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**PRESERVATION OF MONUMENTS BOARD
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

PRESERVATION OF MONUMENTS BOARD

REPORT AND FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT TO PRESERVATION OF MONUMENTS BOARD

We have audited the financial statements of the Preservation of Monuments Board (the "Board") which comprise of the balance sheet as at March 31, 2007, the statement of income and expenditure, statement of changes in accumulated funds and cash flow statement of the Board for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 18.

Board Members' Responsibility

The Board Members are responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards and the Preservation of Monuments Act (Chapter 239) (the "Act"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 directors, 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,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Board as at March 31, 2007 and of the results, changes in accumulated funds and cash flows of the Board for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Board have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche

Certified Public Accountants

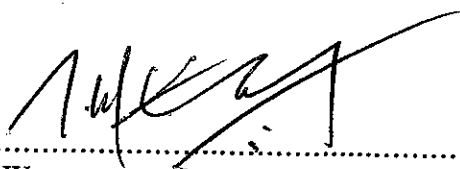
Singapore
July 26, 2007

PRESERVATION OF MONUMENTS BOARD

STATEMENT OF BOARD MEMBERS

In the opinion of the members of the Board, the financial statements as set out on pages 4 to 18 are properly drawn up in accordance with the provisions of the Preservation of Monuments Act (Chapter 239) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Board as at March 31, 2007 and of the results, changes in accumulated funds, and cash flows of the Board for the financial year then ended.

ON BEHALF OF THE BOARD MEMBERS



.....
Alfred Wong
Chairman



.....
Theresa Foo
Deputy Chairman

July 26, 2007

PRESERVATION OF MONUMENTS BOARD

**BALANCE SHEET
MARCH 31, 2007**

	<u>Note</u>	<u>2006/2007</u> \$	<u>2005/2006</u> \$
<u>LIABILITIES AND ACCUMULATED FUNDS</u>			
Accumulated funds			
General fund	6	967,434	404,821
Specific funds	7	<u>1,871,090</u>	<u>1,603,213</u>
Total accumulated funds		<u>2,838,524</u>	<u>2,008,034</u>
Current liabilities			
Deferred capital grants	8	11,915	5,877
Other payables	9	<u>9,500</u>	<u>13,798</u>
Total current liabilities		<u>21,415</u>	<u>19,675</u>
Total liabilities and accumulated funds		<u>2,859,939</u>	<u>2,027,709</u>
<u>ASSETS</u>			
Current assets			
Cash and bank balances	10	2,340,913	2,020,162
Other receivables	11	<u>507,111</u>	<u>1,670</u>
Total current assets		<u>2,848,024</u>	<u>2,021,832</u>
Non-current asset			
Office equipment	12	<u>11,915</u>	<u>5,877</u>
Total assets		<u>2,859,939</u>	<u>2,027,709</u>

See accompanying notes to financial statements.

PRESERVATION OF MONUMENTS BOARD

**STATEMENT OF INCOME AND EXPENDITURE
YEAR ENDED MARCH 31, 2007**

	Note	General Fund		Specific Funds		Total	
		2006/2007 \$	2005/2006 \$	2006/2007 \$	2005/2006 \$	2006/2007 \$	2005/2006 \$
INCOME							
Sale of publications		-	67	-	-	-	67
Donations			-	428,173	738,624	428,173	738,624
Interest income		16,976	8,581	28,219	19,467	45,195	28,048
Miscellaneous income		<u>2,010</u>	<u>1,031</u>	-	-	<u>2,010</u>	<u>1,031</u>
Total income		<u>18,986</u>	<u>9,679</u>	<u>456,392</u>	<u>758,091</u>	<u>475,378</u>	<u>767,770</u>
EXPENDITURE							
Agency fees	5	474,245	491,821	-	-	474,245	491,821
Depreciation expense	12	7,319	4,149	-	-	7,319	4,149
Restoration costs		-	-	188,515	240,651	188,515	240,651
Printing of preservation guidelines		24,803	93,585	-	-	24,803	93,585
General and administrative expenses		45,219	66,209	-	33	45,219	66,242
Publications written off		-	1,274	-	-	-	1,274
Research expenses		22,155	12,226	-	-	22,155	12,226
Rental expenses		17,884	-	-	-	17,884	-
Plaques expenses		<u>10,420</u>	<u>6,552</u>	-	-	<u>10,420</u>	<u>6,552</u>
Total expenditure		<u>602,045</u>	<u>675,816</u>	<u>188,515</u>	<u>240,684</u>	<u>790,560</u>	<u>916,500</u>
NET (EXPENDITURE) INCOME BEFORE GRANTS							
		(583,059)	(666,137)	267,877	517,407	(315,182)	(148,730)
GRANTS							
Operating grants from MICA	5	1,153,971	699,466	-	-	1,153,971	699,466
Deferred capital grants transferred	8	(15,618)	(2,684)	-	-	(15,618)	(2,684)
Deferred capital grants amortised	8	<u>7,319</u>	<u>4,149</u>	-	-	<u>7,319</u>	<u>4,149</u>
		<u>1,145,672</u>	<u>700,931</u>	-	-	<u>1,145,672</u>	<u>700,931</u>
SURPLUS FOR THE YEAR							
		<u>562,613</u>	<u>34,794</u>	<u>267,877</u>	<u>517,407</u>	<u>830,490</u>	<u>552,201</u>

See accompanying notes to financial statements.

