at which the employee is assumed to leave active service. For inactive members, it is the total benefit. The defined benefit obligation/project benefit obligation/plan liability is the discounted present value of the “projected accrued benefits”. The service cost is the corresponding value of benefits earned by active members over the year as a result of one more year of service.

Re-measurements from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(iv) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(v) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the reporting date.

3.12 Trust and agency funds

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

3.13 Restricted funds

These are funds earmarked for specific purposes and for which separate disclosure is necessary as these funds are material. There are legal and other restrictions on the ability of the Authority to distribute or otherwise apply its funds. The treatment is in accordance with Guidance note 1 issued by the Accountant General Department (“AGD”). Restricted funds are accounted for on an accruals basis.

They are accounted for separately in the Statements of comprehensive income and expenditure and the assets and liabilities are disclosed separately in Note 17 of the financial statements.

3.14 Deferred income

When the Group receives advance payments from customers in respect of license and related fees, the Group recognises the deferred income to profit or loss over the remaining period of the license or agreement.

When the Group receives a deferred income for provision of services, the Group recognises the deferred income in profit or loss in the period when the service is rendered.

3.15 Income

Income is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Income is recognised when significant risks and rewards of ownership have been transferred to customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuity management involvement with goods, and the amount of revenue can be measured reliably.

(i) Service fees

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

(ii) Licence and frequency fees

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

(iii) Long-term service contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome can be estimated reliably, contract revenue is recognised in income and expenditure in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is measured by the proportion of direct labour costs incurred for work performed to date relative to the estimated total direct labour costs. Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

When contract costs incurred to date plus recognised profits less recognised losses exceed gross billings, the surplus representing amounts due from customer is included in other receivables.
Notes to the financial statements

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group’s right to receive payment is established.

(v) Development project income

Development income is recognised in the same periods in which the development expense is recognised.

(vi) Interest income

Interest income generated from loans and deposits is recognised as it accrues in the statement of comprehensive income, using the effective interest method.

3.16 Interest expenses

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in statement of income and expenditure using the effective interest method.

3.17 Leases

Operating leases

Payments made under the operating leases are recognised in the statement of income and expenditure on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income and expenditure as an integral part of the total lease payments made. Leased assets are not recognised in the Company’s statement of financial position.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria: the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company’s incremental borrowing rate.
Notes to the financial statements

3.18 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.19 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements. The new standards include, among others, SB-FRS 115 Revenue from Contracts with Customers and SB-FRS 109 Financial Instruments which are mandatory for the adoption by the Company on 1 January 2018.

• SB-FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, SB-FRS 115 replaces existing revenue recognition guidance, including SB-FRS 18 Revenue.

• SB-FRS 109 replaces most of the existing guidance in SB-FRS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As SB-FRS 115 and SB-FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Authority in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Authority. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Authority. The Group does not plan to adopt these standards early.
## Property, plant and equipment

<table>
<thead>
<tr>
<th>Note</th>
<th>Leasehold improvement, furniture and fittings</th>
<th>Equipment</th>
<th>Plant and machinery</th>
<th>Building</th>
<th>Infrastructure</th>
<th>Capital work-in-progress</th>
<th>Total</th>
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<td></td>
<td>$’000</td>
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<td>$’000</td>
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<td>At 1 April 2014</td>
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<td>17,160</td>
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<td>–</td>
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<td>–</td>
<td>–</td>
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<td>Depreciation for the year</td>
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## 4 Property, plant and equipment

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<tr>
<th>Note</th>
<th>Furniture and fittings $'000</th>
<th>Equipment $'000</th>
<th>Plant and machinery $'000</th>
<th>Building $'000</th>
<th>Capital work-in-progress $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td>17,179</td>
<td>14,689</td>
<td>7,512</td>
<td>809</td>
<td>4,853</td>
<td>45,042</td>
</tr>
<tr>
<td>Additions</td>
<td>1,959</td>
<td>43,110</td>
<td>238</td>
<td>76</td>
<td>7,682</td>
<td>53,065</td>
</tr>
<tr>
<td>Disposals</td>
<td>(31)</td>
<td>(922)</td>
<td>(714)</td>
<td>–</td>
<td>–</td>
<td>(1,667)</td>
</tr>
<tr>
<td>Reclassification</td>
<td>23</td>
<td>3,353</td>
<td>–</td>
<td>–</td>
<td>(3,376)</td>
<td>–</td>
</tr>
<tr>
<td>Reclassification to intangible assets</td>
<td>5</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(1,457)</td>
<td>(1,457)</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>19,130</td>
<td>60,230</td>
<td>7,036</td>
<td>885</td>
<td>7,702</td>
<td>94,983</td>
</tr>
<tr>
<td>Additions</td>
<td>4,811</td>
<td>17,077</td>
<td>250</td>
<td>–</td>
<td>14,054</td>
<td>36,192</td>
</tr>
<tr>
<td>Disposals</td>
<td>(1,293)</td>
<td>(2,235)</td>
<td>(62)</td>
<td>–</td>
<td>–</td>
<td>(3,590)</td>
</tr>
<tr>
<td>Reclassification</td>
<td>44</td>
<td>5,471</td>
<td>71</td>
<td>–</td>
<td>(5,586)</td>
<td>–</td>
</tr>
<tr>
<td>Reclassification to intangible assets</td>
<td>5</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(1,871)</td>
<td>(1,871)</td>
</tr>
<tr>
<td>At 31 March 2016</td>
<td>22,692</td>
<td>80,543</td>
<td>7,295</td>
<td>885</td>
<td>14,299</td>
<td>125,714</td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td>12,880</td>
<td>11,656</td>
<td>6,586</td>
<td>809</td>
<td>–</td>
<td>31,931</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>1,164</td>
<td>14,257</td>
<td>332</td>
<td>17</td>
<td>–</td>
<td>15,770</td>
</tr>
<tr>
<td>Disposals</td>
<td>(31)</td>
<td>(922)</td>
<td>(683)</td>
<td>–</td>
<td>–</td>
<td>(1,636)</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>14,013</td>
<td>24,991</td>
<td>6,235</td>
<td>826</td>
<td>–</td>
<td>46,065</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>2,250</td>
<td>20,835</td>
<td>392</td>
<td>19</td>
<td>–</td>
<td>23,496</td>
</tr>
<tr>
<td>Disposals</td>
<td>(1,191)</td>
<td>(2,234)</td>
<td>(61)</td>
<td>–</td>
<td>–</td>
<td>(3,486)</td>
</tr>
<tr>
<td>31 March 2016</td>
<td>15,072</td>
<td>43,592</td>
<td>6,566</td>
<td>845</td>
<td>–</td>
<td>66,075</td>
</tr>
<tr>
<td><strong>Carrying amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td>4,299</td>
<td>3,033</td>
<td>926</td>
<td>–</td>
<td>4,853</td>
<td>13,111</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>5,117</td>
<td>35,239</td>
<td>801</td>
<td>59</td>
<td>7,702</td>
<td>48,918</td>
</tr>
<tr>
<td>At 31 March 2016</td>
<td>7,620</td>
<td>36,951</td>
<td>729</td>
<td>40</td>
<td>14,299</td>
<td>59,639</td>
</tr>
</tbody>
</table>

In 2014/2015, the Authority had legal title to the land and building that was presently the Singapore Philatelic Museum (“SPM”), with an original cost amounting to $3.179 million, and carrying amount of $1. During the financial year, the legal title to the land and building was transferred to National Heritage Board (“NHB”) at book value.

Capital work-in-progress represents installation of equipment, furniture and fittings in progress, which upon completion, will be reclassified to the relevant asset categories.
## Notes to the financial statements

### 5 Intangible assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Group 2015/2016 $’000</th>
<th>Group 2014/2015 $’000</th>
<th>Authority 2015/2016 $’000</th>
<th>Authority 2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>28,097</td>
<td>14,044</td>
<td>28,081</td>
<td>13,920</td>
</tr>
<tr>
<td>Additions</td>
<td>5,713</td>
<td>13,301</td>
<td>5,679</td>
<td>13,286</td>
</tr>
<tr>
<td>Disposals</td>
<td>(1,308)</td>
<td>(705)</td>
<td>(1,258)</td>
<td>(582)</td>
</tr>
<tr>
<td>Reclassification from capital work-in-progress</td>
<td>1,871</td>
<td>1,457</td>
<td>1,871</td>
<td>1,457</td>
</tr>
<tr>
<td>At 31 March</td>
<td>34,373</td>
<td>28,097</td>
<td>34,373</td>
<td>28,081</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>13,579</td>
<td>8,803</td>
<td>13,569</td>
<td>8,711</td>
</tr>
<tr>
<td>Amortisation for the year</td>
<td>8,475</td>
<td>5,481</td>
<td>8,436</td>
<td>5,440</td>
</tr>
<tr>
<td>Disposals</td>
<td>(1,307)</td>
<td>(705)</td>
<td>(1,258)</td>
<td>(582)</td>
</tr>
<tr>
<td>At 31 March</td>
<td>20,747</td>
<td>13,579</td>
<td>20,747</td>
<td>13,569</td>
</tr>
<tr>
<td>Carrying amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March</td>
<td>13,626</td>
<td>14,518</td>
<td>13,626</td>
<td>14,512</td>
</tr>
</tbody>
</table>

