



Sentosa
Development
Corporation

ANNUAL REPORT 2017/2018

Sentosa Development Corporation's Annual Report 2017/2018
and Audited Financial Statements 2017/2018
S. 354 of 2018
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ORGANISATIONAL OVERVIEW

Sentosa
Annual Report
2017/2018



ABOUT SDC



Sentosa Development Corporation

SDC was established on 1 September 1972 as a Statutory Board under the Ministry of Trade and Industry. Its charter since inception has been to oversee the development, management, marketing and promotion of the island of Sentosa as a resort destination for locals and tourists. Sentosa is a unique leisure and lifestyle destination with an exciting array of themed attractions, award-winning spa retreats, lush rainforests, golden sandy beaches, resort accommodations, world-renowned championship golf courses, exclusive waterfront residences, and a deep-water yachting marina. This makes Sentosa a unique and vibrant island resort that can appeal to both leisure and business visitors. Sentosa is also home to Singapore's first integrated resort, Resorts World Sentosa (RWS). RWS operates South East Asia's first Universal Studios theme park, and the S.E.A. Aquarium, one of the largest aquariums in the world.



Sentosa Cove Resort Management

Sentosa Cove Resort Management Pte Ltd (SCRM) is responsible for the management of Sentosa Cove, which has evolved into an internationally prestigious residential and commercial waterfront district. It is home to the ONE°15 Marina Club, W Singapore - Sentosa Cove, and Quayside Isle, a lifestyle destination that offers a selection of specially-curated new-to-market restaurants, dining concepts from established groups, and specialty retail stores.



Sentosa Golf Club

Reputed as one of Asia's most exclusive golf clubs, Sentosa Golf Club (SGC) is a brand synonymous with allure and prestige. As one of the most established golf clubs in Singapore, SGC has some 1,500 members, many of whom are prominent personalities. The Club manages two award-winning 18-hole, par-72 championship golf courses on the island; The Serapong and The New Tanjong. SGC hosts the SMBC Singapore Open, where international star players and world-class golf professionals from Asia, Europe and the USA compete for the prize purse of Singapore's national tournament. It is also home to the HSBC Women's World Championship, a marquee women's golf event that has been dubbed as 'Asia's Major'.



One Faber Group

Mount Faber Leisure Group Pte Ltd (One Faber Group) operates a suite of leisure and lifestyle services including attractions, guided tour experiences, management of event venues, souvenirs and lifestyle merchandise, as well as F&B operations. The company's portfolio includes the Singapore Cable Car, Wings of Time, Sentosa Merlion, Faber Peak Singapore, Spuds & Aprons, Dusk Restaurant & Bar, Good Old Days, Show Bites, FUN Shop, Cable Car Gift Shop, and Faber Licence. Spanning the hilltop at Mount Faber and Sentosa, One Faber Group's products are linked by the Singapore Cable Car Sky Network of six stations on two main lines – the Mount Faber Line that connects mainland Singapore to Sentosa, and the Sentosa Line that provides a connection to the island's western end at Siloso Point.

VISION, MISSION & STAR VALUES

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VISION



To be the world's
favourite leisure
and lifestyle resort
destination

MISSION



To create the Sentosa
Experience through
outstanding service
and unique offerings



VISION, MISSION & STAR VALUES

Sentosa
Annual Report
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STAR VALUES



Sentosa continually strives to enhance its level of service to offer our guests a memorable experience in The State of Fun. The Sentosa **STAR** values reflect our commitment to providing service from the heart.

SERVICE

Serve from the heart & enjoy it!

TEAMWORK

Care for one another & build trust and respect.

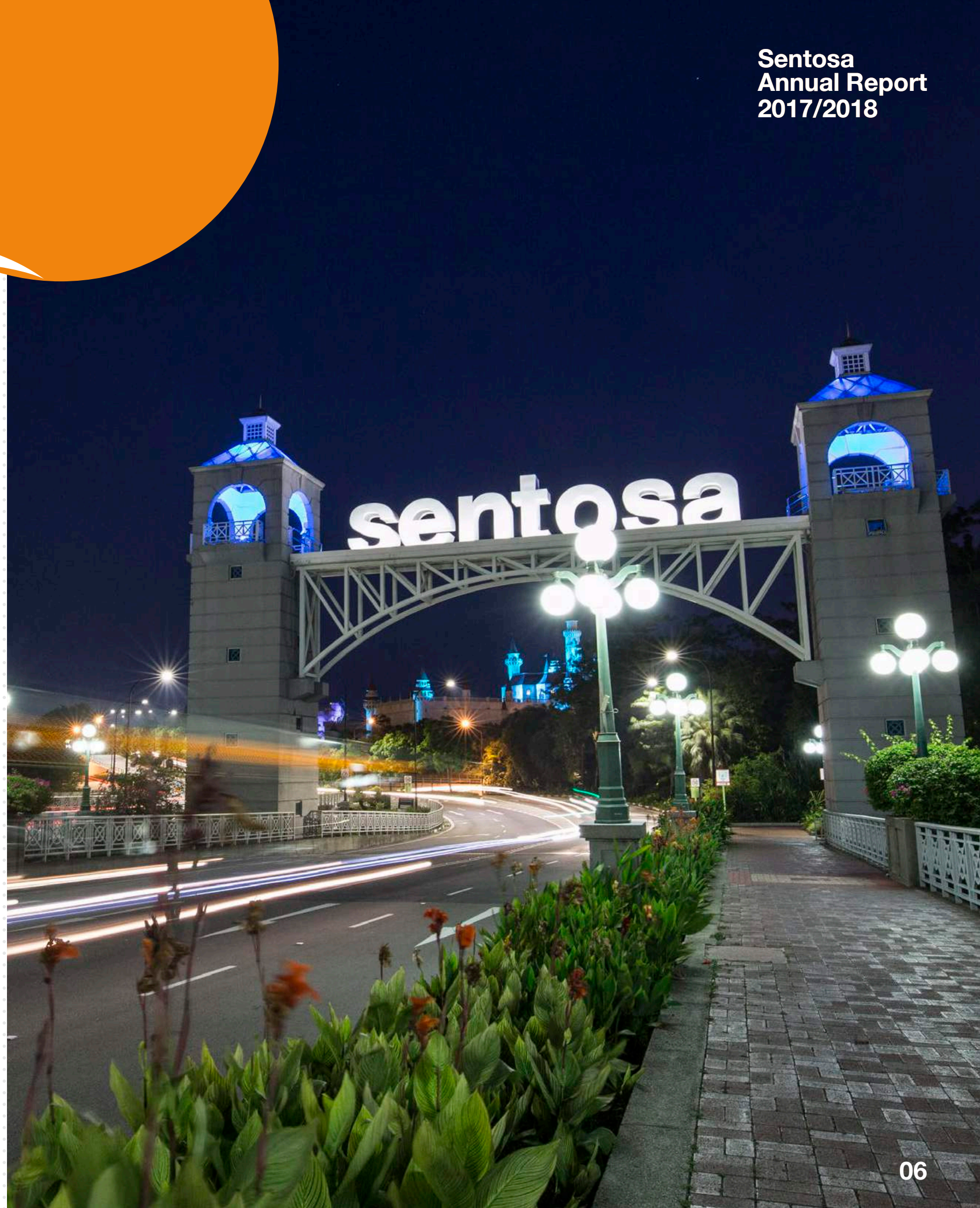
ACTING WITH INTEGRITY

Be professional & honest.

RESULTS ORIENTED

Be innovative & decisive to make things happen.

We recognise that in order for a resort island like Sentosa to be successful, every component in the service chain is crucial - Be it the need to invigorate our people to provide the best service, to constantly innovate our products in the face of increasing competition both locally and regionally, or the need to improve our processes both internally and for guests. The Sentosa STAR Values reflect that commitment we have made to our guests and frontline staff, known as the island's service ambassadors, who are always encouraged to go the extra mile for guests.



BOARD MEMBERS

(As at 31 March 2018)



MOSES LEE

Chairman,
Sentosa Development Corporation



DIANA EE-TAN

Chairman,
Mount Faber Leisure Group Pte Ltd



DAVID HENG

Advisory Senior Director,
Temasek International Pte Ltd



EUGENE HO

Travel & Transportation Industry Leader,
Deloitte South East Asia & Managing Director,
Deloitte Consulting Singapore



KOH-LIM WEN GIN

Board Member, National Parks Board /
Independent Director, Keppel Land Ltd



EUGENE LEONG

Chief Executive Officer,
Early Childhood Development Agency



LIM JOO BOON

Chairman,
Singapore Turf Club



KEITH MAGNUS

Chief Executive Officer &
Executive Director,
Evercore Asia (Singapore) Pte Ltd*



NGIAM SHIH CHUN

Deputy Secretary (Industry),
Ministry of Trade and Industry**



QUEK SWEE KUAN

Chief Executive Officer,
Sentosa Development Corporation



RITA SOH

Managing Director,
RDC Architects Pte Ltd



RONNY TAN

President,
Sentosa Golf Club



LIONEL YEO

Chief Executive,
Singapore Tourism Board

* Completion of term on 31 March 2018.

** Completion of term on 31 January 2018.

SENIOR EXECUTIVE TEAM (SET) MEMBERS

(As at 31 March 2018)



QUEK SWEE KUAN

Chief Executive Officer



CHIN SAK HIN

Assistant Chief Executive
& Chief Financial Officer



JACQUELINE TAN

Assistant Chief Executive



LYNETTE ANG

Chief Marketing Officer



CHAN MUN WEI

Divisional Director, Corporate Planning



CHUA SIEW HWI

Divisional Director, Finance



ANDREW H JOHNSTON

General Manager, Sentosa Golf Club



KOH PIAK HUAT

Divisional Director, Island Operations



THERESA LOW

General Counsel



SOH KENG TAAN

Chief Information Officer



MARY GERMAINE TAN

Divisional Director, Human Resources
& Administration



WONG SHEAU FONG

Divisional Director, Architecture &
Land Planning

JOINT CHAIRMAN - CEO MESSAGE

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The next stage of growth

SDC embarked on several key initiatives in FY2017/18 as part of our continued efforts to realise our vision to become the world's favourite leisure and lifestyle resort destination.

Playing a crucial role in shaping the island's future will be the Sentosa 2030 Masterplan, which we have begun charting with a multi-disciplinary consultancy team and relevant stakeholders, as part of the Greater Southern Waterfront precinct. This is an exciting journey that will take Sentosa to 2030 and beyond. As part of the Masterplan, SDC will strengthen leisure experiences through the curation of world-class attractions, improving transport connectivity, and enhancing our popular beaches, all the while ensuring efficient land usage, and environmental sustainability.

These efforts also include the revamp of Sentosa's main north-south pedestrian thoroughfare. With design work currently in progress, development works are set to begin next year, and will be completed by 2021. Guests can look forward to scenic views and wider vistas, better accessibility to the beaches, and other fun features like photo points while strolling through the island.

We are firmly committed to providing our guests, both locals and tourists, stakeholders and residents with unique day-to-night leisure experiences.

Laying strong foundations for fun

In the nearer term, we continue to lay strong foundations for Sentosa's growth, by collaborating with our island partners and other corporate partners to bring fun to a new level.

Last year, thrill-seekers got an adrenaline rush, with the arrival of the exhilarating AJ Hackett Sentosa Bungy Jump and Skyline Luge Sentosa's two new tracks. Marvel superhero fans meanwhile celebrated the launch of the Marvel 4D Experience at Madame Tussauds Singapore, which comes with the Marvel 4D cinema – the first of its kind in Asia!

We also curated a slew of iconic and new events that showcased Sentosa's prized beach assets to give our guests unique and enjoyable experiences.

JOINT CHAIRMAN - CEO MESSAGE



Our golden beaches hosted Southeast Asia's biggest sand festival – Sentosa Sandsation, which featured larger-than-life sand sculptures, as well as the inaugural Siloso GrillFest and its array of barbequed delights during Feast at Sentosa, a campaign that showcased the island's diverse dining experiences.

Palawan Beach was transformed into an outdoor playground of mega inflatables and installations, giving the young and young-at-heart Mega Fun during the school holidays. The area was also the scene of much photo-taking in March, when more than 300 cute inflatables featuring characters from the wildly popular cartoon, We Bare Bears, made the beach their home.

And when the sun went down, we continued to have fun with hugely popular events such as the year-end Siloso Beach Party and ZoukOut, as well as fresh offerings like Bright Nights at Sentosa, which featured photo-worthy light installations during Pop

Up Nights. Pop Up Nights was in fact shortlisted as a Finalist in the 2018 Singapore Tourism Awards category of Best Marketing Idea!

Over at Sentosa Cove Village, we welcomed more than 14,000 guests during the Singapore Yacht Show, while the Sentosa Golf Club continued to be the choice venue for the world's best golfers, with Sergio Garcia and Michelle Wie winning the coveted SMBC Singapore Open and HSBC Women's World Championship titles respectively.

Enhancing our connections with guests

Apart from enhancing our leisure offerings, we have improved our technology and transport solutions to make the guest experience even more enjoyable.

Our refreshed MySentosa App now comes with a GPS-enabled map with turn-by-turn directions, a customisable itinerary, facts about Sentosa's

attractions, and the option to beat the queue by purchasing tickets on-the-go. For guests who are more inclined to go off the beaten track, they can do so by trying out the Interactive Trails that allow them to win attractive prizes along the way. At the back end, the app allows us to gain insights on our guests' preferences and journeys, which enables us to further improve visitors' experience.

We have also improved inter- and intra-island connectivity. For a start, we have upgraded the Sentosa Express signalling system to allow an increase in train frequency and passenger capacity. SBS Transit's Bus Service 123 was also extended into Sentosa to directly connect central Singapore to Sentosa, and the Sentosa Gateway Tunnel was opened to improve vehicular traffic flow out of Sentosa. Together with the Ministry of Transport and ST Engineering Land Systems, we will soon pilot an autonomous mobility-on-demand service which will enhance intra-island connectivity for our guests.

Our commitment to social responsibility

Underpinning all our initiatives is our commitment to social and environmental responsibility. This financial year saw the return of our signature community outreach programme, Sentosa Gives, for the seventh year. With the support of our island partners and staff volunteers, we brought 1,500 underprivileged children from 29 social services organisations into Sentosa for a day of fun.

We are also mindful of our responsibility towards environmental conservation. One of our various efforts was our participation in World Water Day, through a mesmerising blue light-up of our island. We also commemorated the third International Year of the Reef with non-profit conservation group, Our Singapore Reefs, and marine community platform, Celebrating Singapore Shores.

We are honoured that our environmental conservation efforts have been recognised at various platforms. The Marina Industries Association has re-certified Sentosa Cove as being Fish Friendly and a Clean Marina, and we clinched the Skyrise Greenery Award - Special Award (Public Infrastructure) for our Sentosa Express' vertical greenwall system!

Note of Appreciation

It has been a fulfilling year, and on behalf of the Board and Management, we would like to take this opportunity to thank our former board members, Keith Magnus and Ngiam Shih Chun, for the invaluable contributions made during their tenure on the Board.

With Sentosa being named the Best Singapore Destination by TripZilla, and our ranking at the top spot among all Attractions in the Customer Satisfaction Index of Singapore for the second consecutive year, we would also like to express our gratitude to all Sentosians who have worked hard to entrench The State of Fun's position as the leisure destination of choice!

YEAR IN REVIEW

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SIGNIFICANT MILESTONES

With the diverse array of unique leisure experiences and exciting developments in Sentosa, the island welcomed 19.1 million guests in FY2017/18. Fun is set to reach even greater heights in the coming years as SDC continues to build on past successes!



