FINANCIAL STATEMENTS

Directors' Report	65
Statement by Directors	67
Independent Auditor's Report	68
Consolidated Income Statement	70
Consolidated Statement of Comprehensive Income	71
Balance Sheets	72
Consolidated Statement of Changes in Equity	73
Consolidated Cash Flow Statement	74
Notes to the Financial Statements	75

DIRECTORS' REPORT

For the financial period from 16 June 2009 to 31 March 2010

The directors present their report to the member together with the audited financial statements of the Group for the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 and the balance sheet of the Company as at 31 March 2010.

Directors

The directors of the Company in office at the date of this report are as follows:

Mr Liew Mun Leong	(appointed on 16 June 2009)
Mr Derrick Wan Yew Meng	(appointed on 16 June 2009)
Mr Michael George William Barclay	(appointed on 16 June 2009)
Mr Miguel Ko Kai Kwun	(appointed on 7 September 2009)
Mr Eric Ang Teik Lim	(appointed on 18 November 2009)
Mr Dilhan Pillay Sandrasegara	(appointed on 15 January 2010)
Mr Lee Seow Hiang	(appointed on 16 June 2009)
Mr Li Chong Jin (Alternate Director)	(appointed on 26 February 2010)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial period had any interest in the shares or debentures of the Company or its related corporations.

Directors' contractual benefits

Since the date of incorporation, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors receive remuneration as a result of their employment with related corporations.

DIRECTORS' REPORT

For the financial period from 16 June 2009 to 31 March 2010

Share options

There were no options granted during the financial period to subscribe for unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial period.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Liew Mun Leong Director	Lee Seow Hiang Director

3 June 2010

STATEMENT BY DIRECTORS

For the financial period from 16 June 2009 to 31 March 2010

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 70 to 110 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and of the results of the business, changes in equity and cash flows of the Group for the financial period from 16 June 2009 (date of incorporation) to 31 March 2010; and

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

On behalf of the directors

Liew Mun Leong
Director

Lee Seow Hiang
Director

3 June 2010

INDEPENDENT AUDITOR'S REPORT

To the member of Changi Airport Group (Singapore) Pte. Ltd.

We have audited the accompanying financial statements of Changi Airport Group (Singapore) Pte. Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 70 to 110, which comprise the balance sheets of the Company and of the Group as at 31 March 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the financial period from 16 June 2009 (date of incorporation) to 31 March 2010, 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 Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting control 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 profit and loss accounts 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 as to whether the financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT

To the member of Changi airport group (Singapore) Pte. Ltd.

Opinion

In our opinion,

(a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010, and the results, changes in equity and cash flows of the Group for the financial period from 16 June 2009 (date of incorporation) to 31 March 2010; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 3 June 2010

CONSOLIDATED INCOME STATEMENT

For the financial period from 16 June 2009 to 31 March 2010

	Note	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Revenue	4	**960,924**
Other income	5	**21,199**
Other gains – net	6	**215**
Expenses		
- Employee compensation	7	**(70,519)**
- Depreciation of property, plant and equipment	14	**(156,508)**
- Property tax		**(35,200)**
- Maintenance of land, buildings and equipment		**(171,502)**
- Services and security related expenses		**(105,158)**
- Annual ground rent and license fees		**(60,000)**
- CAAS services		**(81,000)**
- Other operating expenses		**(32,271)**
Total expenses		**(712,158)**
Share of profit of associated companies	17	**2,915**
Share of loss of jointly-controlled entities		**(531)**
Profit before income tax		**272,564**
Income tax expense	8	**(45,309)**
Profit after tax		**227,255**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 16 June 2009 to 31 March 2010

	Note	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Profit after tax		**227,255**
Other comprehensive income:		
Currency translation differences	21(b)(iii)	**(3,189)**
Other comprehensive income, net of tax		**(3,189)**
Total comprehensive income		**224,066**

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

BALANCE SHEETS

As at 31 March 2010

	Note	Group $'000	Company $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	1,088,902	1,020,897
Trade and other receivables	10	125,335	116,353
Receivable due from the Minister for Finance (Incorporated)	11	3,277,987	3,277,987
Inventories	12	9,693	9,693
Other current assets	13	6,080	3,820
		4,507,997	4,428,750
Non-current assets			
Property, plant and equipment	14	2,539,269	2,538,815
Investment in a subsidiary	15	-	257,164
Investment in jointly-controlled entities	16	4,670	-
Investment in associated companies	17	135,672	10,652
Financial assets, available-for-sale	18	31,826	-
Staff loans		283	283
Deferred income tax assets	19	170	-
		2,711,890	2,806,914
Total assets		7,219,887	7,235,664
LIABILITIES			
Current liabilities			
Trade and other payables	20	272,446	316,576
Payment for services received in advance		4,697	4,697
Deferred income		3,483	3,483
Payable due to the Civil Aviation Authority of Singapore	11	3,277,987	3,277,987
Current income tax liabilities	8	1,254	-
		3,559,867	3,602,743
Non-current liabilities			
Deferred income		96,481	96,481
Provision for post employment benefits		2,176	2,176
Deferred income tax liabilities	19	46,349	43,188
		145,006	141,845
Total liabilities		3,704,873	3,744,588
NET ASSETS		3,515,014	3,491,076
EQUITY			
Share capital and reserves	21	3,287,759	3,277,987
Retained profits		227,255	213,089
Total equity		3,515,014	3,491,076