### 6 Subsidiaries

<table>
<thead>
<tr>
<th>Description</th>
<th>Note 2015/2016 $’000</th>
<th>Authority 2015/2016 $’000</th>
<th>Authority 2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unquoted shares, at cost</td>
<td>305,535</td>
<td>295,535</td>
<td></td>
</tr>
<tr>
<td>Less: Impairment loss</td>
<td>(50,000)</td>
<td>(44,000)</td>
<td></td>
</tr>
<tr>
<td>Less: Reclassification to subsidiary held for sale</td>
<td>(237,822)</td>
<td></td>
<td>17,713</td>
</tr>
<tr>
<td>(a) The transfer plan for the subsidiary, Infocomm Investments Pte Ltd (“IIPL”) to Minister for Finance has been decided before 31 March 2016. As at 31 March 2016, the assets and liabilities of IIPL has been classified as Subsidiary held for sale in the Authority’s Statement of financial position as at 31 March 2016 and the Group’s consolidated financial statements for the year ended 31 March 2016 (see Note 33).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to the financial statements

Details of the Authority’s subsidiaries at the end of reporting period are as follows:

<table>
<thead>
<tr>
<th>Name of subsidiary</th>
<th>Principal activities/country of incorporation and operation</th>
<th>Cost of investment by the Authority 2015/2016 $’000</th>
<th>Proportion of ownership interest and voting power held 2015/2016 %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Held by the Authority</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infocomm Investments Pte Ltd a</td>
<td>Investment holding and investment management/Singapore</td>
<td>237,822</td>
<td>100</td>
</tr>
<tr>
<td>Singapore Network Information Centre (SGNIC) Pte Ltd a</td>
<td>Registry of internet domain names/Singapore</td>
<td>3,813</td>
<td>100</td>
</tr>
<tr>
<td>IDA International Pte Ltd a</td>
<td>Provide consultancy services to foreign governments and public agencies as part of its overall charter to develop, collaborate and promote the Singapore local infocomm enterprises overseas/Singapore</td>
<td>9,900</td>
<td>100</td>
</tr>
<tr>
<td>Assurity Trusted Solutions Pte Ltd a</td>
<td>Provide information security services including second factor authorisation services/Singapore</td>
<td>54,000</td>
<td>100</td>
</tr>
<tr>
<td><strong>Held by subsidiary</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDA International Bahrain Pte Ltd SPC d</td>
<td>Provide consultancy services/Kingdom of Bahrain</td>
<td>–</td>
<td>100</td>
</tr>
<tr>
<td>Infocomm Investments US LLC b</td>
<td>Marketing and promotional activities/United States of America</td>
<td>–</td>
<td>100</td>
</tr>
<tr>
<td>Infocomm Investments (UK) Ltd c</td>
<td>Marketing and promotional activities/United Kingdom</td>
<td>–</td>
<td>100</td>
</tr>
</tbody>
</table>

a. Audited by KPMG LLP, Singapore.
b. Exempted from audit for the year.
d. IDA International Bahrain Pte Ltd SPC was voluntarily liquidated on 4 February 2015 and the loss on liquidation of $0.013 million has been recognised in profit or loss in 2014/2015.
Notes to the financial statements

Impairment loss

At the end of each reporting period, management reviews the carrying amounts of the investments in subsidiaries to determine whether there are any indications that the investments are impaired.

Management noted indicators of impairment with respect to the Authority’s investment in a subsidiary, a cash-generating unit (“CGU”), due to the estimated ongoing operating costs expected to be incurred. Management has estimated that the recoverable amount would approximate the net assets of the subsidiary as at 31 March 2016 as the subsidiary will be transferred to the relevant statutory board within the next 12 months. Hence, an impairment loss of $6 million (2014/2015: $8 million) was recognised in relation to the investment in that subsidiary and this has been recognised in the Authority’s statement of income and expenditure.

7 Deferred expenditure

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015/2016</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>12,270</td>
</tr>
<tr>
<td>Additions</td>
<td>1,449</td>
</tr>
<tr>
<td>Written back</td>
<td>(845)</td>
</tr>
<tr>
<td><strong>At 31 March</strong></td>
<td>12,874</td>
</tr>
<tr>
<td><strong>Accumulated amortisation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>7,271</td>
</tr>
<tr>
<td>Amortisation for the year</td>
<td>1,017</td>
</tr>
<tr>
<td>Written back</td>
<td>(633)</td>
</tr>
<tr>
<td><strong>At 31 March</strong></td>
<td>7,655</td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td></td>
</tr>
<tr>
<td>At 31 March</td>
<td>5,219</td>
</tr>
</tbody>
</table>

Expenditure incurred in providing scholarships is capitalised and stated at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis to write off the cost over the period of the scholarship bond from 1 to 6 years commencing from the year that the scholars commence employment with the Group.

8 Available-for-sale financial assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Unquoted fund investments, at fair value</td>
<td>(a) 315</td>
<td>3,058</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Unquoted equity shares, at fair value</td>
<td>22,734</td>
<td>7,526</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Reclassification to subsidiary held for sale</td>
<td>33 (23,049)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>– 10,584</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

(a) Unquoted fund investments at fair value include accumulated impairment losses amounting to $9.691 million (2014/2015: $9.691 million).
## Notes to the financial statements

### 9 Investments at fair value through profit or loss

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Designated at fair value through profit or loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted equity securities</td>
<td>147,215</td>
<td>147,900</td>
<td>147,215</td>
<td>147,900</td>
</tr>
<tr>
<td>Quoted debt securities</td>
<td>548,565</td>
<td>568,997</td>
<td>548,565</td>
<td>568,997</td>
</tr>
<tr>
<td>Unquoted equity securities and fund investments</td>
<td>16,340</td>
<td>7,870</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Reclassification to subsidiary held for sale</td>
<td>33 (16,340)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>695,780</td>
<td>724,767</td>
<td>695,780</td>
<td>716,897</td>
</tr>
<tr>
<td>Classified as</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Current</td>
<td>695,780</td>
<td>55,572</td>
<td>695,780</td>
<td>55,572</td>
</tr>
<tr>
<td>- Non-current</td>
<td>–</td>
<td>669,195</td>
<td>–</td>
<td>661,325</td>
</tr>
<tr>
<td></td>
<td>695,780</td>
<td>724,767</td>
<td>695,780</td>
<td>716,897</td>
</tr>
</tbody>
</table>

As at the end of the reporting period, the Authority and the Group intend to liquidate the investments at fair value through profit or loss within the next 12 months.

### 10 Investments at cost

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Unquoted equity securities</td>
<td>4,612</td>
<td>18,403</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less: impairment loss</td>
<td>(4,470)</td>
<td>(4,098)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Reclassification to subsidiary held for sale</td>
<td>33 (142)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>14,305</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

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

| | 2015/2016 | 2014/2015 |
| | $'000 | $'000 |
| **Unquoted equity shares, at cost** | | |
| At 1 April | 4,098 | 4,098 |
| Charge to income and expenditure | 372 | – |
| At 31 March | 4,470 | 4,098 |
Notes to the financial statements

11 Trade receivables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'000</td>
<td>'000</td>
<td>'000</td>
<td>'000</td>
</tr>
<tr>
<td>Third parties</td>
<td>83,378</td>
<td>99,274</td>
<td>82,586</td>
<td>90,631</td>
</tr>
<tr>
<td>Ministries and statutory boards</td>
<td>45,353</td>
<td>37,284</td>
<td>44,733</td>
<td>37,284</td>
</tr>
<tr>
<td></td>
<td>128,731</td>
<td>136,558</td>
<td>127,319</td>
<td>127,915</td>
</tr>
</tbody>
</table>

The average credit period on sales of services is 30 days (2014/2015: 30 days). No interest is charged on the overdue trade receivables.

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'000</td>
<td>'000</td>
<td>'000</td>
<td>'000</td>
</tr>
<tr>
<td>Not past due and not impaired</td>
<td>111,331</td>
<td>108,995</td>
<td>109,919</td>
<td>100,352</td>
</tr>
<tr>
<td>Past due but not impaired</td>
<td>17,400</td>
<td>27,563</td>
<td>17,400</td>
<td>27,563</td>
</tr>
<tr>
<td>Impaired receivables – individually assessed</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less : Allowance for impairment</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>128,731</td>
<td>136,558</td>
<td>127,319</td>
<td>127,915</td>
</tr>
</tbody>
</table>

The Group’s and Authority’s trade receivable balances are predominantly from Singapore Government Organisations ("GO") whose credit risks are assessed to be low. There is no concentration risk at both the Group and Authority levels.

Included in the Group’s and Authority’s trade receivables balance are debtors with a carrying amount of $17.400 million (2014/2015: $27.563 million) which are past due at the end of the reporting period for which no allowance for possible doubtful debts has been provided. The Group and the Authority believe that the unimpaired amounts that are past due are still collectible in full, based on historic payment behaviour. The Group does not hold any collateral over these balances. These outstanding amounts are unsecured, interest-free and repayable on demand unless otherwise stated. No guarantees have been provided or received in respect of these balances. The average age of these receivables are 62 days (2014/2015: 58 days).