Shaping Sentosa's Future

Guests can look forward to scenic views and wider vistas, better accessibility to the beaches, and other fun features like photo points while strolling through the island, when the rejuvenation of Sentosa's main north-south pedestrian thoroughfare is completed by 2021. Spanning some 12 hectares, the thoroughfare along Sentosa's spine is the key link between various transport nodes and attractions, bringing guests from Resorts World Sentosa all the way to the island's golden, sandy beaches. Expect a brand new experience with more intuitive wayfinding, enhanced accessibility, and wider vistas alongside refreshed design elements that are unique, fun, and interactive.

The redevelopment of the north-south pedestrian thoroughfare is a key near-term project that will pave the way for the island's next phase of growth. With Sentosa marking the milestone of its 45th anniversary last year, SDC has also embarked on developing the Sentosa 2030 Masterplan. The Masterplan will reinforce The State of Fun's position as a world-class leisure destination by enhancing the attractiveness of our various offerings and transport connectivity, while ensuring the efficient use of land and environmental sustainability.



Entering Sentosa is Now as Easy as (Bus) 123!

It is now even easier to access Sentosa, following the extension of SBS Transit's Bus 123 into the island's Beach Station transport hub since July 2017. Connecting guests directly to The State of Fun from multiple points in central Singapore, including major MRT stations, Bus 123's passengers need only pay the prevailing distance-based fare for these bus rides. Bus 123 adds to the myriad of travel options for guests visiting Sentosa, who can also choose to hop on the Sentosa Express, stroll in for free, cycle, drive or even fly in via the cable car. Once on the island, guests enjoy free rides on the Sentosa Express, Beach Trams and Sentosa Buses.

SIGNIFICANT MILESTONES



A Smoother Journey

As part of various collaborations with partners to ensure smooth traffic flow around Sentosa, the Sentosa Gateway Tunnel was opened by the Land Transport Authority in April 2017. The tunnel is a one-way route that connects outbound traffic from Sentosa directly to Keppel Road and Lower Delta Road. With its opening, guests, residents and stakeholders now enjoy smoother journeys as they exit the island.



Resorts World Sentosa Remains at the Top

Attesting to its top position in the region, Resorts World Sentosa was named the Best Integrated Resort in Asia Pacific for the seventh consecutive year at the 28th TTG Travel Awards in 2017. In the TripAdvisor Travellers' Choice awards, Universal Studios Singapore was also ranked as Asia's best amusement park for the fourth year running, while Adventure Cove Waterpark was voted among the Top 10 Waterparks in Asia for the third year in a row. Universal Studios Singapore's marquee event, Halloween Horror Nights, clinched the Best Leisure Event award at Singapore Tourism Awards 2017 for the third consecutive year.

SIGNIFICANT MILESTONES



Siloso Beach Resort Strengthens Commitment to Sustainability

Siloso Beach Resort's (SBR) environmental credentials received a further boost when it was conferred the Asia Responsible Entrepreneurship Award (Green Leadership Category) in June 2017. The award adds another feather in the cap for SBR, which has kept Sentosa's flag flying high with various environmental awards and certifications recognising the hotel's efforts to preserve its surroundings and the natural habitat. As part of its community outreach, SBR has also signed a Memorandum of Understanding with the Institute of Technical Education to strengthen their collaboration on sustainability projects.



Mega Adventure Park Displays Mega Excellence

Mega Adventure Park has received its fifth consecutive TripAdvisor 2017 Certificate of Excellence award, which celebrates businesses that have consistently delivered exceptional customer service.

SIGNIFICANT MILESTONES



ONE°15 Marina Club Celebrates a Decade of Making Waves

ONE°15 Marina Club commemorated its 10th anniversary on 10 September 2017 with a carnival that attracted close to 2,000 guests. Marking the milestone, guests were treated to a variety of activities, including yacht rides, a six-metre-tall water blob tower, pool floats and loungers, balloon sculpting, and a bouncy castle. Accompanying the carnival, too, was a marketplace packed with an exciting range of food, fashion, and artisanal products.



NEW OFFERINGS IN THE STATE OF FUN

Eat, Play, Explore and Indulge at Sentosa and Faber Peak Singapore with the diverse array of unique leisure offerings!



Dusk Restaurant & Bar Debuts at Faber Peak Singapore

Singapore's dining scene reached new heights in December 2017 with the launch of One Faber Group's Dusk Restaurant & Bar. Located 100 metres above sea level at Faber Peak Singapore, Dusk Restaurant & Bar is surrounded by lush rainforest and offers a view of splendid sunsets. While there, guests can savour food created by Executive Chef Kenny Yeo, who has over 30 years of French culinary experience, as well as modern European tapas and a curated selection of wines and signature cocktails.



Panamericana Sizzles at Sentosa Golf Club

With a strong focus on quality produce, Panamericana brings to life the rich diversity of cultures and cuisines found in the 14 countries along the sprawling 50,000km of the Pan-American Highway, which stretches through the North, Central and South Americas. Located in the lush surroundings of Sentosa Golf Club, the 6,000 sq ft restaurant began welcoming diners in April 2018 with its bright open space and rustic "colonial chic" vibe, as well as a breezy terrace and garden with sweeping panoramic views.



NEW OFFERINGS IN THE STATE OF FUN



TEPPAN by Chef Yonemura Wows Diners at Resorts World Sentosa

The diverse array of dining options in Sentosa continued to expand with the unveiling of TEPPAN by Chef Yonemura at Resorts World Sentosa in December 2017. Headlined by Celebrity Chef Masayasu Yonemura who is renowned for his innovative French-Japanese cuisine at his iconic Michelin-starred restaurant in Kyoto, TEPPAN by Chef Yonemura wows diners with a brand new three-in-one theatrical dining concept that combines the artistry and showmanship of teppanyaki, cocktail mixology and flambé desserts.



AJ Hackett Sentosa Thrills Adrenaline Seekers

With the opening of AJ Hackett Sentosa in November 2017, Sentosa has become one of the rare destinations in the region to offer thrill-seekers a combination of adrenaline-pumping activities like bungee jumping and duo giant swings. Home to Singapore's first and only bungee tower, which stands at 50 metre-tall along Siloso Beach, AJ Hackett Sentosa also allows guests to experience height without the need for a harness – just walk on its 42 metre-long Skybridge with see-through sections. Plus, with the al-fresco AJ's Bar and Beach Dining, AJ Hackett Sentosa offers a unique F&B experience and a variety of food including tapas, mains, and drinks. AJ's Bar and Beach Dining further comes with a chill-out area on the ground floor where guests can grab a pint and cheer their friends on as they take the plunge from up above.

NEW OFFERINGS IN THE STATE OF FUN



New Tracks at Skyline Luge Sentosa

Rolled out in October 2017, Skyline Luge Sentosa's two new tracks and a second Skyride have become the scene of more excitement in The State of Fun. In addition to the first two Jungle and Dragon trails, guests can now dive into fresh hairpin corners and exciting slopes as they zoom down the 658 metre-long Expedition and 638 metre-long Kupu Kupu (which means butterfly in Malay). Spanning 315 metres and suspended up to 16 metres above ground, the new Skyride also offers riders a bird's eye view of Sentosa.

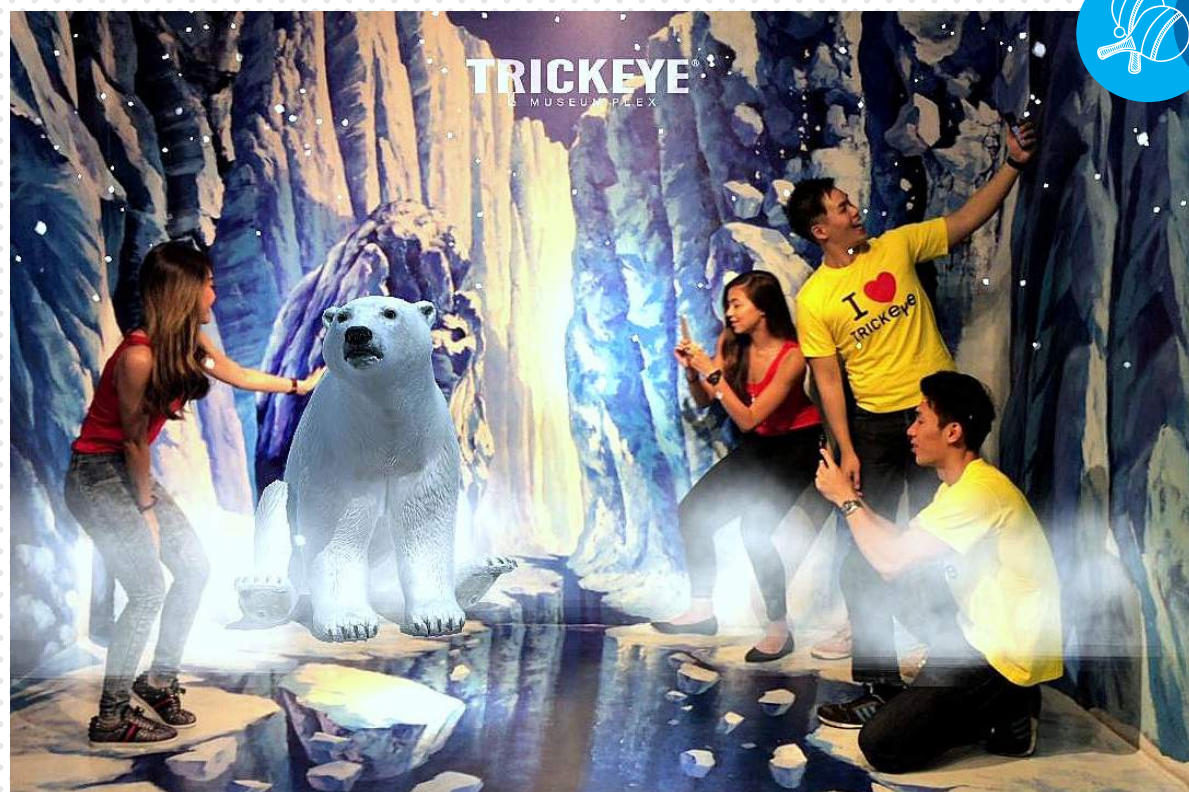


Madame Tussauds Singapore Offers New Star-Studded Experiences

Madame Tussauds Singapore has launched three new exciting experiences that will leave fans starry-eyed: the International Indian Film Academy (IIFA) Experience, Virtual Reality (VR) Racing Experience, and Marvel 4D Experience.

- The IIFA Experience was created in collaboration with the IIFA, and its launch in April 2017 saw Bollywood legend Anil Kapoor unveiling his own wax figure in Sentosa. Bollywood fans can now immerse themselves in the glitzy atmosphere of the iconic awards ceremony and join their favourite stars at the special zone. Not only can guests walk the green carpet and accept an award on stage, they can even dance to the beat in front of a screen, in augmented reality!
- Introduced in July 2017, the VR Racing Experience features two life-size racing cars, which come with VR Head Mounted Display technology and a motion seat system that offers an exhilarating race experience. Thanks to its realism, fans and racing aficionados are now able to see the race through the eyes of their favourite Formula One stars!
- The immersive Marvel 4D Experience is now home to Marvel's beloved Super Heroes! Launched in December 2017, the experience introduces Spider-Man, Iron Man and Captain America within highly interactive and innovative sets. It also includes Asia's first Marvel 4D movie, which transports guests into the heart of an action-packed feature, where the heroes take on the cunning Doctor Doom in Singapore.

NEW OFFERINGS IN THE STATE OF FUN



Reality Gets Augmented at Trick Eye Museum Singapore

With the launch of its new Augmented Reality (AR) application in May 2017, Trick Eye Museum Singapore became the first three dimensional art museum in the country to fully integrate its visitor experience with AR technology. Art exhibits viewed through the “TrickEye-Singapore” app now come alive with AR graphics, animation and sound effects. Not only are visitors able to take photos with amazing 3D optical illusions, they also have the added option of making videos while interacting with AR characters!



NEW OFFERINGS IN THE STATE OF FUN

Explore



Singapore's History Comes to Life at Surrender Chambers

The revamped Surrender Chambers at Fort Siloso reopened with a refreshed exhibition in June 2017, marking the 75th anniversary of the fall of Singapore during World War II. Among various highlights, the refreshed exhibition features interactive story-telling through enhanced graphics, visual and audio elements integrated with the iconic waxworks of Japanese and British soldiers at the surrender ceremony in 1942. Admission to the Surrender Chambers – and Fort Siloso – is now free!

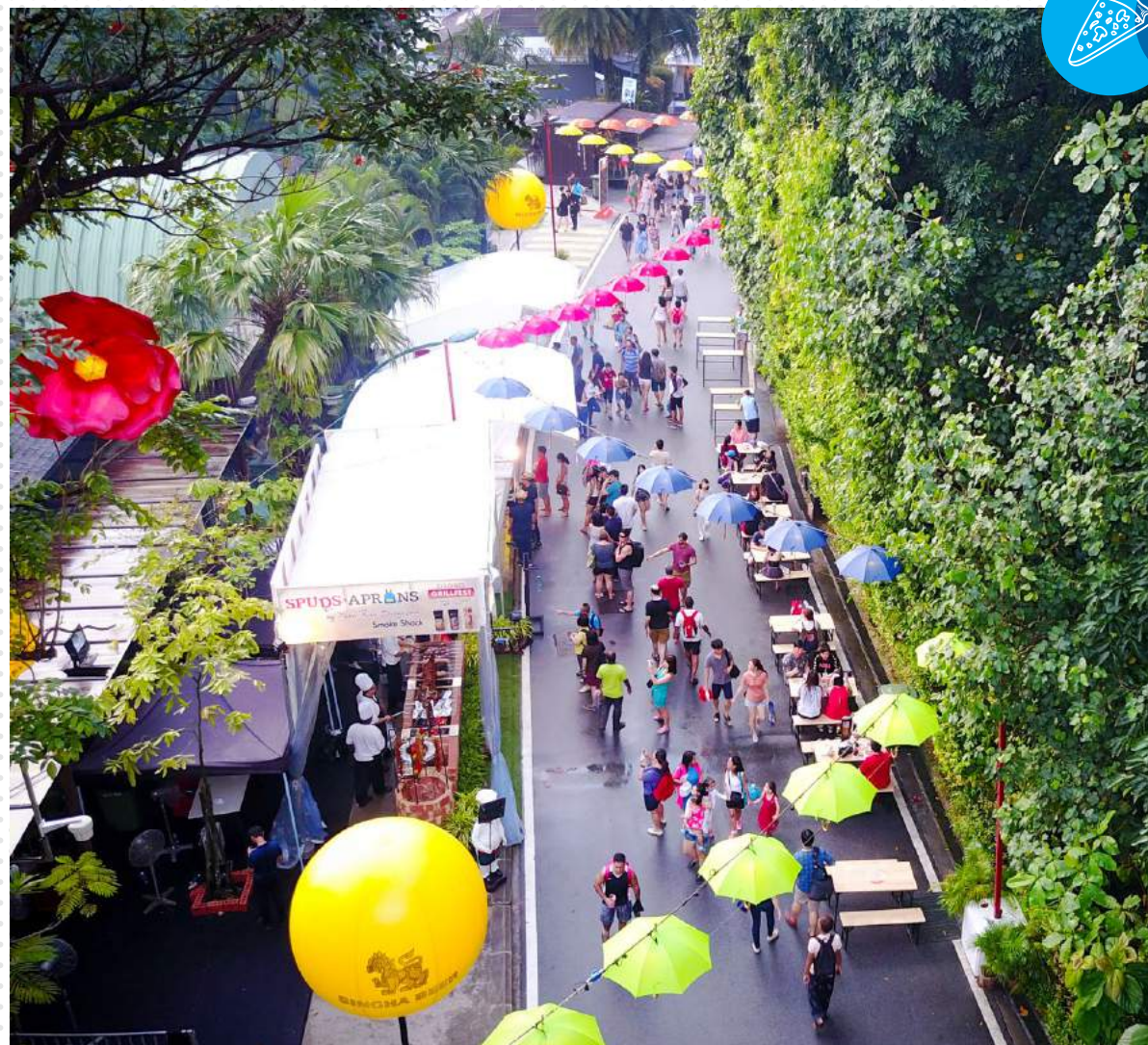
Explore



Revamped Maritime Experiential Museum Opens

Resorts World Sentosa has unveiled the newly-refurbished Maritime Experiential Museum. Welcoming guests since December 2017, the revamped museum features brand new interactive hands-on exhibits and multi-media edutainment content across 15 thematic and immersive galleries.