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period from 16 June 2009 to 31 March 2010

	Share capital $'000	Capital reserve $'000	Other reserve $'000	Currency translation reserve $'000	Retained profits $'000	Total equity $'000
Beginning of financial period	-	-	-	-	-	-
Capital receivable from the Minister for Finance (Incorporated) (Note 11)	-	3,277,987	-	-	-	**3,277,987**
Fair value adjustment (Note 18)	-	-	12,961	-	-	**12,961**
Total comprehensive income	-	-		(3,189)	227,255	**224,066**
End of financial period	**-**	**3,277,987**	**12,961**	**(3,189)**	**227,255**	**3,515,014**

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial period from 16 June 2009 to 31 March 2010

	Note	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Cash flows from operating activities		
Profit after tax		227,255
Adjustments for:		
- Income tax expense		45,309
- Depreciation of property, plant and equipment		156,508
- Dividend income		(17,992)
- Net gain on disposal of property, plant and equipment		(29)
- Loss on disposal of jointly-controlled entity		7
- Share of profit of jointly-controlled entities and associated companies		(2,384)
- Write-back of provision for guarantee		(4,658)
- Impairment loss of financial assets, available-for-sale		6,904
- Currency translation differences		(1,465)
- Provision for post employment benefits		381
- Amortisation of deferred income		(3,935)
- Interest Income		(3,207)
		402,694
Change in working capital		
- Inventories		494
- Trade and other receivables		(32,040)
- Other current assets		1,357
- Trade and other payables		211,420
Cash generated from operations		583,925
Interest received		3,207
Income tax paid		(708)
Net cash provided by operating activities		586,424
Cash flows from investing activities		
Additions to property, plant and equipment and capital work-in-progress		(198,290)
Disposal of property, plant and equipment		1,574
Payment for investment in associated companies		(126,060)
Payment for investment in a jointly-controlled entity		(4,293)
Proceeds from disposal of a jointly-controlled entity		137
Dividend income received		17,992
Acquisition of subsidiary under transfer of airport undertaking, cash acquired net of bank deposits pledged		230,490
Net cash used in investing activities		(78,450)
Cash flows from financing activities		
Cash received from CAAS		580,000
Net cash provided by financing activities		580,000
Net increase in cash and cash equivalents		1,087,974
Cash and cash equivalents at beginning of financial period		-
Cash and cash equivalents at end of financial period	9	1,087,974

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Changi Airport Group (Singapore) Pte Ltd (the "Company") was incorporated on 16 June 2009 and domiciled in Singapore. The address of its registered office is 60 Airport Boulevard #046-037, Changi Airport Terminal 2, Singapore 819643. The Company commenced business operations with effect from 1 July 2009.

The principal activities of the Company are to own, develop, operate, manage and provide airport and airport related facilities and services.

The principal activities of its subsidiaries, jointly controlled entities and associated companies are disclosed in Notes 15 and 27 respectively.

On 1 July 2009, under the Civil Aviation Authority of Singapore ("CAAS") Act 2009, the Company became the successor company for the airport undertaking of CAAS, a statutory board under the Ministry of Transport. Property, rights and liabilities relating to airport undertaking of CAAS, except for specified excluded properties, were transferred from CAAS to the Company on 1 July 2009 via the CAAS Act.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

All assets and liabilities associated with the transfer of the airport undertaking are recorded at their respective net book value as reflected in the predecessor's financial statements (CAAS) as at 30 June 2009, and are adjusted for the measurement requirement in FRS. Further details of the transfer of the airport undertaking are provided in Note 11.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. For the preparation of the current year's financial statements, areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant and critical to the financial statements are disclosed in Note 3.

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating revenue transactions within the Group.

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

Revenue is recognised as follows:

(a) *Airport fees*

Airport fees comprise landing, parking and aerobridge fees and passenger service charges. Airport fees are recognised as revenue when the related airport services are being rendered.

(b) *Security charges*

Security charges are recognised when the related services are rendered to the outbound passengers departing from the airport.

(c) *Airport concession fees*

Airport concession fees relate to rental from retail tenants and are computed based on the higher of a percentage of sales or specified minimum guarantee sums. See Note 2.11 for revenue recognition on rental.

(d) *Rental and service charges*

Rental and service charges comprise rental of property and airport related service charges. The rental income is recognised on a straight-line basis over the period of the lease and the service charges are recognised when the related airport services are being rendered.

(e) *Dividend income*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(f) *Consultancy service fee*

Consultancy service fee is recognised in accordance with the agreed stages of completion of services rendered. The stage of completion is measured by reference to the percentage of man hours incurred to date to the estimated total man hours for the project.