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

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority 2015/2016</th>
<th>Group and Authority 2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'000</td>
<td>'000</td>
</tr>
<tr>
<td>At 1 April</td>
<td>–</td>
<td>6</td>
</tr>
<tr>
<td>Amounts recovered during the year</td>
<td>–</td>
<td>(6)</td>
</tr>
<tr>
<td>At 31 March</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
Notes to the financial statements

12 Other receivables

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2015/2016 $’000</th>
<th>Authority 2015/2016 $’000</th>
<th>Group 2014/2015 $’000</th>
<th>Authority 2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>1,113</td>
<td>930</td>
<td>964</td>
<td>861</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>11,425</td>
<td>7,898</td>
<td>11,279</td>
<td>7,795</td>
</tr>
<tr>
<td>Prepayments</td>
<td>39,564</td>
<td>1,886</td>
<td>39,206</td>
<td>1,111</td>
</tr>
<tr>
<td>Other debtors (a)</td>
<td>10,952</td>
<td>10,827</td>
<td>9,451</td>
<td>8,790</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>63,054</td>
<td>21,541</td>
<td>60,900</td>
<td>18,557</td>
</tr>
</tbody>
</table>

Other receivables amounts are not past due and not impaired.

(a) The other debtors mainly pertained to the $8.557 million (2014/2015: $8.000 million) being disbursed to the National Council of Social Service to help low-income households, the Voluntary Welfare Organisations and Help Agencies to bridge the digital divide over a period of 4 years.

13 Grants received in advance/(receivables)

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority 2015/2016 $’000</th>
<th>2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April</td>
<td>(49,805)</td>
<td>(76,030)</td>
</tr>
<tr>
<td>Operating grants – Government</td>
<td>99,024</td>
<td>117,785</td>
</tr>
<tr>
<td>Development grants – Government</td>
<td>177,209</td>
<td>188,340</td>
</tr>
<tr>
<td>Net grants received during the year</td>
<td>276,233</td>
<td>306,125</td>
</tr>
<tr>
<td>Transfer to deferred capital grants</td>
<td>(26,109)</td>
<td>(58,754)</td>
</tr>
<tr>
<td>Grants recognised in income and expenditure</td>
<td>(224,395)</td>
<td>(176,782)</td>
</tr>
<tr>
<td>Grants disbursed</td>
<td>–</td>
<td>(44,364)</td>
</tr>
<tr>
<td>At 31 March</td>
<td>(24,076)</td>
<td>(49,805)</td>
</tr>
</tbody>
</table>

**Classified as**
- Grants received in advance | 59,379 | 17,216 |
- Grants receivables | (83,455) | (67,021) |
| **Total** | (24,076) | (49,805) |
Notes to the financial statements

14 Income tax expense

(a) The Authority is a tax exempted institution under the provision of the Income Tax Act (Cap.134, 2004 Revised Edition). The subsidiaries of the Authority are subject to tax under Singapore income tax legislation.

<table>
<thead>
<tr>
<th>Current tax expense</th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year</td>
<td>41</td>
<td>423</td>
</tr>
<tr>
<td>Under/(over) provision in prior years</td>
<td>337</td>
<td>(74)</td>
</tr>
<tr>
<td></td>
<td>378</td>
<td>349</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred tax expense</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred taxation</td>
<td>72</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>450</td>
<td>346</td>
</tr>
</tbody>
</table>

| Surplus before contribution to consolidated fund and income tax | 2015/2016 | 2014/2015 |
|                                                               | $’000     | $’000     |
| Surplus before contribution to consolidated fund and income tax | 122,313   | 97,615    |
| Add: Dividend from subsidiaries                      | 1,562     | 1,135     |
| Less: Impairment on investment in subsidiary        | (6,000)   | (8,000)   |
| Less: Surplus of the Authority subject to contribution to consolidated fund | (125,693) | (95,491) |
| Loss before income tax of the subsidiaries          | (7,818)   | (4,741)   |

| Income tax benefit at Singapore tax rate of 17% (2014/2015: 17%) | 2015/2016 | 2014/2015 |
|                                                               | $’000     | $’000     |
| Income tax benefit at Singapore tax rate of 17% (2014/2015: 17%) | (1,329)   | (806)     |
| Effect of tax rates in foreign jurisdictions             | 11        | –         |
| Non-deductible item                                       | 249       | 247       |
| Tax rebate                                                | (20)      | (30)      |
| Tax incentive                                             | (423)     | (102)     |
| Income not subject to tax                                 | (104)     | (62)      |
| Effect of previously unrecognised deferred tax benefits  | (197)     | (566)     |
| Under/(over) provision in prior years                    | 337       | (74)      |
| Effect of deferred tax benefits not recognised           | 1,926     | 1,731     |
| Others                                                    | –         | 8         |
|                                                          | 450       | 346       |

As at 31 March 2016, subject to the agreement by the tax authorities, certain subsidiaries of the Group have unutilised tax losses amounting to approximately $78,364 million (2014/2015: $67,500 million) and unrecognised capital allowances of approximately $9,968 million (2014/2015: $10,662 million) available for offset against future profits. No deferred tax asset arising from the unutilised tax losses has been recognised due to the unpredictability of future profit streams.
Notes to the financial statements

(b) Movements in deferred taxation

<table>
<thead>
<tr>
<th>Group Note</th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charged to income or expenditure</td>
<td>(i) 6</td>
<td>9</td>
</tr>
<tr>
<td>Charged to other comprehensive income</td>
<td>(ii) 72</td>
<td>3</td>
</tr>
<tr>
<td>Reclassification to subsidiary held for sale</td>
<td>33 (2,124)</td>
<td>–</td>
</tr>
<tr>
<td>At 31 March</td>
<td></td>
<td>78 6</td>
</tr>
</tbody>
</table>

(i) Deferred tax liabilities are attributable to property, plant and equipment and recognised in income or expenditure.

(ii) Deferred tax liabilities are attributable to the changes in the fair value of available-for-sale financial assets relating to a subsidiary held for sale.

15 Cash and bank balances

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Cash with the AGD</td>
<td>490,086</td>
<td>446,316</td>
<td>462,394</td>
<td>392,132</td>
</tr>
<tr>
<td>Cash with custodian</td>
<td>32,983</td>
<td>32,957</td>
<td>32,983</td>
<td>32,957</td>
</tr>
<tr>
<td>Bank and cash balances</td>
<td>201</td>
<td>1,996</td>
<td>68</td>
<td>209</td>
</tr>
<tr>
<td></td>
<td>523,270</td>
<td>481,269</td>
<td>495,445</td>
<td>425,298</td>
</tr>
</tbody>
</table>

The Group participates in the Accountant-General Department’s Centralised Liquidity Management Scheme (“CLM”) whereby the Group’s cash is pooled together and managed centrally by Accountant-General Department (“AGD”), a related party. This does not affect the daily liquidity of the Group. AGD pays interest on the Group’s cash balances participating in AGD’s CLM. For the year, the effective rate was 1.26% (2014/2015: 0.85%).


16 Equity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>No. of shares</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Issued and fully paid up:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At beginning of year</td>
<td>22,001,001</td>
<td>18,001,001</td>
<td>22,001</td>
<td>18,001</td>
</tr>
<tr>
<td>Issuance of shares</td>
<td>9,000,000</td>
<td>4,000,000</td>
<td>9,000</td>
<td>4,000</td>
</tr>
<tr>
<td>At end of year</td>
<td>31,001,001</td>
<td>22,001,001</td>
<td>31,001</td>
<td>22,001</td>
</tr>
</tbody>
</table>

In 2015/2016, the Authority issued an additional 9,000,000 shares to the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183) for $9 million in cash. The additional fully paid up shares rank pari passu in all respects with the existing shares.
Notes to the financial statements

The holders of these shares are entitled to receive dividends as and when declared by the Authority. The shares carry no voting rights nor have a par value.

**Capital account**

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

**Fair value reserve**

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

**Translation reserve**

The translation reserve comprises foreign currency differences arising from the translation of the financial statement of foreign operations.

17 **Accumulated surpluses – restricted funds**

The IT project funds are restricted funds and must be used for the purposes of specified IT projects such as ongoing operations, security, resiliency enhancements and the recurrent costs of hardware and/or during technology refresh.

The funds are subject to restrictions on the ability of the Authority to distribute or otherwise apply the fund. The basis of accounting in relation to the fund is as stipulated in Note 3.13.

The breakdown of the income and expenditure of the funds are detailed on page 30 and the assets and liabilities of the fund for the Group and the Authority are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td>7,978</td>
<td>–</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td>229,442</td>
<td>65,387</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td>(59,225)</td>
<td>(6,206)</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>(83,705)</td>
<td>(38,144)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>94,490</td>
<td>21,037</td>
</tr>
</tbody>
</table>
Notes to the financial statements

18 Deferred income

Deferred income mainly comprises:

(i) licence and related fees that will be recognised in income or expenditure over the remaining period of the licence, which occurs subsequent to the year end; and

(ii) infrastructure fees in relation to Whole of Government’s central infrastructure future technology refresh, enhancement and related fees collected in advance that will be recognised in income and expenditure in the period when service is rendered.

19 Other payables, advances and deposits

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Accrual for expenses under development funds</td>
<td>28,071</td>
<td>11,057</td>
<td>28,071</td>
<td>11,057</td>
</tr>
<tr>
<td>Accrual for payroll related expenses</td>
<td>78,462</td>
<td>71,873</td>
<td>77,968</td>
<td>69,750</td>
</tr>
<tr>
<td>Accrual for operating and other expenses</td>
<td>52,077</td>
<td>50,923</td>
<td>50,459</td>
<td>47,945</td>
</tr>
<tr>
<td>Accrual for purchase of fixed assets</td>
<td>11,034</td>
<td>10,032</td>
<td>11,034</td>
<td>7,515</td>
</tr>
<tr>
<td>Total</td>
<td>169,644</td>
<td>143,885</td>
<td>167,532</td>
<td>136,267</td>
</tr>
<tr>
<td>Advances and deposits</td>
<td>846</td>
<td>62</td>
<td>325</td>
<td>62</td>
</tr>
<tr>
<td>Provision for unutilised leave</td>
<td>13,334</td>
<td>12,019</td>
<td>13,193</td>
<td>11,564</td>
</tr>
<tr>
<td>Total</td>
<td>183,824</td>
<td>155,966</td>
<td>181,050</td>
<td>147,893</td>
</tr>
</tbody>
</table>

20 Provision for pension and medical benefits

The Group contributes to the following post-employment defined benefit plans:

a. Pension benefits – The Plan provides pension benefits to pensionable employees with at least 10 years of pensionable service, who transferred to the Authority from direct employment with the Singapore government.

b. Post-retirement medical benefits – The Plan provides its eligible employees and their dependents with post-retirement medical benefits.