SIGNIFICANT EVENTS & PROGRAMMES



Feast at Sentosa with The Inaugural Siloso Grillfest

Siloso Grillfest, Singapore's only beachside food street, hit Sentosa's shores in April 2017, offering some 1km worth of food and beverage stalls along Siloso Beach, including Singapore's longest brick BBQ pit. Guests enjoyed a spread of classic and contemporary BBQ creations and international cuisine from various F&B operators based within and beyond Sentosa. With live music performances to boot, Siloso Grillfest delighted guests over two weekends. It was the key event in the inaugural Feast at Sentosa campaign that highlighted the island's array of F&B offerings.



Resorts World Sentosa Presents RWS Street Eats, The GREAT Food Festival and MICHELIN Guide Street Food Festival

By seamlessly integrating food and entertainment, Resorts World Sentosa (RWS) pioneered a gourmet visitor experience with three successful lifestyle events: MICHELIN Guide Street Food Festival, RWS Street Eats and The GREAT Food Festival in April, August and September 2017 respectively. Featuring an array of award-winning cuisines from celebrity chefs in RWS and around the world, as well as street food from renowned hawkers in Southeast Asia, the events attracted more than 120,000 guests, distinguishing RWS as a leading dining destination in the Asia Pacific.

SIGNIFICANT EVENTS & PROGRAMMES



Having Mega Fun at Sentosa

The family-friendly Palawan Beach was transformed into an outdoor playground of mega inflatables and installations as Sentosa celebrated the June 2017 school holidays! Part of the Mega Fun at Sentosa campaign, guests thoroughly enjoyed themselves by bouncing on giant inflatables, diving into a mega ball pool with more than 200,000 balls, wandering through an inflatable maze, as well as challenging themselves on the traversing wall and balancing beam while having lots of water fun – all for free!



FunFest with We Bare Bears

During the March 2018 school holidays, both the young and young-at-heart got up close and personal with the wildly popular characters from Cartoon Network's We Bare Bears! A sea of more than 300 We Bare Bears inflatables and a 50-foot tall "Bearstack" welcomed guests, filling up the entire stretch of Palawan Beach next to mega inflatables and installations in another edition of Sentosa FunFest.

SIGNIFICANT EVENTS & PROGRAMMES



Party On at Siloso Beach

Despite a downpour, over 13,000 revellers partied into the night and ushered in 2018 at the 11th Siloso Beach Party, amid an enthralling display of fireworks, awe-inspiring pyrotechnics, and 12 hours of non-stop dance hits and entertainment. Meanwhile, the annual ZoukOut returned for the 17th year from 8 to 9 December 2017 and attracted over 40,000 partygoers, who danced to the tunes of world-renowned DJs including Marshmello, Axwell Ingrosso, and Flume.



Ola Beach Club Hosts Inaugural JetSurf SEA Launch Party

Ola Beach Club and JetSurf Southeast Asia jointly hosted Singapore's first-ever motorised surfboard race in August 2017. With the world's JetSurf heavyweights pitted against each other in a grueling sea circuit to clinch the coveted championship, Lukas Zahorsky from Czech Republic emerged victorious. The celebrations culminated at a rave party powered by renowned headliner DJ Showtek from Holland, along with an exciting line-up featuring DJ Otto Knows of Sweden, EDM sensation Djivy of Korea, and popular local band 53A.

SIGNIFICANT EVENTS & PROGRAMMES

Explore



Southeast Asia's Largest Sand Festival Hits Sentosa's Shores

The State of Fun welcomed Southeast Asia's biggest sand festival, Sandsational Fun at Sentosa, over a three-week period in September 2017. Its anchor event, Sentosa Sandsation 2017, featured more than 30 intricately-carved and larger-than-life sand sculptures of some five metres in height. Spread across 2,400 square metres on Siloso Beach, the exhibition comprised three zones showcasing different experiences, including uniquely Singaporean sand sculptures. Sentosa Sandsation 2017 also hosted 14 world-renowned sand masters from 13 nations, who competed against each other to create sand works around the theme of 'Imagination'. Portugal's Pedro Mira was crowned the winner of the Sentosa International Sand Sculpting Championship, clinching the Golden Shovel Award and cash prize of USD 5,000. Meanwhile, Togo's Bob Atisso and Poland's Wiaczeslaw Borecki were presented with the Silver Shovel Award (USD 2,500) and the Bronze Shovel Award (USD 1,500) respectively.

Explore

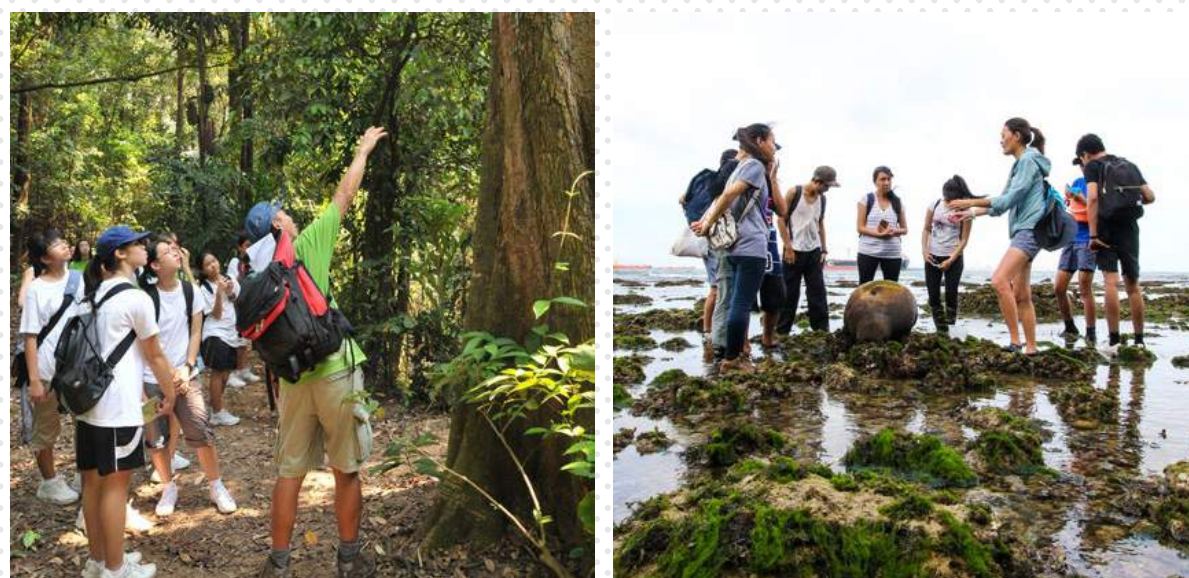


Singapore Yacht Show 2017 Attracts 14,000

The seventh edition of the Singapore Yacht Show in April 2017 welcomed more than 14,000 visitors, highlighting Sentosa's and Asia's growing importance in the global yachting and boating industry. Over a four-day period, Asia's leading yacht and luxury show at ONE°15 Marina Club featured the world's finest superyachts and international yacht brands. It also treated guests to a glamorous programme of supercar parades, fashion shows, yacht parties, gourmet food stalls and an array of pop-up bars.

SIGNIFICANT EVENTS & PROGRAMMES

Explore



Natural Treasures of Sentosa

With 40 hectares of protected nature areas, more than 20 heritage trees, over 100 recorded bird species, and a variety of walking and cycling trails on the island, Sentosa is a haven for nature lovers. To bring guests closer to the island's hidden gems, a slew of free nature activities was launched over the year, including the inaugural Siloso Headland Intertidal Programme. The guided programme explores Tanjong Rimau – one of Singapore's last remaining coastal cliffs and rocky shores. Home to corals, seagrass and a wide variety of marine wildlife, Tanjong Rimau also boasts beautiful landscapes with an original and age-old rock outcrop.

Indulge



World's Top Golfers Descend on Sentosa Golf Club

Golfing enthusiasts were in for several treats over the year as Sentosa Golf Club became the battlefield for the prestigious SMBC Singapore Open 2018, HSBC Women's Championship 2018 and first-ever Women's Amateur Asia-Pacific Golf Championship titles.

- Held in January 2018, the SMBC Singapore Open boasted a stellar field including reigning Masters champion Sergio Garcia from Spain, South Africa's Louis Oosthuizen, Japan's Ryo Ishikawa and the United States of America's Pat Perez. Sergio Garcia eventually emerged victorious with an exquisite final round 68 to win the prestigious title by a comfortable five strokes. The SMBC Singapore Open was played at the Serapong course, ranked No. 79 among the World's 100 Greatest Golf Courses by Golf Digest in 2018.
- Sentosa Golf Club was also the scene of the first-ever Women's Amateur Asia Pacific golf championship in February 2018. Held on the New Tanjong course, the tournament saw 15-year-old Thai player, Atthaya Thitikul, secure a dramatic victory by winning a four-way playoff. An emerging golfing star, Atthaya is the youngest player to have won on the Ladies European Tour. As the winner, Atthaya was invited to play in the HSBC Women's Championship 2018, the ANA Inspiration and the Ricoh Women's British Open.
- The HSBC Women's World Championship 2018 in March 2018 featured all of the world's top-ten ranked players including China's Feng Shanshan, South Korea's Park Inbee and Ryu So Yeon, United States of America's Lexi Thompson and Michelle Wie. Michelle Wie eventually put up a sensational performance to win the title at the New Tanjong course.

SIGNIFICANT EVENTS & PROGRAMMES



Sentosa Hosts Singapore's First South East Asian Beach Volleyball Championships

Sports fans had even more to look forward to in September 2017 when Singapore hosted the South East Asian Beach Volleyball Championships for the first time at Palawan Beach. The tournament saw a total of 30 teams, comprising both women's and men's pairs from eight countries, vying for the coveted gold medal. Indonesia eventually pulled off stunning victories in the final showdowns to make a clean sweep of both the men's and women's titles.



Singapore Fashion Awards 2017 at W Singapore - Sentosa Cove

W Singapore - Sentosa Cove and the Textile and Fashion Federation jointly hosted the Singapore Fashion Awards 2017 in November 2017. With a diverse range of creative fashion heavyweights, the Singapore Fashion Awards was not only a platform to acknowledge the accomplishments and hard work of local talents, but also a purposeful step in placing Singapore on the fashion global map.

SIGNIFICANT EVENTS & PROGRAMMES



Tanjong Beach Club Hosts Singapore's First-Ever Silent Cinema

The inaugural Peroni Sunset Cinema on Tanjong Beach, the first-ever open-air silent cinema event in Singapore, was a truly memorable experience for guests in May 2017. Apart from an Instagram-worthy tropical beach setting, the unique movie experience came complete with award-winning films, DJs, coastal cuisine and sunset drinks.



COMMUNITY ENGAGEMENT & SUSTAINABILITY EFFORTS



Sentosa Gives 2018

More than 1,500 underprivileged children and their families enjoyed a fun-filled Sentosa Experience in March 2018, following the launch of Sentosa Gives 2018, SDC's signature community outreach programme. Into its seventh year, Sentosa Gives 2018 treated beneficiaries from 29 social service organisations to a fun day out at some of Sentosa's most popular attractions, including KidZania Singapore, Madame Tussauds Singapore and Skyline Luge Sentosa, accompanied by over 100 hosts from SDC and island business partners.



Hair for Hope 2017

Standing in solidarity with childhood cancer patients and their families, SDC once again participated in Hair for Hope, the Children's Cancer Foundation's signature head-shaving event that raises funds and awareness of childhood cancer. Thanks to the generous efforts of staff, SDC raised \$17,376 for Hair for Hope 2017 in July 2017.



COMMUNITY ENGAGEMENT & SUSTAINABILITY EFFORTS



S.E.L.F Programme

Over the year, more than 300 Sentosians, island partners and non-governmental organisations such as the Public Hygiene Council and International Coastal Cleanup Singapore, participated in SDC litter-free initiative, the Sentosa Embraces Litter Free (S.E.L.F) programme. The regular programme aims to cultivate a strong sense of environmental ownership and culture of keeping Sentosa litter-free amongst stakeholders, as part of the 'Keep Clean, Singapore!' movement. Held in June 2017, September 2017, and March 2018, the voluntary S.E.L.F programme saw staff going out of the office and making the effort to pick litter at Siloso Beach, Imbiah Nature Trails, and Tanjong Rimau.



World Water Day

To mark World Water Day on 22 March 2018, the island's iconic landmarks such as the Sentosa Merlion, Sentosa Gateway Towers, Resorts World Sentosa and Sentosa Boardwalk were lit up in blue as a show of Sentosa's commitment towards water sustainability and its support for water conservation. The United Nations has designated 22 March as World Water Day to focus global attention on the importance of water, a critical resource that should be cherished and protected.

COMMUNITY ENGAGEMENT & SUSTAINABILITY EFFORTS



Protecting Endangered Hawksbill Turtles

SDC is proud to have played a key role in contributing to the world's population of endangered Hawksbill turtles, following the discovery of a nest at Tanjong Beach in November 2017. In line with SDC's commitment to environmental sustainability, various measures were put in place to ensure the safety of the Hawksbill turtle nest, to protect the eggs from natural predators like monitor lizards and crabs. SDC further worked closely with the National Parks Board to monitor the eggs daily during their incubation period. In January 2018, 111 endangered hawksbill turtles emerged from the nest and made their way into the waters!



The Fun Odyssey: Sentosa Celebrates the International Year of the Reef

To raise awareness for marine conservation and to encourage such efforts, 26 marine interest groups, conservation and research organisations including Our Singapore Reefs and Celebrating Singapore Shores linked up with SDC to jointly celebrate the third International Year of the Reef in Sentosa. Held at the Palawan Pirate Ship from 17 to 18 March 2018, The Fun Odyssey was a free celebratory event that offered insights into Singapore's shores, marine biodiversity and environmental issues through hands-on activities, interactive booths, and movie screenings. The opening ceremony was graced by Guest-of-Honour, Mr Andrew Tan, Chief Executive of Maritime and Port Authority of Singapore. Guests at the event also had the chance to sign up for the free guided intertidal tours to the unique Siloso Headland, which is home to corals, seagrass, and a wide variety of marine life.

COMMUNITY ENGAGEMENT & SUSTAINABILITY EFFORTS



Ensuring Guests' Safety and Wellbeing

With some 19 million tourists and locals visiting Sentosa annually, the safety and wellbeing of guests is of paramount importance to SDC. As such, over the past year, SDC continued to work closely with various state agencies and its island partners to ensure that the island stands ready to respond to any emergency.

- To reinforce the importance of bringing businesses in the community together during emergencies and to boost incident preparedness and response during peacetime, SDC, the Singapore Police Force and Singapore Civil Defence Force participated in Exercise Heartbeat in January 2018. The exercise involved more than 200 people from the various agencies responding to a simulated attack at KidZania Singapore.



