

Financial Report

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Five-Year Financial Summary of the Group

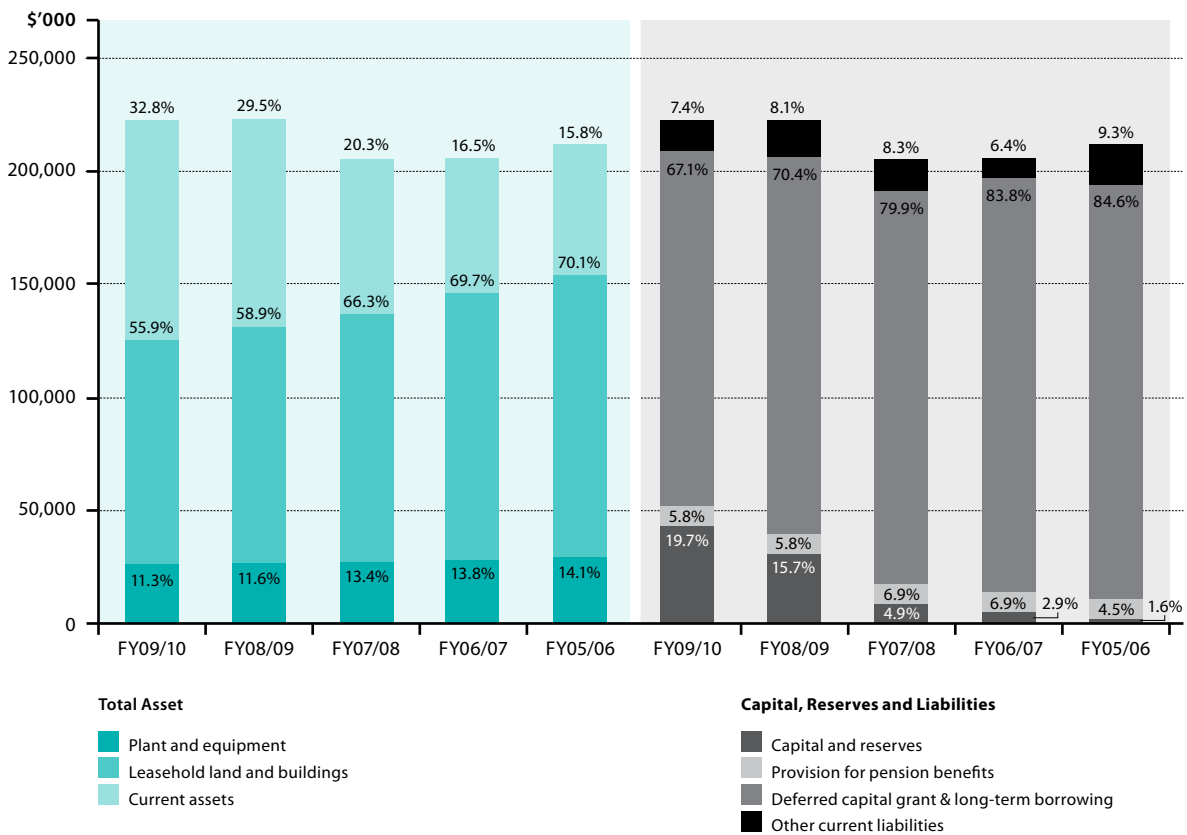
INCOME AND EXPENDITURE	FY09/10	FY 08/09	FY 07/08	FY 06/07	FY05/06
	\$'000	\$'000	\$'000	\$'000	\$'000
Income	37,455	35,981	34,287	32,508	29,391
Grant	87,589	98,168	81,521	77,350	75,934
Total income	125,044	134,149	115,808	109,858	105,325
Expenditure	106,366	103,106	110,752	106,669	102,163
Surplus before contribution to Consolidated Fund/taxation	18,678	31,043	5,056	3,189	3,162
Contribution to Consolidated Fund	(3,166)	(5,579)	(898)	(628)	(615)
Taxation	(4)	(4)	(5)	(6)	(6)
Surplus after contribution to Consolidated Fund/taxation	15,508	25,460	4,153	2,555	2,541
BALANCE SHEET					
Plant and equipment	25,038	25,844	27,965	28,809	30,975
Leasehold land and buildings	123,705	131,210	137,725	146,145	154,079
Current assets	72,557	65,759	42,163	34,633	34,708
Total assets	221,300	222,813	207,853	209,587	219,762
Capital and reserves	43,671	34,924	10,191	6,038	3,484
Provision for pension benefits	12,804	12,969	14,307	14,418	9,841
Deferred capital grant & long-term borrowing	148,452	156,813	165,983	175,683	186,031
Other current liabilities	16,373	18,107	17,372	13,448	20,406
Total capital, reserves and liabilities	221,300	222,813	207,853	209,587	219,762

Financial Position of the Group

As at 31 March 2010, the Group's total assets decreased by \$1.5 million to \$221.3 million (31 March 2009: \$222.8 million). Property, plant and equipment which stood at \$148.7 million accounted for 67.2% of the total assets (31 March 2009: 70.5%).

Capital, reserves and liabilities of the Group as at 31 March 2010 totalled \$221.3 million (31 March 2009: \$222.8 million). Of the \$221.3 million, capital and reserves totalled \$43.7 million while the deferred capital grant and long-term borrowing stood at \$148.5 million. Provision for pension benefits and other current liabilities accounted for \$12.8 million and \$16.4 million respectively.