The employee benefits plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

## Notes to the financial statements

### Movement in the present value of the defined benefit obligations

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
<th>2015/2016 $’000</th>
<th>2014/2015 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1 April</td>
<td></td>
<td>29,688</td>
<td>32,121</td>
</tr>
</tbody>
</table>

### Included in profit or loss

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost</td>
<td></td>
</tr>
<tr>
<td></td>
<td>594</td>
</tr>
</tbody>
</table>

### Included in OCI

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remeasurements loss/(gain):</td>
<td></td>
</tr>
<tr>
<td>Actuarial loss/(gain) arising</td>
<td></td>
</tr>
<tr>
<td>from:</td>
<td></td>
</tr>
<tr>
<td>- Demographic assumptions</td>
<td>384</td>
</tr>
<tr>
<td>- Financial assumptions</td>
<td>1,020</td>
</tr>
<tr>
<td>- Experience adjustment</td>
<td>(58)</td>
</tr>
<tr>
<td>- Medical costs assumptions</td>
<td>488</td>
</tr>
<tr>
<td></td>
<td>1,834</td>
</tr>
</tbody>
</table>

### Other

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits paid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2,779)</td>
</tr>
</tbody>
</table>

### Balance as at 31 March

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29,337</td>
</tr>
</tbody>
</table>

### Classified as

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount due within one year</td>
<td>2,764</td>
</tr>
<tr>
<td>Amounts due after one year</td>
<td>26,573</td>
</tr>
<tr>
<td></td>
<td>29,337</td>
</tr>
</tbody>
</table>

The pension and medical benefits have been estimated by management based on the latest valuation of the pension scheme as at 31 March 2016 and 2015 performed by independent firms of professional actuaries.

### Actuarial assumptions

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

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate at 31 March</td>
<td></td>
<td>1.6%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Mortality rates</td>
<td>Singapore Mortality Table</td>
<td>S2004-2008</td>
<td>S2004-2008</td>
</tr>
<tr>
<td>Medical cost trend rate</td>
<td></td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

### Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percent.
Notes to the financial statements

### Defined benefit obligations

<table>
<thead>
<tr>
<th></th>
<th>One percentage point increase</th>
<th>One percentage point decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Group and Authority</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2014/2015</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>(2,002)</td>
<td>2,266</td>
</tr>
<tr>
<td>Medical cost trend rate</td>
<td>468</td>
<td>(419)</td>
</tr>
<tr>
<td><strong>2015/2016</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>(1,981)</td>
<td>2,243</td>
</tr>
<tr>
<td>Medical cost trend rate</td>
<td>539</td>
<td>(483)</td>
</tr>
</tbody>
</table>

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31 March 2016 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

### 21 Contribution payable to consolidated fund

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

The total contribution for the year can be reconciled to the net surplus as follows:

<table>
<thead>
<tr>
<th></th>
<th>Group and Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015/2016</td>
</tr>
<tr>
<td>Surplus of the Authority before contribution to consolidated fund</td>
<td>125,693</td>
</tr>
<tr>
<td>Contribution payable @ 17% (2014/2015: 17%)</td>
<td>21,368</td>
</tr>
<tr>
<td>Return of funds in relation to an IT Project</td>
<td>28,384</td>
</tr>
<tr>
<td></td>
<td>49,752</td>
</tr>
</tbody>
</table>

In 2015/2016, there was an additional contribution to the consolidated fund amounting to $28.384 million which arose from the return of surplus in relation to an IT project. The Ministry of Finance approved the return of this surplus via contribution of the amount to the consolidated fund.

### 22 Due to subsidiaries (non-trade) - Authority

The amounts due to subsidiaries comprise:

(i) The deferred payment arrangement with a subsidiary arose from a sale of investment in equity and debt securities by a subsidiary to the Authority in 2011/2012 at fair market value on the date of sale. The settlement is made via a deferred payment arrangement whereby the outstanding payment will be repaid at amounts to be determined by the subsidiary over a period of up to 5 years. The outstanding amount is unsecured and bears interest at a fixed rate of 2.2% per annum. The outstanding payment is expected to be made within the next 12 months.
Notes to the financial statements

(ii) The Authority enters into fixed deposit arrangements with two subsidiaries in 2012/2013. Under the fixed deposit arrangements, the Authority manages the subsidiaries’ funds by investing in debt securities on a pooled basis for up to 3 years and pays a fixed rate interest of 1% per annum to the subsidiaries. These deposits have since matured during the financial year and amounts fully paid to the subsidiaries.

(iii) A similar fixed deposit arrangement was entered into with a subsidiary in 2013/2014 for a period of up to 5 years and pays a fixed rate interest of 2% per annum. The outstanding amount is unsecured and not expected to be repaid within the next 12 months.

23 Financial instruments

(a) Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

• market risk
• credit risk
• liquidity risk

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital.

Risk management framework

The Group has documented financial risk management policies. These policies set out the Group’s overall business strategies and its risk management philosophy. The Group’s overall financial risk management objective seeks to minimise potential adverse effects on its financial performance. It is the Group’s policy not to hold derivative financial instruments for speculative purposes although such instruments may be used for hedging exposure. The Board provides written principles for overall financial risk management, which covers specifically on market risk (including price risk, foreign exchange risk, and interest rate risk), credit risk and liquidity risk. Such written policies are reviewed periodically by the Board and periodic reviews are undertaken to ensure that the Group’s policy are relevant and complied with.

The Group monitors its risk exposure regularly. There has been no change to the Group’s exposure to these financial risks or the manner in which it manages and measures the risk.

The Authority has established a governance, risk and compliance framework which sets out, amongst other things, the governance oversight, risk measurement and monitoring processes, to enhance its overall risk management for the investments at fair value through profit or loss. As part of the risk management process, the management of the Group also conducts ongoing review of its financial assets held in the investment portfolio.

(b) Market risk

Market risk refers to the risk arising from uncertainty in the future values of the financial instruments, resulting from movements in factors such as equity prices, foreign exchange rates and market interest rates. The Group and the Authority’s exposure to each of these factors are presented in the following paragraphs.
Notes to the financial statements

(i) Price risk

Risk management policy

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

The Group is exposed to price risk arising from its investments in equity and debt securities, and fund investments categorised as either available-for-sale financial assets or investments at fair value through profit or loss. The Group’s equity securities comprise both quoted and unquoted equity securities and fund investments. The Group’s debt securities comprise quoted and unquoted debt securities. The management monitors the price fluctuations of the investments and assessed the valuation regularly.

The Authority is exposed to price risk arising from its investments in quoted equity and debt securities categorised as investments at fair value through profit or loss. The management monitors the price fluctuations of the investments on a regular basis. In accordance with its governance, risk and compliance framework, the management will report significant price movements to the Investment Committee.

Sensitivity analysis

Available-for-sale financial assets

If the prices of equity securities and fund investments had been 10% higher with all other variables held constant, the increase in the fair value of these investments and the corresponding increase in fair value change reserves for the year ended 31 March 2016 would have been $2.305 million (2014/2015: $1.058 million). Correspondingly, if the prices of equity securities and fund investments had been 10% lower with all other variables held constant, the fair value of these investments and the fair value changes reserves would have decreased by an equal amount (assuming no impairment).

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

Investments at fair value through profit or loss

Group

If the prices of equity and debt securities had been 10% higher with all other variables held constant, the Group’s fair value of these financial instruments for the year ended 31 March 2016 would have been higher by $14.443 million (2014/2015: $10.759 million). Correspondingly, the Group’s surplus for the year before contribution to consolidated fund would have been higher by $14.443 million (2014/2015: $10.759 million).

Conversely, if the prices of equity and debt securities had been 10% lower with all other variables held constant, the Group’s fair value of the financial instruments would have been lower by $13.122 million (2014/2015: $9.000 million). Correspondingly, the Group’s surplus for the year would have been lower by $13.122 million (2014/2015: $9.000 million).

Included in investments at fair value through profit or loss are assets classified as held for sale during the year.
Notes to the financial statements

Authority

If the prices of quoted equity and debt securities had been 10% higher with all other variables held constant, the Authority’s fair value of these financial instruments for the year ended 31 March 2016 would have been higher by $12.809 million (2014/2015: $9.972 million). Correspondingly, the increase in the Authority’s surplus for the year would have been $12.809 million (2014/2015: $9.972 million).

Conversely, if the prices of quoted equity and debt securities had been 10% lower with all other variables held constant, the Authority’s fair value of the financial instruments would have been lower by $11.488 million (2014/2015: $8.213 million). Correspondingly, the decrease in the Authority’s surplus for the year would have been $11.488 million (2014/2015: $8.213 million).

The 10% represents management’s assessment of the possible change in market prices. The sensitivity analysis is for illustrative purposes only. In practice, prices rarely change in isolation and are likely to be interdependent with other market variables.