(g) *Interest income*

Interest income is recognised using the effective interest method.

2.3 Group accounting

(a) *Subsidiaries*

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries other than those involving entities under common control. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the dates of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition, irrespective of the extent of non-controlling interest.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(b) *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition movements in reserve is recognised in statement of comprehensive income directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Dilution gains and losses arising from investments in associated companies are recognised in profit or loss.

Please refer to the paragraph "Investment in an associated company" for the accounting policy on investment in an associated company in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) *Jointly-controlled entities*

The Group's jointly-controlled entities are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest in jointly-controlled entities is accounted for in the consolidated financial statements using equity accounting method less impairment losses. Please refer to Note 2.3(b) on further description of equity accounting.

The accounting policies of jointly-controlled entities have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2.4 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Self-constructed property, plant and equipment are capitalised initially in work-in-progress and transferred to the relevant asset category when they are ready for use. No depreciation is recognised on work-in-progress.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Runways, taxiways and others	30 years
Buildings	15 to 30 years
Plant and equipment	7 to 15 years
Vehicles and vessels	5 to 10 years
Equipment, furniture and fixtures	1 to 10 years
Capital improvements	5 to 15 years

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.5 Investment in an associated company

Investment in an associated company is carried at cost less accumulated impairment losses in the separate financial statements of the Company. On disposal of investment in an associated company, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.6 Impairment of non-financial assets

Property, plant and equipment and investment in subsidiaries, jointly-controlled entities and associated companies are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

2. Significant accounting policies (continued)

2.7 Cash and cash equivalents
Trade and other receivables

Cash and cash equivalents and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently measured at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet which are presented as non-current assets.

2.8 Financial assets, available-for-sale

Financial assets, available for sale are initially recognised at their fair values plus transaction costs and subsequently carried at their fair values. Changes in fair values are recognised in the fair value reserve.

These financial assets are recognised on the date which the Group commits to purchase the asset. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired. Significant or prolonged decline in the fair value of an equity security below its cost is objective evidence that the security is impaired.

If there is evidence of impairment, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less impairment loss previously recognised as an expense. Impairment losses on available-for-sale equity investment are not reversed through profit or loss.

2. Significant accounting policies (continued)

2.8 Financial assets, available-for-sale (continued)

On disposal, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

2.9 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts. The fair values of non-current financial assets and liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial assets and liabilities.

2.10 Inventories

Inventories comprise mainly stock items used for the maintenance and repair purposes. These are carried at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes all costs in bringing each product to its present location and condition.

2.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets. All other leases are classified as operating leases.

(a) When the Group is the lessor:

Lessor – Operating leases

Rental income from operating leases (net of any incentives given to the lessees) is recognised in 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 use benefit derived from the leased asset is diminished.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

2. Significant accounting policies (continued)

2.11 Leases (continued)

(a) When the Group is the lessor: (continued)

Contingent rents are recognised as income in profit or loss when earned.

Deferred income relates to total lease payments received in advance from lessees who have entered into long term operating leases with the Group. The deferred income is recognized to income statement on a straight-line basis over the term of the relevant lease.

(b) When the Group is the lessee:

Lessee – Finance leases

Assets held under finance leases are recognised on the balance sheet as property, plant and equipment at the lower of their fair value of the leased assets or the present value of the minimum lease payments at the inception of the lease.

The corresponding lease liability (net of finance charges) to the lessor is included in the balance sheet as a finance lease liability.

Lease payments are apportioned between finance expense and reduction of the outstanding lease liability so as to achieve a constant periodic rate of interest on the finance lease liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Lessee – 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 periods 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.

2. Significant accounting policies (continued)

2.12 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investment in a subsidiary, jointly-controlled entities and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date; and
(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.13 Trade and other payables

Trade and other payables are initially recognised at their fair values, and subsequently carried at amortised cost, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

2. Significant accounting policies (continued)

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.15 Employee compensation

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

The Group's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

The Group provides pension and post retirement medical benefits to certain of its employees who did not opt for transfer to the Central Provident Fund Scheme. The pension and post retirement medical benefits schemes are closed to new entrants.

(b) Employee leave entitlement

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

2. Significant accounting policies (continued)

2.16 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are offset against the related expenses.

2.17 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("SGD"), which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) An resulting currency translation differences are recognised in the currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

2. Significant accounting policies (continued)

2.18 Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank deposits pledged for banking facility.

2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3. Critical accounting judgement and estimates

Judgement and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Impairment of financial assets, available-for-sale*

At the balance sheet date, the fair values of certain equity securities classified as financial assets, available-for-sale have been impaired by $6,904,000. The Group has made a judgement that this decline is significant. In making this judgement, the Group has considered, among other factors, the duration of the decline and the magnitude by which the fair value of the investment is below cost.