PRESERVATION OF MONUMENTS BOARD

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
YEAR ENDED MARCH 31, 2007**

	<u>General Fund</u>	<u>Specific Funds</u>	<u>Total</u>
	\$	\$	\$
Balance at April 1, 2005	370,027	1,085,806	1,455,833
Surplus for the year	<u>34,794</u>	<u>517,407</u>	<u>552,201</u>
Balance at April 1, 2006	404,821	1,603,213	2,008,034
Surplus for the year	<u>562,613</u>	<u>267,877</u>	<u>830,490</u>
Balance at March 31, 2007	<u>967,434</u>	<u>1,871,090</u>	<u>2,838,524</u>

See accompanying notes to financial statements.

PRESERVATION OF MONUMENTS BOARD

CASH FLOW STATEMENT YEAR ENDED MARCH 31, 2007

	<u>2006/2007</u>	<u>2005/2006</u>
	\$	\$
Operating activities		
Surplus for the year	830,490	552,201
Adjustments for:		
Interest income	(45,195)	(28,048)
Depreciation expense	7,319	4,149
Amortisation of deferred capital grants	(7,319)	(4,149)
Transfer of deferred capital grants	<u>15,618</u>	<u>2,684</u>
Operating surplus before movements in working capital	800,913	526,837
Other receivables	(505,441)	-
Inventories	-	1,299
Other payables	(4,298)	5,000
Grants received in advance	-	(119,162)
Cash generated from operations	<u>291,174</u>	<u>413,974</u>
Interest received	<u>45,195</u>	<u>27,680</u>
Net cash from operating activities	<u>336,369</u>	<u>441,654</u>
Investing activity		
Purchase of office equipment	<u>(15,618)</u>	<u>(2,684)</u>
Net increase in cash and bank balances	320,751	438,970
Cash and bank balances at beginning of year	<u>2,020,162</u>	<u>1,581,192</u>
Cash and bank balances at end of year	<u>2,340,913</u>	<u>2,020,162</u>

See accompanying notes to financial statements.

PRESERVATION OF MONUMENTS BOARD

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2007

1 GENERAL

The Preservation of Monuments Board ("Board") is established under the Preservation of Monuments Act (Chapter 239) in the Republic of Singapore and has been designated as an institution of a public character under Section 37(2) of the Singapore Income Tax Act (Chapter 134). The Board's registered office and place of business is at 30 Orange Grove Road, RELC Building #07-01b Singapore 258352. The financial statements are expressed in Singapore dollars.

The main objectives of the Board are as follows:

- (a) to preserve monuments of historic, traditional, archeological, architectural of artistic interests;
- (b) to protect and augment the amenities of those monuments;
- (c) to stimulate public interest and support in the preservation of those monuments; and
- (d) to take appropriate measures to preserve all records, documents and data relating to those monuments.

The Board has no employees. Administrative services and technical support services are provided by the National Heritage Board and Urban Redevelopment Authority, respectively.

The financial statements of the Board for the year ended March 31, 2007 were authorised for issue by the Board on July 26, 2007.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Financial Reporting Standards ("FRS").

In the current financial year, the Board has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") issued by the Council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on or after January 1, 2006. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Board's accounting policies and has no material effect on the amounts reported for the current or prior years.

The Board members anticipate that the adoption of the FRSs, INT FRSs and amendments to FRSs in future periods will not have a material impact on the financial statements of the Board in the period of their initial adoption.

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the Board's balance sheet when the Board becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified as other receivables. The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Other receivables

Other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the assets have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of other receivables where the carrying amount is reduced through the use of an allowance account. When other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

In this financial statements, a fund instrument is part of equity.

Financial liabilities and equity instruments issued by the Board are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Board after deducting all of its liabilities.

Other payables

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

OFFICE EQUIPMENT - Office equipment are carried at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives of 3 years, using the straight-line method.

Plant and equipment costing less than \$1,000 each are charged to the Income and Expenditure Statement in the year of purchase.

The gain or loss arising on disposal or retirement of an item of office equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income and expenditure.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

IMPAIRMENT OF ASSETS - At each balance sheet date, the Board reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Board estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of income and expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of income and expenditure.

