SINGAPORE TOTALISATOR BOARD

ANNUAL REPORT

2012/2013

The Singapore Public Service: Integrity · Service · Excellence

VISION AND MISSION

Vision

A leading grant-making organisation that channels gaming revenues to give hope to and improve lives in our community.

Mission

We manage our assets prudently, make social investments and fund worthy causes to build a stronger community.

We ensure that Singapore Pools and Singapore Turf Club conduct their gaming operations professionally and in a socially responsible manner.

BACKGROUND AND OBJECTIVES

The Singapore Totalisator Board (the "Board") was established on 1 January 1988 under the Singapore Totalisator Board Act (Chapter 305A). The Board provides a legal avenue for betting and gaming, which would otherwise be channelled to illegal bookmakers. It holds the right to operate horse racing and totalisators, lotteries (4D, Toto, Singapore Sweep) and sports betting (football and Formula One motor racing). The horse racing and totalisator operations are conducted through its proprietary club, the Singapore Turf Club while 4D, Toto, Singapore Sweep and sports betting are conducted through its wholly-owned subsidiary, Singapore Pools (Private) Limited.

The Board channels the surplus funds generated from its gaming and betting operations to worthy activities in the areas of arts & culture, charity (social service), community development, education, health and sports. It also dedicates funds towards developing programmes that build capacity within the non-profit sector and exploring social initiatives that exhibit potential to fill various social gaps which may or may not be obvious to society at large. More information on the Board's approved donations for FY2012/2013 is available in its Social Investment Report.

CORPORATE GOVERNANCE REPORT

SINGAPORE TOTALISATOR BOARD

Board Members (as at 30 June 2013)

The Board is committed to ensure that the highest standards of corporate governance are practised throughout the Board and its subsidiaries ("the Group").

The Chairman and Board members are appointed by the Minister for Finance and they are drawn from both the public and private sectors.

The Board met five times during the financial year. Apart from its statutory responsibilities, the Board sets the strategic directions and policies relating to the Board's donations and ensures that the Board's donations are channelled to worthy causes. The Board also oversees strategic matters concerning the Singapore Turf Club's and Singapore Pools (Private) Limited's operations.

Chairman	- Mr Bobby Chin Yoke Choong (up to 31 December 2012) - Mr Moses Lee Kim Poo (from 1 January 2013)
Members	- Mr Cheah Kim Teck (up to 31 December 2012) - BG (NS) Gary Ang Aik Hwang (up to 31 December 2012) - Dr Mary Ann Tsao (up to 31 December 2012) - Mr Michael Palmer (up to 31 December 2012) - Mr Moses Lee Kim Poo (up to 31 December 2012) - Mr Chan Heng Kee - Ms Chew Gek Khim - Mr Kon Yin Tong - Mr Ng Wai Choong Alternate: Mr Kevin Shum - Mr Patrick Lee Kwok Kie - Mrs Tan Ching Yee - BG Chia Choon Hoong (from 1 January 2013) - Mr Linus Goh Ti Liang (from 1 January 2013) - Ms Yeoh Chee Yan (from 1 January 2013)

CORPORATE GOVERNANCE REPORT

SINGAPORE TOTALISATOR BOARD

Audit Committee Members (as at 30 June 2013)

The Audit Committee is chaired by a non-executive Board Member and includes representatives from the Singapore Turf Club and Singapore Pools (Private) Limited. It reviews the adequacy of the Group's internal financial controls, operational and compliance controls, and risk management policies and systems (collectively "internal controls") established by the Management. It also reviews with external auditors all statutory financial reports before submission to the Board. It met three times during the financial year.

Chairman	- Mr Kon Yin Tong
Members	- BG (NS) Gary Ang Aik Hwang (up to 31 December 2012) - Mr Lim Joo Boon (up to 31 December 2012) - Mr Poh Eng Seng (up to 31 December 2012) - Mr Gn Hiang Meng - BG Chia Choon Hoong (from 2 January 2013) - Mr Noel Hon Chia Chun (from 2 January 2013)

Investment Committee Members (as at 30 June 2013)

The Investment Committee sets and reviews policies on the investment of the Board's surplus funds. It also reviews the investment returns, performance of fund managers as well as approves the appointment/termination of fund managers, custodians, investment consultants and related service providers. It met four times during the financial year.

Chairman	- Mr Bobby Chin Yoke Choong (up to 31 December 2012) - Mr Moses Lee Kim Poo (from 1 January 2013)
Members	- Mrs Chin Ean Wah (up to 31 December 2012) - Mr Michael Palmer (up to 31 December 2012) - Mr Moses Lee Kim Poo (up to 31 December 2012) - Ms Chew Gek Khim - Mr Nels R Friets - Mr Ng Wai Choong - Mr Linus Goh Ti Liang (from 1 January 2013)

CORPORATE GOVERNANCE REPORT

SINGAPORE TOTALISATOR BOARD

Human Resources (HR) Committee Members (as at 30 June 2013)

The HR Committee assists the Board in providing guidance on human resources strategies and policies, including executive compensation and development. There were no meetings during the financial year.

Chairman	- Mr Bobby Chin Yoke Choong (up to 31 December 2012) - Mr Moses Lee Kim Poo (from 1 January 2013)
Members	- Mr Patrick Lee Kwok Kie - Mr Tan Soo Nan

CORPORATE GOVERNANCE REPORT

SINGAPORE TOTALISATOR BOARD

Risk Management

The Group, through an established risk management process, regularly reviews its business, financial and operational activities to identify areas of significant risks and takes appropriate measures to control and mitigate such risk exposures. All significant risk-related issues are highlighted to the Audit Committee, which ensures such issues are appropriately addressed on a timely basis.

The Audit Committee is of the opinion that the risk management framework is adequate to manage key business, financial and operational risks of the Group to achieve its corporate objectives.

Internal Audit and Internal Controls

The Group's Internal Audit is an independent function which reports directly to the Audit Committees of the respective Boards. The professional competence of our internal auditors is maintained through continuous professional training programmes. The Group's Internal Audit works closely with the external auditors and meets regularly with them to co-ordinate audit efforts. Significant non-compliances with the established practices, procedures and regulations, as well as internal control weaknesses noted during audits, together with the recommendations for improvement, are reported to the Audit Committees, which ensure that outstanding high-risk issues are dealt with in a timely manner.

The Group's control framework includes the segregation of duties, periodic reconciliation of financial information, compliance with internal financial policies, financial regulations or government instruction manuals, clearly defined responsibility and financial authority limits and maintenance of proper accounting records. Other measures to address the risks of fraud include the documentation of key work procedures and policies and audit checks to ensure compliance with these procedures and policies.

The Board believes that the system of internal controls in place is adequate for the current operations of the Group.

CORPORATE GOVERNANCE REPORT

MEMBERS OF THE GROUP - SINGAPORE POOLS (PRIVATE) LIMITED

Directors (as at 30 June 2013)

Chairman	- Mr Bernard Chen Tien Lap (up to 27 June 2013) - Mr Koh Choon Hui (from 28 June 2013)
Deputy Chairman	- Mr Koh Choon Hui (from 1 March 2013 to 27 June 2013)
Directors	- Mr Chia Ngiang Hong (up to 27 June 2013) - Mr Lim Joo Boon (up to 27 June 2013) - Mr Tan Guong Ching (up to 27 June 2013) - Mr Cheah Kim Teck - Mr Noel Hon - Ms Jacqueline Poh - Mr Poh Eng Seng - Mr Tan Soo Kiang - Mr Tan Soo Nan

Audit Committee Members (as at 30 June 2013)

Chairman	- Mr Lim Joo Boon (up to 1 January 2013) - Mr Noel Hon (from 2 January 2013)
Members	- Mr Poh Eng Seng - Mr Tan Soo Kiang

Remuneration and Nominating Committee Members (as at 30 June 2013)

Chairman	- Mr Bernard Chen (up to 27 June 2013) -Mr Koh Choon Hui (from 28 June 2013)
Members	- Mr Chia Ngiang Hong (up to 27 June 2013) - Mr Tan Guong Ching (up to 27 June 2013) -Mr Koh Choon Hui (from 1 March 2013 to 27 June 2013) - Mr Cheah Kim Teck

CORPORATE GOVERNANCE REPORT

MEMBERS OF THE GROUP - SINGAPORE TURF CLUB

Management Committee Members (as at 30 June 2013)

Chairman	- Mr Tan Guong Ching
Honorary Secretary	- Mr Jerry Sung Ye-Ven
Honorary Treasurer	- Professor Leong Siew Meng (up to 31 March 2013) - Mr Ian Macdonald (from 1 April 2013)
Members	- Mr Harry Elias (up to 31 March 2013) - Mr Ian Macdonald (up to 31 March 2013) - Mr Lim Joo Boon (up to 31 March 2013) - Mr Chou Sean Yu - Mr Gn Hiang Meng - Mr Jeffery Chan Cheow Tong - Mr Jimmy Lau - Mr Sitoh Yih Pin - Mr Suresh Nair - Mr Tony Tan Keng Joo