(b) *Amount payable to CAAS on transfer of airport undertaking*

The consideration payable to CAAS amounting to $3,277,987,000 for the transfer of the airport undertaking and leases of specified airport properties is subject to the finalisation of a Confirmation Agreement and supplemental lease agreements between CAAS and the Company. Whilst the agreements are yet to be finalised at the date of these financial statements, the parties are already at an advanced stage of negotiation and the Company does not expect the final consideration to be materially different from $3,277,987,000.

(c) *Tax liability*

In measuring the deferred tax liability, the Company has assumed tax deductibility of airport buildings and runways under Section 18(1) (b) of the Income Tax Act. The management has obtained tax advice that the Company's operations should be considered as "transport undertaking" and hence should qualify for Industrial Building Allowance ("IBA") under Section 18(1) (b) of the Act. This tax savings amounting to approximately $13,800,000 has been recognised.

4. Revenue

	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Airport fees	267,956
Security charges	76,138
Airport concession fees	402,699
Rental and service charges	89,226
Others	124,905
	960,924

5. Other income

	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Interest income on bank deposits	3,207
Dividend income (Note 16)	17,992
	21,199

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

6. Other gains – net

	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Write-back of provision for guarantee	4,658
Impairment loss of financial assets, available-for-sale (Note 18)	(6,904)
Net currency translation gains	1,519
Net gain on disposal of property, plant and equipment	29
Other non-operating income	913
	215

7. Employee compensation

	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Wages and salaries	63,690
Employer's contribution to Central Provident Fund	6,829
	70,519

Included in the Group's wages and salaries is government grant – Jobs Credit Scheme of $1,547,000. The Jobs Credit Scheme is a cash grant introduced in the Singapore Budget 2010 to help businesses preserve jobs in the economic downturn. The Jobs Credits were paid to eligible employers in 2009 and 2010 and the amount an employer can receive would depend on the fulfilment of the conditions as stated in the scheme.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

8. Income taxes

(a) Income tax expense

	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Tax expense attributable to profit is made up of:	
- Current income tax	
- Singapore	1,248
- Foreign	129
	1,377
- Deferred income tax (Note 19)	46,174
	47,551
Over provision of tax liabilities of subsidiaries	
- Current income tax	(829)
- Deferred income tax (Note 19)	(1,413)
	45,309

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Profit before income tax	272,564
Tax calculated at a tax rate of 17%	46,336
Effects of:	
- Statutory stepped income exemption	(46)
- Different tax rates in other countries	111
- Expenses not deductible for tax purposes	3,490
- Income not subject to tax	(2,441)
- Deferred income tax asset not recognised on current period	169
- Investment allowance utilised	(153)
- Others	85
Tax charge	47,551

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

8. Income taxes (continued)

(b) Movements in current income tax liabilities

	For the financial period from 16 June 2009 (date of incorporation) to 31 March 2010 $'000
Beginning of financial period	-
Transfer of airport undertaking (Note 11)	1,414
Income tax paid	(708)
Tax payable on profit for current financial period	1,377
Overprovision of tax liabilities of subsidiaries	(829)
End of financial period	1,254

9. Cash and cash equivalents

	As at 31 March 2010	
	Group $'000	Company $'000
Cash at bank and on hand	21,529	2,687
Short-term bank deposits	1,067,373	1,018,210
	1,088,902	1,020,897

For the purpose of presenting the consolidated cash flow statement, cash and cash equivalents comprise the following:

	As at 31 March 2010	
	Group $'000	Company $'000
Cash and bank balances (as above)	1,088,902	1,020,897
Less: Bank deposits pledged	(928)	-
Cash and cash equivalents per consolidated cash flow statement	1,087,974	1,020,897

The Group has deposits amounting to $928,000 pledged to banks in relation to obligations of a jointly-controlled entity.

10. Trade and other receivables

	As at 31 March 2010	
	Group	Company
	$'000	$'000
Trade receivables		
- Associated companies	1,296	58
- Subsidiaries	-	100
- Jointly-controlled entities	1,118	-
- Non-related parties	46,109	40,351
	48,523	40,509
Loans to jointly controlled entities	968	-
Accrued income	75,844	75,844
	125,335	116,353

The loans due from a jointly-controlled entity are unsecured, bears interest at 7% per annum and repayable on demand.

11. Transfer of Airport undertaking and other assets from CAAS

On 1 July 2009, under CAAS Act 2009, the Company became the successor company for the airport undertaking of CAAS, a statutory board under the Ministry of Transport.

The estimated consideration payable to CAAS for the transfer of airport undertaking and other assets is $3,277,987,000. The consideration will be funded via a capital injection by the immediate holding entity, the Minister for Finance (Incorporated).