(ii) Foreign currency risk

Risk management policy

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate arising from changes in the exchange rate between the foreign currencies and the Singapore dollar.

The foreign currency risk of the Group and the Authority predominantly arises from its investments in equity and debt securities which are denominated in currencies other than Singapore dollar. As a result, these investments expose the Group and the Authority to foreign currency fluctuations.

At any point in time, the Group and the Authority hedge at least 90% of its estimated foreign currency exposure in respect of its investments at fair value through profit or loss. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. The Group and the Authority’s foreign exchange forward contracts with notional amounts of $714.480 million (2014/2015: $658.919 million) are taken with various financial institutions.

Exposure to foreign currency risk

As at 31 March 2016, the major foreign currencies to which the Group and the Authority are exposed are the United States dollar ("USD") and Others, which are primarily Euro ("EUR") and Japanese Yen ("JPY"). The quantitative exposure to these foreign currency risks of the Group and the Authority are presented below:

<table>
<thead>
<tr>
<th></th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD $’000</td>
<td>Others – EUR &amp; JPY $’000</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>31,601</td>
<td>744</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Investments at cost</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Investments at fair value through profit or loss</td>
<td>487,588</td>
<td>124,450</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>19,001</td>
<td>(2,522)</td>
</tr>
<tr>
<td>Other payables</td>
<td>–</td>
<td>(65)</td>
</tr>
<tr>
<td>Net financial assets</td>
<td>538,190</td>
<td>122,672</td>
</tr>
<tr>
<td>Less: forward foreign currency contracts</td>
<td>(369,634)</td>
<td>(110,714)</td>
</tr>
<tr>
<td>Net currency exposure of financial assets/(liabilities)</td>
<td>168,556</td>
<td>11,958</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD $’000</td>
<td>Others – EUR &amp; JPY $’000</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Investments at cost</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Investments at fair value through profit or loss</td>
<td>527,511</td>
<td>119,554</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>326</td>
<td>–</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>1,165</td>
<td>–</td>
</tr>
<tr>
<td>Other payables</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net financial assets</td>
<td>527,511</td>
<td>119,554</td>
</tr>
<tr>
<td>Less: forward foreign currency contracts</td>
<td>(355,491)</td>
<td>(121,543)</td>
</tr>
<tr>
<td>Net currency exposure of financial assets/(liabilities)</td>
<td>172,020</td>
<td>(1,989)</td>
</tr>
</tbody>
</table>
Notes to the financial statements

<table>
<thead>
<tr>
<th>Authority</th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>Others – EUR &amp; JPY</td>
<td>USD</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Investments at fair value through profit or loss</td>
<td>487,588 124,450</td>
<td>493,337 117,872</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>19,001 (2,522)</td>
<td>4,073 1,165</td>
</tr>
<tr>
<td>Net financial assets</td>
<td>506,589 121,928</td>
<td>497,410 119,037</td>
</tr>
<tr>
<td>Less: forward foreign currency contracts</td>
<td>(369,634) (110,714)</td>
<td>(355,491) (121,543)</td>
</tr>
<tr>
<td>Net currency exposure of financial assets/(liabilities)</td>
<td>136,955 11,214</td>
<td>141,919 (2,506)</td>
</tr>
</tbody>
</table>

Sensitivity analysis

A 5% strengthening of the above foreign currencies against the Singapore dollar at 31 March would have increased/(decreased) other comprehensive income and surplus for the year as shown below. Conversely, a 5% weakening of foreign currencies against the Singapore dollar as at 31 March would result in an equal but opposite effect on other comprehensive income and surplus for the year.

5% represents management’s assessment of the possible change in foreign currency exchange rates. The analysis assumes that all other variables remain constant. In reality, foreign currency exchange rates rarely change in isolation and are likely to be interdependent.

<table>
<thead>
<tr>
<th>Group</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Surplus for the year before tax</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
</tr>
<tr>
<td>2015/2016</td>
<td>USD</td>
</tr>
<tr>
<td></td>
<td>Others – EUR &amp; JPY</td>
</tr>
<tr>
<td>2014/2015</td>
<td>USD</td>
</tr>
<tr>
<td></td>
<td>Others – EUR &amp; JPY</td>
</tr>
</tbody>
</table>

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate arising from changes in interest rates.

The Group and the Authority have exposure to interest rate risks arising from investments in debt securities as well as cash deposits, including the cash participation in AGD’s CLM. The Group deploys duration positioning, where appropriate, to mitigate interest rate risk on debt securities. In accordance with its governance, risk and compliance framework, management will report significant fair value movements to the Investment Committee. Interest rate risks on cash deposits are managed through AGD’s cash scheme.

Sensitivity analysis

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

Cash and bank balances

If interest rates had been 25 basis points higher or lower and all other variables were held constant, the Group's surplus before tax for the year ended 31 March 2016 would increase or decrease by $1.458 million (2014/2015: $1.203 million).

If interest rates had been 25 basis points higher or lower and all other variables were held constant, the Authority's surplus before tax for the year ended 31 March 2016 would increase or decrease by $1.239 million (2014/2015: $1.063 million).

Investment at fair value through profit or loss

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's and Authority's fair value of the investments at fair value through profit or loss and surplus before tax for the year ended 31 March 2016 would decrease by $28.550 million (2014/2015: $26.469 million). Conversely, a reduction in interest rates by 100 basis points would increase the Group's and Authority's fair value of the investments at fair value through profit or loss and surplus before tax for the year by $32.247 million (2014/2015: $28.857 million).

(c) Credit risk

Credit risk is the risk of default of counterparties which will affect the fair value or future cash flows of a financial instrument.

The Group and the Authority's exposure to credit risk arises from its financial assets. The carrying amounts of financial assets in the statement of financial position represent the maximum exposure to credit risk, before taking into account any collateral held. As at the end of reporting period, the Group and the Authority do not hold any collateral in respect of its financial assets.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

The Group and the Authority mitigate credit risk exposure through regular monitoring of the recoverability of the financial assets. In respect of its investments in debt securities, it is the policy of the Group and the Authority to invest only in securities which meet the credit criteria approved by its Investment Committee. As at the end of the reporting period, the Group's and the Authority's investments in debt securities are not impaired.
Notes to the financial statements

(d) Liquidity risk

Liquidity risk is the risk of not being able to meet financial obligations arising from fluctuations in cashflow of financial assets.

The Group and the Authority are not subject to regulatory requirement to maintain minimum cash level. It is the policy of the Group and the Authority to maintain a level of cash deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

The financial liabilities of the Group and the Authority are presented in the statement of financial position. The current liabilities are non-interest bearing and repayable within one year from the end of the reporting period. The financial assets of the Group and the Authority are able to meet these financial obligations.

The undiscounted cash flow of the Group’s and Authority’s financial liabilities (including trade payables, other payables and contribution payable to consolidated fund) at the reporting date approximate their carrying amounts and are expected to be settled within the next 12 months and are classified as other financial liabilities.

The following is the contractual maturities of the Authority’s non-trade amount due to subsidiaries, including estimated interest payments and excluding the impact of netting agreements:

<table>
<thead>
<tr>
<th>Authority</th>
<th>Carrying amount</th>
<th>Contractual cash flows</th>
<th>Within 1 year</th>
<th>Within 2 to 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to subsidiaries (non-trade)</td>
<td>160,000</td>
<td>163,260</td>
<td>152,840</td>
<td>10,420</td>
</tr>
<tr>
<td>2014/2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to subsidiaries (non-trade)</td>
<td>200,000</td>
<td>207,079</td>
<td>43,826</td>
<td>163,253</td>
</tr>
</tbody>
</table>

The maturity analyses show the contractual undiscounted cash flows of the Authority’s financial liabilities on the basis of their earliest possible contractual maturity.

(e) Capital management

The Group and the Authority manage its capital to ensure that the Group and the Authority will continue as going concern.

The capital structure of the Group and the Authority comprise only equity as reflected in the statement of changes in equity. The Group and the Authority are not subject to regulatory capital requirement.

The Group and the Authority review its capital structure periodically. As part of this review, the cost of capital and associated risks are considered. There have been no changes to the Group’s overall capital policy as compared to 2014/2015. The Authority is not subject to any regulatory capital requirements.
Notes to the financial statements