Audit Sub-Committee Members (as at 30 June 2013)

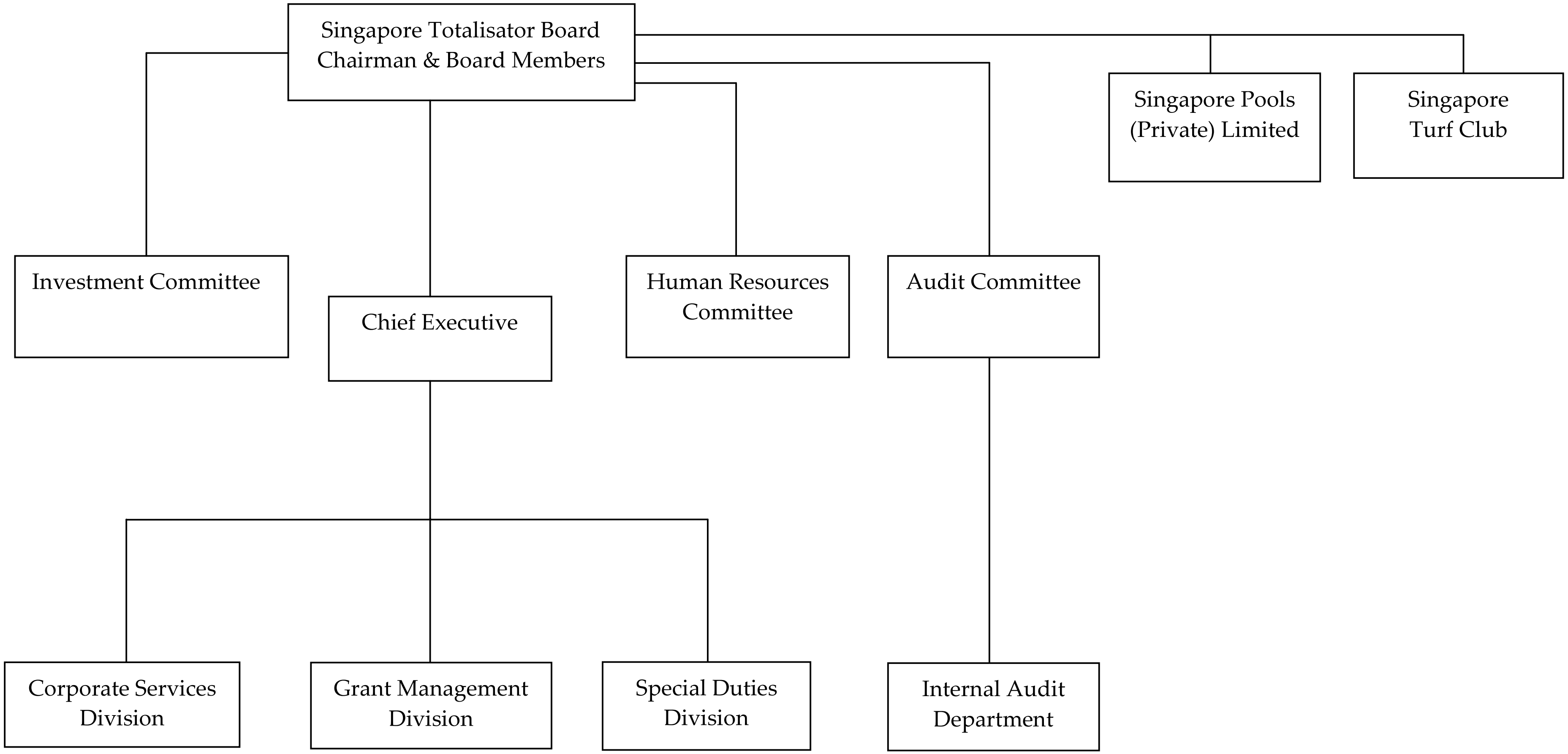
Chairman	- Mr Gn Hiang Meng
Members	- Mr Harry Elias (up to 31 March 2013) - Professor Leong Siew Meng (up to 31 March 2013) - Mr Jeffery Chan Cheow Tong - Mr Chou Sean Yu (from 1 April 2013)

Nominating and Remuneration Sub-Committee Members (as at 30 June 2013)

Chairman	- Mr Tan Guong Ching
Members	- Mr Lim Joo Boon (up to 31 March 2013) - Mr Jimmy Lau - Mr Jerry Sung Ye-Ven (from 1 April 2013)

SINGAPORE TOTALISATOR BOARD

Organisation Structure (as at 30 June 2013)



SINGAPORE TOTALISATOR BOARD

Principal Officers (as at 30 June 2013)

Chief Executive	- Mr Tan Soo Nan
Director (Special Duties)	- Mr Fong Heng Boo
Director (Grant Management)	- Mrs Boon-Ngee Sebastian
Director (Internal Audit)	- Ms Lim Ay Ling
Senior Manager (Corporate Services)	- Mr Low Soong Yin

MAJOR INITIATIVES IN FY2012/2013

Relocation of Tote Board Office and Singapore Pools' Main Branch and Office

In February 2013, Singapore Pools (Private) Limited relocated its office and main branch from PoMo, 1 Selegie Road to the new Singapore Pools Building at 210 Middle Road. In the same month, Tote Board moved from the Singapore Racecourse in Kranji to the new Singapore Pools Building. The central location enables the Board to engage its stakeholders more proactively.

Successful ISO 2001:9008 Re-certification

In March 2013, Tote Board successfully attained ISO 9001: 2008 re-certification for its core business processes, a testimony to its commitment to quality service and pursuit of continuous improvement for the benefit of the public.

Responsible Gaming Initiatives and Achievements

In September 2012, Singapore Pools (Private) Limited was awarded the Level 4 Certification of the World Lottery Association (WLA) Responsible Gaming Framework (RGF) – the highest level of international certification of its kind. The certification is a strong endorsement from the most respected and established world organisation of lottery operators.

During the 4th Responsible Gaming Awareness Week (RGAW) which ran from 21 to 27 January 2013, Singapore Turf Club launched a new video to raise awareness of responsible gambling measures. This video was broadcasted at the Club's premises during races, on its website and also through the Starhub Cable horseracing channel.

Singapore Turf Club Awarded bizSAFE Level 3 Competency

In March 2013, Singapore Turf Club was awarded bizSAFE Level 3 competency by the Workplace Safety and Health Council (WSH Council). This award signifies that the Club has complied fully with the requirements of the Workplace Safety and Health Act (Chapter 354 A). Over a six-month period (Jun – November 2012), more than 600 work activities of the Club's departments were risk-rated and mapped to identify potential work hazards. Through this evaluation and establishment of practical measures to reduce the risks, the Club has further raised the safety level at its workplace and premises for its staff, visitors and customers.

REVIEW OF FINANCIAL PERFORMANCE

SINGAPORE TURF CLUB

	Year Ended 31 March 2013 $M	Year Ended 31 March 2012 $M
Totalisator		
Turnover	1,568	1,741
Dividends Paid (Net of Unclaimed Dividends)	(1,246)	(1,391)
Betting Tax Paid to Government	(83)	(90)
Revenue from Totalisator	239	260
Other Racing Related Revenue	26	25
Sundry Income	10	11
Total Revenue	275	296
Expenditure	(262)	(265)
Surplus	13	31

TABLE 1

There were 96 Singapore race days, with a total of 998 races, giving an average of 10 races on each Singapore race day. Altogether, there were 5,629 races for the year, including races from Malaysia, Hong Kong, Australia, South Africa, Europe and other countries.

The totalisator turnover was $1,568 million; a decrease of $173 million or 9.9% over the previous year. The decrease was mainly due to the impact of the casinos and lower attendance rates at the racecourse due to renovation works at the Grandstand building.

REVIEW OF FINANCIAL PERFORMANCE

SINGAPORE POOLS (PRIVATE) LIMITED

	Year Ended 31 March 2013 $M	Year Ended 31 March 2012 $M
Lotteries and Other Products		
Turnover	6,247	6,322
Prizes/Dividends Paid (Net of Unclaimed Prizes/Dividends)	(4,136)	(4,275)
Betting Tax Paid to Government	(1,325)	(1,348)
Commission Paid	(42)	(44)
Revenue from Lotteries and Other Products	744	655
Investment and Other Income	2	5
Total Revenue	746	660
Expenditure	(123)	(116)
Surplus	623	544

TABLE 2

The turnover was $6,247 million, a decrease of $75 million or 1.2% as compared to the previous year. The decrease was mainly due to a lower turnover for 4D and the discontinuation of the 'Scratchit!' product.