FINANCIAL POSITION

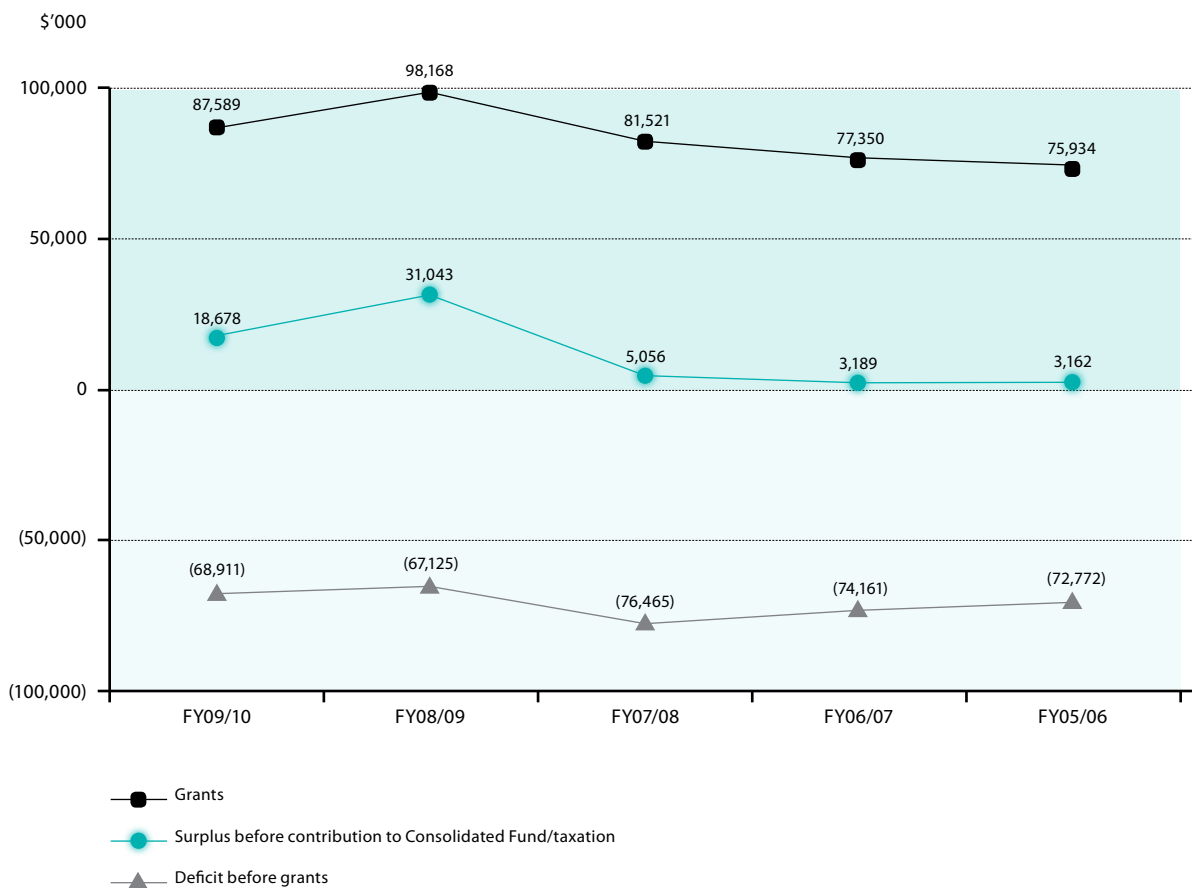


Financial Review

GROUP FINANCIAL RESULTS

The Group achieved a net surplus of \$15.5 million for the financial year ended 31 March 2010, after provision for contribution to Consolidated Fund/taxation of \$3.2 million, as compared to a net surplus of \$25.5 million for the financial year ended 31 March 2009.

SURPLUS BEFORE CONTRIBUTION TO CONSOLIDATED FUND/TAXATION

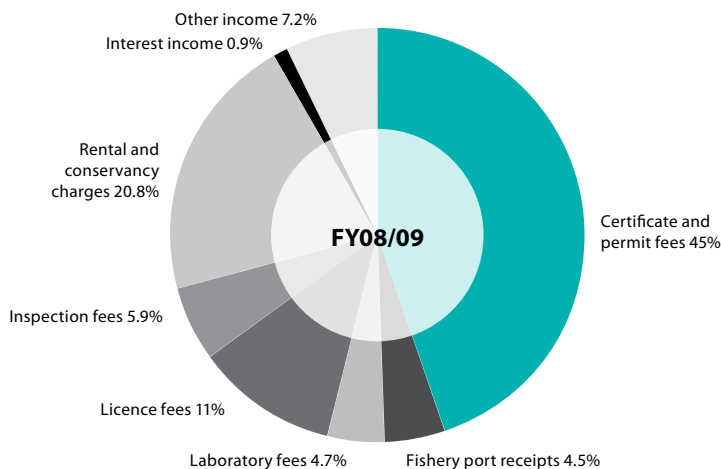
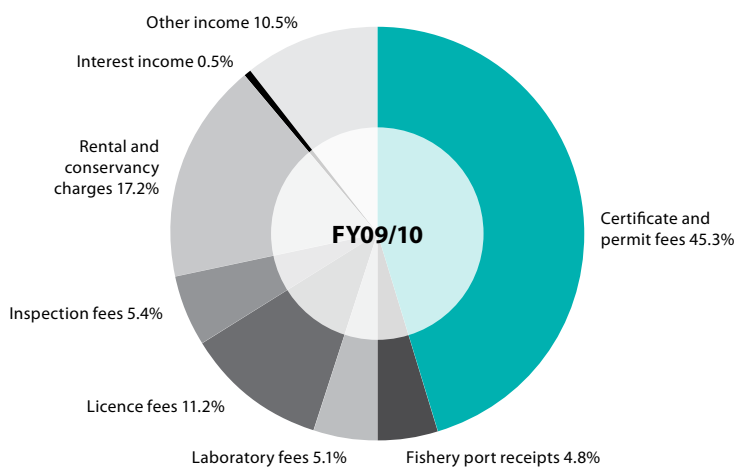


INCOME

The Group's income comprised mainly certificate and permit fees from regulatory functions (45.3%); rental income from the fishery ports (17.2%); and licence fees (11.2%).

Income increased from \$35.9 million in FY08/09 to \$37.5 million in FY09/10 due mainly to increase in revenue collections from certificate and permit fees and other income.

Group Income	FY 09/10	FY 08/09	Increase/(Decrease)	
	\$'000	\$'000	\$'000	%
Certificate and permit fees	16,960	16,194	766	4.7%
Fishery port receipts	1,772	1,614	158	9.8%
Laboratory fees	1,915	1,677	238	14.2%
Licence fees	4,198	3,961	237	6.0%
Inspection fees	2,026	2,127	(101)	(4.7%)
Rental and conservancy charges	6,447	7,481	(1,034)	(13.8%)
Interest income	194	346	(152)	(43.9%)
Other income	3,943	2,581	1,362	52.8%
Total	37,455	35,981	1,474	4.1%



EXPENDITURE

The Group's expenditure increased by \$3.3 million (3.2%) for the financial year ended 31 March 2010. The increase was attributed mainly to higher expenditure on (i) laboratory supplies due to increased volume of laboratory tests; and (ii) maintenance of information systems due to subscription costs for AVA's new financial and human resource system and transitional costs for SOEasy.

Group Expenditure	FY09/10	FY08/09	Increase/(Decrease)	
	\$'000	\$'000	\$'000	%
Staff cost	54,142	53,528	614	1.1%
General and administrative expenses	38,520	35,959	2,561	7.1%
Depreciation of property, plant and equipment	13,705	13,619	86	0.6%
Total	106,367	103,106	3,261	3.2%



CAPITAL EXPENDITURE

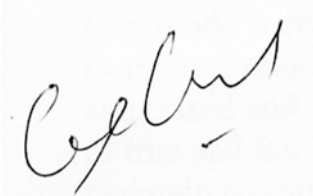
The Group's total capital expenditure for the year was \$5.7 million, representing an increase of \$0.4 million (7.5%) over the last financial year. Of the \$5.7 million, \$4.2 million was for the purchase of equipment while the remaining \$1.5 million was spent on development projects.

Statement by The Board

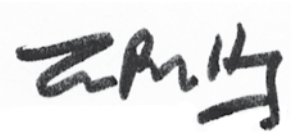
For the year ended 31 March 2010

In our opinion, the accompanying statements of financial position, statements of comprehensive income, statements of changes in equity of the Agri-Food and Veterinary Authority ("the Authority") and the Group and the statement of cash flows of the Group together with the summary of significant accounting policies and other explanatory notes thereto as set out on pages 102 to 128 are drawn up in accordance with the provisions of the Agri-Food and Veterinary Authority Act (Cap. 5, 2001 Revised Edition) and Statutory Board Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Authority and the Group as at 31 March 2010, and the results and changes in equity of the Authority and the Group and changes in cash flows of the Group for the year ended on that date.

On behalf of the Board



KOH SOO KEONG
Chairman



TAN POH HONG
Chief Executive Officer

23 June 2010

Independent Auditor's Report To The Agri-Food And Veterinary Authority

We have audited the accompanying financial statements of Agri-Food and Veterinary Authority ("the Authority") and the consolidated financial statements of the Authority and its subsidiary ("the Group"), which comprise the statements of financial position as at 31 March 2010, statements of comprehensive income, statements of changes in equity of the Authority and the Group and consolidated statement of cash flow of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Agri-Food and Veterinary Authority Act Cap. 5, 2001 Revised Edition (the Act) and the Statutory Board Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure statements and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

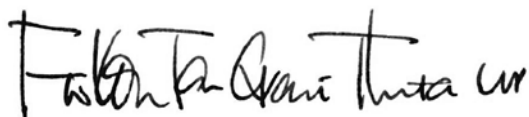
Independent Auditor's Report To The Agri-Food And Veterinary Authority

Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the Act and the Statutory Board Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Authority and of the Group as at 31 March 2010 and the results and changes in equity of the Authority and the Group and cashflows of the Group for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Authority and its subsidiary have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing came to our notice that caused us to believe that the receipts, expenditure and investment of monies and the acquisition and disposal of assets by the Authority during the financial year have not been made in accordance with the provisions of the Act.



