



PIONEERS



STEWARDS



LEADERS

ANNUAL REPORT 2012/13

CONTENTS

01 Mission, Vision & Values	10 Board Members	18 Focal Point	30 Enforcement Actions
02 Foreword by The Chairman	12 Board Committees	24 Milestones & Achievements	32 Financial Contents
05 Message from The Chief Executive	15 Senior Management	27 Awards	

At CRA, we believe in bringing out the best in our people. As our greatest strength and resource, we value our staff and are committed to guiding their personal and professional development. From pioneers to stewards to leaders, every individual embarks on a learning journey with us to realise their potential and grow from strength to strength.

Moving forward, we will continue to gear up for the future by investing in our people and nurturing the right talent who will propel us to greater heights in the years to come.

MISSION

Ensuring that the management and operation of a casino is and remains free from criminal influence or exploitation.

Ensuring that gaming in a casino is conducted honestly.

Containing and controlling the potential of a casino to cause harm to minors, vulnerable persons and society at large.

VISION

To be the Trusted Casino Regulator, Advancing Our Mission with Pride and Integrity for a Safe Singapore

VALUES

Integrity
Care
Professionalism
Pioneering Spirit
Teamwork



FOREWORD BY

THE CHAIRMAN

ANOTHER MILESTONE ACCOMPLISHED

I am pleased to present to you the Casino Regulatory Authority's (CRA) fifth annual report. CRA has indeed come a long way from its humble beginnings as a division under the Ministry of Home Affairs in 2005. We had to learn things from scratch. It was a steep learning curve.

We have in place a robust casino regulatory regime. We will review the regime periodically to be fit for purpose by taking a Whole-of-Government approach to build our framework of regulations and social safeguards.

IMPACT OF THE INTEGRATED RESORTS & CASINOS

In the year in review, crime reported at both casinos has declined from 1.0% of total crimes committed in Singapore in 2010 to 0.7% in 2012.

When Resorts World at Sentosa (RWS) and Marina Bay Sands (MBS) first opened their doors in 2010, Singapore Citizens and Permanent Residents (SCPRs) made an average of 20,000¹ visits to the casinos daily.

Three years on, the daily average of casino visits by SCPRs has declined to about 17,000². This is likely due to the novelty of the casinos wearing off, and the effectiveness of our safeguards to deter vulnerable individuals from the potential harm of casino gambling. Only 7.7% of the local adult population made more than one visit to the casinos in the past three years.

The casino entry levy continues to remain as one of the stringent social safeguards. After seeing spikes in the initial months of the opening of the casinos, the number of entry levy purchases have been decreasing every year. Casino entry levies collected in 2012 was

about \$174 million. Since 2010, the annual and day levy purchases have, on average, dropped by 20% and 8% yearly respectively. CRA will continue to evaluate the impact of the entry levies as well as other social safeguards such as exclusion orders and the newly-implemented visit limits on SCPRs.

WORK OF OUR PEOPLE

It was a busy fifth year for CRA. Many significant milestones were accomplished.

We:

- Completed our first full-scope inspection of the two casinos;
- Completed a major review of the Casino Control Act (CCA) and Regulations along with the amendments made to the CCA;
- Evaluated and renewed the licences of the casinos and their International Market Agents;
- Signed Memoranda of Understanding with the Alderney Gambling Control Commission and the Pennsylvania Gaming Control Board to strengthen ties and leverage on each other's expertise; and
- Hosted the International Association of Gaming Regulators (IAGR) Conference in October 2012. This event proved to be a resounding success in helping both CRA and Singapore attain recognition on the international stage for casino regulation.

In May 2013, together with the Ministry of Social and Family Development, the Responsible Gambling Regulations were promulgated to establish a more robust regime. The new Regulations will help ensure that casino operators continue to put in place programmes that improve the efficacy and visibility of responsible gambling at the casinos. There is already recognition as well as achievement of CRA's governance model, and operating parameters and processes.

Footnote:

^{1,2} These are non-unique figures where a patron making multiple entries into the casino within a day would be tracked as multiple counts.

WE WILL REVIEW THE (CASINO REGULATORY) REGIME PERIODICALLY TO BE FIT FOR PURPOSE BY TAKING A WHOLE-OF-GOVERNMENT APPROACH TO BUILD OUR FRAMEWORK OF REGULATIONS AND SOCIAL SAFEGUARDS.



MR RICHARD MAGNUS

Chairman

FOREWORD BY

THE CHAIRMAN

Nevertheless, we must constantly ensure that our policies are updated to achieve the desired outcomes with respect to law and order, as well as the social and economic aspects. We are confident of doing this because CRA's officers are dedicated and mission-minded. There is growing recognition and admiration of what CRA has achieved in a short period of time.

PIONEERS. STEWARDS. LEADERS.

We honour the pioneers of CRA who had painstakingly laid the foundation for a robust casino regulatory regime in Singapore. To the present stewards of our mission, let us continue as one man to spur CRA to greater heights and to achieve our vision of being the trusted regulator. To the leaders of tomorrow, the future will demand that CRA continues to anticipate and tackle emerging challenges decisively. While we have grown as an organisation, CRA's work is work in progress. Being passive as a regulator is not an option.

CRA will continue to stay atop global developments and trends, such as through fostering closer partnerships and stronger ties with our counterparts worldwide, as well as embarking on research programmes to help us better grasp the emerging trends here. CRA has already embarked on a research study with the Home Team Behavioural Sciences Centre, which will look into the psyche of local casino gamblers, such as their attitudes and behaviours. I believe that this will be a landmark study which will drive new ways of regulating the gaming industry in Singapore.

EMERGING TRENDS & CHALLENGES

The gaming global landscape is changing rapidly.

Beyond the physical or land-based casinos, both online gambling and social gaming are getting pervasive globally. The virtual world of online gaming is an unruly horse. It presents a myriad of issues and challenges, both operational and regulatory, for governments.

CONCLUSION

CRA is fortunate to have been aided by many of our regulatory counterparts to stand where we are today. In turn, we hope to be able to share our experiences and forge close relationships, especially with our Asian counterparts. Such cooperation will enable us to collectively deal with threats and complex issues that confront our part of the world.

CRA's continued success would not have been possible without the dedication of our staff, the support of the Home Team agencies and the Government. I would like to express my heartfelt appreciation to them for making this memorable journey together. The road ahead will require their continued support.

MESSAGE FROM

THE CHIEF EXECUTIVE

THE YEAR IN REVIEW

In April this year, CRA celebrated its fifth anniversary and made a transition from a young regulator to one that has made its mark locally and on the international stage. This is a significant milestone for a newly established statutory board.

The casino landscape is complex and dynamic. The past five years have been an intense learning journey for all the staff; there has never been a dull moment. Often, it felt like we were trying to improve the car on the go, even as we were driving it across new terrain. Despite this, CRA has not been distracted from its primary mission of regulating the casinos well and ensuring that they remain free from criminal influence, conduct gaming honestly, and minimise potential harm to society.

2012 was an exhilarating year for CRA, and a year of many 'firsts'. We saw the first renewal of the licences of the two casino operators and the International Market Agents; we completed the first major review and amendment to the Casino Control Act (CCA) to ensure that our laws remain robust and effective even as the casino landscape changes; and we organised the first conference of the International Association of Gaming Regulators (IAGR) in Asia, which saw 31 jurisdictions collectively engage on issues and challenges facing the casino regulatory landscape today.

The continued success of CRA would not have been possible without the dedication of our officers. In particular, when assessing the suitability of Resorts World at Sentosa and Marina Bay Sands to continue holding casino licences, our officers spent many late nights handling large volumes of paperwork to meet the tight deadlines, as well as conducting intensive inspections on the casino floors to assess their compliance with rules and regulations. Despite the long hours, our officers showed tremendous resilience and commitment to their work.

As part of CRA's active monitoring of the casino operators, we have dedicated enforcement officers to conduct checks on the casino operators' compliance with the CCA, its Regulations and approved internal controls. These officers from the newly established Enforcement Branch will also respond to incidents, such as when a minor or excluded person is detected in the casino premises. They play a vital role as the eyes and ears of CRA in ensuring that our regulatory regime is not only robust on paper but also actualised on the ground.

OUR PEOPLE

This year, we made a commitment to invest more in our people. We revised our HR scheme of service to ensure that we stay competitive in attracting and retaining good officers. The new scheme is customised to meet the specific needs of our people and our organisation at this point of CRA's growth. It also enhances development opportunities for officers across all levels in the organisation. This move, together with the development of individualised learning roadmaps for all officers, underscores the emphasis that CRA's management places in the continuous learning of our officers and our development as professionals in casino regulation.