REVIEW OF FINANCIAL PERFORMANCE

SINGAPORE TOTALISATOR BOARD (GROUP)

	Year Ended 31 March 2013 $M	Year Ended 31 March 2012 $M
Surplus of Singapore Turf Club	13	31
Surplus of Singapore Pools (Private) Limited	623	544
Net Investment Income and Other Income of Singapore Totalisator Board	182	42
Casino Entry Levy of Singapore Totalisator Board	170	193
Expenditure of Singapore Totalisator Board	(16)	(16)
Donations of Singapore Totalisator Board	(395)	(375)
Surplus of the Group	577	419

TABLE 3

The Group's surplus increased by $158 million, from $419 million in FY2011/2012, to $577 million in FY2012/2013. The increase was mainly due to higher investment income and an increase in Singapore Pools (Private) Limited's surplus.

REVIEW OF FINANCIAL PERFORMANCE

DONATIONS

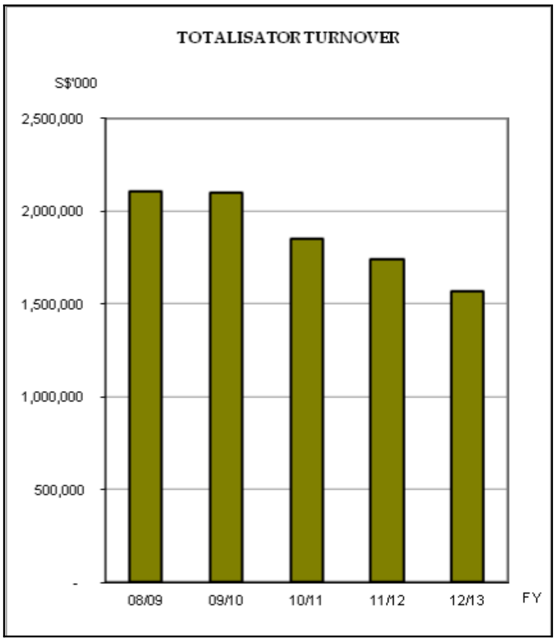
The Group's outstanding donation commitments are as follows:

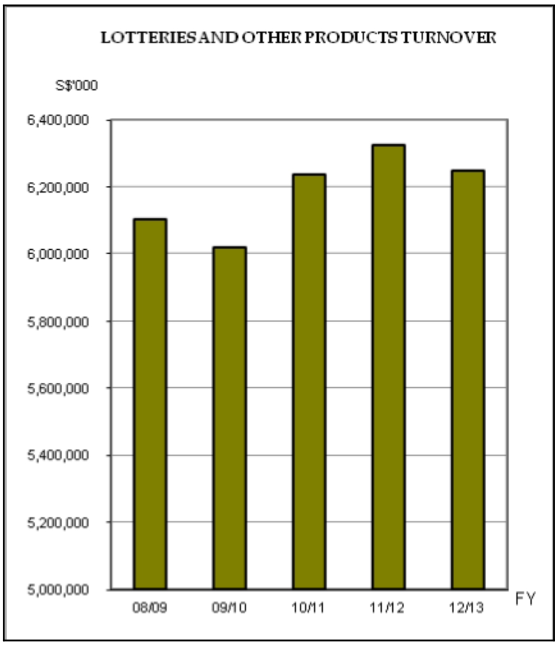
	As At 31 March 2013 $M	As At 31 March 2012 $M
Arts and Culture	436	480
Charity (Social Service)	509	185
Community Development	286	314
Education	68	75
Health	164	168
Sports	785	422
Total	2,248	1,644

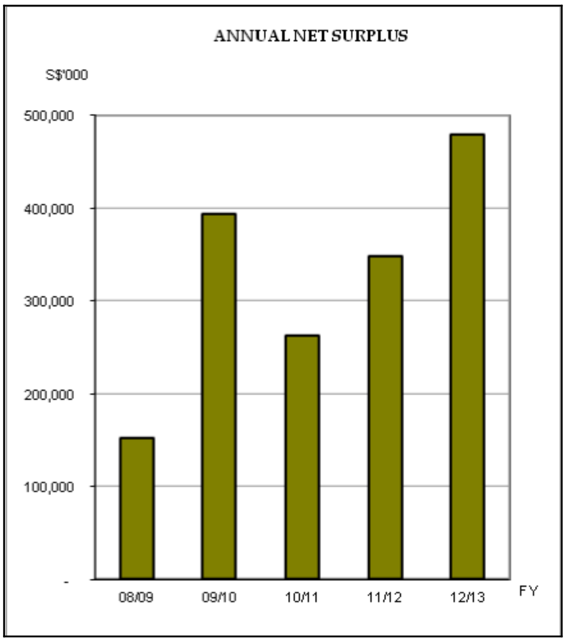
TABLE 4

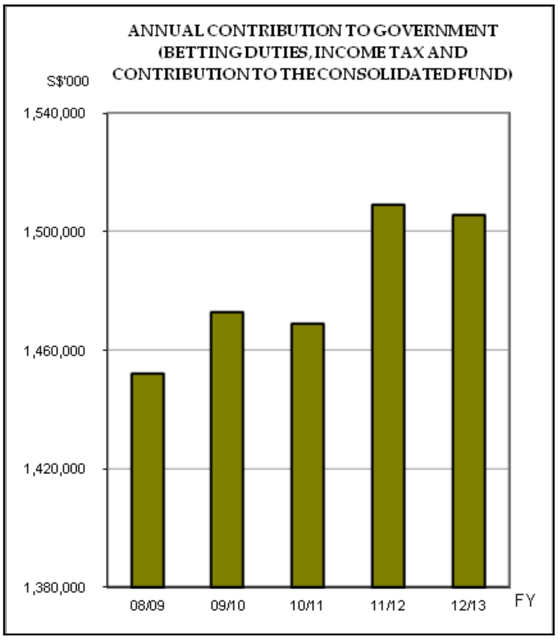
The total outstanding donation commitments increased by 37% in comparison to the previous year. The increase was as a result of the renewed commitments toward the Sporting Singapore Fund 3, the Tote Board Social Service Fund and various large social service initiatives.

PERFORMANCE INDICATORS









Singapore Totalisator Board
and its Subsidiaries

Financial Statements
Year ended 31 March 2013

Statement by the Singapore Totalisator Board

In our opinion:

(a) the accompanying financial statements of the Singapore Totalisator Board (the "Board") and its subsidiaries (the "Group") as set out on pages 21 to 58 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Board as at 31 March 2013, the results from operations and changes in capital and reserves of the Group and the Board and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Totalisator Board Act (Chapter 305A, 1999 Revised Edition) and Statutory Board Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Board will be able to pay its debts as and when they fall due.

On behalf of the Board

Moses Lee
Chairman

Tan Soo Nan
Chief Executive

25 June 2013

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of the Board
Singapore Totalisator Board

Report on the financial statements

We have audited the accompanying financial statements of Singapore Totalisator Board (the "Board") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Board as at 31 March 2013, the statements of comprehensive income and statements of changes in capital and reserves of the Group and the Board and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 21 to 58.

Management's responsibility for the financial statements

The Board's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Totalisator Board Act, (Chapter 305A, 1999 Revised Edition) (the "Act") and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in capital and reserves of the Board are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and the Board as at 31 March 2013 and the results and changes in capital and reserves of the Group and the Board and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

Management's responsibility for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditors' responsibility

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

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

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

Opinion

In our opinion:

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

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

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

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore

25 June 2013

Statements of financial position
As at 31 March 2013

	Note	Group 2013 $	Group 2012 $	Board 2013 $	Board 2012 $
Assets					
Property, plant and equipment	4	669,002,454	613,610,533	480,361,572	453,787,694
Intangible assets	5	69,699,801	62,365,944	1,482	2,166
Investment in subsidiaries	6	–	–	58,569,391	58,569,391
Reversionary interest in trusts	7	–	49,530,549	–	49,530,549
Loan to a subsidiary	8	–	–	122,200,000	133,400,000
Club memberships	9	1,070,000	1,117,000	250,000	250,000
Non-current assets		739,772,255	726,624,026	661,382,445	695,539,800
Financial assets at fair value through profit or loss	10	2,200,195,098	2,079,759,872	2,200,195,098	2,079,759,872
Trade and other receivables	11	67,634,691	59,654,338	79,959,206	82,183,441
Tax recoverable		310,875	–	–	–
Cash and cash equivalents	12	1,718,963,685	1,373,091,839	1,445,682,334	1,059,837,610
Current assets		3,987,104,349	3,512,506,049	3,725,836,638	3,221,780,923
Total assets		4,726,876,604	4,239,130,075	4,387,219,083	3,917,320,723
Capital and reserves					
Capital account	13	295,075,118	295,075,118	295,075,118	295,075,118
Accumulated surpluses		3,804,877,553	3,325,512,131	3,700,504,242	3,235,412,617
Total capital and reserves		4,099,952,671	3,620,587,249	3,995,579,360	3,530,487,735
Liabilities					
Deferred tax liabilities	14	4,394,360	1,653,559	–	–
Deferred capital grants	15	247,128,280	259,889,114	247,128,280	259,889,114
Provision for restoration costs		2,503,145	2,845,871	2,503,145	2,845,871
Non-current liabilities		254,025,785	264,388,544	249,631,425	262,734,985
Government grants received in advance	16	42,018	42,018	42,018	42,018
Trade payables		44,309,149	46,469,740	–	–
Other payables and accruals	17	233,259,034	232,899,693	46,678,333	53,245,193
Provision for donations	18	28,217	2,531,000	28,217	2,500,000
Current tax payable		–	3,901,039	–	–
Provision for contribution to Consolidated Fund	19	95,259,730	68,310,792	95,259,730	68,310,792
Current liabilities		372,898,148	354,154,282	142,008,298	124,098,003
Total liabilities		626,923,933	618,542,826	391,639,723	386,832,988
Total capital and reserves and liabilities		4,726,876,604	4,239,130,075	4,387,219,083	3,917,320,723