Ensuring Guests' Safety and Wellbeing

- Exercise Heartbeat was an example of SDC's collaborations with various government agencies to enhance the island's resilience against emergencies, in line with the national SGSecure movement that sensitises, trains, and mobilises the community to prevent and respond to threats. SDC's participation in such exercises are part of the Sentosa Resilience Framework, which was introduced in 2011 to continuously strengthen the island's emergency preparedness through structured drills and training for staff of SDC, island partners, and other stakeholders. *(continues on next page)*

COMMUNITY ENGAGEMENT & SUSTAINABILITY EFFORTS



Ensuring Guests' Safety and Wellbeing

- The seventh edition of SDC's annual crisis management exercise, Exercise Merlion, was held in September 2017 as part of continuous efforts to strengthen SDC's incident preparedness under the Sentosa Resilience Framework. The exercise involved all levels of the organisation including senior management, who underwent drills to validate robust frameworks and skills on crisis management. The exercise also saw the participation of state agencies and major island partners.



Sentosa Golf Club Contributes to Charity and Sustainability

As one of the most established golf clubs in Singapore, Sentosa Golf Club (SGC) has continued to play an active role in supporting the disadvantaged and contributing to environmental sustainability over the past year.

- SGC raised a total of \$200,000 for the beneficiaries of Arc Children's Centre and Assisi Hospice in a charity fundraising drive organised in conjunction with the opening of the New Tanjong course. The funds were presented to the two charities in May 2017, following a fundraising effort that encompasses several activities. These included the sale of charity golf games, auction of limited edition golfing paraphernalia, as well as donations from corporate partners, with the objective of garnering support for the patients under the care of the two charity organisations.
- SGC's year-long golf sustainability effort #KEEPITGREEN kicked off in January 2018 to raise awareness among young people in Singapore and Asia to the need for sustainable practices in golf. In conjunction with the Singapore Golf Association, SGC also donated a free round of golf to local youngsters for every 'Green in Regulation' that Asian Tour No. 1 golfer, Gavin Green, hit throughout the week of the SMBC Singapore Open 2018.

ORGANISATIONAL EXCELLENCE

Sentosa
Annual Report
2017/2018



ORGANISATIONAL TRANSFORMATION



Organisational Transformation to Achieve Greater Excellence

As part of continued efforts to realise the vision for Sentosa to become the world's favourite leisure and lifestyle resort destination, SDC re-organised and established stronger synergies across its different corporate and business functions with effect from 1 April 2017, sharpening its focus on corporate strategies, enhancing guest experiences and welcoming more guests to Sentosa.

The re-organisation has brought about the formation of a new Corporate and Marketing Group (CMG) comprising the Finance, Corporate Planning, Legal, Information Technology, Human Resources and Administration Divisions, as well as the Sentosa Golf Club. The CMG also includes a new integrated Marketing Division that has brought together SDC's branding, communications, business promotion, guest services, sales & marketing, as well as events & programming functions, which will together collaborate with island partners to provide a more streamlined, guest-centric approach in promoting the various offerings across Sentosa.

Besides the CMG, SDC's Island Investment, Property & Projects Development, as well as Island Operations Divisions, have been grouped together under the new Infrastructure, Investment and Island Operations Group (III), which also includes Sentosa Cove Resort Management. The formation of III has paved the way for SDC to achieve higher planning and operational efficiencies, thereby bringing greater value to Sentosa's guests and partners.

At the same time, SDC's commercial activities have been consolidated under the One Faber Group (1FG). Operating as an autonomous entity reporting to its own Board of Directors, 1FG manages Faber Peak Singapore, the Singapore Cable Car Sky Network, Sentosa Merlion, Wings of Time, membership programme Faber Licence, as well as retail and F&B businesses at Mount Faber and Sentosa.

AWARD-WINNING OFFERINGS



Sentosa Bags Tripzilla Excellence Awards 2017

Sentosa has scored multiple wins at the prestigious TripZilla Excellence Awards 2017. Not only was Sentosa named the Best Singapore Destination, two attractions on the island - AJ Hackett Sentosa and Butterfly Park & Insect Kingdom - were named Best New Attraction and Best Nature Encounter respectively, while the Amara Sanctuary Resort Sentosa hotel was named Best For Staycation. The prestigious TripZilla Excellence Awards honours the industry's best travel companies and organisations for service excellence, outstanding business practices, and for bringing innovative travel to consumers.

AWARD-WINNING OFFERINGS



Sentosa Cove Gets Recognised With 5 Golds

Sentosa Cove has once again been accredited as a 5-Gold Anchor facility by the Marina Industries Association of Australia. This prestigious distinction marks yet another milestone for the 117-hectare waterfront residential precinct since it first achieved the accolade in 2011 as the world's first 5-Gold Anchor Residential Canal Estate Marina.



Sentosa Golf Club on a winning streak

Sentosa Golf Club has continued its winning ways by scooping up several wins in FY2017/18, reinforcing its top status among golf aficionados.

- The Serapong course was ranked 79th among the World's 100 Greatest Golf Courses by Golf Digest in 2018, and it remains the only Singapore golf course that has clinched a position in the prestigious ranking's history.
- In a rare double accolade for Sentosa Golf Club's golf courses, The Serapong and the New Tanjong have also been placed at 1st and 2nd spots in the 2017 Singapore Golf Course Rankings by Golf Digest. *(continues on next page)*

AWARD-WINNING OFFERINGS



Sentosa Golf Club on a winning streak

- Sentosa Golf Club scooped a major win at the Asian Tour's Annual Awards with the Serapong course, which was named Best Course of the Year for the 2017 season.
- Sentosa Golf Club was named the Best Golf Course in Singapore for the 11th consecutive year at the 2017 Asian Golf Awards.

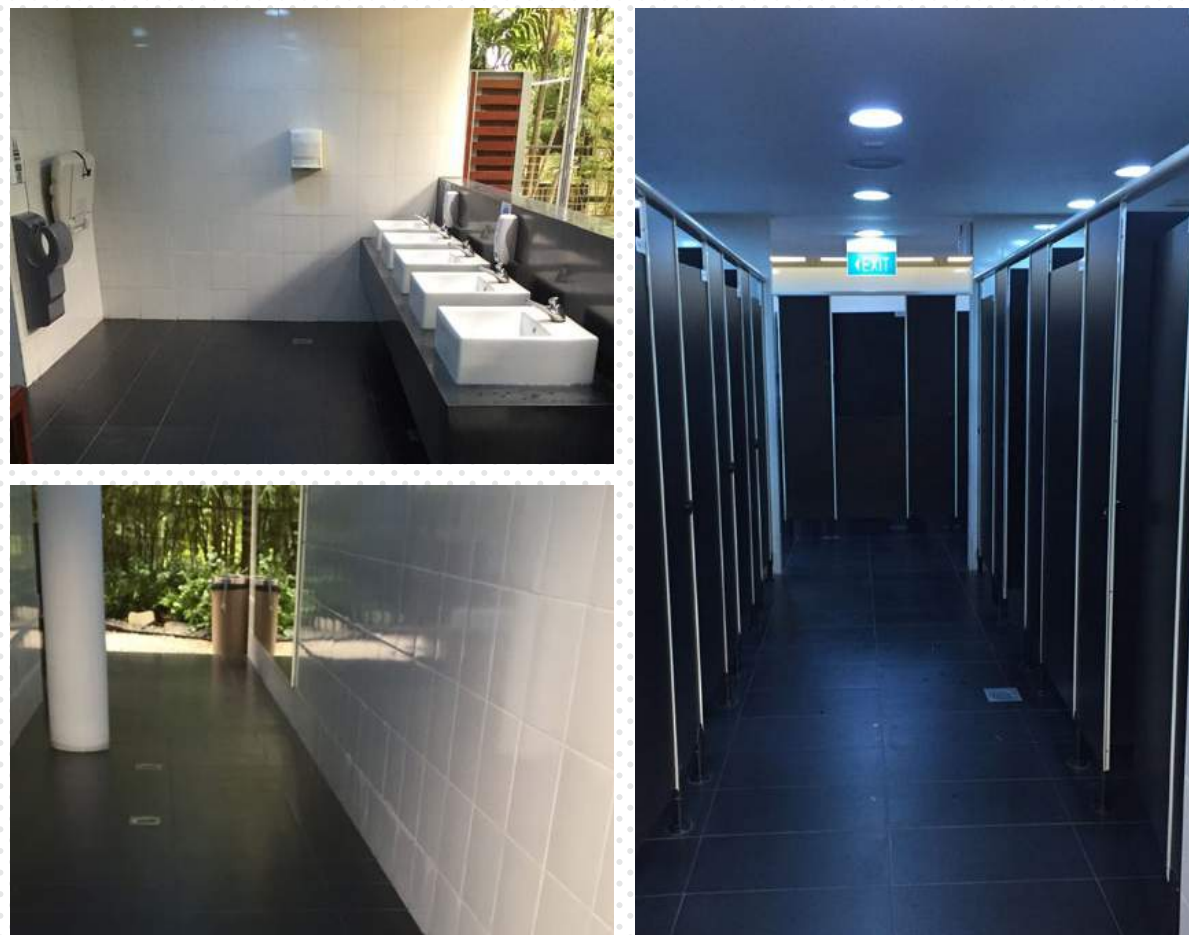
ENVIRONMENTAL AWARDS



Sentosa Express Wins Skyrise Greenery Award

The Sentosa Express has clinched the Special Award (Public Infrastructure) at the 2017 Skyrise Greenery Awards. Conferred by the National Parks Board, the award recognises the innovative vertical greenwall system that is incorporated into the pillars of the Sentosa Express train track along the Sentosa Gateway. The vertical greenwall reduces the urban heat effect and blends in seamlessly with Sentosa's lush greenery and tropical environment, while also enhancing the biodiversity of the island.

ENVIRONMENTAL AWARDS



Best Happy Toilet of 2017

Among the 42 winners in the ninth edition of the Let's Observe Ourselves (LOO) Awards, the Sentosa Beach Station restroom was a cut above the rest – it has been accorded the status of Best Happy Toilet of the Year 2017 by the Restroom Association of Singapore (RAS). Apart from SDC's cleaning regime, Sentosa's restrooms are also built with green design and features in mind, which include the integration of indoor plants, cross-ventilation, half-flushes, accessibility installations, as well as child-friendly cubicles. Currently, seven toilets at the Beach Station, Imbiah Station, Imbiah Lookout, Wings of Time, and Palawan Kidz City are certified Happy Toilets. In 2017, SDC further improved on hygiene and the guest experience in restrooms by introducing new features such as an ozonated water mechanism that not only minimises water usage, but also removes odour and acts as a natural disinfectant. HEPA filtration hand dryers have also been introduced to reduce the usage of liquid hand soap, while achieving even better hygiene.

GUEST SATISFACTION AWARDS



Topping the Customer Satisfaction Index of Singapore Once Again

Sentosa has clinched the top spot at the Customer Satisfaction Index of Singapore (CSISG) for the second consecutive year, garnering a total of 74.9 points and surpassing the previous year's score of 74.3. Released in November 2017, this result marks Sentosa's best performance in the Attractions sub-sector of the CSISG and is testament to the dedication and commitment of Sentosa's staff in serving its guests.

GUEST SATISFACTION AWARDS



Excellent Service Awards 2017

Organised by the Association of Singapore Attractions and SPRING Singapore, the Excellent Service Award (EXSA) is a national accolade that recognises individuals who have delivered quality service in their respective sectors, and to honour their commitment towards service excellence. A total of 133 staff from SDC were awarded the EXSA in 2017, including one Super Star winner, as well as 42 Silver, 51 Gold and 39 Star award recipients. Mark Anthony Alejo from One Faber Group was our Super Star award winner.



Sentosa Goes the Extra Mile for Guests

To acknowledge Sentosians who have gone the extra mile to wow and delight Sentosa's guests, a total of 21 staff from SDC, One Faber Group (1FG) and other island partners were recognised at SDC's seventh CEO STAR Awards in September 2018. Among the recipients were 11 staff from SDC, 1FG, KidZania Singapore, Shangri-La's Rasa Sentosa Resort & Spa, and iFly Singapore, who were recognised in the Service STAR Individual & Team categories for their outstanding guest service. Another 10 staff from SDC, 1FG, Amara Sanctuary Resort Sentosa, and ONE°15 Marina Club received awards in the Safety & Security category for playing an integral part in making Sentosa safe and secure.

GUEST SATISFACTION AWARDS



Going the Extra Mile Service (GEMS) Award and Commendation Award

The Ministry of Trade and Industry organises the GEMS and Commendation Awards annually, to recognise officers within the ministry and its statutory boards who have consistently achieved outstanding service standards in serving both internal and external guests. Pravina Nair D/O Revindran, Lead Ticketing Host, was one of 21 recipients who received the GEMS Commendation Award.

SECURITY AWARDS



Sentosa Conferred Gold Award for Keeping Island Safe

SDC has received the Gold TOPSIS (Threat-Oriented Person Screening Integrated System) Organisational Award for its efforts in effective implementation of security measures on the island. The Gold Award is the highest accolade that the Ministry of Home Affairs (MHA) confers for outstanding contributions to TOPSIS implementations, which is a border-security programme that was first conceptualised in 2007 and developed by MHA. In 2014, SDC became the first non-checkpoint partner of the TOPSIS programme, which trains SDC's ground service staff to identify any suspicious persons, items or behaviour during their work.

Sentosa Development Corporation

39 Artillery Avenue, Sentosa Singapore 099958

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Sentosa
Development
Corporation

FINANCIAL REPORT 2017/2018

Sentosa
Development
Corporation

FINANCIAL REPORT 2017/2018

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Independent auditor's report
For the financial year ended 31 March 2018

Independent auditor's report to the Member of Sentosa Development Corporation

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sentosa Development Corporation (the "Corporation") and its subsidiaries (collectively, the "Group"), which comprise the statement of financial position of the Group and Corporation as at 31 March 2018, statements of comprehensive income of the Group and Corporation, statements of changes in equity of the Group and Corporation and the consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of comprehensive income, statement of financial position and the statement of changes in equity of the Corporation are properly drawn up in accordance with the provisions of the Sentosa Development Corporation Act, Chapter 291 (the Act) and Singapore Statutory Board Financial Reporting Standards in Singapore (SB-FRSs) so as to present fairly, in all material respects, the state of affairs of the Group and the Corporation as at 31 March 2018 and the results and changes in equity of the Group and the Corporation and cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and SB-FRSs, 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.