OUR VALUES

Though it has been a busy year, we made it a point to revisit our organisational values as well. Having grown significantly in strength since our inception in 2008, it was timely to revisit our values that would closely guide and establish a clear direction for our officers in the course of our work.

I am heartened by the lively engagements that I have seen when officers come together to discuss the values that they strongly believe will steer CRA in the right direction. Let me now share with you CRA's five values that are succinctly captured in a single statement 'I Care about My Professional and Pioneering Team'.

MESSAGE FROM

THE CHIEF EXECUTIVE

Our values are:

- **INTEGRITY**
We do our work with integrity, seeking the truth tenaciously, doing the right things right, and earning the trust of others.
- **CARE**
We care about Singapore, our people and our mission.
- **PROFESSIONALISM**
We are professionals in regulation, leveraging on each other's diverse backgrounds and skills to fulfil our mission.
- **PIONEERING SPIRIT**
We are pioneers that embrace each interaction and challenge as an opportunity to learn, improve and innovate.
- **TEAMWORK**
We work together as a team, celebrating our diversity, respecting each other and our roles.

I am confident that these values will guide all of us through the future and will see us achieving our vision of being the trusted casino regulator, advancing our mission with pride and integrity for a safe Singapore.

THE YEAR AHEAD

For us to remain effectively plugged into the gaming industry on the latest developments, CRA has been a member of IAGR since 2008. Throughout the years, we have received invaluable advice and assistance from our IAGR friends. Last year, we were given the opportunity to reciprocate the kind friendships by hosting the first IAGR Conference in Asia. The Conference allowed CRA to share our experiences, and to forge networks and friendships so that every IAGR member is updated on best practices, a topmost priority given that the casino landscape is rapidly changing.

To further cement our networks and friendships with our foreign counterparts, we have set up an International Relations Branch in CRA to develop international engagement strategies and put in place processes for effective bilateral and multilateral exchange of information and sharing of best practices. The casino industry is a global one; and as regulators, there is tremendous scope for collaboration.

The coming year will continue to present new challenges for CRA which we embrace as new opportunities to do good. Minister in Prime Minister's Office and Second Minister for Home Affairs and Trade and Industry, Mr S Iswaran, shared during our Workplan Seminar this year that online gambling is an emerging area of concern, and the Government is closely studying how various jurisdictions have rolled out policies to protect their people from the harms of online gambling.

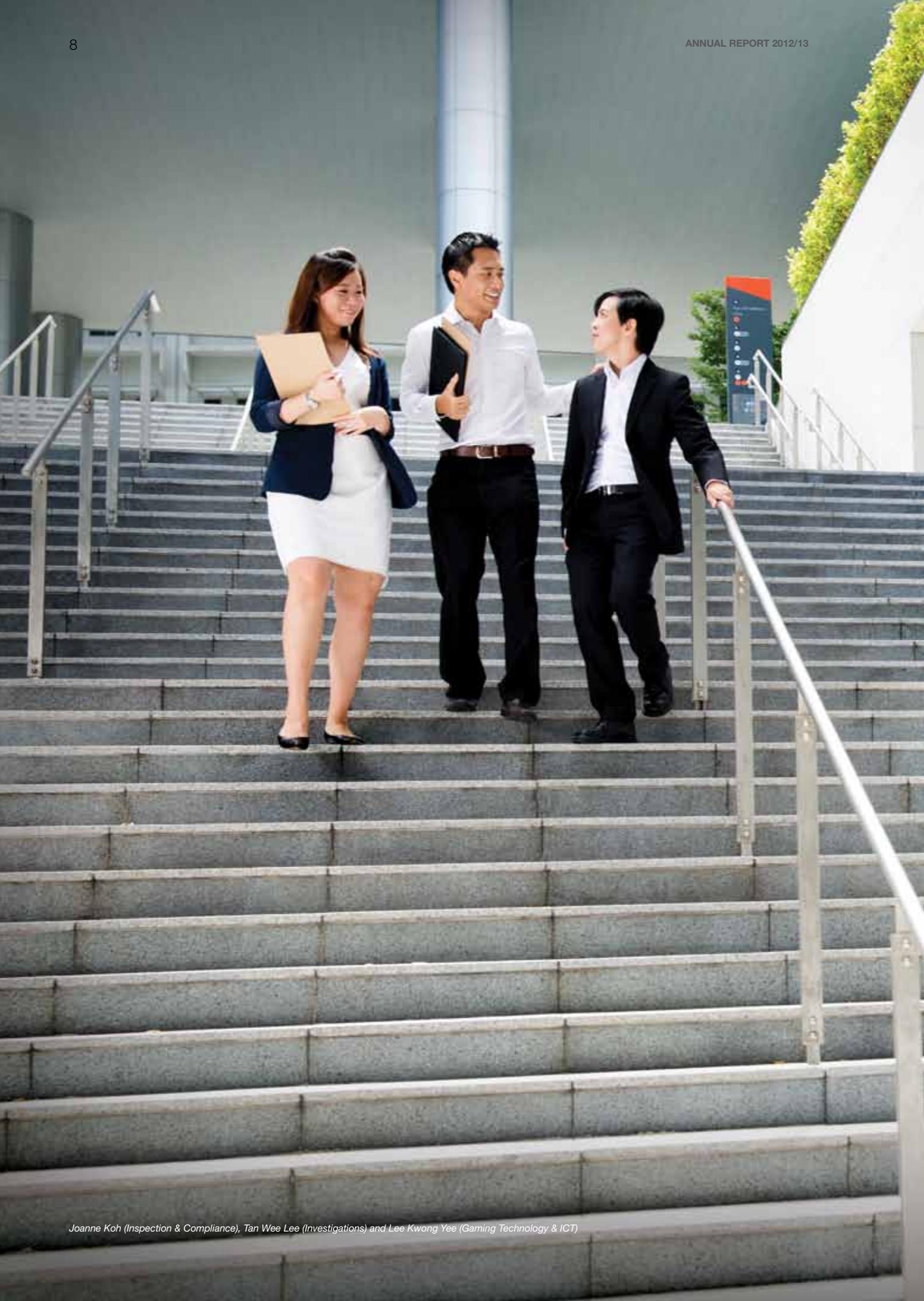
Whatever shape the regime that is finally put in place, CRA will continue to do our part for a safe Singapore. And that is a mission and purpose that is worth waking up to each and every day as public officers working for the public good.

THE CASINO INDUSTRY IS A GLOBAL ONE; AND AS REGULATORS, THERE IS TREMENDOUS SCOPE FOR COLLABORATION.



MR LAU PEET MENG

Chief Executive



Joanne Koh (Inspection & Compliance), Tan Wee Lee (Investigations) and Lee Kwong Yee (Gaming Technology & ICT)



OUR POTENTIAL, OUR PIONEERS

Our potential is defined by our strengths and expertise. As pioneers of the industry, we strive to constantly sharpen our focus and refine our competencies. Be it sharing ideas with one another or enhancing our engagement with leading jurisdictions, we will continue to seek learning experiences that will enable us to realise our potential to its fullest.

BOARD**MEMBERS****MR RICHARD MAGNUS**

Chairman
CASINO REGULATORY AUTHORITY

**MR PATRICK DANIEL**

Editor-in-Chief
ENGLISH & MALAY NEWSPAPERS DIVISION
SINGAPORE PRESS HOLDINGS

**MR BENEDICT CHEONG**

Chief Executive Officer
TEMASEK FOUNDATION

**MS GOH SOON POH**

Deputy Secretary (Policy)
MINISTRY OF HOME AFFAIRS

**MR CHANG SEE HIANG**

Senior Partner
CHANG SEE HIANG & PARTNERS

**MS LAI WEI LIN**

Director (Healthcare Finance)
MINISTRY OF HEALTH

**MR CHUA KIM LENG**

Executive Director (Banking Department 1)
MONETARY AUTHORITY OF SINGAPORE

**MR LIEW HENG SAN**

Independent Non-Executive Director
BOARD OF AIA (SINGAPORE)



MR LIM LEE MENG

Senior Partner
RSM CHIO LIM LLP



MS ONG TOON HUI

Deputy Secretary
MINISTRY OF SOCIAL AND FAMILY
DEVELOPMENT



MR ERIC LOW

Executive Chairman
APTITUDE MANAGEMENT CONSULTING
PTE LTD



MR GERALD SINGHAM

Partner
RODYK & DAVIDSON LLP



**MR KAIKHUSHRU SHIVAV
NARGOLWALA**

Independent Non-Executive Director
BOARD OF PRUDENTIAL PLC



MR DAVID WONG

Chairman
METHODIST WELFARE SERVICES



MR NG JOO HEE

Commissioner of Police
SINGAPORE POLICE FORCE



MR ERNEST WONG

Chairman
FULLERTON FINANCIAL HOLDINGS PTE LTD

BOARD**COMMITTEES**

The CRA Board is tasked with the objectives of providing strategic guidance on issues pertaining to regulations, corporate governance and strategic directions to the management of CRA in achieving its objectives. The Board Committees comprise:

AUDIT COMMITTEE

The Audit Committee reviews and appraises the reports of the external auditors and internal auditors on the adequacy of financial and operational controls. The Committee also recommends to the CRA Board the appointment and terms of engagement of the auditors, and approves the auditors' annual plans.