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

Statements of comprehensive income
For the year ended 31 March 2013

	Note	Group 2013 $	Group 2012 $	Board 2013 $	Board 2012 $
Income from betting and gaming activities	21(a)	983,302,099	915,540,306	983,302,099	915,540,306
Other operating income	21(b)	36,331,638	35,109,797	36,082,463	34,862,841
Total operating income		1,019,633,737	950,650,103	1,019,384,562	950,403,147
Operating expenditure					
Staff costs	21(c)	(120,161,681)	(115,911,651)	(105,468,086)	(106,028,226)
Racing and related expenses	21(d)	(111,128,427)	(114,215,755)	(111,128,427)	(114,215,755)
Depreciation of property, plant and equipment	4	(62,826,438)	(58,309,907)	(62,826,438)	(58,309,907)
General administrative expenses		(31,505,391)	(36,256,980)	(31,168,705)	(36,011,702)
Office and property related expenses	21(e)	(56,181,738)	(54,173,631)	(56,181,738)	(54,173,631)
Upkeep of property, plant and equipment		(19,960,601)	(18,280,238)	(19,960,601)	(18,280,238)
Information technology expenses		(9,854,920)	(9,125,022)	(11,399,939)	(10,246,486)
Amortisation of intangible assets	5	(2,374,132)	(1,879,296)	(2,374,132)	(1,879,296)
Agency fees		–	–	(28,916,777)	(25,184,173)
Total operating expenditure		(413,993,328)	(408,152,480)	(429,424,843)	(424,329,414)
Operating surplus		605,640,409	542,497,623	589,959,719	526,073,733
Non-operating income/(expenditure)					
Investment income	22	182,710,976	42,167,881	181,949,263	41,446,364
Casino entry levy		170,491,631	193,236,710	170,491,631	193,236,710
Allowance made for impairment in value of club memberships	9	(47,000)	(60,000)	–	–
Impairment write-back/(loss) in value of reversionary trust funds	7	118,228	(206,589)	118,228	(206,589)
Amortisation of Government grants	15	12,760,834	12,923,137	12,760,834	12,923,137
Loss on disposal of property, plant and equipment		(655,258)	(1,772,577)	(615,877)	(1,788,711)
Property related expenses		(398,826)	(449,718)	(398,826)	(449,718)
Rental income		184,812	4,129,543	184,812	4,129,543
Insurance claim proceeds		1,036,477	1,829,555	1,036,477	1,829,555
Total non-operating surplus		366,201,874	251,797,942	365,526,542	251,120,291
Total surplus		971,842,283	794,295,565	955,486,261	777,194,024
Donations		(395,153,488)	(375,424,083)	(395,134,906)	(375,365,835)
Surplus before tax and contribution to Consolidated Fund		576,688,795	418,871,482	560,351,355	401,828,189
Tax expense	23	(2,063,643)	(2,655,995)	–	–
Surplus before contribution to Consolidated Fund		574,625,152	416,215,487	560,351,355	401,828,189
Contribution to Consolidated Fund	19	(95,259,730)	(68,310,792)	(95,259,730)	(68,310,792)
Surplus for the year, representing total comprehensive income for the year		479,365,422	347,904,695	465,091,625	333,517,397

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

Statements of changes in capital and reserves
For the year ended 31 March 2013

	Capital account $	Accumulated surpluses $	Total $
Group			
At 1 April 2011	295,075,118	2,977,607,436	3,272,682,554
Total comprehensive income for the year	–	347,904,695	347,904,695
At 31 March 2012	295,075,118	3,325,512,131	3,620,587,249
Total comprehensive income for the year	–	479,365,422	479,365,422
At 31 March 2013	295,075,118	3,804,877,553	4,099,952,671
Board			
At 1 April 2011	295,075,118	2,901,895,220	3,196,970,338
Total comprehensive income for the year	–	333,517,397	333,517,397
At 31 March 2012	295,075,118	3,235,412,617	3,530,487,735
Total comprehensive income for the year	–	465,091,625	465,091,625
At 31 March 2013	295,075,118	3,700,504,242	3,995,579,360

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

Consolidated statement of cash flows
Year ended 31 March 2013

	Note	2013 $	2012 $
Cash flows from operating activities			
Surplus before tax and contribution to Consolidated Fund		576,688,795	418,871,482
Adjustments for:			
Allowance for impairment in value of club memberships	9	47,000	60,000
Impairment (write-back)/loss in value of reversionary trust funds	7	(118,228)	206,589
Amortisation of Government grant	15	(12,760,834)	(12,923,137)
Amortisation of intangible assets	5	2,374,132	1,879,296
Bonds redeemed		–	200
Depreciation of property, plant and equipment	4	62,826,438	58,309,907
Donations		395,153,488	375,424,083
Investment income	22	(182,710,976)	(42,167,881)
Loss on disposal of property, plant and equipment		655,258	1,772,577
		842,155,073	801,433,116
Changes in working capital:			
Trade receivables		(784,293)	(587,161)
Deposits, prepayments and other receivables		(6,886,842)	(735,159)
Trade payables		(2,160,591)	7,237,424
Other payable and accruals		(4,714,022)	21,825,975
Cash generated from operating activities		827,609,325	829,174,195
Contribution to Consolidated Fund paid		(68,310,792)	(52,506,766)
Donations paid		(348,007,494)	(378,028,357)
Income taxes (paid)/refunded		(3,534,756)	1,454,654
Staff loans repaid/(granted)		4,100	(4,000)
Net cash from operating activities		407,760,383	400,089,726
Cash flows from investing activities			
Proceeds from/(acquisition of) financial assets at fair value through profit or loss (net)		54,680,139	(50,011,417)
Acquisition of property, plant and equipment		(118,502,124)	(60,563,994)
Dividend received		–	11,322
Interest received		7,282,293	6,260,280
Payment for intangible assets		(5,709,158)	(266,236)
Proceeds from disposal of property, plant and equipment		360,313	58,884
Net cash used in investing activities		(61,888,537)	(104,511,161)
Net increase in cash and cash equivalents		345,871,846	295,578,565
Cash and cash equivalents at beginning of year		1,373,091,839	1,077,513,274
Cash and cash equivalents at end of year	12	1,718,963,685	1,373,091,839

During the year, the Group acquired property, plant and equipment with an aggregate cost of $123,232,761 (2012: $58,879,201) of which $5,519,676 (2012: $979,979) relates to accruals and $190,940 (2012: $111,297) relates to provision for restoration costs.

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Members of the Board on 25 June 2013.

1 Domicile and activities

Singapore Totalisator Board (the "Board") was established on 1 January 1988 in the Republic of Singapore under the Singapore Totalisator Board Act (Chapter 305A, 1999 Revised Edition). The office of the Board is located at 210 Middle Road, #06-01, Singapore 188994.

As a statutory board, the Board is subject to the directions of the Ministry of Finance (the "Ministry") and is required to implement policies and policy changes as determined by the Ministry. The principal activities of the Board are those relating to operating totalisators, lotteries and other betting and gaming activities, conducting equine research and carrying on other activities for the improvement of racing generally. These activities are carried out by the Singapore Totalisator Board's two agents, the Singapore Turf Club (proprietary club of the Board) and Singapore Pools (Private) Limited (subsidiary of the Board).

The principal activities of the Board's subsidiaries are set out in Note 6.

The financial statements of the Board encompass the financial statements of the Board, Singapore Turf Club and the agency operations managed by Singapore Pools (Private) Limited.

The consolidated financial statements relate to the Board and its subsidiaries (together referred to as the Group).

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Singapore Totalisator Board Act (Chapter 305A, 1999 Revised Edition) and the Statutory Board Financial Reporting Standards (SB-FRS). SB-FRS includes Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General.

For the purpose of the audit of the Board's compliance with the Act in connection with the receipts, expenditure, investment of moneys and the acquisition and disposal of assets in accordance with Audit Guidance Statement (AGS) 9, the Singapore Turf Club and the agency operations managed by Singapore Pools (Private) Limited are not within the reporting scope of AGS 9.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Board's functional currency.

2.4 Use of estimates and judgements

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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 28.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities.