FOO KON TAN GRANT THORNTON LLP
Public Accountants and
Certified Public Accountants

Singapore, 23 June 2010

Statements of Financial Position

As at 31 March 2010

Notes	<i>The Authority</i>		<i>The Group</i>	
	FY09/10	FY08/09	FY09/10	FY08/09
	\$	\$	\$	\$
CAPITAL AND RESERVES				
Share capital	4	1,000	1,000	1,000
Accumulated surplus		43,385,086	43,669,505	34,923,340
		43,386,086	43,670,505	34,924,340
Represented by:				
NON-CURRENT ASSETS				
Property, plant and equipment	5	148,743,211	157,054,521	148,743,211
Subsidiary	6	2	2	-
		148,743,213	157,054,523	148,743,211
CURRENT ASSETS				
Prepayments		611,228	974,349	611,228
Trade and other receivables	7	852,935	917,890	873,228
Operating grant receivable from Government		30,118,525	15,334,486	30,118,525
Cash and cash equivalents	8	40,680,214	48,285,139	40,953,417
		72,262,902	65,511,864	72,556,398
Less:				
CURRENT LIABILITIES				
Trade and other payables	9	7,873,217	7,329,366	7,878,032
Amount due to Government		98,623	-	98,623
Rental, security and other deposits		2,129,778	2,129,990	2,129,778
Capital and other grants received in advance	10	537,108	476,702	537,108
Deferred income		2,558,968	2,578,377	2,558,968
Provision for pension benefits	11	5,882,784	5,339,189	5,882,784
Provision for contribution to Consolidated Fund		3,165,954	5,579,209	3,165,954
Provision for taxation		-	-	4,260
		22,246,432	23,432,833	22,255,507
NET CURRENT ASSETS		50,016,470	42,079,031	50,300,891
Less:				
NON-CURRENT LIABILITIES				
Provision for pension benefits	11	6,921,205	7,629,665	6,921,205
Deferred capital grants	12	148,452,392	156,813,106	148,452,392
		155,373,597	164,442,771	155,373,597
		43,386,086	34,690,783	43,670,505
Net assets of MFRD Fund	13	517,902	523,032	517,902

The accompanying notes form part of these financial statements.

Statements of Comprehensive Income

For the year ended 31 March 2010

Notes	<i>The Authority</i>		<i>The Group</i>	
	FY09/10 \$	FY08/09 \$ Restated	FY09/10 \$	FY08/09 \$ Restated
INCOME				
Certificate and permit fees	16,959,655	16,194,091	16,959,655	16,194,091
Fishery port receipts	1,772,423	1,614,515	1,772,423	1,614,515
Laboratory fees	1,916,569	1,677,245	1,915,369	1,676,983
Licence fees	4,198,387	3,960,939	4,198,387	3,960,855
Inspection fees	2,085,185	2,189,017	2,026,003	2,127,057
Rental and conservancy charges	6,447,356	7,481,099	6,447,356	7,481,099
Interest income	193,638	346,060	193,638	346,060
Other income	3,778,820	2,383,424	3,942,690	2,580,748
	37,352,033	35,846,390	37,455,521	35,981,408
Less:				
EXPENDITURE				
Staff costs	14 54,141,667	53,531,066	54,141,667	53,527,866
General and administrative expenses	15 38,506,579	35,809,244	38,554,945	35,900,322
Depreciation of property, plant and equipment	5 13,704,659	13,619,186	13,704,659	13,619,186
(Gain)/loss on disposal of property, plant and equipment	(35,108)	59,401	(35,108)	59,401
	106,317,797	103,018,897	106,366,163	103,106,775
DEFICIT BEFORE GRANTS	(68,965,764)	(67,172,507)	(68,910,642)	(67,125,367)
GRANTS				
Operating grants	16 73,575,722	84,245,968	73,575,722	84,245,968
Transfer from capital and other grants	10 -	43,046	-	43,046
Transfer from deferred capital grants	12 14,013,299	13,879,101	14,013,299	13,879,101
	87,589,021	98,168,115	87,589,021	98,168,115
SURPLUS BEFORE CONTRIBUTION TO CONSOLIDATED FUND AND TAXATION	18,623,257	30,995,608	18,678,379	31,042,748
CONTRIBUTION TO CONSOLIDATED FUND	18 (3,165,954)	(5,579,209)	(3,165,954)	(5,579,209)
INCOME TAX EXPENSE	19 -	-	(4,260)	(3,628)
SURPLUS FOR THE YEAR	15,457,303	25,416,399	15,508,165	25,459,911
OTHER COMPREHENSIVE INCOME, NET OF TAX	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	15,457,303	25,416,399	15,508,165	25,459,911

The accompanying notes form part of these financial statements.

Statements of Changes in Equity

For the year ended 31 March 2010

	Note	Share Capital \$	Accumulated Surplus \$	Total Equity \$
<i>The Authority</i>				
Balance at 1 April 2008		-	10,001,384	10,001,384
Issue of shares	4	1,000	-	1,000
Total comprehensive income for the year		-	25,416,399	25,416,399
Dividends		-	(728,000)	(728,000)
Balance at 31 March 2009		1,000	34,689,783	34,690,783
Total comprehensive income for the year		-	15,457,303	15,457,303
Dividends	20	-	(6,762,000)	(6,762,000)
Balance at 31 March 2010		1,000	43,385,086	43,386,086
<i>The Group</i>				
Balance as at 31 March 2008		-	10,191,429	10,191,429
Issue of shares	4	1,000	-	1,000
Recognised surplus for the year		-	25,459,911	25,459,911
Dividends		-	(728,000)	(728,000)
Balance at 31 March 2009		1,000	34,923,340	34,924,340
Total comprehensive income for the year		-	15,508,165	15,508,165
Dividends	20	-	(6,762,000)	(6,762,000)
Balance at 31 March 2010		1,000	43,669,505	43,670,505

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2010

	FY09/10 \$	FY08/09 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before grants	(68,910,642)	(67,125,367)
Adjustments for:		
Depreciation of property, plant and equipment	13,704,659	13,619,186
(Gain)/loss on disposal of property, plant and equipment	(35,108)	59,401
Property, plant and equipment write-off	289,387	115,019
Interest income	(193,638)	(346,060)
Provision for pension benefits	2,435,060	1,350,500
Operating deficit before working capital changes	(52,710,282)	(52,327,321)
Changes in working capital excluding cash and cash equivalents:		
Trade and other receivables	(14,746,757)	(15,636,324)
Prepayments	363,121	44,097
Trade and other payables	540,096	(3,431,293)
Amount due to Government	98,623	(116,085)
Rental, security and other deposits	(212)	120,697
Deferred income	(19,409)	630,849
	(66,474,820)	(70,715,380)
Payment of contribution to Consolidated Fund	(5,579,209)	(898,021)
Payment of pension benefits	(2,599,925)	(2,688,933)
Payment of income tax	(5,148)	(4,096)
Net cash used in operating activities	(74,659,102)	(74,306,430)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,736,785)	(5,278,159)
Proceeds from disposal of property, plant and equipment	89,157	120,290
Decrease/(increase) in short term fixed deposit	27,825,560	(10,277,815)
Interest income received	215,715	316,707
Net cash generated from/(used in) investing activities	22,393,647	(15,118,977)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowing	-	(557,806)
Proceeds from issue of shares	-	1,000
Dividends paid	(6,762,000)	(728,000)
Government grants received	79,288,713	88,407,554
Cash generated from financing activities	72,526,713	87,122,748
Net increase/(decrease) in cash and cash equivalents	20,261,258	(2,302,659)
Cash and cash equivalents at beginning of year	11,625,751	13,928,410
Cash and cash equivalents at end of year (Note 8)	31,887,009	11,625,751

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2010

1 GENERAL INFORMATION

The Agri-Food and Veterinary Authority ("the Authority") is a statutory board established under the Agri-Food and Veterinary Authority Act (Cap. 5, 2001 Revised Edition) under the purview of the Ministry of National Development (MND). As a statutory board, the Authority is subject to the directions of the MND and is required to implement policies and comply with instructions from its supervising ministry and other government ministries and departments such as the Ministry of Finance (MOF).