BUDGET REVIEW COMMITTEE

The Budget Review Committee reviews CRA's annual budget proposal and recommends it to the CRA Board for approval. To ensure budget robustness, the Committee also assesses the half year financial position of the Authority and reports to the CRA Board from time to time on matters requiring attention of the Board.

DISCIPLINARY COMMITTEE

The Disciplinary Committee makes recommendations to the CRA Board on disciplinary actions against casino operators, licensed special employees, licensed International Market Agents (IMAs) and IMA representatives.

EXECUTIVE COMMITTEE

The Executive Committee assists the CRA Board in making decisions on certain operational matters. The Committee also serves as a sounding board for the CRA management on emerging issues and initiatives.



HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Human Resource and Remuneration Committee advises the CRA Board in supervising and reviewing the various HR policies, frameworks and systems to ensure its robustness and effectiveness to attract, recruit and retain best suited talents.

LEGAL AND REGULATORY COMMITTEE

The Legal and Regulatory Committee provides strategic guidance to the CRA Board on the development of CRA's regulatory framework, which includes reviewing of CRA's regulatory instruments.

RESEARCH AND DATA REVIEW COMMITTEE

The Research and Data Review Committee assists the CRA Board in providing strategic guidance for CRA's research and analysis efforts, and monitors commercial developments in the global and regional casino gaming industry.

TECHNOLOGY ADVISORY COMMITTEE

The Technology Advisory Committee advises and updates the CRA Board in the areas of Gaming Technology regulations, keeping them abreast of the trends and directions in technological developments, so that the relevant technical gaming regulations, standards, directives and guidelines remain sufficient and relevant in the fast-moving casino industry. The Committee also advises the CRA Board in the efficient and effective management of the internal Info-Communication Technology planning, developments and operations.



**CRA COULD NOT HAVE COME SO FAR WITHOUT
OUR TEAM OF DEDICATED OFFICERS.**

**WE BELIEVE IN OUR PEOPLE AND THE
DIVERSE TALENTS AND SKILLS WHICH THEY
BRING. OUR OFFICERS ARE THE KEY PILLARS
OF OUR SUCCESS.**

SENIOR MANAGEMENT



MR LAU PEET MENG

Chief Executive

MS YEO PIA JEE

Group Director
OPERATIONS



MR KHOO KAH BEE

Director
CORPORATE DEVELOPMENT



MR EE KIAM KEONG

Director
GAMING TECHNOLOGY & ICT



MS LEAH YOUNG

Director
HUMAN RESOURCE



MR LAWRENCE LEE

Acting Director
INSPECTION & COMPLIANCE



MR PARAMJIT SINGH

Director
INVESTIGATIONS



MR TAN TECK WANG

General Counsel
LEGAL



MR HAROLD GAN

Director
LICENSING



DR TERENCE LOKE

Director
POLICY & COMMUNICATIONS



A photograph of three people in a meeting room. A woman with dark hair is on the left, a woman wearing a patterned hijab is in the middle, and a man with glasses and a light blue shirt is on the right. They are all looking out a large window towards the left. The room has a glass table with water bottles and papers on it. The background shows a bright, sunny day outside.

OUR PEOPLE, OUR STEWARDS

We value commitment and synergy, and believe that one thrives because of the other. The cornerstone of our success lies in our people, and it is through our individual and collective efforts that empower us to become a pillar of strength that governs and guides the industry.

FOCAL POINT

MAKING OUR MARK

It's Friday night and the casino floors at Resorts World at Sentosa (RWS) and Marina Bay Sands (MBS) are slowly building up with patrons playing at the gaming tables and the electronic gaming machines. Meanwhile, CRA officers, charged with CRA's mission¹, keep a watchful eye on the activities in the casinos. Getting CRA to where it stands today was not by chance.

CRA first started as the Casino Regulation Division (CRD) under the Ministry of Home Affairs in 2005. Officers then had little knowledge on how casinos should be regulated. Through the forging of ties with experienced and established casino regulators in jurisdictions such as Nevada, New Jersey, New South Wales and Victoria, CRD acquired the knowledge and skills for an effective regulator, and grew from strength to strength. By the time CRA was established as a Statutory Board in 2008, our officers had benefited greatly from the networks and friendships that other regulators had readily extended to Singapore even before the casinos had opened in Singapore.

GEARING UP OUR EXPERTISE

One of the first few trips that afforded CRD an invaluable learning opportunity was a visit to the Nevada Gaming Control Board (NGCB) in November 2006 as they shared on areas that enabled CRD to jumpstart the development of our own regime.

Mr Benny Wong, who was in the Gaming Technology Division then and who was part of the CRD delegation recalls: "It was an exciting time for us as we were in the midst of drafting the subsidiary legislation following the passage of the Casino Control Act." Benny, who is now in the Inspection and Compliance Division, recalls his first time representing CRD and Singapore in the international arena. "We were sailing on uncharted waters, so the experiences of our counterparts meant so much in steering us in the right direction in the waters ahead."

Footnote:

¹ Ensuring that the management and operation of a casino is and remains free from criminal influence or exploitation, ensuring that gaming in a casino is conducted honestly and, containing and controlling the potential of a casino to cause harm to minors, vulnerable persons and society at large.





Alicia Chua, Vincent Lee and Alfred Tay (Investigations)

FOCAL POINT

TAKING BOLD STRIDES

Over the years, CRA has achieved much.

In as early as 2007, CRD successfully developed and deployed the Casino Licence Application System (CLAS), the first of its kind to be used by a casino regulator.

2009 was the year CRA and the Criminal Investigation Department (CID) of the Singapore Police Force held its first Joint Training Symposium, a platform that allows law enforcement agencies to come together to share their regulatory and enforcement expertise in casino-related crimes biennially. Meanwhile, we also kick-started extensive probity investigations on RWS and MBS.

Most notably, in 2010, CRA ensured the smooth opening of RWS and MBS within two months in February and April. In 2011, we signed our first Memorandum of Understanding with NGCB, which paved the way for bilateral sharing of information and training opportunities.

CRA issued the first two International Market Agents licences in 2012.

Earlier this year, we made amendments to the Casino Control Act (CCA) and 15 Regulations, and renewed the casino licences for both RWS and MBS.

In spite of these achievements, we are not resting on our laurels.

STRATEGISING FOR THE NEXT LAP

One of the greatest challenges facing casino regulators around the world is how we can continue to uphold our mission amidst the constantly changing gaming landscape. To this end, CRA has proactively taken steps to strengthen our enforcement function so as to ensure that the amended legislation and regulatory regime are duly implemented by the casino operators. In March this year, an Enforcement Branch (EFB) was set up to increase CRA's presence at the two casinos. In addition to conducting compliance checks on casino operations, EFB officers would also

be able to respond promptly to incidents where social safeguards such as exclusion orders may have been circumvented.

Recruiting the right officers and building up their capabilities to take on the new function were among the many challenges that Mr Alfred Tay and Mr Vincent Lee, both Acting Heads of Enforcement, gamely took on. "Being an officer on the frontline means having to know every aspect of the CCA and its Regulations, and the casino operations at the back of our hands, so one of the first things we did was to develop a comprehensive training programme and to arrange for our officers to undergo an intensive three week training session as well as on-the-job training," said Alfred. "Every EFB officer also has to know the game rules well so that non-compliance with gaming procedures can be detected almost immediately."

To ensure that all officers are updated on the developments in both casinos, the teams meet weekly to discuss issues peculiar to each casino as well as to familiarise themselves with the game rules through mock game sessions and refresher trainings.

On a daily basis, EFB officers like Ms Alicia Chua, a former investigations officer in the Singapore Police Force, are required to handle excluded persons or minors detected inside the casinos and are faced with the unenviable task of forfeiting their winnings. "It takes a lot of patience and thinking on your feet to deal with patrons, especially when it involves forfeiture of winnings," says Alicia. Each case is often unique, she explained, and it therefore requires paying close attention to intricacies.