PROVISIONS - Provisions are recognised when the Board has a present obligation as a result of a past event, and it is probable that the Board will be required to settle that obligation. Provisions are measured at the Board members' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue from the sales of publications is recognised when goods are delivered and title has passed.

Donations are recognised in the income and expenditure as and when they are received.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

GRANTS - Government grants and contributions from other organisations for the purchase of fixed assets or to finance capital projects are taken to the Deferred Capital Grants account upon utilisation of the grants for the purchase of assets which are capitalised, or the statement of income and expenditure for purchases of assets which are expensed off.

Deferred capital grants are amortised in the statement of income and expenditure over the expected useful lives of the related assets. Upon the disposal of the fixed assets, the balance of the related deferred capital grants is recognised in the statement of income and expenditure to match the net book value of fixed assets disposed of.

Government and other grants in respect of the current year's operating expenses are recognised as income in the same year to match such related expenditure.

INCOME TAX - There is no provision for income tax for the Board as its income is tax-exempt under Section 13M of the Singapore Income Tax Act (Chapter 134), subject to the fulfillment of certain conditions imposed by the Singapore Income Tax Act.

FUNDS - The funds are classified into two categories, namely: the General Fund and the Specific Funds.

General Fund

General income and expenditure relating to the Board are accounted for in this Fund on an accrual basis.

Specific Funds

Income and expenditure relating to specific funds set up are accounted for directly in the funds to which they relate.

Assets and liabilities of the funds are pooled in the Balance Sheet.

Funds are accounted for on the accrual basis.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

In the process of applying the Board's accounting policies, which are described in Note 2 to the financial statements, the Board members have not made any critical accounting judgements that have significant effects on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Board has not made any 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 adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 FINANCIAL RISKS AND MANAGEMENT

The Board is exposed to risks such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board has adopted risk management policies that seek to mitigate these risks in a cost effective manner.

i) Foreign exchange risk

The Board has minimum exposure to foreign currency risk since majority of its transactions are denominated in the functional currency.

ii) Interest rate risk

The Board has no significant exposure to interest rate risk as it has no interest bearing financial liabilities.

iii) Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amount owing to the Board, resulting in a loss to the Board.

The Board has no significant credit risk and concentration of credit risk.

Cash and fixed deposits are held with creditworthy financial institutions.

iv) Liquidity risk

The Board maintains sufficient cash and bank balances and there is availability of funding from the government and other organisations, as and when required.

v) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities reported in the balance sheet approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

5 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Board is a statutory board of the Ministry of Information, Communications and the Arts ("MICA"). Hence, other state-controlled enterprises are considered related parties of the Board.

Some of the Board's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

Details of significant transactions between the related parties are described below:

	<u>2006/2007</u>	<u>2005/2006</u>
	\$	\$
Grants received from MICA	1,153,971	699,466
Agency fees to:		
Urban Redevelopment Authority	175,920	164,754
National Heritage Board	<u>298,325</u>	<u>327,067</u>

6 GENERAL FUND

Of the \$967,434 (2005/2006 : \$404,821) in the General Fund, \$15,618 (2006 : \$2,684) has been utilised for the purchase of office equipment (Note 12).

7 SPECIFIC FUNDS

Specific Funds are earmarked for restoration of the various monuments or for the purposes set out below.

Specific funds are as follows:

(a) Siong Lim Temple Preservation Fund

This fund comprises principally of donations from well-wishers held in trust by the Board for the preservation of Siong Lim Temple. The Temple was gazetted as a protected monument under Section 8 of the Preservation of Monuments Act (Chapter 239) in 1980.

(b) Sri Mariamman Temple Preservation Fund

This fund comprises principally of donations from well-wishers held in trust by the Board for the preservation of Sri Mariamman Temple. The Temple was gazetted as a protected monument under Section 8 of the Preservation of Monuments Act (Chapter 239) in 1973.

(c) St George's Church Preservation Fund

This fund comprises principally of donations from well-wishers held in trust by the Board for the preservation of St George's Church. The Church was gazetted as a protected monument under Section 8 of the Preservation of Monuments Act (Chapter 239) in 1978.

(d) Abdul Gaffoor Mosque Preservation Fund

This fund comprises principally of donations from well-wishers held in trust by the Board for the preservation of Abdul Gaffoor Mosque. The Mosque was gazetted as a protected monument under Section 8 of the Preservation of Monuments Act (Chapter 239) in 1979.

(e) Sri Perumal Temple Preservation Fund

This fund comprises principally of donations from well-wishers held in trust by the Board for the preservation of Sri Perumal Temple. The Temple was gazetted as a protected monument under Section 8 of the Preservation of Monuments Act (Chapter 239) in 1978.