The consideration payable is estimated based on the carrying value of the net assets of the airport undertaking transferred or leased to the company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

12. Inventories

	As at 31 March 2010	
	Group	Company
	$'000	$'000
Spare parts	9,693	9,693

13. Other current assets

	As at 31 March 2010	
	Group	Company
	$'000	$'000
Interest receivables	1,201	1,153
Recoverable expenses		
- Associated companies	70	-
- Non-related parties	2,367	935
	2,437	935
Deposits	70	15
Advance payments	11	9
Prepayments	2,178	1,707
Others	183	1
	6,080	3,820

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

14. Property, plant and equipment

	Runways, taxiways and others $'000	Buildings $'000	Plant and equipment $'000	Vehicles and vessels $'000	Office /other equipment, furniture and fittings $'000	Capital Improv-ements $'000	Work-in-progress $'000	Total $'000
Group								
As at 31 March 2010								
Cost								
Beginning of financial period	-	-	-	-	-	-	-	-
Transfer of airport undertaking (Note 11)	385,242	905,590	764,924	14,577	18,537	256,689	153,473	2,499,032
Additions	-	-	-	-	109	-	198,181	198,290
Transfer to PPE	-	-	38,929	1,422	5,127	91,271	(136,749)	-
Disposals	-	(1,540)	-	-	(34)	-	-	(1,574)
End of financial period	385,242	904,050	803,853	15,999	23,739	347,960	214,905	2,695,748
Accumulated depreciation								
Beginning of financial period	-	-	-	-	-	-	-	-
Depreciation charge	14,150	33,234	68,806	1,810	9,505	29,003	-	156,508
Disposals	-	-	-	-	(29)	-	-	(29)
End of financial period	14,150	33,234	68,806	1,810	9,476	29,003	-	156,479
Net book value								
End of financial period	**371,092**	**870,816**	**735,047**	**14,189**	**14,263**	**318,957**	**214,905**	**2,539,269**
Company								
As at 31 March 2010								
Cost								
Beginning of financial period	-	-	-	-	-	-	-	-
Transfer of airport undertaking (Note 11)	385,242	905,590	764,924	14,478	17,995	256,689	153,473	2,498,391
Additions	-	-	-	-	-	-	198,181	198,181
Transfer to PPE	-	-	38,929	1,422	5,127	91,271	(136,749)	-
Disposals	-	(1,540)	-	-	-	-	-	(1,540)
End of financial period	385,242	904,050	803,853	15,900	23,122	347,960	214,905	2,695,032
Accumulated depreciation								
Beginning of financial period	-	-	-	-	-	-	-	-
Depreciation charge	14,150	33,234	68,806	1,799	9,225	29,003	-	156,217
Disposals	-	-	-	-	-	-	-	-
End of financial period	14,150	33,234	68,806	1,799	9,225	29,003	-	156,217
Net book value								
End of financial period	**371,092**	**870,816**	**735,047**	**14,101**	**13,897**	**318,957**	**214,905**	**2,538,815**

At balance sheet date, plant and equipment included leased assets with carrying amount of $8,100,000.

As at the balance sheet date, the manner in which the runways and buildings are economically transferred to the Company is yet to be finalised. The alternatives considered are either an outright purchase by the Company or via a lease between CAAS and the Company, both at an estimated consideration of $2,499,032,000. Both alternatives will result in similar accounting treatments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

15. Investment in a subsidiary

	As at 31 March 2010 Company $'000
Equity investments at cost	
Beginning of financial period	-
Transfer of airport undertaking (Note 11)	**257,164**
End of financial period	**257,164**

Details of the subsidiary company are as follow:

Name of subsidiary	Country of business/ incorporation	Equity holding	Principal activities
Changi Airports International Pte. Ltd.	Singapore	100	Investment holding and provision of consultancy services in the field of civil aviation

Details of significant subsidiaries held by the subsidiary company are included in Note 27.

16. Investment in jointly-controlled entities

	As at 31 March 2010 Group $'000
Beginning of financial period	-
Transfer of airport undertaking (Note 11)	**1,211**
Share of losses	**(98)**
Acquisition of jointly-controlled entity	**4,293**
Disposal of jointly-controlled entity	**(144)**
Currency translation differences	**(592)**
End of financial period	**4,670**

Dividend income of $17,992,000 from a jointly-controlled entity was received in the current financial period and recognised directly in the profit and loss as it exceeded the carrying amount of the jointly-controlled entity arising from the transfer of the airport undertaking.

16. Investment in jointly controlled entities (continued)

The summarised financial information of the jointly-controlled entities are as follows:

	As at 31 March 2010 Group $'000
Assets	
- Current assets	12,520
- Non-current assets	103
	12,623
Liabilities	
- Current liabilities	1,312
- Non-current liabilities	-
	1,312
Net assets	11,311
Sales	8,193
Expenses	(6,338)
Profit before income tax	1,855
Income tax expense	(1,046)
Profit after tax	809

Details of jointly-controlled entities are included in Note 27.

The Group's share of contingent liabilities of a jointly-controlled entity is nil.

The Group is contractually obligated to bear its share of a jointly-controlled entity's loss in excess of the Group's cost of investment. Accordingly, an amount of $432,079 representing the Group's share of loss (in excess of cost of the jointly-controlled entity, has been recognised in trade and other payables).