She recalls an impersonation case involving an excluded person earlier this year, which both Alicia and Vincent responded to. The patron, who was a wheelchair-bound elderly woman, begged officers not to take any action or take her chips away. "As our job requires us to interact with patrons, we often hear personal stories about themselves, their families and their reasons for gambling. While we empathise with them, we have to ensure that the laws are enforced equitably and fairly and that the appropriate penalties are meted out to those who have flouted the laws. If a clear signal is not sent, there will always be patrons who try to circumvent the rules," says Vincent. Nonetheless, it is not just about rigidly applying the

laws to each and every case. Very often, EFB officers will advise patrons to seek help from the National Council on Problem Gambling should they display signs of gambling addiction, such as overstay in the casinos. Having interacted with different types of patrons, EFB officers are now better able to appreciate the importance of having effective social safeguards that will make a difference in the life of each individual and even his family. To Vincent and his EFB team, knowing that their work contributes to CRA's mission and embodies CRA's Values of integrity, care, professionalism, pioneering spirit and teamwork, makes each day at work a gratifying experience.

ACHIEVING ORGANISATIONAL EXCELLENCE

Whilst strengthening the 'hardware' of CRA's regulatory and enforcement regime, CRA has not ignored the importance of its 'heartware' – our people, internal capabilities and structure. In 2012, CRA conducted the first Organisational Health Survey to better understand the concerns and aspirations of our officers. The survey was a good platform that started subsequent conversations across various groups in the organisation about issues that officers faced and the measures that could be taken to address them.

As part of building organisational excellence, CRA also strongly believes that our officers should be encouraged to participate in activities beyond our work scope. The Human Resource Division puts together a range of light-hearted and engaging workshops for our officers to attend during lunch breaks – from chocolate appreciation to graphology; these talks allow us to enrich ourselves through short but engaging sessions.

To promote interaction between officers across various divisions, CRA's officers are allocated to different 'Houses' for various non work-related activities. These houses take turns to organise festive celebrations for CRA, allowing us to come up with creative ways to engage fellow colleagues while fostering cohesion.

Outside of CRA, we recognise the importance of maintaining strong bonds with our family and friends. This year, CRA introduced 'Blue Sky Fridays' where, on the first Friday of the month, our officers are encouraged to leave office half an hour earlier to spend more quality time doing the activities we enjoy outside of work.

CONNECTING AND COLLABORATING

The success of Singapore's Integrated Resorts (IRs) with casinos has spurred the growth of similar concepts in the Asian region. Countries like Japan, Vietnam, Taiwan and Sri Lanka have indicated their intention to set up similar IRs. CRA, being one of the first few Asian casino regulators to establish a sound and robust regulatory framework, will look beyond our shores to forge new ties with other Asian counterparts while continually renewing our friendships with jurisdictions from other parts of the world.

As CRA sets its sights on becoming the thought-leader in casino regulation, each and every officer must embrace CRA's Values and must hold a strong belief that everyone has a role to play in getting CRA to its vision of becoming the trusted casino regulator, advancing our mission with pride and integrity for a safe Singapore.



Zann Lin (Human Resource) , William Lee (Legal) and Constance Loo (Gaming Technology & ICT)



OUR PASSION, OUR LEADERS

With every milestone, we are fortified for greater growth as an organisation. Led by a strong and dedicated management team, we are confident of raising standards and setting new benchmarks in the industry.

We remain driven by passion and stay grounded to our Values, which will propel us to deliver better performances time after time.

MILESTONES & ACHIEVEMENTS



OCTOBER 2012

New Scheme of Service

A new Casino Regulatory Scheme of Service was introduced on 1 October 2012. The new scheme of service provides for more development and advancement opportunities to officers across all levels in the organisation and allows CRA to remain competitive in attracting and retaining talent.

.....



Signing of Memoranda of Understanding (MOUs) with Alderney Gambling Control Commission (AGCC) and Pennsylvania Gaming Control Board (PGCB)

CRA signed MOUs with AGCC and PGCB on 22 October 2012. The MOUs mark the strengthening of cooperation between CRA and the two regulators in the sharing of information, expertise, knowledge, skills, as well as collaborative efforts in the exchange of visits and training.

.....



NOVEMBER 2012

Amendment of the Casino Control Act (CCA)

The CCA was amended to enhance the provisions and raise regulatory standards to keep pace with international standards. This legislative review remains part of the Government's ongoing efforts to ensure that Singapore continues to benefit from the presence of the integrated resorts and the casinos.

.....

Completion of Full Scope Inspection

CRA completed the first full scope inspection on casino operations, with the involvement of more than 20 officers from various CRA Divisions, over the course of nine months. Both casino operators, RWS & MBS had shown to have put in place the required systems and processes to comply with CRA's regulatory requirements. Where there were instances of non-compliances, the casino operators had shown their commitment to improve processes.

.....

International Association of Gaming Regulators (IAGR) Holds its First Conference in Asia

CRA and IAGR jointly organised the IAGR 2012 Conference in Singapore from 21 – 24 October 2012. Officiating the opening of the conference was Mr S Iswaran, Minister, Prime Minister's Office and Second Minister for Home Affairs and Trade and Industry. This marked the first time IAGR has held a conference in Asia. The conference explored emerging issues affecting gaming regulators, policymakers and industry executives in gambling markets around the world. It also focused on the challenges faced by regulators as they seek to improve the effectiveness and efficiency of gambling oversight.

.....



Mr S Iswaran delivering his opening address at the IAGR Conference.



DECEMBER 2012

CRA ISO27001 Continual Certification

After CRA attained the ISO27001 certification in January 2012, it successfully passed the mandatory annual surveillance audit carried out by certification body (TÜV SÜD PSB) in December 2012 without any major findings. This affirmed CRA's commitment towards maintaining a robust information security management system that provides an assurance to its regulated entities that systemic and systematic processes are in practice to protect information in the performance of regulatory duties.

Licensure of the Third International Market Agent (IMA)

CRA awarded the third IMA licence to Haley Holding Pte. Ltd. on 21 December 2012. The licence had been issued for a one year duration. CRA continues to ensure that the IMA industry in Singapore is well-regulated so that it does not provide a cover for crime.



CRA's panellists at the 4th GT Forum (from left) Senior Assistant Director (Licensing) Mr Patrick Loh; Director (Corporate Development) Mr Khoo Kah Bee; Director (GT&ICT) Mr Ee Kiam Keong; Deputy Director (GT) Mr Lee Kwong Yee.



JANUARY 2013

Operationalisation of the Casino Control Act (CCA) Amendments

The CCA amendments were operationalised on 31 January 2013, following the amendments in November 2012. CRA officers were on standby to ensure a smooth operational transition at the two casinos.



FEBRUARY 2013

Renewal of Resorts World at Sentosa (RWS) Casino Licence

On 1 February 2013, CRA renewed the casino licence of RWS under Section 49 of the Casino Control Act (CCA) after assessing that RWS had fulfilled the matters set out in Section 45 of the CCA. The licence had been renewed for another three years with effect from 6 February 2013.



RWS CEO, Mr Tan Hee Teck receiving the renewed casino licence from CRA's Chief Executive, Mr Lau Peet Meng.

DECEMBER
2012

JANUARY
2013

FEBRUARY
2013



CRA's Chief Executive Mr Lau Peet Meng signing the MOU with PGCB's Director of Licensing, Ms Susan Hensel.

4th Gaming Technology (GT) Forum

With a turnout of close to 100 participants from the gaming industry, CRA successfully hosted the 4th GT Forum on 1 February 2013. The discussions surrounding the forum were on the newly-amended Casino Control Act and its impact on gaming equipment regulations and technical standards affecting the industry. The forum provided a platform for exchange of knowledge and know-how with industry players and CRA's officers.

MILESTONES & ACHIEVEMENTS



MARCH 2013

Inception of the Enforcement Branch

A newly dedicated Enforcement Branch (EFB) had been set up and tasked with the duty of increasing regulatory presence and proactive checks on the two casinos. As part of their work, these EFB officers will conduct checks on the casino operators to ensure compliance with the Casino Control Act, its Regulations and approved system of controls.



Officers from the Enforcement Branch on an inspection round.



APRIL 2013

Renewal of Marina Bay Sands (MBS) Casino Licence

CRA on 19 April 2013 renewed the casino licence of MBS under Section 49 of the Casino Control Act (CCA), after assessing that MBS had fulfilled the matters set out in Section 45 of the CCA. The licence had been renewed for another three years with effect from 26 April 2013.



MBS CEO, Mr George Tanasijevich receiving the renewed casino licence from CRA's Chief Executive, Mr Lau Peet Meng.



MAY 2013

CRA Workplan Seminar (WPS) 2013

CRA held its fifth workplan seminar at the Police Cantonment Complex on 10 May 2013. The theme for WPS 2013 was 'Pioneers. Stewards. Leaders.' Officiating the opening ceremony and delivering the keynote address was Mr S Iswaran, Minister, Prime Minister's Office and Second Minister for Home Affairs and Trade and Industry. A top priority for CRA in the coming years will be to keep abreast of issues in the fast-paced casino regulatory environment. On the international front, CRA will deepen its engagement with leading jurisdictions to learn best practices. To commemorate its fifth anniversary, CRA also sealed a time capsule containing items from its pioneering days, which will be unveiled on CRA's 20th anniversary in 2028.