(f) Thian Hock Keng Temple Preservation Fund

This fund comprises principally of donations from well-wishers held in trust by the Board for the preservation of Thian Hock Keng Temple. The Temple was gazetted as a protected monument under Section 8 of the Preservation of Monuments Act (Chapter 239) in 1973.

(g) Nagore Durgha (Shrine) Preservation Fund

This fund comprises principally of donations from well-wishers held in trust by the Board for the preservation of Nagore Durgha Shrine. The Shrine was gazetted as a protected monument under Section 8 of the Preservation of Monuments Act (Chapter 239) in 1974.

(h) Hong San See Temple Preservation Fund

This fund comprises principally of donations from well-wishers held in trust by the Board for the preservation of Hong San See Temple. The Temple was gazetted as a protected monument under Section 8 of the Preservation of Monuments Act (Chapter 239) in 1978.

(i) Preservation of Monuments Fund - Public Donations

This fund comprises principally of donations from well-wishers to finance specific projects approved by the Board. These projects are not concurrently funded by the operating grants given to the Board.

The accumulated balances of the specific funds are as follows:

	<u>2006/2007</u>	<u>2005/2006</u>
	\$	\$
Siong Lim Temple Preservation Fund	353,790	261,399
Sri Mariamman Temple Preservation Fund	459,276	440,473
St George's Church Preservation Fund	38	37
Abdul Gaffoor Mosque Preservation Fund	825	806
Sri Perumal Temple Preservation Fund	230,420	224,913
Thian Hock Keng Temple Preservation Fund	137,496	2,658
Nagore Durgha (Shrine) Preservation Fund	84,690	9,041
Hong San See Temple Preservation Fund	306,567	371,327
Preservation of Monuments Fund - Public Donations	<u>297,988</u>	<u>292,559</u>
Total	<u>1,871,090</u>	<u>1,603,213</u>

8 DEFERRED CAPITAL GRANTS

	<u>2006/2007</u>	<u>2005/2006</u>
	\$	\$
At beginning of year	5,877	7,342
Transfer from general fund	15,618	2,684
Office equipment written off	(2,261)	-
Deferred capital grants amortised for office equipment	<u>(7,319)</u>	<u>(4,149)</u>
At end of year	<u>11,915</u>	<u>5,877</u>

9 OTHER PAYABLES

	<u>2006/2007</u>	<u>2005/2006</u>
	\$	\$
Grant for plaque installation	-	2,138
Accrued professional fees	9,500	9,000
Payable for heritage hub website construction	-	2,660
Total	<u>9,500</u>	<u>13,798</u>

10 CASH AND BANK BALANCES

	<u>2006/2007</u>	<u>2005/2006</u>
	\$	\$
Cash at bank	1,815,957	1,504,058
Fixed deposits	<u>524,956</u>	<u>516,104</u>
Total	<u>2,340,913</u>	<u>2,020,162</u>

Cash and bank balances comprise cash held by the Board and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values.

Fixed deposits bear interest at an average rate of 1.7% (2005/2006 : 1.7%) per annum and for a tenure of approximately 66 days (2005/2006 : 91 days).

11 OTHER RECEIVABLES

	<u>2006/2007</u>	<u>2005/2006</u>
	\$	\$
Sundry deposit and prepayments	24,509	30
Interest receivable on fixed deposits	1,640	1,640
Grant receivable	<u>480,962</u>	-
Total	<u>507,111</u>	<u>1,670</u>

12 OFFICE EQUIPMENT

	\$
Cost:	
At April 1, 2005	21,948
Additions	2,684
Disposals	<u>(8,780)</u>
At April 1, 2006	15,852
Additions	15,618
Written off	<u>(9,515)</u>
At March 31, 2007	<u>21,955</u>
Accumulated depreciation:	
At April 1, 2005	14,606
Depreciation	4,149
Disposals	<u>(8,780)</u>
At April 1, 2006	9,975
Depreciation	7,319
Written off	<u>(7,254)</u>
At March 31, 2007	<u>10,040</u>
Carrying amount:	
At March 31, 2007	<u>11,915</u>
At April 1, 2006	<u>5,877</u>

13 OPERATING LEASE ARRANGEMENTS

	<u>2006/2007</u>	<u>2005/2006</u>
	\$	\$
Minimum lease payments under operating leases recognised as an expense in the year	<u>17,884</u>	<u>-</u>

At the balance sheet date, the Board has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>2006/2007</u>	<u>2005/2006</u>
	\$	\$
Within one year	60,480	-
In the second to fifth years inclusive	<u>103,320</u>	<u>-</u>
	<u>163,800</u>	<u>-</u>

Operating lease payments represent rentals payable by the Board for office properties. Leases are negotiated for an average term of three years.

14 COMPARATIVE PERIODS

The year 2006/2007 covers the period from April 1, 2006 to March 31, 2007 while the year 2005/2006 covers the period from April 1, 2005 to March 31, 2006.