The registered office is at 5 Maxwell Road, #02/03-00 Tower Block, MND Complex, Singapore 069110.

The financial statements of the Authority and its subsidiary for the year ended 31 March 2010 were authorised for issue by the Board Members of the Authority on 23 June 2010.

2 PRINCIPAL ACTIVITIES

The principal activities of the Authority are:

- (a) to regulate the safety and wholesomeness of food for supply to Singapore;
- (b) to promote and regulate animal and fish health, animal welfare and plant health;
- (c) to promote, facilitate and regulate the production, processing and trade of food and products related to or connected with the agri-food and veterinary sectors;
- (d) to develop, manage and regulate any agrotechnology park, agri-biotechnology park, mari-culture park, fishing harbour, and any other agri-food and veterinary centre or establishment;
- (e) to promote the development of the agri-food and veterinary sectors;
- (f) to advise and make recommendations to the Government on matters, measures and regulations related to or connected with the agri-food and veterinary sectors;
- (g) to represent the Government internationally on matters related to or connected with the agri-food and veterinary sectors; and
- (h) to carry out such other functions as are imposed upon the Authority by or under the Agri-Food and Veterinary Authority Act (Cap. 5, 2001 Revised Edition) or any other written law.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Authority are prepared in accordance with the provisions of the Agri-Food and Veterinary Authority Act (Cap. 5, 2001 Revised Edition) and Statutory Board Financial Reporting Standards ("SB-FRS"), including related Interpretations. They are prepared under the historical cost convention, except as disclosed in the accounting policies below.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SB-FRS requires the use of judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

Notes to the Financial Statements

For the year ended 31 March 2010

3 SIGNIFICANT ACCOUNTING POLICIES – (continued)

(a) Basis of preparation – (continued)

assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgements are described below:

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 - 30 years. The carrying amount of the Authority and Group's property, plant and equipment as at 31 March 2010 is \$148,743,211. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Provision for pension benefits

The defined retirement benefits obligations due to pensionable officers are determined based on the last drawn salaries of the respective pensionable officers and the pensionable officers' cumulative service period served with the Authority at the time of retirement, assuming that all pensionable officers work till the age of 60 years and opt for fully commuted gratuity on retirement. The provision for pension liability is estimated by management based on the valuation of the pension scheme as at 31 March 2010 performed by an independent firm of professional actuaries. Changes in the actuarial assumptions used in computing the pension benefits could result in a revision of the provision for the financial year.

(b) Interpretation and amendments to published standards effective in 2009

During the year under review, the Authority and the Group adopted the following relevant new or revised SB-FRSs and Interpretations to SB-FRS ("INT SB-FRS") which are applicable in the current financial year.

SB-FRS 1 (revised)	Presentation of Financial Statements
SB-FRS 7 (revised)	Cashflow Statements
SB-FRS 8 (revised)	Accounting Policies, Changes in Accounting Estimates and Errors
SB-FRS 16 (revised)	Property, plant and Equipment
SB-FRS 19 (revised)	Employee Benefits
SB-FRS 23 (revised)	Borrowing Costs
SB-FRS 27 (revised)	Consolidated and Separate Financial Statements
SB-FRS 36 (revised)	Impairment of Assets
Amendments to SB-FRS 107	Financial Instruments: Disclosures – Improving disclosures about financial instruments
INT SB-FRS 117	Distribution of Non-cash Assets to Customers
INT SB-FRS 118	Transfer of Assets from customers

Notes to the Financial Statements

For the year ended 31 March 2010

3 SIGNIFICANT ACCOUNTING POLICIES – (continued)

(b) Interpretation and amendments to published standards effective in 2009 – (continued)

The adoption of the new/revised SB-FRSs has no significant impact on the Authority and the Group, except as follows:

SB-FRS 1 (revised) Presentation of Financial Statements

The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. All non-owner changes in equity are shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Authority has chosen to adopt the former alternative. Where comparative information is restated or reclassified, a restated balance sheet is required to be presented as at the beginning comparative period. There is no restatement of the balance sheet as at 1 April 2008 in the current financial year.

The "balance sheets" and "cash flow statement" have been re-titled to "statements of financial position" and "statement of cash flows" respectively.

SB-FRS 107 Financial Instruments: Disclosures – Improving disclosures about financial instruments

The amendments to SB-FRS 107 introduce new disclosures relating to fair value measurements and liquidity risk.

(c) New SB-FRS and INT SB-FRS not effective

The Authority and the Group have not adopted the following new or revised SB-FRSs and INT SB-FRSs that have been issued as of the reporting date but are not yet effective. The Authority and the Group anticipate that the adoption of these SB-FRSs and INT SB-FRSs in future periods will not have a material impact on the Authority and the Group's financial statements.

		<i>Effective for annual periods beginning on or after</i>
SB-FRS 27 (amended 2009)	Consolidated and separate Financial Statements	1 July 2009
Amendment to SB-FRS 32	Classification of Rights Issues	1 February 2010
Amendment to SB-FRS 39	Financial Instrument: Recognition and measurement – Eligible Hedged items	1 July 2009
Amendment to SB-FRS 101	Additional Exemptions for First-time Adopters	1 January 2010
Amendment to SB-FRS 102	Group Cash-settled Share-based Payment Transactions	1 January 2010
SB-FRS 103	Business Combination	1 July 2009

(d) Consolidation

The financial statements of the Group include the financial statements of the Authority and its subsidiary made up to the end of the financial year. Detail on the subsidiary is given in Note 6.

All inter-company balances and significant inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only.

Notes to the Financial Statements

For the year ended 31 March 2010

3 SIGNIFICANT ACCOUNTING POLICIES – (continued)

(e) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. All items of property, plant and equipment are initially recorded at cost. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

	<u>Years</u>
Leasehold land and buildings	10 - 30 (over the period of the lease)
Motor vehicles and vessels	10
Mechanical and electrical equipment	8 - 10
Furniture and fittings	5 - 8
Laboratory tools and equipment	3 - 10

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

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

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated assets are retained in the financial statements until they are no longer in use.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss.

(f) Subsidiary

A subsidiary is defined as a company in which the Authority has a long-term equity interest of more than 50% and over whose financial and operating policy decisions the Group controls.

Shares in the subsidiary are stated at cost less allowance for any impairment loss on an individual subsidiary basis.

(g) Impairment of non-financial assets

The carrying amounts of the non-financial assets subject to impairment are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is defined as the higher of value in use or net-selling price.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

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 if no impairment loss had been recognised.

Notes to the Financial Statements

For the year ended 31 March 2010

3 SIGNIFICANT ACCOUNTING POLICIES – (continued)

(h) *Financial assets*

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by the Authority and the Group on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Authority and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial assets occurs when the rights to receive cash flows from the assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of the reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Authority and the Group provide money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in profit or loss.

An allowance for impairment of receivables is recognised when objective evidence is received that the Authority and the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Receivables are included in trade and other receivables in the statements of financial position.

(i) *Cash and cash equivalents*

Cash and cash equivalents comprise cash and bank balances and fixed deposits with banks.

(j) *Share capital*

Shares are issued to the Minister for Finance, the body incorporated by the Minister for Finance (Incorporation) Act, for all equity financing received from the Government. The shares issued are classified as equity and are valued at the considerations received for the issuance of the shares.