All smiles from CRA's officers after a successful WPS.



Guest of Honour Mr S Iswaran delivering his keynote address to CRA officers.



AWARDS



Chan Guat Hwa, Travis Ng, Catherine Tay & Alfred Tay

2012 National Day Awards
AUGUST 2012

Acting Director of the Inspection and Compliance Division, Mr Lawrence Lee, was awarded the Commendation Medal (Pingat Kepujian) in recognition of his achievements and contributions to CRA. Mr Lee had led a team to oversee all aspects of compliance and inspection matters in the two casinos, and to ensure their compliance with regulatory requirements.



The Commendation Medal was conferred to Mr Lawrence Lee by Deputy Prime Minister, Coordinating Minister for National Security and Minister for Home Affairs, Mr Teo Chee Hean.

Ministry of Home Affairs National Day Award (Individual)
AUGUST 2012

Deputy Director of Gaming Technology, Mr Lee Kwong Yee, was awarded the Minister for Home Affairs National Day Award (Individual) 2012 for exhibiting outstanding efficiency and competency in leading his team in developing a robust framework for the approval of gaming equipment and testing laboratories.

CRA Star Employee Award
AUGUST 2012 & APRIL 2013

The inaugural CRA Star Employee (CRASE) Award was introduced in August 2012 to recognise the efforts of employees who go the extra mile to make CRA a warmer environment to work in. The recipients were Acting Head (Enforcement) Mr Alfred Tay, Manager (ICT Governance & Security) Mr Travis Ng, Assistant Manager (Finance) Ms Catherine Tay and Executive (Research) Mdm Chan Guat Hwa. The four recipients were commended for their desirable values, and were nominated by their fellow colleagues in CRA for their tireless service and dedication to improving the workplace.

CRA Sponsorship & Study Awards

Senior Assistant Director of Communications and International Relations, Ms Cheryl Foo, was awarded the CRA Sponsorship Award 2012. Ms Foo is pursuing her full-time local Masters in Business Administration at the Nanyang Technological University for academic year 2013/2014.



Mr Lee Kwong Yee receiving the award from Mr S Iswaran, Minister, Prime Minister's Office and Second Minister for Home Affairs and Trade and Industry.



Business activity of company
Data and processes of activity



OUR PURPOSE, OUR FUTURE

We never lose sight of our goals and strive to work to the best of our abilities to fulfil our Vision and Mission. The cohesive network established among our staff, management and the industry will not only create greater value for our stakeholders, but also benefit our growth in the years ahead.



ENFORCEMENT ACTIONS

Date	Relevant Legislation	Breach & Action Taken by the Casino Regulatory Authority
22 August 2012	Section 116(1) of the Casino Control Act	CRA imposed financial penalties totalling \$57,500 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent Singapore citizens and permanent residents (SCPRs) from entering and/or remaining on its casino premises without valid entry levies during the period 1 May 2011 to 31 October 2011. CRA took action in respect of 10 SCPRs who had entered MBS' casino without valid entry levies and 2 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
	Section 126(1) of the Casino Control Act	CRA imposed financial penalties totalling \$300,000 on MBS for failing to prevent 19 excluded persons from entering and/or remaining on its casino premises during the period 1 May 2011 to 31 October 2011.
	Regulations 20(1) and 24(1)(c) of the Casino Control (Gaming Equipment) Regulations 2009	CRA censured MBS for an instance where MBS failed to display appropriate message on its progressive jackpot system on 18 October 2011.
	Section 116(1) of the Casino Control Act	CRA imposed financial penalties totalling \$65,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to prevent SCPRs from entering and/or remaining on its casino premises without valid entry levies during the period 1 May 2011 to 31 October 2011. CRA took action in respect of 7 SCPRs who had entered RWS' casino without valid entry levies and 6 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
	Section 126(1) of the Casino Control Act	CRA imposed a financial penalty of \$55,000 on RWS for failing to prevent 4 excluded persons from entering and/or remaining on its casino premises during the period 1 May 2011 to 31 October 2011.
	Section 133(1) of the Casino Control Act	CRA imposed financial penalties totalling \$20,000 on RWS for failing to prevent 2 minors from entering and/or remaining on its casino premises during the period 1 May 2011 to 31 October 2011. CRA also separately censured RWS for 3 instances where RWS failed to prevent minors from entering and/or remaining on its casino premises during the period 1 May 2011 to 31 October 2011.
12 September 2012	Section 116(3) of the Casino Control Act	CRA imposed a financial penalty of \$600,000 on RWS for partially reimbursing the annual entry levy payable by SCPRs. Between 1 February 2011 and 31 May 2011, RWS staff members carried out a marketing programme which gave incentives such as Universal Studios Singapore tickets, concert tickets and hotel accommodation to about 3,400 SCPRs when they purchased new annual entry levies or renewed their annual entry levies. RWS, as a casino operator, had contravened Section 116(3) of the Act (read in conjunction with Regulation 6(a) of the Entry Levy Regulations 2010), by directly or indirectly refunding, remitting or reimbursing the annual levies paid by the SCPRs.

Date	Relevant Legislation	Breach & Action Taken by the Casino Regulatory Authority
15 January 2013	Section 116(1) of the Casino Control Act	CRA imposed financial penalties totalling \$35,000 on MBS for failing to prevent SCPRs from entering and/or remaining on its casino premises without valid entry levies during the period 1 November 2011 to 30 April 2012. CRA took action in respect of 6 SCPRs who had entered MBS' casino without valid entry levies and 1 SCPR who had remained in the casino beyond the 24 hours' validity of the day entry levy.
	Section 126(1) of the Casino Control Act	CRA imposed financial penalties totalling \$80,000 on MBS for failing to prevent 6 excluded persons from entering and/or remaining on its casino premises during the period 1 November 2011 to 30 April 2012.
	Section 133(1) of the Casino Control Act	CRA imposed a financial penalty of \$15,000 on MBS for failing to prevent a minor from entering and/or remaining on its casino premises during the period 1 November 2011 to 30 April 2012.
	Section 116(1) of the Casino Control Act	CRA imposed financial penalties totalling \$40,000 on RWS for failing to prevent SCPRs from entering and/or remaining on its casino premises without valid entry levies during the period 1 November 2011 to 30 April 2012. CRA took action in respect of 4 SCPRs who had entered RWS' casino without valid entry levies and 4 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
	Section 126(1) of the Casino Control Act	CRA imposed financial penalties totalling \$40,000 on RWS for failing to prevent 3 excluded persons from entering and/or remaining on its casino premises during the period 1 November 2011 to 30 April 2012.
	Section 133(1) of the Casino Control Act	CRA imposed financial penalties totalling \$20,000 on RWS for failing to prevent 2 minors from entering and/or remaining on its casino premises during the period 1 November 2011 to 30 April 2012.
13 February 2013	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	CRA imposed a financial penalty of \$150,000 on MBS for failing to ensure that specified casino surveillance footage during the period 14 September 2011 to 12 April 2012 was retained for the period required by CRA. MBS, as a casino operator, had contravened Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009.
	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	CRA imposed a financial penalty of \$100,000 on MBS for failing to ensure continuous recording of specified casino surveillance footage during the period 17 December 2011 to 14 June 2012. MBS, as a casino operator, had contravened Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009.
	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	CRA imposed a financial penalty of \$225,000 on MBS for failing to have a failure notification system to provide an audible as well as visual notification of specific failures in the casino surveillance system. MBS, as a casino operator, had contravened Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009.

FINANCIAL CONTENTS

33

Statement by the Casino
Regulatory Authority of
Singapore

34

Independent Auditors' Report

36

Balance Sheet

37

Comprehensive Income and
Expenditure Statement

38

Statement of Changes
in Equity

39

Cash Flow Statement

40

Notes to the
Financial Statements

STATEMENT BY THE**CASINO REGULATORY AUTHORITY OF SINGAPORE**

In our opinion, the accompanying balance sheet, comprehensive income and expenditure statement, statement of changes in equity and cash flow statement together with notes thereto of the Casino Regulatory Authority of Singapore (the "Authority") as set out on pages 36 to 56 are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2013 and of the results, changes in equity and cash flows of the Authority for the financial year ended 31 March 2013.

