



# ANTICIPATING CHANGE, ADVANCING OUR MISSION

Annual Report 2013/14





# CONTENTS



Foreword by the Chairman	02
Message from the Chief Executive	05
Board Members	10
Board Committees	12
Senior Management	15
Milestones & Achievements	16
Awards & Accolades	22
Enforcement Actions	23
Financial Contents	24

## 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



“

*We expect conversations and collaborations with our overseas partners to grow...and we look forward to learning from and contributing more to the regulatory community.*

**MR RICHARD MAGNUS**

Chairman

”

## INTRODUCTION

This April marked six years since the establishment of the Casino Regulatory Authority (CRA). We have come a long way as a regulatory agency in a short space of time. It is a good juncture to take stock of what has been achieved, reflect on the future and consider the challenges that lie ahead.

## OUR JOURNEY

Since the two integrated resorts (IRs) opened in 2010, visitor arrivals to Singapore have increased from 9.7 million in 2009 to 15.6 million<sup>1</sup> in 2013. Tourism receipts have grown from \$12.6 billion to \$23.5 billion<sup>2</sup> over the same period. The IRs were no doubt significant contributors to this tourism growth. The two casinos are among the most profitable casinos in the world and, with gross gaming revenue of about US\$6 billion in 2013, the casino sector in Singapore was reported to rank third amongst regulatory jurisdictions globally, after Macau and Las Vegas. The two IRs support, directly and indirectly, more than 40,000 jobs economy-wide, including the hotel, retail, food and beverage and transportation industries. All these have been achieved while keeping the law and order risks to our society tightly contained and establishing strict social safeguards to protect the local population.

Other countries have taken note of Singapore's IR model and casino regulatory framework. CRA regularly hosts visits from foreign regulatory and government officials who want to understand first-hand what Singapore has done. In just the past 12 months, these visitors have included most of the Asian and Australian jurisdictions contemplating major casino and IR developments.

## OUR FUTURE CHALLENGES

To fulfil our mission of (a) keeping the casinos free from criminal influence and exploitation; (b) keeping the gaming honest, and (c) containing the harms to society, we have to look ahead and prepare for the new issues, new challenges and new opportunities that may come our way.

CRA regulates a dynamic industry that is driven by rapidly evolving market demands. In sharpening our regulatory acumen, it is pertinent to hone our understanding of not only the gaming components but also the non-gaming components and the casino operators' business drivers. This is especially when our casinos are not stand-alone businesses but are part of the IRs. Arising from the amendments to the Casino Control Act in early 2013, CRA has to, in determining the renewal of the casino licences, consider the suitability of the IR operator to develop, maintain and promote the IR as a compelling tourist destination. We must therefore understand the inter-dependencies between the gaming and non-gaming components, while staying true to our mission as a casino regulator.

The casino industry is a globalised industry in which there are substantial cross-border regulatory and industry linkages. The casino operators are multinational business organisations that operate in multiple jurisdictions. With different jurisdictions sharing the same licensees, regulators may increasingly face common issues. This presents itself as an opportunity for us to strengthen our collaborations with other fellow regulators. We expect conversations and collaborations with our overseas partners to grow as a result, and we look forward to learning from and contributing more to the regulatory community.

The Asian casino industry is at the threshold of a broad-based expansion. Even as the growth of Macau's gaming industry has continued, plans for new or expanded casino sectors over the next five to 10 years have been reported for many countries in Asia. In many cases, IRs are being developed, not just casinos. No doubt, such expansions will change the international gaming landscape. Being part of this fast-growing industry in Asia, CRA will have to be prepared to respond to regional developments and to forge new ties with other Asian regulators. Having gone through the journey of developing a regulatory framework for our casinos, we are most willing to share our experiences with fellow Asian regulators. Such exchanges have also proven useful in helping our officers better appreciate our framework, while challenging us to find ways to improve.

<sup>1,2</sup> Figures from Singapore Tourism Board

# FOREWORD BY THE CHAIRMAN

Beyond Asia, we continually look for new opportunities to refresh our learning experiences. Earlier this year, CRA together with the Singapore Academy of Law invited Mr Philip Graf, Chairman of the Great Britain Gambling Commission, to speak to our officers and those in the industry. The experiences shared by Philip, together with the panel session which I moderated thereafter, were important in helping us to put into perspective the issues we faced as well as to understand the broader implications of our decisions.

The social impact of the casinos and the effectiveness of our social safeguards continue to be on our minds and they are areas that we will give close attention to in the years ahead. While Singapore already has some of the strictest social safeguards, substantial effort and resources are already being invested to contain the potential harms that the casinos may cause. The last gambling prevalence study by the National Council on Problem Gambling (NCPG) was conducted in 2011, only a year after the casinos opened. The next study will be conducted this year and should provide a better sense of the prevalence of gambling in Singapore in the post-casino period. Meanwhile, CRA continues to work closely with NCPG to examine issues such as the impact of casinos and the effectiveness of our social safeguards like entry levy and exclusion orders.

## LEADERSHIP AND BOARD CHANGES

I would like to extend a warm welcome to Mr Jerry See, CRA's new Chief Executive since January 2014. Jerry has held a wide range of leadership positions and key appointments in the Singapore Police Force and other parts of the Home Team, and brings with him a wealth of knowledge and experience. Let me also express my gratitude to Mr Lau Peet Meng for his leadership of CRA as its Chief Executive since June 2011.

My heartfelt thanks to the CRA Board members who stepped down in April after many years of distinguished service, and my deep appreciation to those who were re-appointed to serve another term. A warm welcome as well to the new members on the Board, viz. Mr Lee Tzu Yang, our Deputy Chairman; Mr Khoo Boon Hui; and Mr Ng Chong Khim.