Notes to the Financial Statements

For the year ended 31 March 2010

3 SIGNIFICANT ACCOUNTING POLICIES – (continued)

(k) Dividends

Dividends proposed by the Authority are not accounted for in capital and reserves as an appropriation of accumulated surplus, until they have been declared by the Authority. When these dividends have been declared and approved by the Authority, they are recognised as a liability.

(l) Financial liabilities

The financial liabilities include trade and other payables, rental, security and other deposits, and amount due to Government received as reflected in the statements of financial position.

Financial liabilities are recognised when the Authority and the Group become parties to the contractual agreements of the instrument. All interest related charges, if any, are recognised as expense in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(m) Provisions

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

The Authority and the Group review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

(n) Employee benefits

(i) Short-term employee benefits

Salaries and bonuses are recognised when the services giving rise to the payment obligation have been satisfactorily rendered by the employees.

(ii) Defined contribution plans

The Authority and the Group contribute to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to CPF are charged to the profit or loss in the period to which the contributions relate.

(iii) Employee leave entitlements

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

Notes to the Financial Statements

For the year ended 31 March 2010

3 SIGNIFICANT ACCOUNTING POLICIES – (continued)

(n) *Employee benefits - (continued)*

(iv) *Defined benefits plans*

The Authority operates an unfunded defined benefit scheme for certain employees under the provisions of the Pension Act (Cap. 225, 2004 Revised Edition). Defined retirement benefit obligations due to pensionable officers are recognised in the statements of financial position in accordance with the Pensions Act (Chapter 225, 2004 Revised Edition).

Cost of providing defined benefit scheme is determined using the projected unit credit method, with actuarial valuations being carried out at least once in three years.

Past service cost is recognised immediately to the extent that the benefits are already vested since the starting date of the pensionable employees' service with the Authority.

(o) *Income recognition*

Certificate and permit fees are recognised as income when certificate or permits are issued.

Licence fees are recognised as income on time proportion basis.

Income from the rendering of services which comprises berthing fees, laboratory fees and inspection fees, is recognised when the service is rendered.

Rental and conservancy charges and vehicle entry fees are recognised as income on a straight-line basis over the period of the lease.

Interest income is recognised on a time proportion basis using the effective interest method.

Other income comprises mainly fines which are accounted for when received.

Deferred income relates to annual licence fees received in advance from licensees and is recognised in the profit or loss over the remaining period of the licences.

(p) *Grants*

Government grants and contributions from other parties utilised for the purchase or construction of property, plant and equipment are taken to the Deferred Capital Grants Account.

Non-monetary grants related to assets are taken at their fair values to the Deferred Capital Grants Account.

Deferred capital grants are recognised in the profit or loss over the periods necessary to match the depreciation of the assets purchased or received with the related grants. On disposal of the property, plant and equipment, the balance of the related grants is taken to the profit or loss to match the net book value of the property, plant and equipment disposed.

Grants and contributions received for the purchase or construction of property, plant and equipment but which are not yet utilised are taken to the Capital and Other Grants Received in Advance Account.

Operating grants whose purpose is to meet the current financial year's operating expenses are recognised as income in the same financial year.

Notes to the Financial Statements

For the year ended 31 March 2010

3 SIGNIFICANT ACCOUNTING POLICIES – (continued)

(p) Grants - (continued)

Grants are recognised only when there is reasonable assurance that the Authority would comply with the conditions attaching to those grants, and the grants would be received.

q) Leases

(i) Operating leases - lessee

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Operating leases - lessor

Assets leased out under operating leases are included in land and building and are stated at cost. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(r) Functional and presentation currency

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

(s) Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management objectives and policies are provided in Note 23.

(t) Contribution to Consolidated Fund

The contribution to the Consolidated Fund is required under Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Cap.319A). The contribution rate and the framework governing such contributions are determined by the Ministry of Finance.

Accounting surplus would be used for the purpose of computing the contribution and this is accounted for on an accrual basis.

Notes to the Financial Statements

For the year ended 31 March 2010

3 SIGNIFICANT ACCOUNTING POLICIES – (continued)

(u) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax of the subsidiary.

The liability method of tax effect accounting is adopted by the subsidiary. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred income tax is provided on all temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

4 SHARE CAPITAL

The Authority and the Group

	No. of shares		Amount	
	FY09/10	FY08/09	FY09/10	FY08/09
	\$		\$	\$
Balance at beginning of the financial year	1,000	-	1,000	-
Issue of shares	-	1,000	-	1,000
Balance at end of the financial year	1,000	1,000	1,000	1,000

In November 2008, the Ministry of Finance (“MOF”) implemented the Capital Management Framework which aims to sensitise Statutory Boards on the opportunity cost of capital utilised by the Statutory Boards to perform their functions. Under this framework, the Authority issued 1,000 shares to the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act (Cap. 183, 1985 Revised Edition) on 6 March 2009 for a consideration of S\$1,000. The shares carry neither voting rights nor par value.

Notes to the Financial Statements

For the year ended 31 March 2010

5 PROPERTY, PLANT AND EQUIPMENT

The Authority

	<i>Leasehold land and buildings</i>	<i>Motor vehicles and vessels</i>	<i>Mechanical and electrical equipment</i>	<i>Furniture and fittings</i>	<i>Laboratory tools and equipment</i>	<i>Development work-in- progress</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$
Cost							
At 1 April 2008	185,100,434	3,313,405	19,775,095	6,202,933	36,388,904	1,031,498	251,812,269
Additions	-	368,193	161,708	149,521	2,447,592	2,151,145	5,278,159
Disposals	-	(521,300)	(305,788)	(807,423)	(2,687,544)	(105,489)	(4,427,544)
Transfers	1,014,639	-	-	5,179	256,976	(1,276,794)	-
At 31 March 2009	186,115,073	3,160,298	19,631,015	5,550,210	36,405,928	1,800,360	252,662,884
Additions	-	397,135	166,169	86,580	3,542,112	1,544,789	5,736,785
Disposals	(84,002)	(582,736)	(54,787)	(728,543)	(656,285)	(23,164)	(2,129,517)
Transfers	976	-	(170,840)	-	2,260,875	(2,091,011)	-
At 31 March 2010	186,032,047	2,974,697	19,571,557	4,908,247	41,552,630	1,230,974	256,270,152
Accumulated depreciation							
At 1 April 2008	47,375,819	1,552,755	9,278,390	4,715,590	23,199,457	-	86,122,011
Depreciation for the year	7,529,007	279,415	1,895,862	457,893	3,457,009	-	13,619,186
Disposals	-	(474,857)	(305,788)	(787,723)	(2,564,466)	-	(4,132,834)
At 31 March 2009	54,904,826	1,357,313	10,868,464	4,385,760	24,092,000	-	95,608,363
Depreciation for the year	7,422,326	274,660	1,907,056	98,620	4,001,997	-	13,704,659
Disposals	-	(540,018)	(54,308)	(539,521)	(652,234)	-	(1,786,081)
Transfers	-	-	(170,790)	-	170,790	-	-
At 31 March 2010	62,327,152	1,091,955	12,550,422	3,944,859	27,612,553	-	107,526,941
Net book value							
At 31 March 2010	123,704,895	1,882,742	7,021,135	963,388	13,940,077	1,230,974	148,743,211
At 31 March 2009	131,210,247	1,802,985	8,762,551	1,164,450	12,313,928	1,800,360	157,054,521