On Behalf of the Authority:



Richard Magnus

Chairman



Lau Peet Meng

Chief Executive

Singapore
18 July 2013

INDEPENDENT**AUDITORS' REPORT**

For the financial year ended 31 March 2013
To the Members of Casino Regulatory Authority of Singapore

Report on the Financial Statements

We have audited the accompanying financial statements of Casino Regulatory Authority of Singapore (the "Authority") set out on pages 36 to 56, which comprise the balance sheet as at 31 March 2013, the comprehensive income and expenditure statement, the statement of changes in equity and cash flow statement of the Authority for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Casino Control Act (Cap. 33A) (the "Act") and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

INDEPENDENT**AUDITORS' REPORT**

For the financial year ended 31 March 2013
To the Members of Casino Regulatory Authority of Singapore

Report on other legal and regulatory requirements*Management's Responsibility for Compliance with Legal and Regulatory Requirements*

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

Auditor's responsibility

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

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

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

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

**Ernst & Young LLP**

Public Accountants and
Chartered Accountants
Singapore
18 July 2013

BALANCE SHEET

as at 31 March 2013

	Note	2012/2013 \$	2011/2012 \$
Equity			
Capital account	3	36,001,000	36,001,000
Accumulated deficit		(3,413,485)	(9,125,780)
Total equity		32,587,515	26,875,220
Represented by:			
Non-current assets			
Plant and equipment	4	3,391,500	3,674,083
Intangible assets	5	1,368,178	1,682,244
		4,759,678	5,356,327
Current assets			
Trade and other receivables	6	138,103	165,490
Amount due from parent ministry	7	–	6,299
Prepaid operating expenses		257,477	579,093
Deposits		670,103	584,231
Cash and cash equivalents	8	89,380,316	52,783,917
		90,445,999	54,119,030
Total assets		95,205,677	59,475,357
Current liabilities			
Trade and other payables	9	3,523,637	5,104,918
Fees received in advance	10	20,316,344	23,360,462
Prepayment	11	1,196,741	1,301,575
Provisions	12	1,128,051	880,288
		26,164,773	30,647,243
Net current assets		64,281,226	23,471,787
Non-current liabilities			
Fees received in advance	10	35,189,041	856,164
Provisions	12	1,216,995	1,096,730
Deferred lease payables	13	47,353	–
		36,453,389	1,952,894
Total liabilities		62,618,162	32,600,137
Net assets		32,587,515	26,875,220

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

COMPREHENSIVE**INCOME AND EXPENDITURE STATEMENT**

For the financial year ended 31 March 2013

	Note	2012/2013	2011/2012
		\$	\$
Income			
License fee		25,910,180	25,051,463
Application fees		1,994,895	740,070
Fines		1,822,100	954,300
		29,727,175	26,745,833
Expenditure			
Expenditure on Manpower	14	(13,371,441)	(11,743,747)
Staff welfare and development		(755,905)	(641,162)
Rental of premises and others		(2,308,134)	(1,890,816)
Maintenance		(850,577)	(703,544)
Depreciation of plant and equipment	4	(1,614,718)	(1,061,302)
Amortisation of intangible assets	5	(630,444)	(430,755)
Utilities		(220,638)	(204,426)
Communications		(381,154)	(398,981)
Management and professional services		(3,327,746)	(2,669,633)
Other operating expenses	15	(850,948)	(1,212,759)
		(24,311,705)	(20,957,125)
Operating surplus		5,415,470	5,788,708
Non-operating income	16	296,825	386,399
Surplus before statutory contribution to consolidated fund		5,712,295	6,175,107
Statutory contribution to consolidated fund	17	–	–
Surplus for the year, representing total comprehensive income for the financial year		5,712,295	6,175,107

STATEMENT

OF CHANGES IN EQUITY

for the financial year ended 31 March 2013

	Capital account \$	Accumulated deficit \$	Total \$
Balance as at 1 April 2011	36,001,000	(15,300,887)	20,700,113
Surplus for the year, representing total comprehensive income for the year	–	6,175,107	6,175,107
Balance as at 31 March 2012 and 1 April 2012	36,001,000	(9,125,780)	26,875,220
Surplus for the year, representing total comprehensive income for the year	–	5,712,295	5,712,295
Balance as at 31 March 2013	36,001,000	(3,413,485)	32,587,515

CASH**FLOW STATEMENT**

for the financial year ended 31 March 2013

	Note	2012/2013 \$	2011/2012 \$
Cash flows from operating activities:			
Surplus before statutory contribution to consolidated fund		5,712,295	6,175,107
Adjustments for:			
Depreciation of plant and equipment	4	1,614,718	1,061,302
Amortisation of intangible assets	5	630,444	430,755
Reinstatement of fixed assets	12	–	(19,279)
Impairment loss	15	–	112,208
Unutilised leave		173,665	17,593
Retention bonus	12	552,363	259,086
Deferred lease expense	13	47,353	–
Interest income from short term deposits	16	(296,254)	(378,427)
Plant and equipment expensed off	15	35,258	197,872
Loss/(gain) on disposal of plant and equipment		332	(42,712)
Surplus before working capital changes		8,470,174	7,813,505
Operating cash flows before working capital changes:			
Decrease in trade and other receivables		27,387	107,985
Decrease/(increase) in amount due from parent ministry		6,299	(6,299)
Decrease/(increase) in prepaid operating expenses		321,616	(142,910)
Increase in deposits		(85,872)	(73,997)
(Decrease)/increase in trade and other payables		(1,581,281)	2,436,295
Decrease in prepayment		(104,834)	(2,371,035)
Decrease in amount due to parent ministry		–	(4,500)
Increase/(decrease) in fees received in advance		31,288,759	(25,151,683)
Decrease in provisions		(358,000)	(241,800)
Cash flows generated from/(used in) operations		37,984,248	(17,634,439)
Interest received		296,254	378,427
Net cash flows generated from/(used in) operating activities		38,280,502	(17,256,012)
Cash flows from investing activities:			
Purchase of plant and equipment		(1,367,725)	(2,265,905)
Purchase of intangibles		(316,378)	(1,097,386)
Proceeds from sales of plant and equipment		–	80,454
Net cash flows used in investing activities		(1,684,103)	(3,282,837)
Net increase/(decrease) in cash and cash equivalents		36,596,399	(20,538,849)
Cash and cash equivalents at beginning of the year		52,783,917	73,322,766
Cash and cash equivalents at end of the year	8	89,380,316	52,783,917

NOTES**TO THE FINANCIAL STATEMENTS**

31 March 2013

1. General

The Casino Regulatory Authority of Singapore (the "Authority") was established under Casino Control Act (Cap. 33A) (the "Act") on 2 April 2008 as a statutory board.

The Authority has its registered office and principal place of operation at 460 Alexandra Road, PSA Building, #12-01 Singapore 119963.

The objects of the Authority are to maintain and administer systems for the licensing, supervision and control of casinos, for the purpose of -

- (a) ensuring that the management and operation of a casino is and remains free from criminal influence or exploitation;
- (b) ensuring that gaming in a casino is conducted honestly; and
- (c) containing and controlling the potential of a casino causing harm to minors, vulnerable persons and the society at large.

2. Summary of significant accounting policies**2.1** *Basis of preparation*

The financial statements of the Authority for the financial year ended 31 March 2013 have been drawn up in accordance with the provisions of the Act and the Statutory Board Financial Reporting Standards ("SB-FRS").

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

The financial statements are presented in Singapore Dollars (SGD or \$).

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Authority has adopted all the new and revised SB-FRS and Interpretations to SB-FRS (INT SB-FRS) that are effective for annual periods beginning on or after 1 April 2012.

The adoption of these standards and interpretations did not have any material impact on the Authority's financial statements.

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

2.3 *SB-FRS and INT SB-FRS not yet effective*

The Authority has not applied the following SB-FRS and INT SB-FRS that have been issued but not yet effective:

Description	Effective for annual period beginning on or after
SB-FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
SB-FRS 19 Employee Benefits (Revised)	1 January 2013
SB-FRS 107 Disclosures – Offsetting of Financial Assets and Financial Liabilities	1 January 2013
SB-FRS 113 Fair Value Measurements	1 January 2013
SB-FRS 27 Separate Financial Statements	1 January 2014
SB-FRS 28 Investments in Associates and Joint Ventures	1 January 2014
SB-FRS 32 Offsetting of Financial Assets and Financial Liabilities	1 January 2014
SB-FRS 110 Consolidated Financial Statements	1 January 2014
SB-FRS 111 Joint Arrangements	1 January 2014
SB-FRS 112 Disclosure of Interests in Other Entities	1 January 2014

The Authority expects that the adoption of the above standards and interpretations will not have a significant impact on the financial statements in the period of initial application.