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Group or for the Group to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent auditor's report

For the financial year ended 31 March 2018

Independent auditor's report to the Member of Sentosa Development Corporation

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

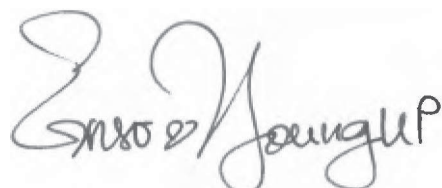
Independent auditor's report
For the financial year ended 31 March 2018

Independent auditor's report to the Member of Sentosa Development Corporation

Report on other legal and regulatory requirements

In our opinion:

- (a) The accounting and other records required by the Act to be kept by the Corporation have been properly kept in accordance with the provisions of the Act.
- (b) 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.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
20 June 2018

Statement of financial position
As at 31 March 2018

	Note	Group		Corporation	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	4	793,845	812,077	733,230	749,651
Land premium	5	48,706	50,632	48,706	50,632
Right of use of asset	6	472	570	472	570
Investments in subsidiaries	7	—	—	41,108	41,108
Investments in joint ventures	8	13,753	12,964	—	—
Accrued income	9	31,907	25,731	31,907	25,731
		888,683	901,974	855,423	867,692
Current assets					
Inventories	10	7,585	4,000	5,079	2,186
Trade and other receivables	11	39,143	50,036	40,547	48,126
Prepayments		1,877	1,240	902	506
Investments	12	978,668	938,650	978,668	938,650
Financial derivatives at fair value	13	4,173	5,078	4,173	5,078
Cash and cash equivalents	14	206,168	204,425	160,053	182,009
		1,237,614	1,203,429	1,189,422	1,176,555
Total assets		2,126,297	2,105,403	2,044,845	2,044,247
Current liabilities					
Trade and other payables	18	87,381	93,455	135,961	153,752
Financial derivatives at fair value	13	647	714	647	714
Provisions	19	14,587	14,636	14,587	14,636
Deferred capital grants	20	566	566	566	566
Deferred membership fees	21(a)	6,208	6,056	6,208	6,056
Deferred lease income	21(b)	1,139	1,146	1,139	1,146
Provision for contribution to Consolidated Fund	22	9,549	2,404	9,549	2,404
Income tax payables		1,857	726	—	—
		121,934	119,703	168,657	179,274
Non-current liabilities					
Other payables	18	1,466	500	966	—
Provisions	19	1,604	34,458	1,466	34,320
Deferred capital grants	20	11,342	11,211	11,342	11,211
Deferred membership fees	21(a)	52,653	57,580	52,653	57,580
Deferred lease income	21(b)	42,647	43,779	42,647	43,779
Deferred tax liabilities	23	817	921	—	—
		110,529	148,449	109,074	146,890
Total liabilities		232,463	268,152	277,731	326,164

Statement of financial position
As at 31 March 2018

	Note	Group		Corporation	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owner of the Corporation					
Capital account	15	14,731	14,571	14,731	14,571
FUNDS AND RESERVES					
Accumulated surplus					
- General fund	16	1,853,108	1,800,630	1,742,564	1,697,638
- Restricted fund	16	9,819	5,874	9,819	5,874
- Revaluation reserve	17	16,176	16,176	—	—
Total equity		1,893,834	1,837,251	1,767,114	1,718,083
Total equity and liabilities		2,126,297	2,105,403	2,044,845	2,044,247



Moses Lee
Chairman



Quek Swee Kuan
Chief Executive Officer/
Board Member

20 June 2018

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of comprehensive income
For the financial year ended 31 March 2018

Group	Note	General Fund		Restricted Fund		TOTAL	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Admission fees and packages		112,210	107,818	—	—	112,210	107,818
Rental and hiring of facilities	24	47,383	44,623	—	—	47,383	44,623
Interest income		2,137	21,719	98	89	2,235	21,808
Investment income	25	28,310	11,945	—	—	28,310	11,945
Other revenue	26	55,835	47,810	9,689	8,594	65,524	56,404
Write back of provision of Cove infrastructure	19	28,900	24,500	—	—	28,900	24,500
		274,775	258,415	9,787	8,683	284,562	267,098
Expenditure							
Cost of sale for admission fees and packages		30,552	33,925	—	—	30,552	33,925
Staff costs	27	85,448	79,122	1,004	948	86,452	80,070
Depreciation of property, plant and equipment		60,918	57,578	—	—	60,918	57,578
Amortisation of land premium		1,926	1,926	—	—	1,926	1,926
Amortisation of rights of use of an asset		98	100	—	—	98	100
Repairs and maintenance		23,334	22,467	2,152	2,274	25,486	24,741
Publicity and promotion		15,862	12,039	—	—	15,862	12,039
Inventories used		15,524	12,491	—	—	15,524	12,491
General and administrative expenses	28	32,189	27,441	3,063	3,045	35,252	30,486
		265,851	247,089	6,219	6,267	272,070	253,356
Surplus before Government Grants from operations							
		8,924	11,326	3,568	2,416	12,492	13,742
Deferred capital grants amortised		566	566	—	—	566	566
Share of results of a joint venture, net of tax		789	985	—	—	789	985
Operating grants		53,741	54,469	—	—	53,741	54,469
Surplus before taxation and contribution to Consolidated Fund							
		64,020	67,346	3,568	2,416	67,588	69,762
Income tax (expense)/credit	29	(1,840)	159	—	—	(1,840)	159
Contribution to Consolidated Fund		(8,943)	(1,529)	(606)	(875)	(9,549)	(2,404)
Surplus for the year, net of taxation and contribution to Consolidated Fund from operations							
		53,237	65,976	2,962	1,541	56,199	67,517
Net surplus for the year, representing total comprehensive income for the year							
		53,237	65,976	2,962	1,541	56,199	67,517

Statement of comprehensive income
For the financial year ended 31 March 2018

Corporation

	Note	General Fund		Restricted Fund		TOTAL	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Admission fees and packages		84,598	90,325	—	—	84,598	90,325
Rental and hiring of facilities	24	52,971	47,572	—	—	52,971	47,572
Interest income		1,631	21,374	98	89	1,729	21,463
Investment income	25	28,310	11,945	—	—	28,310	11,945
Other revenue	26	38,243	31,783	9,689	8,594	47,932	40,377
Write back of provision of Cove infrastructure	19	28,900	24,500	—	—	28,900	24,500
		234,653	227,499	9,787	8,683	244,440	236,182
Expenditure							
Cost of sale for admission fees and packages		42,254	38,596	—	—	42,254	38,596
Staff costs	27	67,738	64,633	1,004	948	68,742	65,581
Depreciation of property, plant and equipment		53,624	50,631	—	—	53,624	50,631
Amortisation of land premium		1,926	1,926	—	—	1,926	1,926
Amortisation of rights of use of an asset		98	100	—	—	98	100
Repairs and maintenance		20,895	20,803	2,152	2,274	23,047	23,077
Publicity and promotion		13,908	10,378	—	—	13,908	10,378
Inventories used		7,688	7,471	—	—	7,688	7,471
General and administrative expenses	28	26,201	31,286	3,063	3,045	29,264	34,331
		234,332	225,824	6,219	6,267	240,551	232,091
Surplus before Government Grants from operations							
		321	1,675	3,568	2,416	3,889	4,091
Deferred capital grants amortised		566	566	—	—	566	566
Operating grants		53,741	54,469	—	—	53,741	54,469
Surplus before taxation and contribution to Consolidated Fund							
		54,628	56,710	3,568	2,416	58,196	59,126
Contribution to Consolidated Fund		(8,943)	(1,529)	(606)	(875)	(9,549)	(2,404)
Surplus for the year, net of taxation and contribution to Consolidated Fund from operations							
		45,685	55,181	2,962	1,541	48,647	56,722
Net surplus for the year, representing total comprehensive income for the year							
		45,685	55,181	2,962	1,541	48,647	56,722

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of changes in equity
For the financial year ended 31 March 2018

Group	Capital account (Note 15) \$'000	General fund \$'000	Restricted funds \$'000	Accumulated surplus (Note 16) \$'000	Revaluation reserve (Note 17) \$'000	Total equity \$'000
At 1 April 2016	14,128	2,802,854	3,539	2,806,393	16,176	2,836,697
Surplus for the year	–	65,976	1,541	67,517	–	67,517
Sinking fund	–	–	794	794	–	794
Total comprehensive income for the year	–	65,976	2,335	68,311	–	68,311
Return of funds to the Government	–	(1,068,200)	–	(1,068,200)	–	(1,068,200)
Capital contributed by the Government	443	–	–	–	–	443
At 31 March 2017	14,571	1,800,630	5,874	1,806,504	16,176	1,837,251
At 1 April 2017	14,571	1,800,630	5,874	1,806,504	16,176	1,837,251
Surplus for the year	–	53,237	2,962	56,199	–	56,199
Sinking fund	–	–	983	983	–	983
Total comprehensive income for the year	–	53,237	3,945	57,182	–	57,182
Dividend paid to the Government	–	(759)	–	(759)	–	(759)
Capital contributed by the Government	160	–	–	–	–	160
At 31 March 2018	14,731	1,853,108	9,819	1,862,927	16,176	1,893,834

Statement of changes in equity
For the financial year ended 31 March 2018

Corporation	Capital account (Note 15) \$'000	General fund \$'000	Restricted funds \$'000	Accumulated surplus (Note 16) \$'000	Total equity \$'000
At 1 April 2016	14,128	2,710,657	3,539	2,714,196	2,728,324
Surplus for the year	—	55,181	1,541	56,722	56,722
Sinking fund	—	—	794	794	794
Total comprehensive income for the year	—	55,181	2,335	57,516	57,516
Return of funds to the Government	—	(1,068,200)	—	(1,068,200)	(1,068,200)
Capital contributed by the Government	443	—	—	—	443
At 31 March 2017	14,571	1,697,638	5,874	1,703,512	1,718,083
At 1 April 2017	14,571	1,697,638	5,874	1,703,512	1,718,083
Surplus for the year	—	45,685	2,962	48,647	48,647
Sinking fund	—	—	983	983	983
Total comprehensive income for the year	—	45,685	3,945	49,630	49,630
Dividend paid to the Government	—	(759)	—	(759)	(759)
Capital contributed by the Government	160	—	—	—	160
At 31 March 2018	14,731	1,742,564	9,819	1,752,383	1,767,114

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of cash flows

For the financial year ended 31 March 2018

Group	Note	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Surplus before taxation and contribution to Consolidated Fund		67,588	69,762
Adjustments for:			
Interest income		(27,858)	(33,686)
Dividend income		(4,749)	(2,699)
Depreciation of property, plant and equipment	4	60,918	57,562
Amortisation of land premium	5	1,926	1,926
Amortisation of rights of use of an asset	6	98	100
Land held for sale written-off	28	—	3,028
Loss on disposal/write-off of property, plant and equipment		4,836	5,004
Write back of doubtful debts		(283)	—
Unrealised fair value loss/(gain) on investment	25	26,975	(5,958)
Amortisation of deferred membership	21(a)	(7,685)	(6,742)
Amortisation of deferred lease income	21(b)	(1,139)	(1,146)
Share of results of a joint venture	8	(789)	(985)
Write back of provision of Cove infrastructure		(28,900)	(24,500)
Amortisation of deferred capital grants	20	(566)	(566)
Net fair value loss/(gain) on derivatives		838	(4,364)
Operating profit before working capital changes		91,210	56,736
<u>Changes in working capital</u>			
Increase in inventories		(3,585)	(714)
Decrease in trade and other receivables and prepayments		11,522	10,562
Increase in accrued income		(6,176)	(6,267)
Decrease in trade and other payables		(4,608)	(2,677)
Decrease in provision		(4,003)	(9,089)
Cash generated from operating activities		84,360	48,551
Net tax (paid)/refund		(813)	105
Contribution to consolidated fund		(2,404)	—
Membership fees received	21(a)	2,910	2,533
Net increase in cash of Sentosa Cove Residential Fund		(1,516)	(763)
Net cash generated from operating activities		82,537	50,426
Investing activities			
Interest received		27,858	33,686
Dividends received		4,749	2,699
Purchase of property, plant and equipment		(47,536)	(66,328)
Purchase of investments		(754,886)	(1,348,419)
Proceeds from sale of investments		687,893	415,727
Proceeds from disposal of property, plant and equipment		14	23
Net cash used in investing activities		(81,908)	(962,612)

Statement of cash flow

For the financial year ended 31 March 2018

	Note	2018 \$'000	2017 \$'000
Cash flows from financing activities			
Proceeds from capital contributed by the Government		857	443
Return of funds to the Government		–	(1,068,200)
Dividend paid to the Government		(759)	–
Net cash from/(used in) financing activities		98	(1,067,757)
Net increase/(decrease) in cash and cash equivalents		727	(1,979,943)
Cash and cash equivalents at the beginning of the financial year		196,835	2,176,778
Cash and cash equivalents at the end of the financial year	14	197,562	196,835

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the financial statements

For the financial year ended 31 March 2018

1. Domicile and activities

Sentosa Development Corporation (the "Corporation") is a corporation established under the Sentosa Development Corporation Act, Chapter 291 (the "Act"), under the purview of the Ministry of Trade and Industry ("MTI"). As a statutory board, the Corporation is subject to the directions of the MTI and is required to implement policies and policy changes as determined by its supervisory ministry and other Government ministries such as the Ministry of Finance from time to time. The address of the Corporation's registered office and place of business is at 39 Artillery Avenue, Sentosa, Singapore 099958.

The Corporation's primary function is to control and administer Sentosa Island and encourage the development of services, facilities and amenities on Sentosa Island for tourists and the public. There have been no significant changes in the nature of this function during the financial year.

The Corporation has a division, Sentosa Golf Club (the "Club"), a proprietary club registered with the Registrar of Societies under the Societies Act (Chapter 311). The proprietor of the Club is Sentosa Development Corporation. The principal activities of the Club are to provide and maintain a clubhouse and facilities for golf and other recreational activities for its members. There have been no significant changes in the nature of these activities during the financial year. Transactions of the Club are accounted for as part of the Corporation's accounts.

The financial statements of the Corporation as at and for the year ended 31 March 2018 comprise the Corporation and its subsidiaries (together referred to as the "Group") and the Group's interest in joint ventures.

2. Summary of significant accounting policies**2.1 Statement of compliance**

The financial statements have been prepared in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards ("SB-FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group.

Notes to the financial statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
SB-FRS 115 Revenue from Contracts with Customers	1 January 2018
SB-FRS 109 Financial Instruments	1 January 2018
SB-FRS 116 Leases	1 January 2019
Amendments to SB-FRS 28: Long-term Interests in Associates and Joint Ventures	1 January 2019
INT SB-FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SB-FRS 110 & SB-FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined**

** The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the ASC in December 2015 via Amendments to Effective Date of Amendments to SB-FRS 110 and SB-FRS 28

Except for SB-FRS 115, SB-FRS 109 and SB-FRS 116, the management expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of SB-FRS 115, SB-FRS 109 and SB-FRS 116 are described below.

SB-FRS 115 Revenue from Contracts with Customers

SB-FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SB-FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual period beginning on or after 1 January 2018.

The Group's revenue include sales of admission tickets and packages, rental and hiring of facilities, golf club membership income and sales of merchandise and food and beverage.

The Group has performed a preliminary impact assessment of adopting SB-FRS 115 based on currently available information. For sales of admission tickets and packages, management has assessed that it is acting as an agent to sell admission tickets and packages on behalf of island partners. Therefore, the revenue from sales of admission tickets and packages will be recognised on a net basis. On adoption of SB-FRS 115, the Group expects to record an adjustment to reduce revenue and cost of sales respectively. For the other streams of revenue, management does not expect any significant impact upon adoption.

This assessment may be subject to changes arising from ongoing analysis until the Group adopts SB-FRS 115 in 2018

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.3 Standards issued but not yet effective (cont'd)**SB-FRS 109 Financial Instruments

SB-FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SB-FRS 109 are based on an expected credit loss model and replace the SB-FRS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting SB-FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts SB-FRS 109 in 2018.

(a) Classification and measurement

The Group intends to continue to measure its debt instruments and equity securities at fair value through profit or loss when it applies SB-FRS 109. The Group does not expect any significant impact to arise from this.

(b) Impairment

SB-FRS 109 requires the Group and the Corporation to record expected credit losses on its trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group does not expect any significant impact arising from this.

SB-FRS 116 Leases

SB-FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.4 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Corporation. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.5 Functional and foreign currency**(a) Functional currency**

The management has determined the currency of the primary economic environment in which the Group operates i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Group and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.6 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land and improvements to land	- 10 to 103 years or over remaining lease terms ranging from 48 to 61 years
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Buildings, attractions, facilities and renovations	- 3 to 50 years
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Plant and machinery, operating equipment and other assets, comprising:

(i) Plant and machinery (including cable car system)	- 3 to 50 years
(ii) Transportation assets	- 4 to 50 years
(iii) Furniture and fittings	- 1 to 27 years
(iv) Computer equipment	- 3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.7 Land premium

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

Land premium for land use rights is stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the profit or loss on a straight-line basis over the lease term.