Notes to the Financial Statements

For the year ended 31 March 2010

5 PROPERTY, PLANT AND EQUIPMENT – (continued)

The Group

	<i>Leasehold land and buildings</i>	<i>Motor vehicles and vessels</i>	<i>Mechanical and electrical equipment</i>	<i>Furniture and fittings</i>	<i>Laboratory tools and equipment</i>	<i>Development work-in- progress</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$
Cost							
At 1 April 2008	185,100,434	3,313,405	19,775,095	6,202,933	36,393,709	1,031,498	251,817,074
Additions	-	368,193	161,708	149,521	2,447,592	2,151,145	5,278,159
Disposals	-	(521,300)	(305,788)	(807,423)	(2,687,544)	(105,489)	(4,427,544)
Transfers	1,014,639	-	-	5,179	256,976	(1,276,794)	-
At 31 March 2009	186,115,073	3,160,298	19,631,015	5,550,210	36,410,733	1,800,360	252,667,689
Additions	-	397,135	166,169	86,580	3,542,112	1,544,789	5,736,785
Disposals	(84,002)	(582,736)	(54,787)	(728,543)	(656,285)	(23,164)	(2,129,517)
Transfers	976	-	(170,840)	-	2,260,875	(2,091,011)	-
At 31 March 2010	186,032,047	2,974,697	19,571,557	4,908,247	41,557,435	1,230,974	256,274,957
Accumulated depreciation							
At 1 April 2008	47,375,819	1,552,755	9,278,390	4,715,590	23,204,262	-	86,126,816
Depreciation for the year	7,529,007	279,415	1,895,862	457,893	3,457,009	-	13,619,186
Disposals	-	(474,857)	(305,788)	(787,723)	(2,564,466)	-	(4,132,834)
At 31 March 2009	54,904,826	1,357,313	10,868,464	4,385,760	24,096,805	-	95,613,168
Depreciation for the year	7,422,326	274,660	1,907,056	98,620	4,001,997	-	13,704,659
Disposals	-	(540,018)	(54,308)	(539,521)	(652,234)	-	(1,786,081)
Transfers	-	-	(170,790)	-	170,790	-	-
At 31 March 2010	62,327,152	1,091,955	12,550,422	3,944,859	27,617,358	-	107,531,746
Net book value							
At 31 March 2010	123,704,895	1,882,742	7,021,135	963,388	13,940,077	1,230,974	148,743,211
At 31 March 2009	131,210,247	1,802,985	8,762,551	1,164,450	12,313,928	1,800,360	157,054,521

Notes to the Financial Statements

For the year ended 31 March 2010

6 SUBSIDIARY

<i>The Authority</i>	FY09/10	FY08/09
	\$	\$
Unquoted equity investment, at cost	2	2

The subsidiary, which is incorporated in Singapore, is as follows:

Name of company	Principal activity	Equity holding	
		FY09/10 %	FY08/09 %
Agrifood Technologies Pte Ltd	Consultancy services	100	100

The financial statements of the subsidiary are audited by UHY Lee Seng Chan & Co.

7 TRADE AND OTHER RECEIVABLES

	<i>The Authority</i>		<i>The Group</i>	
	FY09/10 \$	FY08/09 \$	FY09/10 \$	FY08/09 \$
Trade receivables	700,850	742,843	721,143	740,973
Less:				
Impairment for doubtful debts	(30,866)	(2,724)	(30,866)	(2,724)
Net trade receivables	669,984	740,119	690,277	738,249
Other receivables	182,951	177,771	182,951	194,338
	852,935	917,890	873,228	932,587

Included in trade receivables of the Authority is an amount of \$19,803 (FY08/09 - \$22,430) due from subsidiary.

Notes to the Financial Statements

For the year ended 31 March 2010

8 CASH AND CASH EQUIVALENTS

	<i>The Authority</i>		<i>The Group</i>	
	FY09/10	FY08/09	FY09/10	FY08/09
	\$	\$	\$	\$
Cash and bank balances	68,035	11,393,171	341,238	11,625,751
Fixed deposits with financial institutions	9,066,408	36,891,968	9,066,408	36,891,968
Cash managed by Accountant-General's Department	31,545,771	-	31,545,771	-
	40,680,214	48,285,139	40,953,417	48,517,719

The fixed deposits with financial institutions mature on varying dates within 12 months (FY08/09: 12 months) from the financial year end. The weighted average effective interest rate of these deposits as at 31 March 2010 was 0.4% (FY08/09 – 0.7%) per annum.

All Statutory Boards and Ministries are required to participate in the Centralised Liquidity Management ("CLM"), whereby the Account General's Department will centrally manage the cash of Statutory Boards and Ministries to achieve greater efficiency. The Authority participated in the CLM with effect from 3 December 2009.

For the purposes of the consolidated statement of cash flows, the year-end cash and cash equivalents comprise the following:

	FY09/10	FY08/09
	\$	\$
The Group		
Cash and bank balances	341,238	11,625,751
Cash managed by Accountant-General's Department	31,545,771	-
	31,887,009	11,625,751

9 TRADE AND OTHER PAYABLES

	<i>The Authority</i>		<i>The Group</i>	
	FY09/10	FY08/09	FY09/10	FY08/09
	\$	\$	\$	\$
Trade payables	16,259	2,999,707	16,259	3,003,776
Accrued operating expenses	7,856,958	4,329,659	7,861,773	4,334,160
	7,873,217	7,329,366	7,878,032	7,337,936

Notes to the Financial Statements

For the year ended 31 March 2010

10 CAPITAL AND OTHER GRANTS RECEIVED IN ADVANCE

<i>The Authority and the Group</i>	FY09/10	FY08/09
	\$	\$
<u>Government Grants</u>		
Balance at the beginning of the financial year	476,702	1,625,702
Received during the financial year	841,430	857,651
Transfer to Deferred Capital Grants (Note 12)	(691,811)	(1,953,022)
Transfer to profit or loss	-	(43,046)
Return of Grants	(89,213)	(10,583)
Balance at the end of the financial year	537,108	476,702

There is no transfer to profit or loss in current financial year. The transfer to profit or loss in FY08/09 is for the purpose of matching expenditure incurred in relation to research and development funded from various Government agencies.

11 PROVISION FOR PENSION BENEFITS

<i>The Authority and the Group</i>	FY09/10	FY08/09
	\$	\$
Balance at the beginning of the financial year	12,968,854	14,307,287
Provision for the financial year (Note 14)	2,435,060	1,350,500
Payments during the financial year	(2,599,925)	(2,688,933)
Balance at the end of the financial year	12,803,989	12,968,854

The provision for pension benefits is payable as follows:

	FY09/10	FY08/09
	\$	\$
Within one year	5,882,784	5,339,189
After one year	6,921,205	7,629,665
	12,803,989	12,968,854

The amounts recognised in profit or loss are as follows:

<i>The Authority and the Group</i>	FY09/10	FY08/09
	\$	\$
Current service cost	942,000	1,063,500
Actuarial loss	1,215,060	-
Interest cost	278,000	287,000
	2,435,060	1,350,500

The provision has been estimated by management based on the valuation of the pension scheme as at 31 March 2010 performed by an independent firm of professional actuaries.

- Discount rate : 1.5% (FY08/09: 3%) per annum
- Salary inflation : 2% per annum for all employees (FY08/09: 3% per annum for employees age 55 and below, and 0% for employees age above 55).
- Mortality rate : S9702 Singapore mortality table (FY08/09: S8388 Singapore mortality table)
- The retirement age is assumed to be 60 and the employee has completed at least 10 years of pensionable service.

Notes to the Financial Statements

For the year ended 31 March 2010

12 DEFERRED CAPITAL GRANTS

<i>The Authority and the Group</i>	FY09/10	FY08/09
	\$	\$
<u>Government Grants</u>		
Balance at beginning of the financial year	156,813,106	165,424,667
Transfer from Capital and Other Grants (Note 10)	691,811	1,953,022
Transfer from Operating Grants (Note 16)	4,960,774	3,314,518
	162,465,691	170,692,207
Grants taken to profit or loss		
- to match depreciation	(13,669,863)	(13,584,391)
- to match disposals	(54,049)	(189,221)
- to match write-off	(289,387)	(105,489)
	(14,013,299)	(13,879,101)
Balance at the end of the financial year	148,452,392	156,813,106

13 MFRD FUND

This fund was transferred to AVA on 1 April 2009 to be held in trust for activities under the Marine Fisheries Research Department (MFRD)/Southeast Asian Fisheries Development Centre (SEAFDEC) in Singapore. During FY08/09, MFRD changed its financial year end from 31 December to 31 March to be consistent with the financial year end of the Authority.