3.1 Basis of consolidation

Business combinations

For acquisitions on or after 1 April 2010

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For acquisitions prior to 1 April 2010

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to profit or loss in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

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

Accounting for subsidiaries

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

3.2 Foreign currency

Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.3 Financial instruments

Non-derivative financial assets

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

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

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

The Group's non-derivative financial assets comprise financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

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

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents comprise bank balances and bank deposits.

Non-derivative financial liabilities

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

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

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

The Group's non-derivative financial liabilities comprise trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The value of leasehold land includes the leasehold land situated at Kranji which was ascribed the same value as that of the freehold land situated at Bukit Timah given up in 1999 during a land exchange.

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

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

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

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

Subsequent costs

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

Depreciation

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and ready for use, or in respect of internally contracted assets, from the date the asset is completed and ready for use.

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

Leasehold land	20 to 99 years (over remaining lease term)
Buildings	20 to 40 years
Computer and betting equipment	3 to 5 years
Audio visual, laboratory, cooling and other equipment/systems	5 to 15 years
Other assets	3 to 10 years

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

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

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Other assets include furniture and fittings, mechanical and electrical installations, motor vehicles, livestock, tracks and renovations.

Assets costing less than $1,000 per unit are charged to profit or loss in the year of purchase.

3.5 Reversionary interest in trusts

The reversionary interest in trusts is stated at cost less allowance for impairment in value of the principal sum.

3.6 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and represents the excess of the fair value of the consideration transferred over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Goodwill is measured at cost less accumulated impairment losses.

Software development expenditure

Software development expenditure is initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

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

Amortisation

Amortisation of software development expenditure is calculated over the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 5 to 8 years, from the date that they are available for use.

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

3.7 Impairment

Non-derivative financial assets

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

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

Loans and receivables

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

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

3.8 Employee benefits

Defined contribution plans

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

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.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Restoration costs

Where required by the lease agreements to restore the premises to its original condition, an estimate is made for the costs of dismantling and removing an asset and restoring the site which is recognised at the commencement of the lease and amortised over the period of the lease.

3.10 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured.

Totalisator revenue

Revenue from the totalisator is recognised upon the completion of each race.

Scratchit! lotteries

Revenue from Scratchit! lotteries is recognised upon sale of the tickets.

Games and lotteries

Collections from games and lotteries are recognised as revenue by draw and by match.

Gate admission fees income

Revenue is recognised upon the usage of the admission tickets.

Racing management, betting and other revenue

Revenue is recognised on an accrual basis unless collectability is in doubt.

Dividend income

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

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Rental income

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

Casino entry levy

Casino entry levy is recognised when the right to receive payment is established.

3.11 Government grants

Government grants for the purchase of depreciable property, plant and equipment are taken direct to the deferred capital grants account, and included in non-current liabilities in the statement of financial position.

The deferred capital grants are recognised in profit or loss as non-operating income over the periods necessary to match the depreciation and gain or loss on disposal or write-off of property, plant and equipment purchased with the related grants.

3.12 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

When an operating lease is terminated before the lease period expires, any payment made (or received) by the Group as penalty is recognised as an expense (or income) when termination takes place.

3.13 Donations

Donations are taken to profit or loss when there is an obligation to disburse.

3.14 Tax

The Singapore Totalisator Board is a tax-exempted institution under the provisions of the Income Tax Act (Chapter 134, 2004 Revised Edition). The subsidiaries of the Board are subject to local tax legislation.

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

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

3.15 Club memberships

Club memberships are stated at cost less accumulated impairment losses. Gain or loss on disposal of club membership is determined as the difference between the net disposal proceeds and the carrying amount of the club membership and is accounted for in profit or loss as they arise.

3.16 New accounting standards and interpretations not yet adopted

The Group has not yet adopted a number of new standards, amendments to standards and interpretations that are effective for the Group's accounting period beginning on or after 1 April 2012 or later periods. None of these are expected to have a significant effect on the financial statements of the Group and the Board.

4 Property, plant and equipment

Group	Leasehold land $	Buildings $	Computer and betting equipment $	Audio visual, laboratory, cooling and other equipment/systems $	Other assets $	Capital work-in-progress $	Total $
Cost							
At 1 April 2011	123,368,181	486,893,572	107,053,728	89,373,800	343,593,598	8,021,287	1,158,304,166
Additions	177,215	3,865,161	2,015,846	4,141,051	2,280,039	46,399,889	58,879,201
Disposals	–	(940,335)	(2,662,092)	(2,090,009)	(21,284,134)	–	(26,976,570)
Reclassification to intangible assets (Note 5)	–	–	–	–	–	(81,264)	(81,264)
Reclassifications	–	7,223,396	2,873,753	11,087,497	10,237,979	(31,422,625)	–
At 31 March 2012	123,545,396	497,041,794	109,281,235	102,512,339	334,827,482	22,917,287	1,190,125,533
Additions	1,173	1,424,801	5,309,928	5,553,375	40,488,566	70,454,918	123,232,761
Disposals	–	(766,264)	(10,044,658)	(2,074,306)	(45,995,809)	–	(58,881,037)
Reclassification to intangible assets (Note 5)	–	–	–	–	–	(3,998,831)	(3,998,831)
Reclassifications	–	13,131,969	4,393,294	18,640,628	18,941,043	(55,106,934)	–
At 31 March 2013	123,546,569	510,832,300	108,939,799	124,632,036	348,261,282	34,266,440	1,250,478,426
Accumulated depreciation							
At 1 April 2011	1,436,771	124,913,915	90,256,022	39,647,896	287,095,598	–	543,350,202
Depreciation charge for the year	1,504,217	14,285,286	8,810,770	15,942,395	17,767,239	–	58,309,907
Disposals	–	(354,784)	(2,662,041)	(1,391,336)	(20,736,948)	–	(25,145,109)
Reclassifications	–	(31,505)	–	30,488	1,017	–	–
At 31 March 2012	2,940,988	138,812,912	96,404,751	54,229,443	284,126,906	–	576,515,000
Depreciation charge for the year	1,506,193	15,322,299	8,629,273	16,876,747	20,491,926	–	62,826,438
Disposals	–	(302,575)	(10,026,056)	(1,983,436)	(45,553,399)	–	(57,865,466)
Reclassifications	–	10,253	(3,842)	380,557	(386,968)	–	–
At 31 March 2013	4,447,181	153,842,889	95,004,126	69,503,311	258,678,465	–	581,475,972
Carrying amounts							
At 1 April 2011	121,931,410	361,979,657	16,797,706	49,725,904	56,498,000	8,021,287	614,953,964
At 31 March 2012	120,604,408	358,228,882	12,876,484	48,282,896	50,700,576	22,917,287	613,610,533
At 31 March 2013	119,099,388	356,989,411	13,935,673	55,128,725	89,582,817	34,266,440	669,002,454

Board	**Leasehold land** $	**Buildings** $	**Computer and betting equipment** $	**Audio visual, laboratory, cooling and other equipment/systems** $	**Other assets** $	**Capital work-in-progress** $	**Total** $
Cost							
At 1 April 2011	2,629,701	464,383,008	74,202,314	89,373,800	306,440,902	5,217,347	942,247,072
Additions	–	572,886	1,078,117	4,141,051	1,092,512	42,894,237	49,778,803
Disposals	–	(940,335)	(2,575,695)	(2,090,009)	(20,793,512)	–	(26,399,551)
Reclassifications	–	7,223,396	1,361,328	11,087,497	10,233,383	(29,905,604)	–
At 31 March 2012	2,629,701	471,238,955	74,066,064	102,512,339	296,973,285	18,205,980	965,626,324
Additions	–	1,424,801	908,976	5,553,375	2,550,374	69,934,102	80,371,628
Disposals	–	(766,264)	(8,049,773)	(2,074,306)	(28,205,448)	–	(39,095,791)
Reclassifications	–	13,131,969	4,214,340	18,640,628	18,450,736	(54,437,673)	–
At 31 March 2013	2,629,701	485,029,461	71,139,607	124,632,036	289,768,947	33,702,409	1,006,902,161
Accumulated depreciation							
At 1 April 2011	957,650	124,726,326	63,259,201	39,647,896	257,603,789	–	486,194,862
Depreciation charge for the year	66,676	13,640,215	5,565,602	15,942,395	15,000,442	–	50,215,330
Disposals	–	(354,784)	(2,575,695)	(1,391,336)	(20,249,747)	–	(24,571,562)
Reclassifications	–	(31,505)	–	30,488	1,017	–	–
At 31 March 2012	1,024,326	137,980,252	66,249,108	54,229,443	252,355,501	–	511,838,630
Depreciation charge for the year	66,676	14,430,307	4,931,119	16,876,747	16,819,960	–	53,124,809
Disposals	–	(302,575)	(8,032,597)	(1,983,436)	(28,104,242)	–	(38,422,850)
Reclassifications	–	10,253	(3,842)	380,557	(386,968)	–	–
At 31 March 2013	1,091,002	152,118,237	63,143,788	69,503,311	240,684,251	–	526,540,589
Carrying amounts							
At 1 April 2011	1,672,051	339,656,682	10,943,113	49,725,904	48,837,113	5,217,347	456,052,210
At 31 March 2012	1,605,375	333,258,703	7,816,956	48,282,896	44,617,784	18,205,980	453,787,694
At 31 March 2013	1,538,699	332,911,224	7,995,819	55,128,725	49,084,696	33,702,409	480,361,572

Depreciation expense of the Board charged to the statement of comprehensive income comprises the following:

	Board	
	2013	**2012**
	$	**$**
Depreciation expense on the Board's assets	53,124,809	50,215,330
Depreciation expense charged by an agent for depreciation on the agent's assets*	9,701,629	8,094,577
	62,826,438	58,309,907

* Under the agency arrangement, depreciation expense on assets held by the agent is borne by the Board.