(f) Accounting classifications and fair values

Fair values versus carrying amounts

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<table>
<thead>
<tr>
<th>Note</th>
<th>Designated at fair value</th>
<th>Loan and receivables</th>
<th>Available for sale</th>
<th>Other financial liabilities</th>
<th>Total carrying amount</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Group</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 March 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets classified as held for sale</td>
<td>33</td>
<td>16,340</td>
<td>60,686</td>
<td>23,049</td>
<td>–</td>
<td>100,075</td>
</tr>
<tr>
<td>Investments at fair value through profit or loss, at fair value</td>
<td>9</td>
<td>695,780</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>695,780</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>11</td>
<td>–</td>
<td>128,731</td>
<td>–</td>
<td>–</td>
<td>128,731</td>
</tr>
<tr>
<td>Other receivables*</td>
<td>12</td>
<td>–</td>
<td>23,490</td>
<td>–</td>
<td>–</td>
<td>23,490</td>
</tr>
<tr>
<td>Grants receivables</td>
<td>13</td>
<td>–</td>
<td>83,455</td>
<td>–</td>
<td>–</td>
<td>83,455</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>15</td>
<td>–</td>
<td>523,270</td>
<td>–</td>
<td>–</td>
<td>523,270</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>712,120</strong></td>
<td><strong>819,632</strong></td>
<td><strong>23,049</strong></td>
<td><strong>–</strong></td>
<td><strong>1,554,801</strong></td>
<td><strong>1,554,801</strong></td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities classified as held for sale**</td>
<td>33</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>2,264</td>
<td>2,264</td>
</tr>
<tr>
<td>Trade payables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>32,953</td>
<td>32,953</td>
<td>32,953</td>
</tr>
<tr>
<td>Other payables, advances and deposits**</td>
<td>19</td>
<td>–</td>
<td>–</td>
<td>169,644</td>
<td>169,644</td>
<td>169,644</td>
</tr>
<tr>
<td>Contribution payable to consolidated fund</td>
<td>21</td>
<td>–</td>
<td>–</td>
<td>21,368</td>
<td>21,368</td>
<td>21,368</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>226,229</strong></td>
<td><strong>226,229</strong></td>
<td><strong>226,229</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 March 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-sale financial assets, at fair value</td>
<td>8</td>
<td>–</td>
<td>–</td>
<td>10,584</td>
<td>–</td>
<td>10,584</td>
</tr>
<tr>
<td>Investments at fair value through profit or loss, at fair value</td>
<td>9</td>
<td>724,767</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>724,767</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>11</td>
<td>–</td>
<td>136,558</td>
<td>–</td>
<td>–</td>
<td>136,558</td>
</tr>
<tr>
<td>Other receivables*</td>
<td>12</td>
<td>–</td>
<td>19,655</td>
<td>–</td>
<td>–</td>
<td>19,655</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>15</td>
<td>–</td>
<td>481,269</td>
<td>–</td>
<td>–</td>
<td>481,269</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>724,767</strong></td>
<td><strong>704,503</strong></td>
<td><strong>10,584</strong></td>
<td><strong>–</strong></td>
<td><strong>1,439,854</strong></td>
<td><strong>1,439,854</strong></td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>35,707</td>
<td>35,707</td>
<td>35,707</td>
</tr>
<tr>
<td>Other payables, advances and deposits**</td>
<td>19</td>
<td>–</td>
<td>–</td>
<td>143,885</td>
<td>143,885</td>
<td>143,885</td>
</tr>
<tr>
<td>Contribution payable to consolidated fund</td>
<td>21</td>
<td>–</td>
<td>–</td>
<td>16,233</td>
<td>16,233</td>
<td>16,233</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>195,825</strong></td>
<td><strong>195,825</strong></td>
<td><strong>195,825</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to the financial statements

<table>
<thead>
<tr>
<th>Authority</th>
<th>31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>Investments at fair value through profit or loss, at fair value</td>
</tr>
<tr>
<td></td>
<td>Note</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>695,780</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>Trade payables</td>
</tr>
<tr>
<td></td>
<td>Other payables, advances and deposits**</td>
</tr>
<tr>
<td></td>
<td>Contribution payable to consolidated fund</td>
</tr>
<tr>
<td></td>
<td>Due to subsidiaries</td>
</tr>
<tr>
<td></td>
<td>–</td>
</tr>
<tr>
<td>31 March 2015</td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td>Investments at fair value through profit or loss, at fair value</td>
</tr>
<tr>
<td></td>
<td>Note</td>
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<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>716,897</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>Trade payables</td>
</tr>
<tr>
<td></td>
<td>Other payables, advances and deposits**</td>
</tr>
<tr>
<td></td>
<td>Contribution payable to consolidated fund</td>
</tr>
<tr>
<td></td>
<td>Due to subsidiaries</td>
</tr>
<tr>
<td></td>
<td>–</td>
</tr>
</tbody>
</table>

* excludes prepayment

** excludes advances and deposits and provision for unutilised leave

Fair value is defined as the amount at which a financial instrument could be exchanged between knowledgeable willing parties in an arm’s length transaction, other than in a forced or liquidation sale.
Notes to the financial statements

The following methods and assumptions are made to estimate the fair value of each class of financial instruments (where it is practicable to estimate that value).

Securities

Investments at fair value through profit or loss

The Group’s and the Authority's investments at fair value through profit or loss represent financial assets designated as fair value through profit or loss on inception. The Authority’s investments at fair value through profit or loss are substantially managed externally by professional fund managers within discretion of the investment guidelines mandated by the Authority as set out in the fund management agreements. The Authority manages and evaluates the performance of such investments on a fair value basis in accordance with the Authority’s investment policy and strategies.

The fair value of the quoted equity securities is based on the quoted closing market prices on the last day of the financial year.

The fair value of the quoted debt securities are based on the quotes readily and regularly available from an exchange, dealers, brokers, industry group, pricing service or regulatory agency on the last day of the financial year.

The fair values of the unquoted equity securities are determined in reference to the prices of similar securities issued by investee companies in recent financing exercises, which reflects the arm’s length transaction between a willing buyer and a willing seller. Fair values of these securities which distribute regular dividends are determined using dividend discount model.

The fair values of unquoted fund investments is determined based on the latest available unaudited net asset values of the underlying funds on the basis that their net asset values approximate their fair values at reporting date.

Investments at cost less impairment

Investments in unquoted equity shares represent equity interest in companies that are involved in start-up activities in the information and communication technologies sectors, and hence do not have a quoted market price in an active market. As such, the fair value of these companies cannot be reliably measured by other valuation techniques given the significant range of reasonable fair value measurement and the probabilities of various estimates cannot be reasonably assessed. Accordingly, these investments are stated at cost less impairment.

Available-for-sale financial assets

The valuation techniques utilised to determine the fair values of unquoted equity securities and unquoted fund investments are the same as that used for unquoted equity securities and fund investments designated at fair value through profit or loss as disclosed above.

Other financial assets and liabilities

The carrying amounts of trade receivables, amounts due from subsidiaries, other receivables, grants receivables, cash and bank balances, trade payables and other payables, advances and contribution payable to consolidated fund approximate their respective fair values due to the short-term to maturity.

Non-current non-derivative financial liabilities

The fair value of the long-term amount due to subsidiaries which is determined for disclosure purposes, is calculated based on discounted expected future principal and interest cash flows at the market rate of interest at the reporting date at 1.45%. (2014/2015: ranges from 1.05% to 1.83%)
Notes to the financial statements

Fair value hierarchy

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

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

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

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

Investments measured at fair value and financial assets and financial liabilities that are not measured at fair value but for which fair values are disclosed*

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015/2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>–</td>
<td>–</td>
<td>39,389</td>
<td>39,389</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>296,208</td>
<td>399,572</td>
<td>–</td>
<td>695,780</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>296,208</td>
<td>399,572</td>
<td>39,389</td>
<td>735,169</td>
</tr>
<tr>
<td>2014/2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>222,132</td>
<td>494,765</td>
<td>7,870</td>
<td>724,767</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>–</td>
<td>3,047</td>
<td>7,537</td>
<td>10,584</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>222,132</td>
<td>497,812</td>
<td>15,407</td>
<td>735,351</td>
</tr>
<tr>
<td><strong>Authority</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015/2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>296,208</td>
<td>399,572</td>
<td>–</td>
<td>695,780</td>
</tr>
<tr>
<td>Amounts due to subsidiaries</td>
<td>–</td>
<td>(160,638)</td>
<td>–</td>
<td>(160,638)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>296,208</td>
<td>238,934</td>
<td>–</td>
<td>535,142</td>
</tr>
<tr>
<td>2014/2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>222,132</td>
<td>494,765</td>
<td>–</td>
<td>716,897</td>
</tr>
<tr>
<td>Amounts due to subsidiaries</td>
<td>–</td>
<td>(201,005)</td>
<td>–</td>
<td>(201,005)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>222,132</td>
<td>293,760</td>
<td>–</td>
<td>515,892</td>
</tr>
</tbody>
</table>

* Excludes financial assets and liabilities whose carrying amounts measured on amortised costs basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

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

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. The fair value, including level 3, are reviewed periodically, taking into consideration the significant unobservable inputs and valuation estimate adjustments as may be necessary. Where third party information, such as recent transaction prices arising due to recent rounds of financing raised by the investee companies, which reflects the arm’s length transaction between a willing buyer and a willing seller is available, it is used as a fair value measurement basis.