The assets and liabilities of the fund are as follows:

The Authority and the Group

	FY09/10		FY08/09			
	S\$	US\$	31 March 2009		31 December 2008	
			S\$	US\$	S\$	US\$
ACCUMULATED SURPLUS	517,902	370,327	523,032	344,100	529,373	366,957
Represented by						
CURRENT ASSETS						
Cash and bank balances	202,114	144,522	46,289	30,453	47,799	33,134
Fixed deposits	315,788	225,805	494,343	325,226	494,052	342,473
Prepayment and other receivables	-	-	-	-	122	85
	517,902	370,327	540,632	355,679	541,973	375,692
Less:						
CURRENT LIABILITIES						
Accrued operating expenses	-	-	17,600	11,579	12,600	8,735
Net current assets, Representing net assets	517,902	370,327	523,032	344,100	529,373	366,957

Notes to the Financial Statements

For the year ended 31 March 2010

13 MFRD FUND – (continued)

The income and expenditure of the fund for the year ended 31 March 2010 are as follows:

The Authority and the Group

	FY09/10		FY08/09			
	S\$	US\$	1 Jan 09 to 31 Mar 09		1 Jan 08 to 31 Dec 09	
			S\$	US\$	S\$	US\$
INCOME						
Interest from fixed deposits	547	391	274	180	2,401	1,664
Other income	9,232	6,601	-	-	8,447	5,855
Total income	9,779	6,992	274	180	10,848	7,519
Less:						
EXPENDITURE						
General administrative expenses	14,909	10,660	6,615	4,352	76,054	52,720
Deficit for the year	(5,130)	(3,668)	(6,341)	(4,172)	(65,206)	(45,201)

Note:

For purpose of making references to financial statements of other departments of SEAFDEC, items in the income and expenditure and assets and liabilities had been translated to United States dollar ("US\$") at the exchange rate prevailing at balance sheet date of US\$1 = S\$1.3985 (31 March 2009: US\$1 = S\$1.5200; 31 December 2008: US\$1=S\$1.4426)

14 STAFF COSTS

	<i>The Authority</i>		<i>The Group</i>	
	FY09/10	FY08/09	FY09/10	FY08/09
	\$	\$	\$	\$
		Restated		Restated
Salaries, allowances and bonus	44,545,202	44,902,931	44,545,202	44,902,931
Central Provident Fund contributions	3,928,010	3,985,398	3,928,010	3,985,398
Provision for pension benefits (Note 11)	2,435,060	1,350,500	2,435,060	1,350,500
Other staff costs	3,233,395	3,292,237	3,233,395	3,289,037
	54,141,667	53,531,066	54,141,667	53,527,866

	FY09/10	FY08/09
	\$	\$
Included in staff costs is key management remuneration as follows:		

Short term employee benefits	1,642,460	1,548,480
Post-employment benefits	200,389	399,059
	1,842,849	1,947,539

Key management refers to employees designated as Directors and above who have the authority and responsibility for planning, directing and controlling the activities of the Authority.

Notes to the Financial Statements

For the year ended 31 March 2010

15 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>The Authority</i>		<i>The Group</i>	
	FY09/10	FY08/09	FY09/10	FY08/09
	\$	\$	\$	\$
		Restated		Restated
Transport and travel	698,092	634,254	699,239	638,107
Office supplies	858,118	850,536	861,310	856,315
Laboratory supplies	3,018,476	2,423,278	3,018,476	2,423,278
Utilities	2,606,345	2,923,670	2,606,345	2,923,670
Rental - operating leases	3,966,977	3,934,208	3,966,977	3,934,208
Rental - others	366,266	262,667	366,266	262,667
Maintenance of office premises	3,693,498	4,498,356	3,693,498	4,498,356
Maintenance of information systems	4,530,190	2,521,019	4,530,190	2,521,019
Maintenance of office and laboratory equipment	1,380,525	1,180,041	1,380,525	1,180,041
Auditors' remuneration	62,000	62,000	64,140	64,140
Laboratory fees	4,433,017	3,957,219	4,433,017	3,957,219
Public education	1,697,518	2,181,763	1,697,518	2,181,763
Professional fees	453,477	222,178	475,421	284,362
Estate management fee	1,987,512	1,930,201	1,987,512	1,930,201
Board honorarium	79,375	71,250	81,875	73,750
Goods and services tax	2,097,426	2,045,823	2,097,426	2,045,823
Security services	1,030,898	995,603	1,030,898	995,603
HPAI expenditure	745,733	780,997	745,733	780,997
Property tax	837,780	1,427,850	837,780	1,427,850
Property, plant and equipment written off	289,387	115,019	289,387	115,019
Other operating expenses	3,673,969	2,791,312	3,691,412	2,805,934
	38,506,579	35,809,244	38,554,945	35,900,322

16 OPERATING GRANTS

<i>The Authority and the Group</i>	FY09/10	FY08/09
	\$	\$
Received/receivable during the financial year	78,536,496	87,560,486
Transfer to Deferred Capital Grants (Note 12)	(4,960,774)	(3,314,518)
Transfer to profit or loss	73,575,722	84,245,968

Notes to the Financial Statements

For the year ended 31 March 2010

17 TOTAL GOVERNMENT GRANTS

Total grants received/receivable from the Government since the establishment of the Authority are as follows:

<i>The Authority and the Group</i>	FY09/10	FY08/09
	\$	\$
Capital and Other Grants	279,840,098	279,087,881
Operating Grants	567,171,402	488,634,906
	847,011,500	767,722,787

18 CONTRIBUTION TO CONSOLIDATED FUND

The contribution to the Consolidated Fund is required under section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Cap. 319A). The contribution rate and the framework governing such contributions are determined by the Ministry of Finance.

The contribution is based on 17% (FY08/09: 18%) of the surplus for the year.

19 INCOME TAX EXPENSE

<i>The Group</i>	FY09/10	FY08/09
	\$	\$
Current income tax expense	4,260	3,582
Underprovision of current income tax expense in respect of prior years	-	46
	4,260	3,628

The income tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the subsidiary's surplus as a result of the following differences:

	FY09/10	FY08/09
	\$	\$
Surplus before contribution to Consolidated Fund and income tax expense	18,678,379	31,042,748
Less:		
The Authority's surplus before contribution to Consolidated Fund and income tax expense	18,623,257	30,995,608
The subsidiary's surplus before income tax expense	55,122	47,140
Income tax at statutory rate of 17% (FY08/09: 17%)	9,371	8,014
Singapore statutory stepped income exemption	(5,111)	(4,432)
	4,260	3,582

20 DIVIDEND

In accordance with the Capital Management Framework for Statutory Board, the Authority declared and paid a dividend of \$6,762,000, based on the accounting surplus in FY08/09, to the MOF on 22 December 2009.

Notes to the Financial Statements

For the year ended 31 March 2010

21 COMMITMENTS FOR CAPITAL EXPENDITURE

Capital expenditure contracted during the financial year but not provided for in the financial statements amounted to \$192,386 (FY08/09 - \$1,266,541) at the end of the reporting period.