2.4 *Significant accounting judgements and estimates*

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

Judgements made in applying accounting policies

In the process of applying the Authority's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of plant and equipment and intangible assets

The cost of plant and equipment and intangible assets for the operations of the Authority is depreciated and amortised on a straight-line basis over the useful lives. Management estimates the useful lives of these plant and equipment and intangibles to be within 3 to 10 years and within 3 to 5 years respectively. These are common life expectancies applied to these plant and equipment and intangible assets. The carrying amount of the Authority's plant and equipment and intangible assets at 31 March 2013 was \$3,391,500 and \$1,368,178 (2011/2012: \$3,674,083 and \$1,682,244) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised.

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

2.4 *Significant accounting judgements and estimates (continued)*

Impairment of non-financial assets

The Authority assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of loans and receivables

The Authority assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Authority considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Authority's loans and receivable at the end of the reporting period is disclosed in Note 20 to the financial statements.

2.5 *Functional and foreign currency*

Transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the comprehensive income and expenditure statement.

2.6 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the plant and equipment, and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Plant and equipment costing less than \$2,000 each, are charged to the comprehensive income and expenditure statement in the year of purchase as plant and equipment expensed off disclosed in Note 15.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the assets as follows:

Plant and machinery	–	10 years
Renovation	–	Over the remaining lease term
Furniture, fittings, tools & equipments	–	3 to 8 years
Heritage (refers to artwork)	–	No depreciation

NOTES**TO THE FINANCIAL STATEMENTS**

31 March 2013

2.6 *Plant and equipment (continued)*

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

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the comprehensive income and expenditure statement in the year the asset is derecognised.

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

2.7 *Intangible assets*

Intangible assets acquired, which comprise computer software development costs, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Assets classified as work-in-progress included in intangible assets are not amortised as these assets are not yet available for use.

Amortisation of intangibles is calculated on the straight-line method to write-off the costs over their estimated useful lives of 3 to 5 years. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life is accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the comprehensive income and expenditure statement through the 'amortisation of intangible assets' line item.

The carrying value of intangibles is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.8 *Impairment of non-financial assets*

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the comprehensive income and expenditure statement, consistent with the function of the impaired asset.

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

2.8 *Impairment of non-financial assets (continued)*

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the Authority estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the comprehensive income and expenditure statement.

2.9 *Financial assets*

Initial recognition and measurement

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

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

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

The Authority classifies the following financial assets as loans and receivables:

- (a) Cash and cash equivalents
- (b) Trade and other receivables
- (c) Deposits
- (d) Amount due from parent ministry

De-recognition

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

Regular way purchase and sale of financial asset

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

NOTES**TO THE FINANCIAL STATEMENTS**

31 March 2013

2.10 Cash and cash equivalents

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

Cash and cash equivalents carried in the balance sheet are classified and accounted for as loans and receivables under SB-FRS 39. The accounting policy is stated in Note 2.9.

2.11 Trade and other receivables

Trade and other receivables are classified and accounted for as loans and receivables under SB-FRS 39. The accounting policy for this category of financial assets is stated in Note 2.9.

An allowance is made for uncollectible amounts when there is objective evidence that the Authority will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.12 below.

2.12 Impairment of financial assets

The Authority assesses at each end of the reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried at amortised cost

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the comprehensive income and expenditure statement.

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

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

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

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

2.13 *Financial liabilities**Initial recognition and measurement*

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Authority that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the comprehensive income and expenditure statement.

The Authority has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

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

2.14 *Provisions*

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

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

NOTES**TO THE FINANCIAL STATEMENTS**

31 March 2013

2.15 Employee benefits**(a) Defined contribution plans**

Defined contribution plans are post-employment benefits plans under which the Authority pays fixed contributions into separate entities such as the Central Provident Fund Board on a mandatory, contractual or voluntary basis. The Authority has no further payment obligations once the contributions have been paid. The Authority's contributions are recognised in the comprehensive income and expenditure statement when they are due.

(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 and long-service leave as a result of services rendered by employees up to the end of the reporting period.

(c) Retention bonus

The retention bonus due to employees is determined based on the expected payout to be made by the Authority in respect of services rendered by these employees up to the end of the reporting period.

2.16 Leases**As lessee**

Operating lease payments are recognised as an expense in the comprehensive income and expenditure statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.17 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the income can be reliably measured, regardless of when the payment is made. Income is measured at the fair value of consideration received or receivable.

Income is recognised as follows:

(a) Casino licence fees

Licence fees are recognised as income on an accrual basis.

(b) Application fees

Application fees are recognised upon the receipt of the application form and application fees. Application fees collected but pending application forms are recognised as fees received in advance in the respective accounting period.

(c) Fines

Fine payable to the Authority for violation of the Casino Control Act (Cap. 33A) is recognised as income upon receipt of the fine payment.

(d) Interest income

Interest income is recognised on accrual basis.

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

2.18 *Goods and services tax*

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

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

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.19 *Related parties*

The Authority is established as a statutory board and is an entity related to the Government of Singapore. The Authority's related parties refer to Government-related entities including Ministries, Organs of State and other Statutory Boards. The Authority applies the exemption in Paragraph 25 of SB-FRS 24 Related Party Disclosures, and required disclosures are limited to the following information to enable users of the Authority's financial statements to understand the effect of related party transactions on the financial statements:

- (i) the nature and amount of each individually significant transaction with Ministries, Organs of State and other Statutory Boards; and
- (ii) for other transactions with Ministries, Organs of State and other Statutory Boards that are collectively but not individually significant, a qualitative or quantitative indication of their extent.

2.20 *Capital*

Proceeds from issuance of shares are recognised as capital in equity.

3. **Capital account**

	2012/2013		2011/2012	
	Number of shares	\$	Number of shares	\$
Issued and paid up:				
At 1 April and 31 March	36,001,000	36,001,000	36,001,000	36,001,000

The capital account consists of shares issued to the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Cap. 183) for equity injection.

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

4. Plant and equipment

	Plant and machinery \$	Renovation \$	Furniture, fittings, tools and equipments \$	Heritage \$	Total \$
Cost:					
At 1 April 2011	534,916	1,519,313	2,980,334	130,964	5,165,527
Additions	26,820	330,981	1,763,232	–	2,121,033
Disposals	(36,655)	–	(344,583)	–	(381,238)
Impairment loss	(5,684)	(180,095)	(73,792)	–	(259,571)
At 31 March 2012 and 1 April 2012	519,397	1,670,199	4,325,191	130,964	6,645,751
Additions	63,770	491,051	777,646	–	1,332,467
Disposals	–	–	(3,771)	–	(3,771)
At 31 March 2013	583,167	2,161,250	5,099,066	130,964	7,974,447
Accumulated depreciation and impairment loss:					
At 1 April 2011	157,789	569,592	1,673,844	–	2,401,225
Depreciation for the year	60,745	319,658	680,899	–	1,061,302
Disposals	(12,629)	–	(330,867)	–	(343,496)
Impairment loss	(1,958)	(105,155)	(40,250)	–	(147,363)
At 31 March 2012 and 1 April 2012	203,947	784,095	1,983,626	–	2,971,668
Depreciation for the year	96,590	658,819	859,309	–	1,614,718
Disposals	–	–	(3,439)	–	(3,439)
At 31 March 2013	300,537	1,442,914	2,839,496	–	4,582,947
Carrying amount:					
At 31 March 2013	282,630	718,336	2,259,570	130,964	3,391,500
At 31 March 2012	315,450	886,104	2,341,565	130,964	3,674,083

In prior financial year, the Authority vacated from one of the premises to a different level. An impairment loss of nil (2011/2012: \$112,208), representing the write-down on the plant and equipment to the recoverable amount was recognised in "Other operating expenses" (Note 15) line item of comprehensive income and expenditure statement for the financial year ended 31 March 2012.

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

5. Intangible assets

	Computer software \$	Work-in-Progress \$	Total \$
Cost:			
At 1 April 2011	1,460,344	150,623	1,610,967
Additions	1,043,990	53,396	1,097,386
Transfer of assets	185,095	(185,095)	–
At 31 March 2012 and 1 April 2012	2,689,429	18,924	2,708,353
Additions	316,378	–	316,378
Transfer of assets	18,924	(18,924)	–
At 31 March 2013	3,024,731	–	3,024,731
Accumulated amortisation:			
At 1 April 2011	595,354	–	595,354
Amortisation for the year	430,755	–	430,755
At 31 March 2012 and 1 April 2012	1,026,109	–	1,026,109
Amortisation for the year	630,444	–	630,444
At 31 March 2013	1,656,553	–	1,656,553
Carrying amount:			
At 31 March 2013	1,368,178	–	1,368,178
At 31 March 2012	1,663,320	18,924	1,682,244

6. Trade and other receivables

	2012/2013 \$	2011/2012 \$
Interest receivable	138,060	157,437
Other receivables	43	8,053
	138,103	165,490

7. Amount due from parent ministry

Amount due from Ministry of Home Affairs (the “parent ministry”) is unsecured, non-interest bearing and is repayable in cash on demand.