Level 3 fair values

The valuation technique and key unobservable inputs used in the determination of fair value of investments at fair value through profit or loss and available-for-sale financial assets are as follows:

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

<table>
<thead>
<tr>
<th>Type</th>
<th>Valuation technique</th>
<th>Significant unobservable inputs</th>
<th>Inter-relationship between key unobservable inputs and fair value measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments at fair value</td>
<td>Please refer to the description at Note 23(f).</td>
<td>• Recent financing exercises (sensitivity analysis as disclosed in Note 23(b) under price risk); and</td>
<td>The estimated fair value would increase/(decrease) if:</td>
</tr>
<tr>
<td>through profit or loss</td>
<td></td>
<td>• Expected dividends with zero growth rate, discounted at the interest rate that reflects the</td>
<td>• Recent financing exercises were higher/(lower);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>expected return on investment (discount rate and market risk premium of 2% - 5%, see sensitivity</td>
<td>• Average annual dividends declared were higher/(lower);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>analysis as disclosed below).</td>
<td>• Market risk premium were higher/(lower).</td>
</tr>
<tr>
<td>Available-</td>
<td>Please refer to the description at Note 23(f).</td>
<td>• Net Asset Value for fund investments (a sensitivity analysis as disclosed in Note 23(b) under price</td>
<td>The estimated fair value would increase/(decrease) if:</td>
</tr>
<tr>
<td>for-sale financial assets</td>
<td></td>
<td>risk); and</td>
<td>• Net asset values for fund investments were higher/(lower);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Recent financing exercises (sensitivity analysis as disclosed in Note 23(b) under price risk).</td>
<td>• Recent financing exercises were higher/(lower).</td>
</tr>
</tbody>
</table>
Notes to the financial statements

Financial instruments measured at fair value classified as Level 3

<table>
<thead>
<tr>
<th>Note</th>
<th>Assets held for sale $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group 2015/2016</td>
</tr>
<tr>
<td></td>
<td>Opening balance 15,407</td>
</tr>
<tr>
<td></td>
<td>Total loss in profit or loss (98)</td>
</tr>
<tr>
<td></td>
<td>Total gain in other comprehensive income 2,214</td>
</tr>
<tr>
<td></td>
<td>Purchases 5,528</td>
</tr>
<tr>
<td></td>
<td>Transfers into level 3 (a) 16,338</td>
</tr>
<tr>
<td></td>
<td>Closing balance 39,389</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Investments at fair value through profit or loss $’000</th>
<th>Available-for-sale financial assets $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group 2014/2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Opening balance</td>
<td>6,583</td>
<td>10,878</td>
</tr>
<tr>
<td></td>
<td>Total loss in profit or loss</td>
<td>767</td>
<td>4,604</td>
</tr>
<tr>
<td></td>
<td>Total gain in other comprehensive income</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Purchases</td>
<td>2,097</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Transfers into level 3 (a)</td>
<td>1,512</td>
<td>2,889</td>
</tr>
<tr>
<td></td>
<td>Transfers out of level 3 (b)</td>
<td>(3,089)</td>
<td>(10,834)</td>
</tr>
<tr>
<td></td>
<td>Closing balance</td>
<td>7,870</td>
<td>7,537</td>
</tr>
</tbody>
</table>

(a) At 31 March 2016, the Group's investments with a carrying amount of $13.291 million (2014/2015: $4.401 million) was transferred from investments stated at cost to Level 3 as there was a recent financing exercise within the past 12 months in which the Group has determined this to be the fair value measurement basis.

The Group's available-for-sale investments with a carrying amount of $3.047 million were transferred from Level 2 to Level 3 as observable market data previously available, were not available at measurement date.

(b) In 2014/2015, the Group's investments with a carrying amount of $12.476 million was transferred from Level 3 to investments at cost because there was no recent financing exercises within the past 12 months and whose fair value cannot be reliably measured by other valuation techniques given the significant range of reasonable fair value measurement and the probabilities of various estimates cannot be reasonably assessed.

In 2014/2015, the Group's available-for-sale investments with a carrying amount of $1.447 million was transferred from Level 3 to Level 2 because of the availability of the quoted prices for the majority of the composition of the underlying investments held by the fund investment as at 31 March 2015. To determine the fair value of such fund investments, management used a valuation technique in which significant inputs were based on observable market data.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.
Notes to the financial statements

For fair value measurements of an investment in Level 3, measured using the dividend discount model, changing the market risk premium by ±0.5% would have the following effect:

<table>
<thead>
<tr>
<th>Income and expenditure</th>
<th>Other comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Favourable</td>
</tr>
<tr>
<td></td>
<td>$’000</td>
</tr>
<tr>
<td>2014/2015</td>
<td></td>
</tr>
<tr>
<td>Unquoted equity securities</td>
<td>66</td>
</tr>
</tbody>
</table>

There were no investments measured using the dividend discount model in 2016.

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by recalibrating the model values using alternative estimates of risk adjusted discount rates that might reasonably have been considered by a market participant for the purpose of pricing the instruments at the reporting date.

24 Net assets of trust and agency funds

Details of the trust and agency funds are set out below and have been prepared from the records of these funds and reflect only transactions handled by the Group and the Authority:

<table>
<thead>
<tr>
<th>Group and Authority</th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Interest income</td>
<td>244</td>
<td>210</td>
</tr>
<tr>
<td>Expenditures</td>
<td>(257,693)</td>
<td>(232,183)</td>
</tr>
<tr>
<td>Net (deficit)/surplus for the year</td>
<td>(5,326)</td>
<td>3,664</td>
</tr>
<tr>
<td>Accumulated surplus at 1 April</td>
<td>9,022</td>
<td>5,358</td>
</tr>
<tr>
<td>Accumulated surplus at 31 March</td>
<td>3,696</td>
<td>9,022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group and Authority</th>
<th>2015/2016</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Represented by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed deposits</td>
<td>6,292</td>
<td>12,681</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>193</td>
<td>122</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(2,789)</td>
<td>(3,781)</td>
</tr>
<tr>
<td>Net assets</td>
<td>3,696</td>
<td>9,022</td>
</tr>
</tbody>
</table>
# Notes to the financial statements

## 25 Interest income

<table>
<thead>
<tr>
<th></th>
<th>Group 2015/2016 $'000</th>
<th>2014/2015 $'000</th>
<th>Authority 2015/2016 $'000</th>
<th>2014/2015 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and bank balances</td>
<td>5,114</td>
<td>2,562</td>
<td>4,235</td>
<td>2,256</td>
</tr>
<tr>
<td>Interest income on financial asset designated at fair value through profit or loss</td>
<td>16,381</td>
<td>19,480</td>
<td>16,381</td>
<td>19,405</td>
</tr>
<tr>
<td>Others</td>
<td>267</td>
<td>–</td>
<td>267</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,762</strong></td>
<td><strong>22,042</strong></td>
<td><strong>20,883</strong></td>
<td><strong>21,661</strong></td>
</tr>
</tbody>
</table>

## 26 Other income

<table>
<thead>
<tr>
<th></th>
<th>Group 2015/2016 $'000</th>
<th>2014/2015 $'000</th>
<th>Authority 2015/2016 $'000</th>
<th>2014/2015 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other service income</td>
<td>20,638</td>
<td>16,485</td>
<td>20,636</td>
<td>17,556</td>
</tr>
<tr>
<td>Others</td>
<td>1,179</td>
<td>4,430</td>
<td>820</td>
<td>3,525</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,817</strong></td>
<td><strong>20,915</strong></td>
<td><strong>21,456</strong></td>
<td><strong>21,081</strong></td>
</tr>
</tbody>
</table>

### Net gains/(losses) on:

- **Investments at fair value through profit or loss**: 5,803, 57,966, 5,901, 57,200
- **Available-for-sale financial assets**: 345, 359, –, –
- **Loans and receivables**: 5,114, 2,567, 4,235, 2,262
- **Financial liabilities measured at amortised cost**: –, –, (3,826), (3,880)

|                      | 11,262                 | 60,892          | 6,310                     | 55,582          |
Notes to the financial statements

27 Net development project expenses

(a) Development project expenses:

<table>
<thead>
<tr>
<th>Development project expenses:</th>
<th>Group Authority 2015/2016</th>
<th>Authority 2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Infocomm 21 Fund project</td>
<td>(177)</td>
<td>(538)</td>
</tr>
<tr>
<td>Infocomm Security Masterplan</td>
<td>176</td>
<td>1,579</td>
</tr>
<tr>
<td>Wired with Wireless project</td>
<td>–</td>
<td>260</td>
</tr>
<tr>
<td>Connected Singapore Blueprint</td>
<td>(460)</td>
<td>57</td>
</tr>
<tr>
<td>iN2015 Masterplan</td>
<td>43,912</td>
<td>24,362</td>
</tr>
<tr>
<td>SGIX Grant: Establishment of the Singapore Internet</td>
<td>–</td>
<td>280</td>
</tr>
<tr>
<td>Exchange</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Next Generation National Broadband Network</td>
<td>33,649</td>
<td>43,811</td>
</tr>
<tr>
<td>WOG ICT Tranche 2</td>
<td>27,930</td>
<td>–</td>
</tr>
<tr>
<td>Others</td>
<td>1,421</td>
<td>3,907</td>
</tr>
<tr>
<td></td>
<td>106,451</td>
<td>73,718</td>
</tr>
</tbody>
</table>

(b) Less: Development project income/funding

<table>
<thead>
<tr>
<th>(self-funded only)</th>
<th>Group Authority 2015/2016</th>
<th>Authority 2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wired with Wireless project</td>
<td>–</td>
<td>260</td>
</tr>
<tr>
<td>Connected Singapore Blueprint</td>
<td>179</td>
<td>161</td>
</tr>
<tr>
<td>iN2015 Masterplan</td>
<td>7,308</td>
<td>8,378</td>
</tr>
<tr>
<td></td>
<td>7,487</td>
<td>8,799</td>
</tr>
<tr>
<td>Net development fund expenses</td>
<td>98,964</td>
<td>64,919</td>
</tr>
</tbody>
</table>

The development activities relate to project income (self-funded only) and expenses to develop Singapore Infocommunications industry.

(i) Infocomm 21 Fund project

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

(ii) Infocomm Security Masterplan

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

(iii) Wired with Wireless project

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

(iv) Connected Singapore Blueprint

The blueprint aims to develop a vibrant info-communications industry, create advanced info-communications users in all sectors, and create a conductive environment.
Notes to the financial statements

(v) IN2015 Masterplan

The Intelligent Nation 2015 ("IN2015") Masterplan is Singapore’s long-term strategic info-communications master plan to further enhance quality of life and create new national competitive advantage through info-communications. The plan seeks to enrich the lives of the people, enhance Singapore’s economic competitiveness and increase the growth of the info-communications industry.