22 OPERATING LEASE COMMITMENTS

Payments

The future aggregate minimum lease payments under non-cancellable operating leases for office premises and office equipment contracted for at the reporting date but not recognised as liabilities, are as follows:

<i>The Authority and the Group</i>	FY09/10	FY08/09
	\$	\$
Not later than one financial year	4,275,091	3,298,725
Later than one financial year but not later than five financial years	6,372,001	1,459,033
	10,647,092	4,757,758

The leases on the Authority and the Group office premises and office equipment contracted on which rentals are payable will expire from 30 April 2010 to 31 March 2013, subject to an option to renew for another 1 year, and the current rent payable on the leases range from \$32 to \$170,306 per month which are subject to revision on renewal.

Subsequent to the end of the current financial year, the leases on the Authority and the Group office equipment which expired on 30 April 2010 were renewed for another 1 year.

Receipts

The future aggregate minimum lease receipts receivable under non-cancellable operating leases for the Authority's Fishery Ports' premises contracted for at the reporting date but not recognised as receivables, are as follows:

<i>The Authority and the Group</i>	FY09/10	FY08/09
	\$	\$
Not later than one financial year	5,221,535	5,366,900
Later than one financial year but not later than five financial years	3,836,386	7,523,217
	9,057,921	12,890,117

The leases on the Authority's Fishery Ports' premises contracted on which rentals are receivable will expire from 30 April 2011 to 14 March 2013, subject to an option to renew for another 3 years, and the current rent receivable on the leases range from \$83 to \$13,888 per month which are subject to revision on renewal.

Notes to the Financial Statements

For the year ended 31 March 2010

23 FINANCIAL RISK MANAGEMENT

The Authority and Group's activities are exposed to market risk (including currency risk, interest rate risk, credit risk and liquidity risk). The Authority and Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Authority and Group's financial performance.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority and the Group have minimal exposure to foreign exchange risk as they transact mainly in Singapore dollars.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates.

The Authority and the Group's exposure to interest rate risks relate primarily to fixed/short term deposits placed with reputable banks. The Authority and the Group manages its interest rate risks on its interest income by placing the deposits in varying maturities and interest rate terms with different reputable banks.

The following table indicates the effective interest rate at the end of the reporting period.

The Authority and the Group

Financial assets	Effective interest rate %	Total \$	Less than 1 year \$	1 to 5 years \$
Fixed deposits with banks				
FY09/10	0.4	9,066,408	9,066,408	-
FY08/09	0.7	36,891,968	36,891,968	-

Sensitivity analysis

For illustrative purpose, the sensitivity analysis performed is based on the changes in market interest rates affecting the interest income of fixed deposit placements.

The Authority and the Group

	FY09/10	FY08/09
	\$	\$
Effect of an increase in 0.5% in interest rate		
Increase in surplus before contribution to Consolidated Fund	105,204	117,045
Increase in equity	87,319	95,977
	FY09/10	FY08/09
	\$	\$
Effect of a decrease in 0.5% in interest rate		
Decrease in surplus before contribution to Consolidated Fund	(85,226)	(107,533)
Decrease in equity	(70,737)	(88,177)

Notes to the Financial Statements

For the year ended 31 March 2010

23 FINANCIAL RISK MANAGEMENT – (continued)

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk for the Authority and the Group are as follows:

	<i>The Authority</i>		<i>The Group</i>	
	FY09/10	FY08/09	FY09/10	FY08/09
	\$	\$	\$	\$
Trade receivables	700,850	742,843	721,143	740,973
Other receivables	182,951	177,771	182,951	194,338
Total	883,801	920,614	904,094	935,311

The Authority and the Group have no significant concentrations of credit risk. The Authority and the Group have policies in place to ensure that sales of products and services are made to customers with appropriate credit history, and that surplus funds are placed with reputable banks.

(i) Financial assets that are neither past due nor impaired

Trade receivables and other receivables that are neither past due nor impaired are substantially companies with a good payment track record with the Authority and the Group. Cash and cash equivalents that are neither past due nor impaired are placed with banks with high credit ratings.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables. The aging analysis of trade receivables (gross) is as follows:

	<i>The Authority</i>		<i>The Group</i>	
	FY09/10	FY08/09	FY09/10	FY08/09
	\$	\$	\$	\$
≤ 90 days	11,067	110,841	39,067	110,841
≥ 90 days	30,866	2,724	30,866	2,724

The changes in impairment loss in respect of trade receivables during the year are as follows:

	<i>The Authority and the Group</i>	
	FY09/10	FY08/09
	\$	\$
Beginning of year	2,724	392
Impairment made	28,551	2,674
Impairment utilised	(409)	(525)
Impairment written back	-	183
End of year	30,866	2,724

Notes to the Financial Statements

For the year ended 31 March 2010

23 FINANCIAL RISK MANAGEMENT – (continued)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Authority and the Group's liquidity risk is minimal as the Authority and the Group maintain sufficient cash balances and internally generated cash flows to finance their operating activities and committed liabilities. In addition, the Authority is financially supported by grants primarily from the Government.

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted payments:

	FY09/10			FY08/09		
	≤ 1 year \$	<1 to 5 years \$	> 5 years \$	≤ 1 year \$	<1 to 5 years \$	> 5 years \$
<i>The Authority</i>						
Trade and other payables	7,873,217	-	-	7,329,366	-	-
Amount due to Government	98,623	-	-	-	-	-
Provision for pension benefits	5,882,784	3,468,129	3,453,076	5,339,189	4,047,158	3,582,507
Rental, security and other deposits	2,129,778	-	-	2,129,990	-	-
	15,984,402	3,468,129	3,453,076	14,798,545	4,047,158	3,582,507

	FY09/10			FY08/09		
	≤ 1 year \$	<1 to 5 years \$	> 5 years \$	≤ 1 year \$	<1 to 5 years \$	> 5 years \$
<i>The Group</i>						
Trade and other payables	7,878,032	-	-	7,337,936	-	-
Amount due to Government	98,623	-	-	-	-	-
Provision for pension benefits	5,882,784	3,468,129	3,453,076	5,339,189	4,047,158	3,582,507
Rental, security and other deposits	2,129,778	-	-	2,129,990	-	-
	15,989,217	3,468,129	3,453,076	14,807,115	4,047,158	3,582,507

Notes to the Financial Statements

For the year ended 31 March 2010

24 CAPITAL MANAGEMENT

The Authority and the Group's objectives when managing capital are to safeguard the Authority and the Group's ability to continue as a going concern and to support the Authority's mission. Under the Capital Management Framework for Statutory Boards, the Authority is expected to declare annual dividend to the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act, in return for any equity injection. The annual dividend to be declared is based on an agreed formula stipulated by the Ministry of Finance in the Finance Circular Minute No. M26/2008.

There were no changes in the Group's approach to capital management during the year.

The Authority and its subsidiary are not subject to externally imposed capital requirements

25 FINANCIAL INSTRUMENTS

Fair values

The carrying amount of financial assets and liabilities in the financial statements with a maturity of less than one year is assumed to approximate their fair values.

However, the Authority and the Group do not anticipate that the carrying amounts for financial assets with a maturity of more than one year recorded at the end of the reporting period would be significantly different from the values that would eventually be received.

26 COMPARATIVES

Certain comparative figures have been reclassified to conform with current year's presentation in relation to the statement of comprehensive income.

Statements of Comprehensive Income

	<i>The Authority</i>		<i>The Group</i>	
	Restated	Reported	Restated	Reported
	FY08/09	FY08/09	FY08/09	FY08/09
	\$	\$	\$	\$
INCOME				
Certificate and permit fees	16,194,091	17,195,633	16,194,091	17,195,633
Fishery port receipts	1,614,515	593,926	1,614,515	593,926
Vehicle entry fees	-	1,020,589	-	1,020,589
Inspection fees	2,189,017	1,187,475	2,127,057	1,125,515
EXPENDITURE				
Staff costs	53,531,066	53,503,267	53,527,866	53,500,067
General and administrative expenses	35,809,244	35,837,043	35,900,322	35,928,121

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