5 Intangible assets

	Group		Board	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Software development expenditure	12,130,410	4,796,553	1,482	2,166
Goodwill arising on consolidation	57,569,391	57,569,391	–	–
	69,699,801	62,365,944	1,482	2,166
<u>Software development expenditure</u>				
Cost				
At 1 April	22,563,534	22,216,034	3,420	3,420
Additions during the year	5,709,158	266,236	–	–
Transfer from capital work-in-progress (Note 4)	3,998,831	81,264	–	–
At 31 March	32,271,523	22,563,534	3,420	3,420
Accumulated amortisation				
At 1 April	17,766,981	15,887,685	1,254	570
Amortisation charged during the year	2,374,132	1,879,296	684	684
At 31 March	20,141,113	17,766,981	1,938	1,254
Carrying amount				
At 1 April	4,796,553	6,328,349	2,166	2,850
At 31 March	12,130,410	4,796,553	1,482	2,166

Under the agency arrangement, the amortisation of intangible assets held by the agent is borne by the Board.

Goodwill arising on consolidation

Goodwill arises from the excess of purchase consideration over the fair values of attributable net assets of Singapore Pools (Private) Limited, a wholly-owned subsidiary which is considered as a separate cash-generating unit (CGU).

Impairment testing of goodwill

The recoverable amounts of the CGU are determined based on value-in-use calculations. The following describes the key assumptions on which management has based its cash flow projection:

- Budgeted gross margins of 10% (2012: 10%).
- Pre-tax discount rate of 11% (2012: 11%).
- The cash flow projections is based on actual operating results and management's 3-year financial projection of the operations for the years 2014 to 2016 based on management's past experience and future expectations.

Management has determined budgeted gross margins based on past performance and its expectation of market developments. The pre-tax discount rate applied reflects specific risks relating to the relevant business activities.

Management believes that any reasonable possible change in the above key assumptions is not likely to cause the recoverable amount to be materially lower than its carrying amount.

No impairment loss has been recognised for the financial years ended 31 March 2013 and 2012.

6 Investment in subsidiaries

	Board 2013 $	Board 2012 $
Unquoted shares, at cost	58,569,391	58,569,391

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective equity held by the Board 2013 %	Effective equity held by the Board 2012 %
Singapore Pools (Private) Limited	To operate lotteries and sports betting as an agent on behalf of the Board	Singapore	100	100
Held by Singapore Pools (Private) Limited				
Selegie Management Pte Ltd	To provide services to manage and operate the Livewire operations at the Integrated Resorts premises	Singapore	100	100

KPMG LLP is the auditor of all subsidiaries.

7 Reversionary interest in trusts

	Group and Board	
	2013	**2012**
	$	**$**
Reversionary interest in trusts, at cost	50,000,000	50,000,000
Less: Accumulated impairment losses		
- At 1 April	(469,451)	(262,862)
- Impairment write-back/(loss) during the year	118,228	(206,589)
- At 31 March	(351,223)	(469,451)
Less: Donations	(49,648,777)	–
	–	49,530,549

Impairment write-back/loss is recognised in non-operating income/expenditure in the statement of comprehensive income.

On 28 May 1989, the Board set up the Singapore Totalisator Board Trust (the Trust), to which the Board transferred $25,000,000. The income derived from this sum is to be distributed to the Singapore Symphonia Company Limited (SSCL) from time to time.

The Trust will continue until the expiration of 21 years after the death of the last surviving original trustee. Upon the expiry of the Trust period or in the event the Trust becomes incapable of performance, the capital sum will revert to the Board.

On 15 April 1994 and 24 October 1996, the Board set up two other trusts, called the Singapore Totalisator Board SDT Trust (the SDT Trust) and the Singapore Totalisator Board SCO Trust (the SCO Trust), to which the Board transferred $15,000,000 and $10,000,000 respectively. The income derived from the SDT Trust and the SCO Trust is to be distributed to the Singapore Dance Theatre (SDT) and the Singapore Chinese Orchestra (SCO) respectively from time to time.

Both the SDT Trust and the SCO Trust will continue until 21 years after the date of the death of the last survivor of all the lineal descendants male and female of His late Majesty King George the Sixth of England living as at 15 April 1994 and 24 October 1996 respectively. Upon the expiry of the Trust period or upon the winding up of SDT or SCO themselves, whichever occurs first, the capital sum will revert to the Board.

During the year, the Board approved the dissolution of these trusts, and the subsequent disbursements of the proceeds as donations to the SCO, SSCL and SDT. Consequently, the Group's and Board's interest in the trusts has been derecognised from the statement of financial position and taken to donations in the statement of comprehensive income.

8 Loan to a subsidiary

The loan to a subsidiary is unsecured, bears interest at 2% per annum and is not expected to be repaid in the next 12 months.

9 Club memberships

	Group		Board	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Club memberships, at cost	1,990,000	1,990,000	840,000	840,000
Less: Allowance for impairment losses				
- At 1 April	(873,000)	(813,000)	(590,000)	(590,000)
- Impairment losses	(47,000)	(60,000)	–	–
- At 31 March	(920,000)	(873,000)	(590,000)	(590,000)
	1,070,000	1,117,000	250,000	250,000

During the year, as a result of the decrease in the market value of the club memberships, impairment loss on club memberships amounting to $47,000 (2012: $60,000) was recognised in non-operating expenditure in the statement of comprehensive income.

10 Financial assets at fair value through profit or loss

	Group and Board	
	2013	**2012**
	$	**$**
Unquoted unit trusts at fair value	2,200,195,098	2,079,759,872

The fair values of unquoted financial assets are based on bid prices provided by brokers or valuation provided by professional fund managers. The unquoted unit trusts are in diversified portfolios of various asset classes managed by professional fund managers recommended by the Board's investment consultant.

11 Trade and other receivables

	Group		Board	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Trade receivables	25,894,406	25,110,113	–	–
Amounts due from a subsidiary	–	–	55,982,954	57,203,449
Deposits	2,069,082	3,585,913	1,025,784	1,140,764
Dividend receivable	2,807	2,861	2,807	2,861
Interest receivable	3,007,631	2,694,313	2,989,141	2,662,941
Staff loans	13,100	17,200	12,500	17,200
Casino entry levy receivable	15,483,350	14,911,600	15,483,350	14,911,600
Advances to retailers	14,214,475	4,431,900	–	–
Management fee rebate receivables	432,444	443,518	432,444	443,518
Other receivables	3,665,526	5,368,051	2,765,013	4,289,654
Loans and receivables	64,782,821	56,565,469	78,693,993	80,671,987
Prepayments	2,851,870	3,088,869	1,265,213	1,511,454
	67,634,691	59,654,338	79,959,206	82,183,441

Trade and other receivables are principally denominated in Singapore dollar.

The amounts due from a subsidiary, Singapore Pools (Private) Limited, relate to transactions arising from the lottery and betting business on behalf of the Board. The amounts are unsecured, interest-free and denominated in Singapore dollar. There is no allowance for doubtful debt arising from these amounts and their carrying amounts approximate their fair values.

The Group and the Board's exposure to credit risks and impairment loss related to trade and other receivables are disclosed in Note 20.

12 Cash and cash equivalents

	Group		Board	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Short-term bank deposits	193,634,500	250,653,110	–	–
Cash at bank and in hand	129,877,632	153,508,249	50,230,781	90,907,130
Cash with AGD	1,395,451,553	968,930,480	1,395,451,553	968,930,480
	1,718,963,685	1,373,091,839	1,445,682,334	1,059,837,610

Cash with the Accountant-General's Department (AGD) refers to cash that are managed by AGD under Centralised Liquidity Management as set out in the Accountant-General's Circular No. 4/2009 Centralised Liquidity Management for Statutory Boards and Ministries, which are transferred to AGD under the overnight sweeping arrangement between both parties.

Cash and cash equivalents are principally denominated in Singapore dollar and the carrying amounts approximate their fair values.

Short-term bank deposits at the statement of financial position date have an average maturity of 0.5 month (2012: 0.6 month) from the end of the financial year with the following weighted average effective annual interest rates:

	Group and Board	
	2013	**2012**
	%	**%**
Singapore dollar	0.23	0.31

The interest rate of cash with AGD, defined as the ratio of the interest earned to the average cash balance, range from 0.55% to 0.63% (2012: 0.59% to 0.69%) per annum.