NOTES**TO THE FINANCIAL STATEMENTS**

31 March 2013

8. Cash and cash equivalents

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

	2012/2013	2011/2012
	\$	\$
Cash maintained with Accountant-General's Department ("AGD")	89,380,316	52,783,917

Included in the cash and cash equivalents are:

- (i) an amount of \$1,508,953 (2011/2012: \$809,005) which does not earn any interest.
- (ii) the remaining balance of \$87,871,363 (2011/2012: \$51,974,911) is managed under the Centralised Liquidity Management ("CLM") scheme as set out in the Accountant-General's Circular's No. 4/2009. These are short term deposits earning interest ranging from 0.55% to 0.63% (2011/2012: 0.56% to 0.69%) per annum.

9. Trade and other payables

	2012/2013	2011/2012
	\$	\$
Trade payables	555,159	1,086,171
Other payables	855,994	1,167,292
Accrued operating expenses	2,112,484	2,851,455
	3,523,637	5,104,918

Trade payables and other payables are non-interest bearing. Trade payables are normally settled on a 30-days term.

10. Fees received in advance

	Current	Non-current	Total
	\$	\$	\$
2012/2013			
Application fees	460,180	–	460,180
Casino license fees	19,856,164	35,189,041	55,045,205
	20,316,344	35,189,041	55,505,385
2011/2012			
Application fees	261,240	–	261,240
Casino license fees	23,099,222	856,164	23,955,386
	23,360,462	856,164	24,216,626

11. Prepayment

The prepayment amount mainly comprises probity investigation charges paid in advance by the applicants.

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

12. Provisions

	Current \$	Non-current \$	Total \$
2012/2013			
Financial liabilities:			
Provision for retention bonus	407,990	936,941	1,344,931
Provision for unutilised leave	720,061	–	720,061
	1,128,051	936,941	2,064,992
Non-financial liabilities:			
Provision for reinstatement cost	–	280,054	280,054

2011/2012

Financial liabilities:			
Provision for retention bonus	333,892	816,676	1,150,568
Provision for unutilised leave	546,396	–	546,396
	880,288	816,676	1,696,964
Non-financial liabilities:			
Provision for reinstatement cost	–	280,054	280,054

Movement of the provision for retention bonus account is as follows:

	2012/2013 \$	2011/2012 \$
At 1 April	1,150,568	1,083,482
Provision for the financial year	552,363	259,086
Payment made for the financial year	(358,000)	(192,000)
At 31 March	1,344,931	1,150,568

The retention bonus due to employees is determined based on the expected payout to be made by the Authority in respect of services rendered by these employees up to the end of the reporting period.

Movement of the provision for reinstatement cost account is as follows:

	2012/2013 \$	2011/2012 \$
At 1 April	280,054	296,133
Provision for the financial year	–	53,000
Payment made for the financial year	–	(49,800)
Write-back for the financial year	–	(19,279)
At 31 March	280,054	280,054

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

13. Deferred lease payables

	2012/2013	2011/2012
	\$	\$
Deferred lease payables	47,353	–

Rental expenses incurred for certain operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the leases. The difference between the actual lease payment and the amount taken to comprehensive income and expenditure statement is capitalised as deferred lease payables.

Deferred lease payables are amortised and taken to the comprehensive income statement on a straight-line basis over the remaining tenure of the lease.

14. Expenditure on manpower

	2012/2013	2011/2012
	\$	\$
Employee benefits expense (including key management personnel):		
Salaries, allowances and bonuses	11,530,750	10,284,635
Defined contribution plans	1,593,502	1,395,816
Other employee benefits	247,189	63,296
	13,371,441	11,743,747
Compensation of key management personnel		
Salaries, bonuses and others	2,594,036	2,084,785
Defined contribution plans	243,767	211,230
Total compensation paid to key management Personnel	2,837,803	2,296,015

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

15. Other operating expenses

The following items have been included in arriving at other operating expenses:

	2012/2013	2011/2012
	\$	\$
Plant and equipment expensed off	35,258	197,872
Goods and Services Tax expensed off	622,760	631,514
Impairment loss on plant and equipment (Note 4)	–	112,208

16. Non-operating income

	2012/2013	2011/2012
	\$	\$
Interest income from short term deposits	296,254	378,427
Others	571	7,972
	296,825	386,399

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

17. Statutory contribution to consolidated fund

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

In lieu of income tax, the Authority is required to make contribution to the Consolidated Fund of the Government in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) and in accordance with the Finance Circular Minute No M5/2005.

There is no contribution for the current financial year as the deficit amount from previous years has been set-off against the current year surplus.

18. Commitments*(a) Capital commitments*

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

	2012/2013	2011/2012
	\$	\$
Capital commitments in respect of plant and equipment including intangible assets	–	582,084

(b) Operating lease commitments – as lessee

The Authority has entered into operating leases for rental of premises. The non-cancellable leases have tenures of 6 years. Operating lease payments recognised in the comprehensive income and expenditure statement during the year amounted to \$2,305,637 (2011/2012: \$1,883,366).

Future minimum lease payments payable under these operating leases at the end of the reporting period are as follows:

	2012/2013	2011/2012
	\$	\$
Not later than one year	2,598,260	1,725,774
Later than one year but not later than five years	14,341,598	2,259,832
	16,939,858	3,985,606

(c) Other commitments

In addition to the above, the Authority obtains the use of computing equipment and related services under an agreement for a Standard Infocomm Technology Operating Environment (“SOEasy”) arrangement, which was entered into between the Government and a third party vendor. The Authority pays a monthly subscription for the use of those equipment and its related services. For the financial year ended 31 March 2013, the Authority made service payments amounting to \$543,332 (2011/2012: \$517,187) under this arrangement.

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

19. Financial risk management objectives and policies

The Authority's principal financial instruments comprise of cash and deposits. The main purpose of these financial instruments is to finance the Authority's operations. The Authority has various other financial assets and liabilities such as trade and other receivables, and trade and other payables and accruals which arise directly from its operations. The Authority does not hold or issue derivative financial instruments for trading purposes.

The main risks arising from the Authority's financial instruments are credit risk and liquidity risk. The Authority reviews and agrees on the policies for managing each of these risks and they are summarised below.

(a) Credit risk

The Authority's credit risk is primarily attributable to its cash and cash equivalents and other receivables. The Authority places most of its cash and cash equivalents with AGD where the deposits are placed with high credit quality financial institutions under the CLM scheme, and are available upon request.

The Authority has no significant concentration of credit risk as there are policies that limit the amount of exposure.

The maximum credit risk that the Authority is exposed to is represented by the carrying amounts of its financial assets as stated in the balance sheet.

(b) Liquidity risk

The Authority monitors and maintains sufficient cash and cash equivalents to finance its operations.

Liquidity risk analyses

The following table details the remaining contractual maturity of the Authority's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Authority can be required to pay.

	On demand or within 1 year \$	Between 2 to 5 years \$	Total \$
2012/2013			
Trade and other payables	3,523,637	–	3,523,637
Provision for retention bonus	459,199	1,054,701	1,513,900
	3,982,836	1,054,701	5,037,537
2011/2012			
Trade and other payables	5,104,918	–	5,104,918
Provision for retention bonus	337,537	891,210	1,228,747
	5,442,455	891,210	6,333,665

NOTES

TO THE FINANCIAL STATEMENTS

31 March 2013

20. Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, trade and other receivables, amount due from parent ministry, deposits, trade and other payables

The carrying amounts approximate fair values due to the relatively short-term maturity of these instruments.

Provision for retention bonus

The carrying amount approximates fair value as the expected future contractual cash outflow is discounted to its net present value using an appropriate discount rate.

Classification of financial assets/liabilities

The carrying amounts of the Authority's financial instruments in each of the following categories are as follows:

	2012/2013	2011/2012
	\$	\$
Loans and receivables		
Trade and other receivables	138,103	165,490
Amount due from parent ministry	–	6,299
Deposits	670,103	584,231
Cash and cash equivalents	89,380,316	52,783,917
	<u>90,188,522</u>	<u>53,539,937</u>
Financial liabilities at amortised cost		
Trade and other payables	3,523,637	5,104,918
Provision for retention bonus	1,344,931	1,150,568
Provision for unutilised leave	720,061	546,396
	<u>5,588,629</u>	<u>6,801,882</u>

21. Capital management

The capital structure of the Authority consists of capital account and accumulated deficit. The Authority's objective when managing capital is to safeguard its ability as a going concern by monitoring and maintaining sufficient cash flows.

22. Authorisation of financial statements

The financial statements of the Authority for the year ended 31 March 2013 were authorised for issue by the members of its Board on 18 July 2013.



460 Alexandra Road, #12-01, Singapore 119963

www.cra.gov.sg