17. Investment in associated companies

	As at 31 March 2010	
	Group $'000	Company $'000
Beginning of financial period	-	-
Acquisitions during the financial period	136,712	10,652
Share of profit	2,915	-
Currency translation differences	(3,955)	-
End of financial period	135,672	10,652

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

17. Investment in associated companies (continued)

During the financial period, the Group and Company acquired equity shares in the following companies:

Name of companies	Cash consideration Group $'000	Cash consideration Company $'000
- Bengal Aerotropolis Projects Limited	**20,384**	-
- Gemina S.p.A	**105,676**	-
- Singapore Airshow & Events Pte Ltd	**10,652**	10,652
	136,712	10,652

Bengal Aerotropolis Projects Limited ("BAPL")

A subsidiary paid a deposit (held in an escrow account) for its investment into BAPL, a company incorporated in India, in 2008. During the financial period, the Group completed the acquisition of 26% equity interest in BAPL for a total cash consideration of INR 1,008,132,449. Up to 31 March 2010, INR 680,489,403 (SGD equivalent of $20,384,438) has been paid. The remaining INR 327,643,046 is payable to the associated company upon satisfaction of certain conditions.

The associated company's principal business is to develop an airport and surrounding township in Durgapur, West Bengal, India.

Gemina S.p.A. ("Gemina")

During the financial period, the Group acquired 5.19% equity interest in Gemina, a company incorporated in Italy for a total cash consideration of Euro Dollar 53,928,711 (SGD equivalent of $105,675,994).

The associated company is listed on the Milan Stock Exchange, and its principal business is to hold investments, including a 95.76% equity stake in Aeroporti di Roma S.p.A.. Aeroporti di Roma S.p.A. in turn holds several business lines, including two airports in Rome, Italy. The fair value of Gemina, based on the traded price as at 31 March 2010, is approximately $91,600,000.

The Group's share of the capital commitments of the associated company amounted to $9,500,000.

17. Investment in associated companies (continued)

Singapore Airshow & Events Pte Ltd ("Airshow")

During the financial period, the Company acquired 20% equity interest in Airshow, a company incorporated in Singapore for a total cash consideration of $10,651,679.

The associated company's principal business is of organising and management of conferences, exhibitions and other related activities.

The summarised financial information of associated companies are as follows:

	$'000
- Assets	**421,712**
- Liabilities	**226,722**
- Revenue	**7,331**
- Net Profit	**2,915**

Further details of significant associated companies are provided in Note 27.

18. Financial assets, available-for-sale

	As at 31 March 2010 Group $'000
Beginning of financial period	-
Transfer of airport undertaking (Note 11)	**25,769**
Fair value adjustment at transfer	**12,961**
Impairment loss	**(6,904)**
End of financial period	**31,826**

On 1 July 2009, Changi Airport International Pte Ltd ("CAI") was transferred to the Company via the CAAS Act and became a subsidiary of the Company. CAI owns equity investments in Beijing Capital International Airport Co., Ltd ("BCIA"), a company listed on the Hong Kong Stock Exchange. BCIA is principally engaged in the ownership and operation of the Beijing International Airport in China.

On 1 July 2009, the investment in BCIA was transferred via the CAAS Act at the amount of $25,769,000 whilst its fair value was $38,730,000. Accordingly, a fair value adjustment of $12,961,000 was recognised in other reserves at 1 July 2009.

As at 31 March 2010, the Group has subsequently recognised an impairment loss of $6,904,000 against its investment in BCIA whose trade prices had been below cost during the financial period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

19. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	As at 31 March 2010	
	Group	Company
	$'000	$'000
Deferred income tax assets		
- to be recovered after one year	170	-
Deferred income tax liabilities		
- to be settled within one year	2,581	2,581
- to be settled after one year	43,768	40,607
	46,349	43,188

Movement in net deferred income tax account is as follows:

	For the financial period from 16 June 2009 to 31 March 2010	
	Group	Company
	$'000	$'000
Beginning of financial period	-	-
Transfer of airport undertaking (Note 11)	1,420	-
Overprovision of tax liabilities by subsidiaries	(1,413)	-
Charge to profit or loss	46,174	43,188
Others	(2)	-
End of financial period	46,179	43,188

19. Deferred income taxes (continued)

The movement in deferred income tax assets and liabilities during the financial period is as follows:

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Unremitted foreign sourced income $'000	Total $'000
Group			
As at 31 March 2010			
Beginning of financial period	-	-	-
Transfer of airport undertaking (Note 11)	31	1,413	1,444
Charged to:			
- Profit or loss	43,158	1,747	44,905
End of financial period	43,189	3,160	46,349
Company			
As at 31 March 2010			
Beginning of financial period	-	-	-
Charged to:			
- Profit or loss	43,188	-	43,188
End of financial period	43,188	-	43,188