The Group and the Board's exposure to interest rate risk for financial assets and liabilities are disclosed in Note 20.

13 Capital account

The capital account consists of the value of net assets transferred from the former Singapore Turf Club on the establishment of the Board on 1 January 1988 and a Government grant of $500,000.

14 Deferred tax liabilities

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

Group	**At 1/4/2011**	**Recognised in profit or loss (Note 23)**	**At 31/3/2012**	**Recognised in profit or loss (Note 23)**	**At 31/3/2013**
	$	**$**	**$**	**$**	**$**
Deferred tax liabilities					
Property, plant and equipment	2,492,762	(833,933)	1,658,829	2,735,531	4,394,360
Deferred tax assets					
Provision for donation	(5,270)	–	(5,270)	5,270	–

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 taxation authority. The following amounts, determined after appropriate offsetting are as follows:

	2013	**2012**
	$	**$**
Deferred tax liabilities	4,394,360	1,653,559

15 Deferred capital grants

	Group and Board	
	2013	**2012**
	$	**$**
At 1 April	259,889,114	272,812,251
Amortisation for the year	(12,760,834)	(12,923,137)
At 31 March	247,128,280	259,889,114

16 Government grants received in advance

Government grants were received for the development of the Kranji race course and the amount as at 31 March 2013 and 2012 represent the unutilised portion of the grant.

17 Other payables and accruals

	Group		Board	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Accrued operating expenses	194,916,416	176,924,856	19,150,446	19,424,050
Advance sales	10,814,731	22,153,694	–	–
Other payables	27,527,887	33,821,143	27,527,887	33,821,143
	233,259,034	232,899,693	46,678,333	53,245,193

Advance sales relate to collections for draws and matches that are held subsequent to the year end.

Other payables and accruals are primary denominated in Singapore dollar and their carrying amounts approximate their fair values.

18 Provision for donations

	Group		Board	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
At 1 April	2,531,000	5,135,274	2,500,000	5,104,274
Provision made	46,799	2,558,248	28,217	2,500,000
Provision utilised	(2,549,582)	(5,162,522)	(2,500,000)	(5,104,274)
At 31 March	28,217	2,531,000	28,217	2,500,000

19 Provision for contribution to Consolidated Fund

The Board contributes to the Consolidated Fund in accordance with Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A, 2004 Revised Edition). The contribution for 2013 is to be based on the Board's net surplus for 2013 at the applicable corporation tax rate of 17% (2012: 17%).

Under Section 13 (1) (e) and the First Schedule of the Singapore Income Tax Act (Chapter 134, 2008 Revised Edition), the income of the Board is exempt from income tax.

20 Financial risk management

Overview

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

- credit risk
- liquidity risk
- interest rate risk
- price risk
- foreign currency risk
- capital risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout these financial statements.

Credit risk

Credit risk is defined as the potential loss arising from failure by counterparties to fulfil their obligations as and when they fall due. The Group has policies in place to only deal with counterparties who meet certain credit requirements, and where considered necessary, requires collateral to reduce its risk.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are unit trusts managed by professional fund managers, bank deposits and trade receivables. The Group limits its credit risk exposure in respect of investments by placing its funds only with professional fund managers recommended by an investment consultant. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral, where appropriate, to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the statement of financial position except for trade receivables and advances to retailers.

In order to manage the Group's credit risk for trade receivables and advances to retailers, the Group obtains bankers' guarantees issued by their customers' banks for most of the customers. These bankers' guarantees are then used as a form of security against the outstanding trade receivables and advances to retailers. As at statement of financial position date, the bankers' guarantees amounted to $25,545,000 (2012: $24,758,000).

As at the end of the financial year, there is no significant concentration of credit risk on the trade receivables and advances to retailers of the Group.

The credit risk for trade receivables and advances to retailers based on the information provided to management is as follows:

	Group	
	2013	**2012**
	$	**$**
By types of customers		
Distributors	2,499,760	2,383,554
Retailers	25,869,840	20,339,181
Others	11,739,281	6,819,278
	40,108,881	29,542,013

The ageing of loans and receivables that were not impaired at the reporting date was:

	Group		Board	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Not past due	63,062,732	55,106,435	78,000,687	80,319,536
Past due less than 3 months	674,167	567,687	488,046	326,952
Past due over 3 months	1,045,922	891,347	205,260	25,499
Loans and receivables	64,782,821	56,565,469	78,693,993	80,671,987

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of loans and receivables. These receivables are mainly due from customers that have a good payment record with the Group.

Cash and fixed deposits are placed in banks and financial institutions which are regulated. The cash with AGD under Centralised Liquidity Management are placed with regulated financial institutions.

The Group limits its credit risk exposure in respect of investments by only investing in liquid funds that are regulated by the respective regulators of the jurisdictions in which the funds are domiciled.

The Group does not hold any collateral in respect of its financial assets.

Liquidity risk

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

All trade, other payables and accruals of the Group in 2013 and 2012 are payable within one year.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the interest bearing debt securities, fixed deposits and cash with AGD. The interest rates for cash with AGD are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements.

The Group does not have any borrowings as at the end of the financial year.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group Carrying amount		**Board Carrying amount**	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Fixed rate instrument				
Loan to a subsidiary	–	–	122,200,000	133,400,000
Variable rate instrument				
Fixed deposits	193,634,500	250,653,110	–	–
Cash with AGD	1,395,451,553	968,930,480	1,395,451,553	968,930,480
	1,589,086,053	1,219,583,590	1,395,451,553	968,930,480

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss as the interest rates of its interest bearing financial instruments are fixed over the contractual period. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) surplus before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

Group	Surplus before tax 100 bp increase $	 100 bp decrease $
2013		
Variable rate instruments	15,890,861	(15,890,861)
2012		
Variable rate instruments	12,195,836	(12,195,836)

Board	Surplus before tax 100 bp increase $	 100 bp decrease $
2013		
Variable rate instruments	13,954,516	(13,954,516)
2012		
Variable rate instruments	9,689,305	(9,689,305)

Price risk

Surplus funds from the Group's operations are mainly invested in unit trusts managed by professional fund managers. To manage its price risk arising from investments, the Group diversifies its portfolio. The fair value of amount invested as at 31 March 2013 was $2,200,195,098 (2012: $2,079,759,872).

The unit trusts are unquoted. The market risk associated with these investments is the potential loss in fair value resulting from the decrease in the net asset value of unit trusts.

The Group's investment strategies and policies are determined by Singapore Totalisator Board's Investment Committee and approved by the Board.

A 5% increase/(decrease) in the underlying prices at the reporting date would increase/(decrease) surplus before tax by the following amount:

	2013 $	2012 $
Group and Board		
Surplus before tax	110,009,755	103,987,994

This analysis assumes that all other variables remain constant.

Foreign currency risk

The Group operates solely in Singapore. The Group's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

The Group does not engage in speculative foreign exchange transactions.

Capital management

The Group has a strong capital base and does not need to borrow. The Group is not subject to externally imposed capital requirement.

The Board proactively manages its capital structure to achieve efficiency in its cost of capital. The quantum of minimum and maximum cash reserve, taking into account working capital needs and long-term commitments, is reviewed and approved annually by the Board Members.

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	Note	Designated at fair value $	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
2013						
Financial assets at fair value through profit or loss	10	2,200,195,098	–	–	2,200,195,098	2,200,195,098
Trade and other receivables	11	–	64,782,821	–	64,782,821	64,782,821
Cash and cash equivalents	12	–	1,718,963,685	–	1,718,963,685	1,718,963,685
Trade payables		–	–	(44,309,149)	(44,309,149)	(44,309,149)
Other payables and accruals	17	–	–	(233,259,034)	(233,259,034)	(233,259,034)
		2,200,195,098	1,783,746,506	(277,568,183)	3,706,373,421	3,706,373,421
2012						
Financial assets at fair value through profit or loss	10	2,079,759,872	–	–	2,079,759,872	2,079,759,872
Trade and other receivables	11	–	56,565,469	–	56,565,469	56,565,469
Cash and cash equivalents	12	–	1,373,091,830	–	1,373,091,830	1,373,091,830
Trade payables		–	–	(46,469,740)	(46,469,740)	(46,469,740)
Other payables and accruals	17	–	–	(232,899,693)	(232,899,693)	(232,899,693)
		2,079,759,872	1,429,657,299	(279,369,433)	3,230,047,738	3,230,047,738

Board	**Note**	**Designated at fair value**	**Loans and receivables**	**Other financial liabilities**	**Total carrying amount**	**Fair value**
		$	$	$	$	$
2013						
Financial assets at fair value through profit or loss	10	2,200,195,098	–	–	2,200,195,098	2,200,195,098
Trade and other receivables	11	–	78,693,993	–	78,693,993	78,693,993
Cash and cash equivalents	12	–	1,445,682,334	–	1,445,682,334	1,445,682,334
Other payables and accruals	17	–	–	(46,678,333)	(46,678,333)	(46,678,333)
		2,200,195,098	1,524,376,327	(46,678,333)	3,677,893,092	3,677,893,092
2012						
Financial assets at fair value through profit or loss	10	2,079,759,872	–	–	2,079,759,872	2,079,759,872
Trade and other receivables	11	–	80,671,987	–	80,671,987	80,671,987
Cash and cash equivalents	12	–	1,059,837,610	–	1,059,837,610	1,059,837,610
Other payables and accruals	17	–	–	(53,245,193)	(53,245,193)	(53,245,193)
		2,079,759,872	1,140,509,597	(53,245,193)	3,167,024,276	3,167,024,276

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 2 **$**
31 March 2013	
Financial assets at fair value through profit or loss	2,200,195,098
31 March 2012	
Financial assets at fair value through profit or loss	2,079,759,872

There has been no transfer of the Group's financial assets at fair value through profit or loss to/from other levels during the year.