2.8 Right of use asset

Right of use asset relates to the rights to the use of the floating sea barriers. This is stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the profit or loss on a straight-line basis over the useful life of 8 years.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.9 Impairment of non-financial assets**

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Group's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Joint ventures

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.

Investments in joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost which includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.11 Joint ventures (cont'd)**

An impairment loss in respect of joint venture is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

2.12 Financial instruments**(a) Financial assets**Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement*Loan and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

Financial assets and financial liabilities at fair value through profit or loss which are held for trading

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.12 Financial instruments (cont'd)****(a) Financial assets (cont'd)**Subsequent measurement (cont'd)*Regular way purchases and sales of financial assets*

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilitiesInitial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement*Financial liabilities at amortised cost*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.13 Impairment of financial assets**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

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

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.14 Hedge accounting**

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

Fair value hedges

The change in the fair value of a hedging derivative is recognised in profit or loss in finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in profit or loss.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is de-recognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash held with banks and Accountant-General's Department ("AGD"), and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flow, cash and cash equivalents are presented net of cash and cash equivalents held on behalf of the Government-related specific funds, which form an integral part of the Group's cash management.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Merchandise: cost is determined on a weighted average basis
- Food and beverage and consumables and spare parts: cost is determined based on a first-in first-out basis

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.17 Provisions**

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Restricted fund

The Sentosa Development Corporation Act (the "Act") provides that the Corporation shall establish a maintenance fund and levy a maintenance fee on the Sentosa Cove owners, for the purposes of managing and maintaining the Sentosa Cove resort area and of providing and maintaining the infrastructure and other facilities and services for the use of persons living and working in the resort area. The amounts in the Sentosa Cove Residential Fund relate to maintenance contribution received from the Sentosa Cove residents less the expenditure incurred for the residential precinct to date, are restricted to be used for the specified purpose provided under the Act.

The income and expenditure relating to these that are subject to legal or grantor/donor imposed stipulation are accounted for under Restricted Fund in the Group's and Corporation's statement of comprehensive income.

2.19 Provision for contribution to consolidated fund

The Corporation is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidation Funds) Act, Chapter 319A. The provision is based on guidelines specified by the Ministry of Finance. It is computed based on a percentage pegged at the prevailing corporate tax rate for the year of assessment on the net surplus of the Corporation and after deducting prior year's accumulated deficits. Contribution is provided for on an accrual basis.

The Corporation is allowed to carry forward its deficits to offset against its future surplus. The deficits have no expiry date.

The benefits associated with the deficits are recognised as deferred income tax asset to the extent that realisation of the related benefits through future surplus are probable.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.20 Deferred membership fees**

Deferred membership fee comprises club membership fee and term membership fee.

Club membership fee refers to the lump sum payment made by members for the ordinary membership which is amortised and recognised as income on a straight-line basis over the lease term of the land occupied by the Club. The lease term of the land occupied by the Club is 30 years (the "Existing Lease").

In 2015, the lease term of the land occupied by the Club for Tanjong Golf Course and Serapong Golf Course was extended to 2040 and 2030 respectively (the "Extended Lease").

Additional club membership fee collected for the Extended Lease will commence amortisation upon expiry of the Existing Lease and will be amortised on a straight-line basis over the Extended Lease period.

Term membership fee refers to the yearly membership fee paid by members in advance and it is amortised and recognised as income on a straight-line basis over a year.

2.21 Deferred lease income

Deferred lease income is service income and development fee in respect of long-term leases, which is amortised and recognised as income on the basis so as to match the related costs.

2.22 Government grantsCapital grant

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised on profit or loss as other income on a systematic basis over the useful life of the asset.

Government grants for the establishment of the Corporation are taken to the capital account.

Government grants and contributions for the purchase of depreciable property, plant and equipment are taken to the deferred capital grants account. The deferred capital grants are recognised in the profit or loss over the periods necessary to match the depreciation and gain or loss on disposal of the property, plant and equipment purchased with the grants.

Operating grant

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

2.23 Capital

Capital contributed by the Government is recognised in the capital account. Incremental costs directly attributable to the capital are recognised as a deduction from the capital, net of any tax effects.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.24 Employee benefits****(a) Defined contribution plans**

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

(b) 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 or profit-sharing plans 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.

2.25 Leases**(a) As lessee**

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.26(b). Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.26 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Admission fees and packages

Income from admission fees and packages is recognised on sale and presentation of admission tickets and packages, net of discount.

(b) Rental and hiring of facilities

Rental income is recognised on a straight-line basis over the terms of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Lease income from operating leases is recognised on a straight-line basis over the lease terms on ongoing leases. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease terms on a straight-line basis.

(c) Club income

Membership income comprises of the following:

- (i) Amortisation of the club membership fee and recognised on a straight-line basis over the remaining lease term of the land occupied by the Club;
- (ii) Term membership fees are amortised over a year;
- (iii) Transfer fees on club membership that are recognised on approval of transfer; and
- (iv) Upon sale of a corporate membership, nominee registration fees for two nominees are recognised on acceptance of the first nominee by the General Committee of the Club or upon the expiration of three months from admission of the Club Member, whichever is earlier.
- (v) Upon a change of corporate nominee, nominee fees are recognised on approval of admission of the corporate nominee by the General Committee.
- (vi) Members' subscription income from subscription fees is recognised on an accrual basis.

Golfing income comprises of income from green fees and fees from other social facilities provided by the Club that are recognised when services have been rendered, and accepted by customers.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.26 Revenue (cont'd)****(d) Sales of merchandise**

Revenue from sale of merchandise is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer, net of trade discounts. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(e) Service, development, project management fees and headquarter support cost recovery

Service, development, project management fees and headquarter support cost recovery are recognised as revenue when services are rendered, and accepted by customers or related parties.

(f) Food and beverage

Revenue from sale of food and beverage is recognised upon sales made to customers, net of discounts.

(g) Interest income

Interest income is recognised using the effective interest method.

(h) Sponsorship income

Sponsorship income from public entities and private third parties are recognised at fair value as income as and when it is reasonably certain that they will be received and conditions for receipt have been met.

(i) Maintenance fund contributions

Maintenance fund contributions are recognised on an accrual basis.

(j) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(k) Consent fee income

Consent fee income is recognised for the transfer of ownership for lease for which agreements have been concluded.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.27 Taxes**

Sentosa Development Corporation is a tax-exempted institution under the provisions of the Income Tax Act (Chapter 134, 2008 Revised Edition). The subsidiaries of the Corporation are subject to local tax legislation.

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax law used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rate (and tax law) that have been enacted or substantively enacted at the end of each reporting period.

Notes to the financial statements
For the financial year ended 31 March 2018**2. Summary of significant accounting policies (cont'd)****2.27 Taxes (cont'd)****(b) Deferred tax (cont'd)**

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.28 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.29 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Notes to the financial statements
For the financial year ended 31 March 2018**3. Significant accounting judgements and estimates**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgement made in applying accounting policies

There are no areas of critical judgement in applying accounting policies and that have the most significant effect on the amounts recognised in the financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The preparation of the financial statements in conformity with SB-FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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.

(a) Useful life of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 103 years (2017: 3 to 103 years). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amounts of the Group's and the Corporation's property, plant and equipment as at 31 March 2018 are disclosed in Note 4 to the financial statements.

3. Significant accounting judgements and estimates (cont'd)**3.2 Key sources of estimation uncertainty (cont'd)****(b) Impairment of loans and receivables**

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 11 to the financial statements.

(c) Provision for Cove infrastructure

There is a present, legal and constructive obligation for the provision of infrastructure and amenities to purchasers of the Sentosa Cove's land, for which management expects to incur the expenditure.

In determining the provision, assumptions and estimates are made in relation to the expected cost for incurring the infrastructure expenditure. This includes assessing the scope of the projects to be performed. The provision amount for the projects is estimated based on the latest available information from awarded tender prices and quotations. Past bids for similar projects are used as a basis for determining the provision for projects which have not commenced. In the past financial year, management has performed a detailed review of the Cove infrastructure requirements through consultancy and feasibility studies. Consequently, certain projects are no longer needed or have significant scope reductions. Provision previously made for those projects which are no longer required have been written back. The carrying amount of the provision as the end of the reporting period is disclosed in Note 19 to the financial statements.

4. Property, plant and equipment

Group	Leasehold land and improvements to land \$'000	Buildings, attractions, facilities and renovations \$'000	Development projects-in- progress \$'000	Plant and machinery, operating equipment and other assets \$'000	Total \$'000
Cost					
At 1 April 2016	479,046	544,623	47,509	273,721	1,344,899
Additions	626	2,221	53,309	10,172	66,328
Disposals/written-off	(354)	(3,843)	(542)	(7,964)	(12,703)
Transfers	32,287	13,707	(56,598)	10,604	–
As at 31 March 2017 and 1 April 2017	511,605	556,708	43,678	286,533	1,398,524
Additions	6,685	3,272	9,864	27,715	47,536
Disposals/written off	(131)	(3,155)	(2,113)	(3,046)	(8,445)
Transfers	1,006	884	(20,444)	18,554	–
As at 31 March 2018	519,165	557,709	30,985	329,756	1,437,615
At 1 April 2016	191,807	191,380	–	153,374	536,561
Charge for the year	7,190	26,807	–	23,565	57,562
Disposals/written off	(324)	(2,321)	–	(5,031)	(7,676)
As at 31 March 2017 and 1 April 2017	198,673	215,866	–	171,908	586,447
Charge for the year	12,829	21,620	–	26,469	60,918
Disposals/written off	(7)	(1,413)	–	(2,175)	(3,595)
As at 31 March 2018	211,495	236,073	–	196,202	643,770
Net book values					
As at 31 March 2017	312,932	340,842	43,678	114,625	812,077
As at 31 March 2018	307,670	321,636	30,985	133,554	793,845

Included in the cost of property, plant and equipment was an amount of \$500,000 (2017: \$500,000) related to costs for dismantling removal, and restoration of the property, plant and equipment, which was provided for as reinstatement costs.

4. Property, plant and equipment (cont'd)

Corporation	Leasehold land and improvements to land \$'000	Buildings, attractions, facilities and renovations \$'000	Development projects-in- progress \$'000	Plant and machinery, operating equipment and other assets \$'000	Total \$'000
Cost					
At 1 April 2016	452,724	476,092	47,237	269,790	1,245,843
Additions	444	757	52,537	9,420	63,158
Disposals/written-off	(32)	(3,747)	—	(6,852)	(10,631)
Transfers	32,287	13,707	(56,598)	10,604	—
As at 31 March 2017 and 1 April 2017	485,423	486,809	43,176	282,962	1,298,370
Additions	6,481	2,059	7,876	27,720	44,136
Disposals/written-off	(602)	(1,870)	(1,346)	(5,791)	(9,609)
Transfers	571	237	(18,839)	18,031	—
As at 31 March 2018	491,873	487,235	30,867	322,922	1,332,897
At 1 April 2016	186,025	166,598	—	151,739	504,362
Charge for the year	6,230	21,605	—	22,779	50,614
Disposals/written off	(2)	(2,260)	—	(3,995)	(6,257)
As at 31 March 2017 and 1 April 2017	192,253	185,943	—	170,523	548,719
Charge for the year	11,905	16,263	—	25,456	53,624
Disposals/written-off	(95)	(416)	—	(2,165)	(2,676)
As at 31 March 2018	204,063	201,790	—	193,814	599,667
Net book values					
As at 31 March 2017	293,170	300,866	43,176	112,439	749,651
As at 31 March 2018	287,810	285,445	30,867	129,108	733,230

Notes to the financial statements
For the financial year ended 31 March 2018

5. Land premium

	Group and Corporation	
	2018	2017
	\$'000	\$'000
Cost		
At 1 April and 31 March	68,096	68,096
Accumulated amortisation		
At 1 April	17,464	15,538
Charge for the year	1,926	1,926
At 31 March	19,390	17,464
Net carrying amount	48,706	50,632

The cost of land premium for Sentosa Golf Club is capitalised in accordance with accounting policy in Note 2.7 and represents the amounts paid to Singapore Land Authority for the current and renewed lease term of the golf course land.

In 2015, the Club extended its land lease period of the Tanjong Golf Course and Serapong Golf Course for 19 years and 9 years respectively for \$41,613,000. Amortisation of the additional land premium for the lease extension will commence from calendar year 2022 upon commencement of the lease renewal period.

6. Right of use asset

	Group and Corporation	
	2018	2017
	\$'000	\$'000
Cost		
At 1 April and 31 March	794	794
Accumulated amortisation		
At 1 April	224	124
Charge for the year	98	100
At 31 March	322	224
Net carrying amount	472	570

Notes to the financial statements
For the financial year ended 31 March 2018

7. Investments in subsidiaries

	Corporation	
	2018 \$'000	2017 \$'000
Unquoted equity shares, at cost	41,108	41,108

Details of the subsidiaries are as follows:

Name	Principal activities	Country of incorporation/ place of business	Percentage of ownership held by the Group	
			2018 %	2017 %
<i>Held by the Corporation</i>				
Sentosa Leisure Holdings Pte Ltd (“SLH”)®	Currently in voluntary liquidation	Singapore	100	100
Mount Faber Leisure Group Pte Ltd*	Operation of the cable car system, wholesaler and retailer of merchandise, food and beverage services, marketing of panel advertisements, travel and tour agent and provision of private coach hire services	Singapore	100	100
Sentosa Leisure Management Pte Ltd *	An agent of Sentosa Development Corporation to carry on any business which its ultimate holding corporation is authorised to carrying on including but not limited to sales, ticketing, marketing, operations and attractions operator	Singapore	100	100
Sentosa Cove Resort Management Pte Ltd *	Estate and community management, including property and facility management of common properties within Sentosa Cove	Singapore	100	100

[@] Sentosa Leisure Holdings Pte Ltd was dissolved on 15 April 2018

* Audited by Ernst & Young LLP, Singapore

Notes to the financial statements
For the financial year ended 31 March 2018

8. Investments in joint ventures

	Group	
	2018 \$'000	2017 \$'000
Unquoted shares, at cost	6,340	6,340
Share of post-acquisition profits (net of tax)	7,413	6,624
	<hr/> 13,753	<hr/> 12,964

There are no contingent liabilities relating to the Group's interest in its joint ventures.

In 2018 and 2017, the Group did not receive any dividend from its investments in joint ventures.

Details of the joint ventures are as follows:

Name	Principal activities	Country of incorporation/ place of business	Percentage of ownership held by the Group	
			2018 %	2017 %
<i>Held by subsidiary</i>				
DCP (Sentosa) Pte Ltd *	Construction, development and operation of a district cooling plant supplying chilled water for air-conditioning needs at Sentosa	Singapore	20	20

* Audited by PricewaterhouseCoopers LLP, Singapore

Resort World Singapore ("RWS") and the Group's subsidiary, Sentosa Leisure Management Pte Ltd ("SLM"), has 80% and 20% share respectively in DCP (Sentosa) Pte Ltd ("DCP").

Based on the joint venture agreement, the quorum of shareholders and directors meeting can only be achieved with the presence of at least one director/representative each from SLM and RWS. Furthermore, SLM and RWS has equal rights in determining DCP's business and its conduct. Accordingly DCP is accounted for as a joint venture.

Notes to the financial statements
For the financial year ended 31 March 2018

8. Investments in joint ventures (cont'd)

The following table summarises the financial information of the joint venture:

	2018 \$'000	2017 \$'000
Revenue	18,445	19,937
Expenses	(14,501)	(15,009)
Total profit	3,944	4,928
Current assets	22,840	15,583
Non-current assets	56,832	59,652
Current liabilities	(3,661)	(3,478)
Non-current liabilities	(7,273)	(6,937)
Net assets	68,738	64,820
Group's interest in net assets of joint venture at beginning of year	12,964	11,979
Share of total profit	789	985
Carrying amount of interest in joint venture at end of the year	13,753	12,964

9. Accrued income

Accrued income relates to recognition of guaranteed annual payments which is expected to be received in subsequent periods from tenants on long term leases.