Deferred income tax assets

	Tax losses $'000	Decelerated tax depreciation $'000	Total $'000
Group			
As at 31 March 2010			
Beginning of financial period	-	-	-
Transfer of airport undertaking (Note 11)	(24)	-	(24)
Charged to profit or loss	24	(170)	(146)
End of financial period	-	(170)	(170)
Company			
As at 31 March 2010			
Beginning of financial period	-	-	-
Charged to profit or loss	-	-	-
End of financial period	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

20. Trade and other payables

	As at 31 March 2010	
	Group	Company
	$'000	$'000
Trade payables to:		
- Subsidiaries	-	46
- Non-related parties	113,536	113,208
	113,536	113,254
Non-trade payables to:		
- Subsidiary	-	53,170
Accrued operating expenses	67,013	63,488
Salary related accruals	23,668	20,500
Sundry creditors and other accruals	44,878	44,878
Deposits received	21,286	21,286
Share of a jointly-controlled entity's expenses in excess of cost of investment (Note 16)	1,137	-
Provision for guarantee	928	-
	272,446	316,576

The non-trade payables to subsidiary represent funds from a subsidiary managed by the Company on their behalf, and is unsecured and repayable on demand. The funds are invested in Singapore Dollar fixed deposits and bear interests at rates ranging from 0.25% to 0.67% per annum.

21. Share capital and reserves

		As at 31 March 2010	
		Group	Company
		$'000	$'000
(a)	Composition:		
	Other reserve	12,961	-
	Capital reserve	3,277,987	3,277,987
	Currency translation reserve	(3,189)	-
		3,287,759	3,277,987

Reserves are non-distributable.

21. Share capital and reserves (continued)

(b) Movements:

(i) Other reserve

	For the financial period from 16 June 2009 to 31 March 2010	
	Group $'000	Company $'000
Beginning of financial period	-	-
Financial assets, available-for-sale		
- Fair value adjustment (Note 18)	12,961	-
End of financial period	12,961	-

(ii) Capital reserve

Capital reserve relates to capital contribution to be injected by the immediate holding entity, the Minister for Finance (Incorporated) to fund the transfer of airport undertaking to the Company. Refer to Note 11 for more details.

(iii) Currency translation reserve

	For the financial period from 16 June 2009 to 31 March 2010	
	Group $'000	Company $'000
Beginning of financial period	-	-
Net currency translation differences	(3,189)	-
End of financial period	(3,189)	-

The currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of these financial statements.

(c) Share capital

The Company's share capital comprises 1 fully paid-up ordinary share with no par value, amounting to a total of $1. Upon finalisation of the consideration payable to CAAS for the transfer of the airport undertaking (Note 11), capital reserve of $3,277,987,000 is expected to be transferred to share capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

22. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investment in associated companies (Note 17) are as follows:

	Group and Company $'000
Property, plant and equipment	**381,720**

(b) Lessee - Operating lease commitments

The Group leases land under non-cancellable operating lease agreements from the CAAS for the operation of the Changi Airport.

Annual ground rent is fixed at $75,000,000 per annum and will expire on 31 March 2042.

The future minimum lease payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	As at 31 March 2010 Group and Company $'000
Not later than one year	**75,018**
Between one and five years	**300,005**
Later than five years	**1,950,000**
	2,325,023

23. Financial risk management

Financial risk factors

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

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

23. Financial risk management (continued)

(a) Market risk

(i) Currency risk

The Group has dominant operations in Singapore. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD").

The Group also has an available-for-sale financial asset denominated in Hong Kong Dollar ("HKD") and investments in foreign entities denominated in Indian Rupees ("INR"), Hong Kong Dollar ("HKD") and Euro Dollar ("EUR").

The Group is not exposed to significant foreign currency risks as it has no significant transactions denominated in these foreign currencies.

If the USD, EUR and HKD had strengthened/weakened by 5% against the SGD with all other variables including tax rate being held constant, the effects on the net profit after income tax are not significant.

(ii) Price risk

The Group is exposed to equity security price risk arising from the investments held by the Group which are classified on the consolidated balance sheet as available-for-sale. This security is listed in Hong Kong Stock Exchange.

If price for equity security listed in Hong Kong changes by 5% with all other variables including tax rate being held constant, the effects on net profit after income tax are not significant.

(iii) Interest rate risk

The Group is not subject to significant interest rate risk as the Group does not have any borrowings and its fixed deposit placements are mainly short- term in nature. Fixed deposits are placed with banks that offer the most competitive interest rate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

23. Financial risk management (continued)

(b) Credit risk

The Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security deposits where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The trade receivable exposure is continuously monitored and followed up by the Finance department and relevant business units. The Group's trade receivables include one debtor that represents 38% of trade receivables at balance sheet date that are substantially current.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet.

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

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group.

The Group's and Company's trade receivables not past due include receivables amounting to $35,614,000 and $35,517,000 respectively.

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

The age analysis of trade and other receivables past due but not impaired is as follows:

	As at 31 March 2010	
	Group $'000	Company $'000
Past due 1 to 30 days	4,595	2,157
Past due 31 to 90 days	5,473	2,670
More than 90 days	427	7
	10,495	4,834

Based on the Group's historical experience in the collection of account receivables, the management believes that no impairment loss is required to be made on the outstanding balances.