21 Operating surplus

(a) Income from betting and gaming activities

	Totalisator **$**	**Lotteries and Sports betting** **$**	**Total** **$**
Group and Board			
2013			
Turnover*	1,568,458,796	6,247,572,278	7,816,031,074
Dividends/prizes paid	(1,246,051,011)	(4,136,381,946)	(5,382,432,957)
Betting tax	(82,617,060)	(1,325,566,067)	(1,408,183,127)
Commission	–	(41,843,194)	(41,843,194)
Withholding tax expense	(269,697)	–	(269,697)
Dividends, prizes and other expenses	(1,328,937,768)	(5,503,791,207)	(6,832,728,975)
Income from betting and gaming activities	239,521,028	743,781,071	983,302,099

* Turnover represents wagered amounts received in respect of bets placed by customers during the financial year.

Group and Board	**Totalisator** $	**Lotteries and Sports betting** $	**Total** $
2012			
Turnover*	1,740,573,515	6,322,602,585	8,063,176,100
Dividends/prizes paid	(1,390,407,016)	(4,274,829,024)	(5,665,236,040)
Betting tax	(89,968,023)	(1,348,063,620)	(1,438,031,643)
Commission	–	(44,149,388)	(44,149,388)
Withholding tax expense	(218,723)	–	(218,723)
Dividends, prizes and other expenses	(1,480,593,762)	(5,667,042,032)	(7,147,635,794)
Income from betting and gaming activities	259,979,753	655,560,553	915,540,306

* Turnover represents wagered amounts received in respect of bets placed by customers during the financial year.

(b) Other operating income

	Group		**Board**	
	2013 $	**2012** $	**2013** $	**2012** $
Gate admission fees income	9,433,413	10,182,487	9,433,413	10,182,487
Racing management, betting and other revenue	16,641,748	15,028,394	16,636,748	15,023,394
Rental income	4,507,984	5,299,761	4,507,984	5,299,761
Golf course revenue	578,901	813,907	578,901	813,907
Members' subscription and entrance fees	1,261,211	1,184,022	1,261,211	1,184,022
Government grant – Special Employment / Jobs Credit	1,269,288	97,213	1,269,288	97,213
Maternity and childcare leave	149,704	197,436	149,704	197,436
Sundry income	2,489,389	2,306,577	2,245,214	2,064,621
	36,331,638	35,109,797	36,082,463	34,862,841

Racing management, betting and other revenue includes royalty fees collected for the sale of broadcasting rights of Singapore races, equine hospital charges and miscellaneous revenue.

(c) Staff costs

	Group		**Board**	
	2013 $	**2012** $	**2013** $	**2012** $
Wages and salaries	103,126,542	99,632,817	90,459,650	91,112,623
Contributions to defined contribution scheme	11,510,592	11,099,867	9,483,889	9,736,636
Others	5,524,547	5,178,967	5,524,547	5,178,967
	120,161,681	115,911,651	105,468,086	106,028,226

Under the agency arrangement, all the staff costs of Singapore Pools (Private) Limited (except variable bonuses) are borne by the Board.

(d) Racing and related expenses

Of the $111.1 million (2012: $114.2 million), $69.9 million (2012: $71.6 million) or 62.9% (2012: 62.7%) pertained to prize money paid to horse owners, trainers and jockeys of the winning horses.

(e) Office and property related expenses

Office and property related expenses include the following expense:

	Group		Board	
	2013	2012	2013	2012
	$	$	$	$
Operating lease expenses	33,347,730	33,894,665	33,347,730	33,894,665

22 Investment income

	Group		Board	
	2013	2012	2013	2012
	$	$	$	$
Changes in carrying values of investments	160,889,901	40,628,245	160,889,901	40,628,245
Gain/(loss) on disposal of investments	9,824,520	(6,542,705)	9,824,520	(6,542,705)
Management fee rebate	1,950,941	1,881,298	1,950,941	1,881,298
Interest income	7,595,611	6,320,899	6,878,513	5,634,999
Dividend income	2,839,230	11,322	2,839,230	–
Investment expenses	(433,852)	(68,850)	(433,852)	(68,850)
Exchange loss	(49,338)	–	(21,760)	–
Miscellaneous income/ (expenses)	93,963	(62,328)	21,770	(86,623)
	182,710,976	42,167,881	181,949,263	41,446,364

23 Tax expense

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

	Group	
	2013	2012
	$	$
Current tax expense		
Current year	200,000	3,700,140
Adjustment for prior years	(877,158)	(210,212)
	(677,158)	3,489,928
Deferred tax expense		
Origination and reversal of temporary differences	2,689,884	(528,790)
Adjustment for prior years	50,917	(305,143)
	2,740,801	(833,933)
	2,063,643	2,655,995

Reconciliation of effective tax rate

	2013	2012
Surplus before tax	576,688,795	418,871,482
Tax using Singapore tax rate of 17% (2012: 17%)	98,037,095	71,208,152
Surplus of the Board exempted from tax	(95,259,730)	(68,310,792)
Non-deductible expenses	138,444	300,332
Tax exempt income	(25,925)	(26,342)
Overprovision in prior years	(826,241)	(515,355)
	2,063,643	2,655,995

24 Commitments

(a) Future capital commitments

As at 31 March, the capital expenditures approved and contracted but not provided for in the financial statements are as follows:

	Group		Board	
	2013	2012	2013	2012
	$	$	$	$
Property, plant and equipment	54,407,668	38,957,516	16,736,531	34,983,047

(b) Operating lease commitments – where the Group is a lessee

As at 31 March, the commitments for future minimum lease payments in respect of non-cancellable operating leases are as follows:

	Group		**Board**	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Within 1 year	23,506,198	32,515,535	14,708,255	19,635,110
After 1 year but within 5 years	43,749,600	42,682,397	29,337,055	30,124,404
After 5 years	5,800,697	12,369,133	5,800,697	11,005,096
	73,056,495	87,567,065	49,846,007	60,764,610

The group has various leases for betting outlets and off-course betting centres. These leases typically run for a period of 1 to 10 years with an option to renew the lease after that date. The leases do not include any contingent rentals.

(c) Operating lease commitments – where the Group is a lessor

As at 31 March, the commitments for future minimum lease receivables in respect of non-cancellable operating leases are as follows:

	Group and Board	
	2013	**2012**
	$	**$**
Within 1 year	822,047	1,653,213
After 1 year but within 5 years	289,017	935,279
	1,111,064	2,588,492

(d) Donations approved and committed but not disbursed

The following donations have not been provided for in the financial statements:

	Group		**Board**	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Approved, but not recognised in the financial statements	2,248,491,891	1,644,568,705	2,248,206,746	1,644,096,850

25 Contingent liabilities (unsecured)

There is an unsecured contingent consideration in respect of death benefits under the terms of the collective agreements made with certain categories of employees. The maximum benefits to which those categories of employees may be entitled in respect of services already completed based on current salaries is approximately $585,628 (2012: $564,276).

26 Related parties

The Board is a statutory board established under the Singapore Totalisator Board Act (Chapter 305A, 1999 Revised Edition). As a statutory board, all government ministries, other statutory boards including their companies are deemed related parties to the Group.

During the financial year, the Board engaged in various transactions including donations in the ordinary course of its operations with entities related to the Board at prevailing prices or on customary terms and conditions. These transactions could have been replaced with other parties on similar terms and conditions except for the following:

	2013 $	2012 $
Government-linked companies		
Police and security services	2,034,513	2,593,049

27 Key management personnel compensation

	Group	
	2013 **$**	**2012** **$**
Salaries and other short-term employee benefits	6,966,560	5,926,481
Post-employment benefits – contribution to CPF	155,243	131,132
	7,121,803	6,057,613
Included in key management personnel compensation are compensation for:		
- members of the Board	166,759	148,366
- directors of a subsidiary	1,655,050	1,475,403
	1,821,809	1,623,769

28 Significant accounting estimates and judgements

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

Key sources of estimation uncertainty

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

Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Intangible assets, property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

Taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision of taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.