10. Inventories

	Group		Corporation	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Consumables and spare parts	4,652	1,026	4,652	917
Merchandise	1,298	1,310	—	—
Food and beverage products	301	504	134	109
Attraction tickets	1,334	1,160	293	1,160
	7,585	4,000	5,079	2,186
Statement of comprehensive income:				
Inventories recognised as an expense in cost of sales	30,552	33,925	42,254	38,596
Inventories recognised as part of inventories used	15,524	12,491	7,688	7,471

Notes to the financial statements
For the financial year ended 31 March 2018

11. Trade and other receivables

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables	21,016	24,338	16,723	20,088
Other receivables	8,770	16,886	6,020	14,731
Investment receivables	8,873	8,275	8,873	8,275
Deposits	484	537	114	196
Amounts due from subsidiaries (trade)	—	—	247	287
Amounts due from subsidiaries (non-trade)	—	—	8,570	4,549
Total trade and other receivables	39,143	50,036	40,547	48,126
Add: Cash and cash equivalents (Note 14)	206,168	204,425	160,053	182,009
Total loans and receivables	245,311	254,461	200,600	230,135

Trade receivables

Trade receivables are non-interest bearing, and are generally on 30 days' credit terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Included in trade receivables of the Corporation and the Group is an amount of \$Nil (2017: \$652,000) relating to receivables for expenses incurred for the maintenance of offshore islands on behalf of the Government.

All trade receivables are denominated in Singapore dollar.

Investment receivables

Investment receivables includes interests and dividends receivables from the investments in equities and bonds and the outstanding amounts for the bonds and equities sold at year end.

Amounts due from subsidiaries (trade and non-trade)

Amounts due from subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Notes to the financial statements
For the financial year ended 31 March 2018

11. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$1,531,000 (2017: \$3,444,000) that are past due at the end of the reporting period but not impaired.

The Corporation has trade receivables amounting to \$1,328,000 (2017: \$2,580,000) that are past due at the end of the reporting period but not impaired.

These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2018 \$'000	2017 \$'000
Group		
Past due less than 30 days	1,326	1,504
Past due 30-60 days	132	529
Past due 61-90 days	73	108
Past due more than 90 days	—	1,303
	<hr/> 1,531	<hr/> 3,444
Corporation		
Past due less than 30 days	1,266	806
Past due 30-60 days	37	488
Past due 61-90 days	25	71
Past due more than 90 days	—	1,215
	<hr/> 1,328	<hr/> 2,580

Notes to the financial statements
For the financial year ended 31 March 2018

11. Trade and other receivables (cont'd)

Receivables that are impaired

The Group's and Corporation's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Trade receivables – nominal amounts	3,107	3,392	2,972	3,240
Less: allowance for doubtful debt	(3,107)	(3,392)	(2,972)	(3,240)
	–	–	–	–
At 1 April	3,392	3,324	3,240	3,248
Provided during the year	46	107	3	13
Reversal during the year	(329)	(39)	(271)	(21)
Utilised during the year	(2)	–	–	–
At 31 March	3,107	3,392	2,972	3,240

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Investment receivables denominated in foreign currencies at 31 March are as follows:

	Group and Corporation	
	2018	2017
	\$'000	\$'000
United States Dollars	5,373	4,889
Euros	621	480
British Pounds	735	612
Japanese Yen	85	112
Others	582	784

Notes to the financial statements
For the financial year ended 31 March 2018

12. Investments

	Group and Corporation	
	2018	2017
	\$'000	\$'000
Quoted investments		
At fair value		
Singapore government bonds	127,955	115,009
Other government bonds	111,144	130,099
Corporate bonds	539,891	510,555
Equity securities	199,678	182,987
	978,668	938,650

These investments are managed by external investment managers appointed by the Corporation and are held with an appointed external custodian.

The fair values of Singapore government bonds, other government bonds, corporate bonds and equity securities are based on the last closing bid market prices on the last market day of the financial year.

Investments at fair value through income or expenditure denominated in foreign currencies at 31 March are as follows:

	Group and Corporation	
	2018	2017
	\$'000	\$'000
United States Dollars	508,539	517,767
Euros	66,446	47,436
Hong Kong Dollars	36,693	36,989
British Pounds	31,519	27,501
Japanese Yen	15,125	17,088
Others	84,288	67,993

Notes to the financial statements
For the financial year ended 31 March 2018

13. Financial derivatives at fair value

	Group and Corporation					
	2018			2017		
	Notional amount \$'000	Assets \$'000	Liabilities \$'000	Notional amount \$'000	Assets \$'000	Liabilities \$'000
Futures contracts	13,375	353	(9)	30,402	144	(14)
Forward foreign exchange contracts	808,865	3,820	(638)	986,029	4,934	(700)
	822,240	4,173	(647)	1,016,431	5,078	(714)

Futures contracts are entered into for efficient portfolio management of the investment portfolio. Foreign exchange forward contracts are entered into for hedging purposes to manage currency risk of the investment portfolio. The notional amount is the value of the underlying futures and foreign exchange forward contracts.

Financial derivatives denominated in foreign currencies as at 31 March are as follow:

	Group and Corporation	
	2018 \$'000	2017 \$'000
United States dollars	1,235	399
Others	2	(348)

Notes to the financial statements
For the financial year ended 31 March 2018

14. Cash and cash equivalents

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	9,557	22,467	8,258	22,075
Cash placed with custodian	25,128	42,110	25,128	42,110
Deposits placed with Accountant-General's Department ("AGD")	171,483	137,969	126,667	115,945
Fixed deposits with financial institutions	—	1,879	—	1,879
	206,168	204,425	160,053	182,009
Less: Cash held on behalf of a statutory board	—	(500)	—	(500)
Less: Cash of Sentosa Cove Residential Fund	(8,606)	(7,090)	(8,606)	(7,090)
	197,562	196,835	151,447	174,419

Fixed deposits placed with financial institutions and deposits placed with the AGD mature in varying periods of between 1 day to 1 year (2017: 1 day to 1 year), depending on the immediate cash requirements of the Corporation and the Group, and earn interest income at the respective fixed deposit rates.

Included in the cash and cash equivalents of the Group and Corporation is an amount of \$Nil (2017: \$500,000) held on behalf of a statutory board for the maintenance of the Southern Islands.

The weighted average effective interest rate of cash and cash equivalents held by the Group and Corporation is 1.23% (2017: 1.37%) per annum.

Cash and cash equivalent denominated in foreign currencies as at 31 March are as follow:

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Japanese Yen	1,056	20,610	1,056	20,610
United States Dollar	16,809	29,285	16,809	29,285
Others	2,093	3,026	2,093	3,026

Notes to the financial statements
For the financial year ended 31 March 2018**15. Capital account**

The capital account represents government grants given to the Corporation for its establishment, and capital contributed by the Government.

	Group and Corporation	
	2018	2017
	\$'000	\$'000
At 1 April	14,571	14,128
Capital contributed by the Government	160	443
At 31 March	14,731	14,571

Capital management

The Group manages its capital in accordance with the Capital Management Framework formulated by the Ministry of Finance. Under this Framework, the Group is required to draw on its accumulated surpluses, existing equity, debt or additional equity contribution from the Government.

The Group defines capital as capital contributed by Government and accumulated surplus. The Group's approach to capital management remains unchanged from the financial year ended 31 March 2017.

16. Accumulated surplus**(a) General Fund**

Income and expenditure of the Group are generally accounted for under the General Fund in the profit or loss.

(b) Restricted Fund

The restricted fund refers to the net funds held in the Sentosa Cove Residential Fund. The accounting policy for the Restricted Fund is disclosed in Note 2.18.

The assets and liabilities of the restricted fund is as follows:

	Group and Corporation	
	2018	2017
	\$'000	\$'000
Trade and other receivables	4,004	1,847
Cash and cash equivalents	8,606	7,090
	12,610	8,937
Trade and other payables	2,184	2,188
Provision for contribution to Consolidated Fund	607	875
	2,791	3,063
Net assets	9,819	5,874

Notes to the financial statements
For the financial year ended 31 March 2018

17. Revaluation reserve

Revaluation reserve represents the impact of fair value adjustment on the land and buildings acquired in respect of the acquisition of a subsidiary in prior years.

18. Trade and other payables

	Group		Corporation	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Trade payables	7,378	11,649	4,719	9,829
Accrued operating expenses	44,035	43,214	29,991	32,757
Deposits	4,842	5,533	4,822	5,407
Accruals for property tax	—	328	—	328
Advance receipts	17,560	18,042	14,323	15,345
Liability for short-term compensating absences	1,532	1,300	1,179	675
Other payables	7,466	4,623	5,879	2,926
Investment payables	4,533	7,738	4,533	7,738
Changes in fair value of firm commitments	35	1,028	35	1,028
Amounts due to subsidiaries (trade)	—	—	2	936
Amounts due to subsidiaries (non-trade)	—	—	70,478	76,783
	87,381	93,455	135,961	153,752
Non-current				
Other payables	1,466	500	966	—
Total	88,847	93,955	136,927	153,752
Less: Changes in fair value of firm commitments	(34)	(1,028)	(34)	(1,028)
Less: Other payables	(500)	(500)	—	—
Less: GST payables	(2,128)	(2,737)	(1,200)	(1,075)
Total financial liabilities carried at amortised cost	86,185	89,690	135,693	151,649

Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30-days terms. All trade payables are denominated in SGD.

Investment payables

Investment payables includes management fees payable to the fund managers and the outstanding amounts for the bonds and equities purchased at year end.

Changes in fair value of firm commitment

The firm commitment as of 31 March 2018 was JPY251,952,000 which is equivalent to S\$3,102,000 (2017: JPY1,756,033,000 equivalent to S\$22,026,000).

Notes to the financial statements
For the financial year ended 31 March 2018

18. Trade and other payables (cont'd)

Amount due to subsidiaries (trade and non-trade)

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Investment payables denominated in foreign currencies at 31 March are as follows:

	Group and Corporation	
	2018	2017
	\$'000	\$'000
United States Dollars	1,835	4,110
Others	245	1,027

19. Provisions

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
At 1 April	49,094	82,683	48,956	82,545
Provision arose during the financial year	21	—	21	—
Provision utilised during the year	(4,024)	(9,089)	(4,024)	(9,089)
Write back of provision	(28,900)	(24,500)	(28,900)	(24,500)
At 31 March	16,191	49,094	16,053	48,956
<i>Comprises:</i>				
Current	14,587	14,636	14,587	14,636
Non-current	1,604	34,458	1,466	34,320
Total	16,191	49,094	16,053	48,956

Provision represents legal and constructive obligation for the provision of certain infrastructure and amenities to purchasers of Sentosa Cove's land, for which management expects to incur expenditure.

Notes to the financial statements
For the financial year ended 31 March 2018

20. Deferred capital grants

	Group and Corporation	
	2018	2017
	\$'000	\$'000
At 1 April	11,777	12,343
Amounts amortised	(566)	(566)
Amounts received	697	–
At 31 March	11,908	11,777
<i>Comprises</i>		
Current	566	566
Non-current	11,342	11,211
	11,908	11,777
Total capital grants received since establishment	511,068	510,371

Deferred capital grants relate to grants received from the Government for the purchase of certain property, plant and equipment.

21(a) Deferred membership fee

Club membership fee

	2018	2017
	\$'000	\$'000
At 1 April	62,575	66,880
Additions	75	118
	62,650	66,998
Credited to profit or loss	(4,999)	(4,423)
At 31 March	57,651	62,575

The additions represent the members' contributions for the lease renewal in respect of Tanjong Golf Course and Serapong Golf Course and the redevelopment of Tanjong Golf Course.

Notes to the financial statements
For the financial year ended 31 March 2018**21(a) Deferred membership fee (cont'd)**Term membership fee

	2018	2017
	\$'000	\$'000
At 1 April	1,061	965
Additions	2,835	2,415
	<hr/>	<hr/>
	3,896	3,380
Credited to profit or loss	(2,686)	(2,319)
	<hr/>	<hr/>
At 31 March	1,210	1,061
	<hr/>	<hr/>
<i>Comprises:</i>		
Current	6,208	6,056
Non-current	52,653	57,580
	<hr/>	<hr/>
Total	58,861	63,636
	<hr/>	<hr/>

21(b) Deferred lease income

	Group and Corporation	
	2018	2017
	\$'000	\$'000
<u>Deferred lease income</u>		
At 1 April	44,925	46,071
Amounts taken to profit or loss:		
- Lease income amortised (Note 24)	(1,139)	(1,146)
	<hr/>	<hr/>
At 31 March	43,786	44,925
	<hr/>	<hr/>
<i>Comprises:</i>		
Current	1,139	1,146
Non-current	42,647	43,779
	<hr/>	<hr/>
Total	43,786	44,925
	<hr/>	<hr/>

Deferred lease income mainly comprises lease, service and development fees, and upfront premium received in respect of long-term leases.

Notes to the financial statements

For the financial year ended 31 March 2018

22. Provision for contribution to Consolidated Fund

The Corporation is required to contribute to the Consolidated Fund in accordance with the Statutory Corporations (Contribution to Consolidated Fund) Act (Chapter 319A).

The Club has obtained written consent from the Ministry of Finance, that membership entrance fees recognised as income upfront prior to 1 April 1999 under the previous revenue recognition policy would not be subject to contribution, when these fees are deferred and recognised as income over the remaining lease term of the land under the current accounting policy. Hence, the membership entrance fee income of \$2,029,000 (2017: \$2,029,000) resulting from the amortisation of deferred membership fee is not subject to contribution to Consolidated Fund.

	Group and Corporation	
	2018	2017
	\$'000	\$'000
Net surplus of the Corporation before contribution to Consolidated Fund	58,196	59,126
Deferred membership fee on membership entrance	(2,029)	(2,029)
Unutilised loss brought forward	–	(44,099)
Net surplus subject to contribution to Consolidated Fund	56,167	12,998
Contribution to Consolidated Fund:		
Current year	9,549	2,209
Prior years under provision	–	195
Total	9,549	2,404

The contribution for the financial year under review is based on 17% of the net surplus, if any, of the Corporation.

Notes to the financial statements
For the financial year ended 31 March 2018**23. Deferred tax liabilities**

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	At 1 April 2016 \$'000	Recognised in profit or loss \$'000	At 31 March 2017 and 1 April 2017 \$'000	Recognised in profit or loss \$'000	At 31 March 2018 \$'000
Group					
Deferred tax liabilities					
Property, plant and equipment	(1,190)	269	(921)	104	(817)

Deferred tax assets have not been recognised in respect of the following items:

	2018 \$'000	2017 \$'000
Group		
Unutilised tax losses	3,400	3,848

The unutilised tax losses and capital allowances relating to certain subsidiaries are subject to agreement by the tax authorities and compliance with the relevant provisions of Singapore Income Tax Act.

At the reporting date, the Group has not recognised deferred tax assets arising from unutilised tax losses that are available for offset against future taxable profits, for which no deferred tax asset is recognised, as it is not probable that taxable profits will be available against which the deferred tax assets can be utilised.