23. Financial risk management (continued)

(c) Liquidity risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash. The Group maintains adequate liquidity for their operating requirements. The Group has no external borrowings.

Trade and other payables of the Group are payable within one year from the balance sheet date.

(d) Capital risk

The Group's objective when managing capital is to ensure that the Group is adequately capitalised and to maintain an optimal capital structure so as to maximise shareholder value.

The Group is not subject to any externally imposed capital requirements.

(e) Fair value measurements

Effective 16 June 2009, the Group adopted the amendment to FRS 107 which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

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

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

At the balance sheet date, the Group has financial assets, available-for-sale, that is measured at fair value under Level 1 of the fair value measurement hierarchy.

24. Immediate and ultimate holding entity

The Company's immediate and ultimate holding entity is the Minister for Finance (Incorporated), incorporated in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

25. Related party transactions

(a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties for the financial period from 16 June 2009 to 31 March 2010.

	Group $'000
Consultancy fees received/receivable	
- Subsidiaries	138
- Associated companies	1,683
- Jointly-controlled entities	1,397
Rental and utility charges	
- Subsidiaries	507
- Associated companies	152
Management Fees	
- Associated companies	161
Fire service charges	
- Associated companies	40
Consultancy fees paid/payable	
- Subsidiaries	(268)

Balances with related parties at the balance sheet date are set out in Notes 10 and 20.

(b) Key management personnel compensation is as follows:

	Group $'000
Wages and salaries	5,932
Contribution to CPF	146
	6,078

26. New or revised accounting Standards and Interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2010 or later periods and which the Group has not early adopted. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

INT FRS 117 *Distributions of Non-Cash Assets to Owners* (effective for annual periods beginning on or after 1 July 2009)

INT FRS 117 clarifies how the Group should measure distributions of assets, other than cash, to its owners. INT FRS 117 specifies that such a distribution should only be recognised when appropriately authorised, and that the dividend should be measured at the fair value of the assets to be distributed. The difference between the fair value and the carrying amount of the assets distributed should be recognised in profit or loss. INT FRS 117 applies to pro rata distributions of non-cash assets except for distributions to a party or parties under common control.

The Group will apply INT FRS 117 from 1 April 2010, but it is not expected to have a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 June 2009 to 31 March 2010

27. Listing of significant companies in the Group

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2010 %
Significant subsidiaries held by Changi Airports International Pte. Ltd.			
Changi Airports China Ltd.[a]	Investment in airports and civil aviation related projects	Singapore	**100**
Changi Airport Consultants Pte. Ltd. [a]	Provision of airport related consultancy services	Singapore	**100**
Changi Airport Planners and Engineers Pte. Ltd. [a]	Provision of professional engineering services in the field of civil aviation	Singapore	**100**
Changi Airports Europe Pte. Ltd. [a]	Investment holding	Singapore	**100**
Changi Airports St. Petersburg Pte. Ltd. [a]	Investment holding	Singapore	**100**
Changi Airports India Pte. Ltd. [a]	Investment in airports and civil aviation related projects	Singapore	**100**
Changi Airports MENA Pte. Ltd. [a]	Investment holding	Singapore	**100**
Changi Airport Saudi Ltd. [b]	Investment in airports and civil aviation related projects and provision of airport related consultancy services	Saudi Arabia	**100**
SCAE Alterra Pte. Ltd.[a]	Investment in overseas airports	Singapore	**100**
Singapore Changi Airport Enterprise Pte. Ltd. [a]	Investment holding and provision of airport related consultancy services	Singapore	**100**
Worldwide United (Singapore) Pte. Ltd. [c]	Investment holding	Singapore	**100**

(a) Audited by PricewaterhouseCoopers LLP, Singapore
(b) Audited by PricewaterhouseCoopers, Saudi Arabia
(c) Newly incorporated during the financial period and not required to be audited under the laws of the country of incorporation

27. Listing of significant companies in the Group (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2010 %
Significant jointly-controlled entities held by subsidiaries			
Shenzhen Xin Peng Airport Management Co. Ltd	Provision of airport related consultancy services	People's Republic of China	**49**
China-Singapore Airport Management Academy	Airport management training institution	People's Republic of China	**50**
Alterra Partners	Development, financing and construction of airports	Cayman Islands	**50**
Bearstorm Limited	Investment holding	Cyprus	**25**
Significant associated companies held by the Company			
Singapore Airshow & Events Pte Ltd	Organising and management of conferences, exhibitions and other related activities	Singapore	**20**
Significant associated companies held by Subsidiaries			
Bengal Aerotropolis Projects Ltd	Developing airport and township projects	India	**26**
Gemina S.p.A[d]	Investment holding	Italy	**5.19**

(d) Considered as an associated company as the Group can exercise significant influence through board representation, management agreements and placement of key management personnel in the investee company.

28. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Changi Airport Group (Singapore) Pte Ltd on 3 June 2010.