(vi) SGIX Grant: Establishment of the Singapore Internet Exchange

SGIX seeks to promote efficient interconnectivity for the Internet in Singapore by being a central point of traffic exchange. It will also seek to improve connectivity to Singapore by attracting regional and international carriers to use Singapore as a hub for Internet traffic. Additionally, SGIX aims to increase content hosting by encouraging content providers to host their content in Singapore and hence encourage the growth of data centres.

(vii) Next Generation National Broadband Network

The Next Generation National Broadband Network ("Next Gen NBN") is a next generation national digital communication network. The Next Gen NBN will entrench Singapore’s Infocomm hub status and open the doors to new economic opportunities, business growth and social vibrancy for the country. The Next Gen NBN will offer pervasive, competitively priced, ultra-high broadband speeds of 1 Gbps and beyond.

(viii) WOG ICT Tranche 2

Whole of Government ("WOG") ICT Tranche 2 provides a central infrastructure for the WOG such as hardware and technology refresh, ongoing operations, enhancement, innovation, security and resiliency.

28 Salaries, CPF and other contributions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>269,897</td>
<td>240,674</td>
<td>260,633</td>
<td>231,008</td>
</tr>
<tr>
<td>Employer’s contribution to Central Provident Fund</td>
<td>30,312</td>
<td>24,432</td>
<td>29,461</td>
<td>23,747</td>
</tr>
<tr>
<td>Other related staff costs</td>
<td>8,808</td>
<td>9,963</td>
<td>8,006</td>
<td>9,694</td>
</tr>
<tr>
<td></td>
<td>309,017</td>
<td>275,069</td>
<td>298,100</td>
<td>264,449</td>
</tr>
</tbody>
</table>

29 Other expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>IT promotion and sponsorship</td>
<td>843</td>
<td>190</td>
<td>843</td>
<td>190</td>
</tr>
<tr>
<td>Utilities</td>
<td>3,657</td>
<td>5,622</td>
<td>3,605</td>
<td>5,616</td>
</tr>
<tr>
<td>Publicity expense</td>
<td>2,468</td>
<td>1,461</td>
<td>2,468</td>
<td>1,461</td>
</tr>
<tr>
<td>Telecommunications and internet services</td>
<td>18,717</td>
<td>9,647</td>
<td>18,427</td>
<td>9,367</td>
</tr>
<tr>
<td>Irrecoverable GST</td>
<td>2,309</td>
<td>2,252</td>
<td>2,309</td>
<td>2,252</td>
</tr>
<tr>
<td>General and administrative expense</td>
<td>6,999</td>
<td>6,319</td>
<td>4,844</td>
<td>4,166</td>
</tr>
<tr>
<td>Local travelling</td>
<td>814</td>
<td>805</td>
<td>764</td>
<td>747</td>
</tr>
<tr>
<td>Amortisation of deferred expenditure</td>
<td>1,017</td>
<td>1,003</td>
<td>1,017</td>
<td>1,003</td>
</tr>
<tr>
<td></td>
<td>36,824</td>
<td>27,299</td>
<td>34,277</td>
<td>24,802</td>
</tr>
</tbody>
</table>
Notes to the financial statements

30 Commitments

Capital and investment commitments

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>67,510</td>
<td>35,332</td>
<td>58,399</td>
<td>26,053</td>
</tr>
</tbody>
</table>

The capital expenditure also includes commitments in relation to the implementation (design, build, operate and maintain) of the National Authentication Framework (“NAF”) Systems and Services. The Group has contracted for the management and maintenance of the authentication system over 5 years, which gives rise to an annual charge of $2.164 million following the commissioning of the NAF systems and services in December 2011.

Lease commitments

Non-cancellable operating lease rentals are payable as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Not later than one year</td>
<td>43,858</td>
<td>46,766</td>
<td>42,617</td>
<td>46,202</td>
</tr>
<tr>
<td>Later than one year but not later than five years</td>
<td>182,452</td>
<td>175,174</td>
<td>181,152</td>
<td>174,281</td>
</tr>
<tr>
<td>Later than five years</td>
<td>48,480</td>
<td>217,686</td>
<td>48,480</td>
<td>217,686</td>
</tr>
<tr>
<td>Total</td>
<td>274,790</td>
<td>439,626</td>
<td>272,249</td>
<td>438,169</td>
</tr>
</tbody>
</table>

Operating lease payments represent rentals payable by the Group for certain of its office properties and office equipment. Leases are recognised for an average terms of 1 to 10 years and rentals are fixed for the duration of the lease except for the lease payments of data centre facilities which are based on the actual number of units used.

Development project expense (to develop Singapore Info-communications industry) commitments

As at the end of the reporting period, the development project expenses (to develop Singapore Info-communications industry) committed amounted to approximately $0.102 billion (2014/2015: $0.381 billion).

Other commitments

Under the Scholarship Programme, the Authority has an obligation to fund the scholars’ educational expenses. At the end of the reporting period, the total committed expenditure is estimated to amount to $3.258 million (2014/2015: $4.237 million).
31 Related parties

For the purpose of these financial statements, parties are considered to be related to the Authority if the Authority has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Authority and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. In accordance with SB-FRS paragraph 27A, the Group and the Authority is exempted from disclosing transactions with government-related entities other than Ministries, Organs of State and other Statutory Boards, unless there are circumstances to indicate that these transactions are unusual and their disclosure would be of interest to readers of the financial statements.

Key management personnel compensation comprises:

<table>
<thead>
<tr>
<th></th>
<th>Group 2015/2016 '000</th>
<th>Authority 2015/2016 '000</th>
<th>Group 2014/2015 '000</th>
<th>Authority 2014/2015 '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term benefits</td>
<td>10,224</td>
<td>7,544</td>
<td>11,278</td>
<td>7,667</td>
</tr>
<tr>
<td>Post employment benefits</td>
<td>1</td>
<td>7</td>
<td>49</td>
<td>1</td>
</tr>
<tr>
<td>CPF contributions</td>
<td>274</td>
<td>177</td>
<td>235</td>
<td>173</td>
</tr>
<tr>
<td></td>
<td>10,499</td>
<td>7,722</td>
<td>11,562</td>
<td>7,840</td>
</tr>
</tbody>
</table>

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

During the financial year, other than as disclosed elsewhere in the financial statements, the significant transactions with related parties which were carried out in the normal course of business are as follows:

(a) Transactions with Subsidiaries

<table>
<thead>
<tr>
<th></th>
<th>Authority 2015/2016 '000</th>
<th>Authority 2014/2015 '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend income</td>
<td>1,562</td>
<td>1,135</td>
</tr>
<tr>
<td>Professional service fees</td>
<td>221</td>
<td>174</td>
</tr>
<tr>
<td>Rental income</td>
<td>153</td>
<td>544</td>
</tr>
<tr>
<td>Other income</td>
<td>348</td>
<td>162</td>
</tr>
<tr>
<td>Recovery of manpower charges</td>
<td>-</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td>2,284</td>
<td>2,120</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>(3,826)</td>
<td>(3,880)</td>
</tr>
<tr>
<td>Grant expenses</td>
<td>(4,102)</td>
<td>(3,971)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(338)</td>
<td>(310)</td>
</tr>
<tr>
<td></td>
<td>(8,266)</td>
<td>(8,161)</td>
</tr>
</tbody>
</table>
Notes to the financial statements

(b) Transactions with Ministries and Statutory Board

<table>
<thead>
<tr>
<th></th>
<th>Authority 2015/2016 $'000</th>
<th>Authority 2014/2015 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional service fees</td>
<td>378,675</td>
<td>245,648</td>
</tr>
<tr>
<td>Standard ICT service fees</td>
<td>40,221</td>
<td>160,579</td>
</tr>
<tr>
<td>Grants received</td>
<td>276,233</td>
<td>306,125</td>
</tr>
<tr>
<td></td>
<td>695,129</td>
<td>712,352</td>
</tr>
<tr>
<td>Contribution to consolidated fund</td>
<td>(49,752)</td>
<td>(16,233)</td>
</tr>
</tbody>
</table>

32 Dividends

In 2015/2016, the Authority declared and paid a dividend of $1.069 (total dividend: $27.796 million) per ordinary share in respect of the financial year ended 31 March 2016 (2014/2015: Nil).

33 Subsidiary held for sale

As at 31 March, the disposal group was stated at the lower of its carrying amount and fair value less cost to sell and comprised the following assets and liabilities:

<table>
<thead>
<tr>
<th>Note</th>
<th>2015/2016 $'000</th>
<th>2014/2015 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets classified as held for sale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4</td>
<td>2,242</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>8</td>
<td>23,049</td>
</tr>
<tr>
<td>Investments at fair value through profit or loss</td>
<td>9</td>
<td>16,340</td>
</tr>
<tr>
<td>Investments at cost</td>
<td>10</td>
<td>142</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td>575</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td></td>
<td>60,111</td>
</tr>
<tr>
<td></td>
<td></td>
<td>102,459</td>
</tr>
</tbody>
</table>

| Liabilities classified as held for sale | | |
| Trade payables | | 405 | – |
| Other payables, advances and deposits | | 1,961 | – |
| Income tax payable | | 17 | – |
| Deferred tax liabilities | 14b | 2,124 | – |
| | | 4,507 | – |

No remeasurement losses was recognised during the year in respect of the remeasurement of the disposal group to the lower of carrying amount and fair value less cost to sell.

As at 31 March 2016, cumulative income included in Other Comprehensive Income relating to the disposal group is $90,000 arising from fair value changes in available-for-sale financial assets.