24. Rental and hiring of facilities

	Group		Corporation	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Rental income	46,244	43,477	51,832	46,426
Lease income amortised (Note 21(b))	1,139	1,146	1,139	1,146
	47,383	44,623	52,971	47,572

Notes to the financial statements
For the financial year ended 31 March 2018

25. Investment income

	Group and Corporation	
	2018	2017
	\$'000	\$'000
Dividend income	4,749	2,699
Interest income	25,623	11,878
Realised fair value gain/(loss) on investment	28,193	(8,091)
Unrealised fair value (loss)/gain on investment	(26,975)	5,958
Net foreign currency exchange (loss)/gain	(479)	587
Other investment expenses	(2,801)	(1,086)
	28,310	11,945

26. Other revenue

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Club income	26,510	22,979	26,510	22,979
Sales of merchandise, net of discounts	9,118	8,472	—	—
Headquarter support cost recovery	—	—	3,209	1,787
Sponsorship income	486	928	285	412
Food and beverage	16,171	12,346	5,060	3,414
Maintenance fund contributions	10,564	8,594	10,564	8,594
Others	2,675	3,085	2,304	3,191
	65,524	56,404	47,932	40,377

27. Staff costs

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	71,930	67,660	61,105	59,009
CPF contributions	14,522	12,410	7,637	6,572
	86,452	80,070	68,742	65,581

Notes to the financial statements
For the financial year ended 31 March 2018**28. General and administrative expenses**

The following items have been included in arriving at general and administrative expenses:

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Property tax	5,459	2,949	4,890	4,415
Utilities	4,523	4,827	3,371	3,935
Land held for sale written off	—	3,028	—	3,028
Investment related expenses	3,162	1,934	3,162	1,934
Professional and consultancy fees	2,517	3,812	2,828	3,359
Printing and stationery	1,607	1,671	1,392	1,516
Travelling and transport	2,478	1,626	2,401	1,459
Exchange loss/(gain)	259	(353)	251	(372)
Changes in fair value of hedged firm commitment	(993)	697	(993)	697
Changes in fair value of hedging instruments	993	(697)	993	(697)
Loss on disposal of property, plant and equipment	4,836	5,004	4,038	4,669
Operating lease expenses	920	772	197	101

Notes to the financial statements
For the financial year ended 31 March 2018**29. Income tax expense/(credit)**

The Corporation is a tax exempt institution under the provision of the Income Tax Act (Chapter 134, 2008 Revised Edition). The subsidiaries of the Corporation are subject to tax under Singapore income tax legislation.

	Group	
	2018 \$'000	2017 \$'000
Current tax expense		
Current year	1,703	565
Under/(over) provision in respect of prior years	241	(455)
	<hr/> 1,944	<hr/> 110
Deferred tax credit		
Current year	(104)	(269)
Over provision in respect of prior years	—	—
	<hr/> (104)	<hr/> (269)
Total income tax expense/(credit)	<hr/> 1,840	<hr/> (159)
Reconciliation of effective tax rate		
Surplus before income tax	67,588	69,762
Tax using Singapore tax rate at 17%	11,490	11,860
Surplus not subject to tax	(9,893)	(9,621)
Non-deductible expenses	169	27
Income not subject to tax	(100)	(1,643)
Effect of partial tax exemption and tax relief	(72)	(55)
Deferred tax assets not recognised	—	119
Benefits from previously unrecognised tax losses	(76)	—
Under/(over) provision in respect of prior years	241	(455)
Others	81	(391)
	<hr/> 1,840	<hr/> (159)

Notes to the financial statements
For the financial year ended 31 March 2018

30. Commitments

(a) *Capital commitments*

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements is as follows:

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Capital commitments in respect of property, plant and equipment	21,980	44,901	20,832	44,345

(b) *Operating lease commitments - as lessor*

The Group leases land to certain hotels and other tenants for 3 to 92 (2017: 3 to 92) years under operating leases. There are no restrictions placed upon the Group and the Corporation by entering into these leases. Some leases has escalation clauses. Lease income is based on a fixed lump sum payment, which is amortised over the lease period, a fixed monthly rental, and a variable rental payment based on a percentage of the tenant's revenue derived from using the leased land.

Lease income recognised in the profit or loss of the Group and the Corporation during the financial year amounted to \$47,383,000 (2017: \$44,623,000) and \$52,971,000 (2017: \$47,572,000) respectively, of which \$15,010,000 (2017: \$15,260,000) was related to the variable rental income received during the financial year.

At 31 March, the Group has commitments for future minimum lease receipts under non-cancellable operating leases as follows:

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within 1 year	29,690	29,792	33,271	31,989
Within 2 to 5 years	96,070	98,428	99,851	101,817
After 5 years	1,030,919	1,017,954	1,030,919	1,017,954
	1,156,679	1,146,174	1,164,041	1,151,760

Notes to the financial statements
For the financial year ended 31 March 2018

30. Commitments (cont'd)

(c) *Operating lease commitments - as lessee*

The operating lease commitments mainly relate to the tenancy of the Group's premises. The leases run for a period of 2 to 15 (2017: 2 to 15) years with an option to renew the leases after that date.

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within 1 year	761	2,796	155	459
Within 2 to 5 years	3,242	4,893	127	179
After 5 years	4,335	6,279	—	—
	8,338	13,968	282	638

31. Significant related party transactions

(a) *Compensation of key management personnel*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity.

Key management personnel compensation comprises:

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	7,766	8,329	5,292	5,502
CPF contributions	411	397	240	226
Board members' fees	156	169	129	118
	8,333	8,895	5,661	5,846

Notes to the financial statements
For the financial year ended 31 March 2018

31. Significant related party transactions (cont'd)

(b) *Other significant related party transactions*

During the financial year, other than those disclosed elsewhere in the financial statements, the following significant transactions were carried out by the Group and Corporation with its related parties in the normal course of business on terms agreed between the parties.

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Ministries and Statutory Boards				
Purchases and services paid to other ministries	3,184	2	3,184	2
Purchases and services paid to other statutory boards	2,613	2,063	2,476	1,842
Services rendered to other ministries	21	225	14	225
Services rendered to other statutory board	892	4,228	868	4,200
Subsidiaries				
Admission fee income from subsidiaries	—	—	2,412	2,458
Rental income from subsidiaries	—	—	5,876	3,060
Headquarter support fee income from subsidiaries	—	—	3,209	1,787
Purchase of goods and services from subsidiaries	—	—	18,713	13,146
Management fee expense paid to subsidiaries	—	—	42,584	35,612
Joint ventures				
Rental income from joint venture	689	689	689	689
Other related parties				
Services rendered by related parties	267	346	238	340
Services rendered to related parties	63	149	56	122

Notes to the financial statements
For the financial year ended 31 March 2018**32. Fair value of assets and liabilities****(a) Fair value hierarchy**

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of reporting period:

Group and Corporation	Level 1 S\$'000	Level 2 S\$'000	Total S\$'000
2018			
Financial assets:			
Singapore government bonds	127,955	—	127,955
Other government bonds	111,144	—	111,144
Corporate bonds	539,891	—	539,891
Equity securities	199,678	—	199,678
Sub-Total	978,668	—	978,668
Derivative financial instruments			
Futures	353	—	353
Forward foreign exchange contracts	—	3,820	3,820
Sub-Total	353	3,820	4,173
Total	979,021	3,820	982,841
Financial liabilities:			
Derivative financial instruments			
Futures	(9)	—	(9)
Forward foreign exchange contracts	—	(638)	(638)
Non derivative financial instruments			
Firm commitment	—	(34)	(34)
Total	(9)	(672)	(681)

Notes to the financial statements
For the financial year ended 31 March 2018

32. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value (cont'd)*

Group and Corporation	Level 1 S\$'000	Level 2 S\$'000	Total S\$'000
2017			
Financial assets:			
Singapore government bonds	115,009	—	115,009
Other government bonds	130,099	—	130,099
Corporate bonds	510,555	—	510,555
Equity securities	182,987	—	182,987
Sub-Total	938,650	—	938,650
<u>Derivative financial instruments</u>			
Futures	145	—	145
Forward foreign exchange contracts	—	4,933	4,933
Sub-Total	145	4,933	5,078
Total	938,795	4,933	943,728
Financial liabilities:			
<u>Derivative financial instruments</u>			
Futures	(14)	—	(14)
Forward foreign exchange contracts	—	(700)	(700)
<u>Non derivative financial instruments</u>			
Firm commitment	—	(1,028)	(1,028)
Total	(14)	(1,728)	(1,742)

(c) *Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

33. Financial risk management objectives and policies**Overview**

The Group is exposed to financial risks arising from its operations, investments and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It has always been the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise from outstanding investment, financial instruments, trade and other receivables should a counterparty default on its obligations. The major classes of financial assets of the Group are investments managed by professional fund managers, bank deposits, trade and other receivables.

The Group limits its credit risk exposure in respect of investments and financial instruments by investing in fixed income securities rated at least Investment Grade and specifying maximum exposure that can transacted with any one counterparty.

For trade and other receivables, the Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Hence, the Group does not expect to incur material credit losses.

Cash and fixed deposits are placed with government and reputable and regulated financial institutions. For other financial assets, the Group minimises credit risk by dealing mainly with high credit rating counterparties.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

At the reporting date, approximately 24% (2017: 32%) of the Group's trade receivables were due from 5 (2017: 5) major customers located in Singapore.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Notes to the financial statements
For the financial year ended 31 March 2018

33. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 (Trade and other receivables).

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of non-investment financial assets and liabilities. In addition, the Group is also exposed to risk of insufficient liquidity in the market for its investments and financial instruments that may limit its ability to liquidate these investments at a reasonable fair value.

As part of its overall liquidity management, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. SDC also limits exposure to only investments and financial instruments with sufficient market liquidity.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the expected contractual undiscounted cash outflows of financial liabilities, including interest payments.

Group	2018 \$'000			2017 \$'000		
	One year or less	One to five years	Total	One year or less	One to five years	Total
Financial liabilities:						
Trade and other payables	85,219	966	86,185	89,690	–	89,690
Firm commitment	3,102	–	3,102	22,026	–	22,026
Total undiscounted financial liabilities	88,321	966	89,287	111,716	–	111,716

Corporation	2018 \$'000			2017 \$'000		
	One year or less	One to five years	Total	One year or less	One to five years	Total
Financial liabilities:						
Trade and other payables	134,727	966	135,693	151,649	–	151,649
Firm commitment	3,102	–	3,102	22,026	–	22,026
Total undiscounted financial liabilities	137,829	966	138,795	173,675	–	173,675

33. Financial risk management objectives and policies (cont'd)**(c) Interest rate risk****(i) Investments**

Interest rate risk is the risk that the fair value or future cash flows of the Group's investments and financial instruments will fluctuate because of changes in market interest rates. The Group is subjected to interest rate risk as it invests in Singapore government bonds, other government bonds and corporate bonds.

The Group manages its interest rate risk through having a diversified portfolio and limits the allowable deviations for duration, thus monitoring and controlling exposure risk. The performance of the externally managed funds is regularly reviewed by the Internal Investment Team.

The sensitivity analysis below has been determined based on exposures to interest rate risks at the reporting date.

In respect of the floating rate bonds, a +/- 1% (2017: 1%) change in interest rate as at March 2018 will result in a +/- S\$623,000 (2017: S\$568,000) increase/decrease in interest income for the Group and Corporation. This analysis was performed assuming all other variables remain constant.

(ii) Other Financial Assets and Financial Liabilities

Interest rate risk is the risk that the fair value or future cash flows of the Group's non-investment financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its deposits with the Accountant-General's Department. The Group's policy is to obtain the most favourable interest rates available without increasing its interest rate exposure.

Notes to the financial statements
For the financial year ended 31 March 2018

33. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

(ii) Other Financial Assets and Financial Liabilities (cont'd)

At the reporting date, if interest rates had been 25 (2017: 25) basis points higher/lower with all other variables held constant, the Group's and the Corporation's net surplus/(deficit) before contribution to Consolidated Fund would have been higher/lower by the amounts shown below.

	2018		2017	
	25 basis point increase	25 basis point decrease	25 basis point increase	25 basis point decrease
	\$'000	\$'000	\$'000	\$'000
Group				
Deposits placed with Accountant-General's Department (Note 14)	429	(429)	345	(345)
Fixed deposits (Note 14)	—	—	5	(5)
	429	(429)	350	(350)
Corporation				
Deposits placed with Accountant-General's Department (Note 14)	317	(317)	290	(290)
Fixed deposits (Note 14)	—	—	5	(5)
	317	(317)	295	(295)

Notes to the financial statements
For the financial year ended 31 March 2018

33. Financial risk management objectives and policies (cont'd)

(d) *Foreign currency risk*

(i) Investments

The Group's investments and financial instruments are held in various foreign currencies, including United States Dollars, Hong Kong Dollars and Japanese Yen, and therefore exposed to foreign exchange risk. The Group manages its foreign currency exposure by hedging through currency forward contracts as stipulated in the Group's foreign currency hedging policy.

The Group's foreign currency exposure for investments and financial instruments as at end of each reporting period are as follows:

	Group		Corporation	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
United States Dollars	48,794	42,090	48,794	42,090
Hong Kong Dollars	36,693	36,989	36,693	36,989
Japanese Yen	8,060	11,344	8,060	11,344
Others	86,595	63,191	86,595	63,191

The following table demonstrates the sensitivity of the Group's surplus to a reasonably possible change in the United State Dollars, Hong Kong Dollars and Japanese Yen exchange rates against SGD with all other variables held constant.

		2018	2017
		\$'000	\$'000
SGD/USD	- strengthened 1%	488	421
	- weakened 1%	(488)	(421)
SGD/HKD	- strengthened 1%	367	370
	- weakened 1%	(367)	(370)
SGD/JPY	- strengthened 1%	8	110
	- weakened 1%	(8)	(110)

Notes to the financial statements
For the financial year ended 31 March 2018**33. Financial risk management objectives and policies (cont'd)****(d) Foreign currency risk (cont'd)****(ii) Other Financial Assets and Financial Liabilities**

The Group's operation is not exposed to significant foreign exchange risk as most of its transactions are transacted in Singapore dollars.

At the end of each reporting period, the carrying amounts of non-investment financial assets and liabilities denominated in foreign currencies at 31 March are mainly in United States Dollars and Japanese Yen are as follows:

	Group				Corporation			
	Assets		Liabilities		Assets		Liabilities	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
United States								
Dollars	23,483	34,594	1,902	4,132	23,483	34,594	1,902	4,132
Japanese Yen	1,140	20,722	-	30	1,140	20,722	-	30
Others	4,036	5,114	247	1,397	4,036	5,114	247	1,397

The following table demonstrates the sensitivity of the Group's surplus to a reasonably possible change in the United State Dollars and Japanese Yen exchange rates against SGD with all other variables held constant.

		2018	2017
		\$'000	\$'000
SGD/USD	- strengthened 1%	216	305
	- weakened 1%	(216)	(305)
SGD/JPY	- strengthened 1%	11	207
	- weakened 1%	(11)	(207)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group is exposed to market price risk arising from its investments in quoted equity securities and bonds. The Group manages its price risk through having a diversified portfolio and target weights, thus monitoring and controlling exposure risk. The performance of the externally managed funds is regularly monitored by the Internal Investment Team and reported to the Management and the Board of Directors.

In respect of these investments, a +/- 2% (2017: 2%) change in investment value as at 31 March 2018 will result in a +/- S\$19,573,000 (2017: S\$18,773,000) increase/decrease in net surplus for the Group and Corporation. This analysis has been performed with all other variables constant.

All the above sensitivity disclosures in this note has been disclosed in accordance with the requirements of SB-FRS 107. In Management's opinion, the sensitivity analysis is not fully representative of the risk considerations for its investments. The Group's investments are regularly assessed with a larger spectrum of risk considerations included in the long term asset allocation policy.

34. Capital management

The Group manages its capital in accordance with the Capital Management Framework formulated by the Ministry of Finance. Under this Framework, the Group is required to draw on its accumulated surpluses, existing equity, debt or additional equity contribution from the Government.

The Group defines capital as capital contributed by government and accumulated surplus. The Group's approach to capital management remains unchanged from the financial year ended 31 March 2017.

35. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 20 June 2018.