## CONCLUSION

CRA's work will be no less challenging in the years ahead than it was when we first started out. I know that we will embrace the new challenges with the same enthusiasm, thoughtfulness and professionalism as we always have.

# MESSAGE FROM THE CHIEF EXECUTIVE

## INTRODUCTION

Going into our seventh year of operations, CRA has had another fruitful year. Even as we maintain our vigilance in regulating the casinos and ensuring that the mission is fulfilled, we also continue to work and learn to improve the way we regulate the industry. In the past year, we co-organised the 3rd Singapore Symposium on Casino Regulation and Crime with the Singapore Police Force and promulgated our new technical standards with an emphasis on responsible gaming measures at our fifth yearly Gaming Technology Forum.

The biennial symposium, conducted in November 2013, saw more than 240 local and foreign participants gather together to learn and discuss a wide range of operational issues such as casino crime and money laundering, as well as pay attention to responsible gambling measures and social safeguards. The symposium attracted officials involved in the regulation of gambling, from Macau, the Philippines, Cambodia, Vietnam and Ontario, to name a few. It provided an important platform for the regulators to share experiences and practices especially for those within Asia.

Our Gaming Technology Forum, which was held in February 2014, focused on responsible gambling and we announced the additional responsible gambling measures in our technical standards such as allowing players to better monitor their time spent on electronic gaming machines. We also announced the approval

and monitoring regime at the forum for Approved Test Service Providers. This regime is meant to encourage independent testing laboratories to maintain their high standard of technical competence to ensure that games are tested thoroughly and effectively.

CRA understands the importance of working with other regulators in order to remain effective in our work. Thus, over the past year, we have also been actively engaged in the international realm, cooperating with fellow regulators over a broad spectrum of issues. Our cross-jurisdictional alliance broadened with the signing of three new Memoranda of Understanding (MOUs). Former Chief Executive and current CRA Board Member, Mr Lau Peet Meng was elected the President of the International Association of Gaming Regulators (IAGR) in 2013. Under his stewardship, the Multi-Jurisdictional Business Form was launched last year by IAGR. It has gained acceptance from fellow regulators such as Queensland's Office of Liquor and Gaming Regulation, New Zealand's Department of Internal Affairs, the Great Britain Gambling Commission and Nevada Gaming Control Board.

Within CRA, we continue to place great emphasis on the development of our officers. In 2013, we implemented the Individual Learning Plan (ILP). Under this Plan, all our officers are encouraged to take responsibility for their learning and plan it in consultation with their supervisors. For holistic development, we also offer our officers opportunities to attend personal enrichment courses to pursue other interests beyond the workplace.

# MESSAGE FROM THE CHIEF EXECUTIVE

## ANTICIPATING CHANGE, ADVANCING OUR MISSION

Our operating environment evolves constantly so it is important that CRA keeps pace with the developments in the casino industry to ensure that we continue to fulfil our mission. While many countries have taken note of Singapore's Integrated Resort (IR) model and our regulatory framework, and are keen to learn from us, CRA needs to continuously improve to ensure that we are ahead of the game.

In the coming years, we can expect more IR-type developments in the region. To ensure that the economic objectives of the IRs remain a focus, we have included a new suitability criterion of tourism appeal for casino licensing in the amendments to the Casino Control Act in 2013. CRA will be working with our colleagues in the relevant ministries and agencies to operationalise this.

As the casinos in Singapore mature, its operations and practices will be more familiar to customers and patrons. There may be desire for some to take advantage of such familiarity. Thus, it is incumbent upon CRA to remain vigilant and ensure that the strong systems put in place to keep crime and criminal elements away continue to be effective.

With better knowledge of the casinos, CRA will also be in a position to help ensure that the potential harm of the casinos on the vulnerable continue to be kept to a minimum. To do this effectively, we will continue to work with our key partners such as the Singapore Police Force, the Ministry of Social and Family Development and the National Council on Problem Gambling, amongst others. We will also gather feedback from our key stakeholders and the public for areas of improvement.

## ENHANCING OUR COMPETENCY FROM WITHIN

Having competent and committed officers remains key to our success, and so we will spare no effort in continuing to invest in them. Following up on the ILP, CRA will be looking at better mapping out the various competencies required of our officers so that we can develop them more systematically. We will also focus on implementing new technological tools and reviewing our processes so that we continue to be efficient and effective.

## CONCLUSION

CRA has honed our acumen and built sound processes over the years but we will not rest on our laurels. We will need to continuously adapt and improve to stay relevant. When we first established ourselves as a regulator, we received the generous help from our friends in Singapore and overseas; we now continue to work closely with them as the casino industry is an international one that requires close cooperation across jurisdictions.

As we set our sights to the future and look ahead to the challenges, we will remain steadfast in our commitment to our mission. I would like to take this opportunity to thank our former Chief Executive Mr Lau Peet Meng for so ably leading CRA in the past few years as well as our board members' firm support and guidance. I look forward to working with my officers in CRA and our stakeholders to ensure that CRA continues to be a trusted regulator that advances our mission with pride and integrity.

“  
*Our operating environment evolves constantly so it is important that CRA keeps pace with the developments in the casino industry to ensure that we continue to fulfil our mission.*  
”

**MR JERRY SEE**  
Chief Executive



# OUR DEDICATED TEAM



Ng Wei Kai (Licensing), Amelia Swee (Policy & Communications), Lim Hoe Gee (Infocomm Technology),  
Diana Durga Devi (Investigations), Siew Wei Bang (Investigations), Jerena Cher (Corporate Development)

“

*We pursue what we do with one heart and one mind. We constantly learn, grow and push the limits of excellence because we believe our work can make a real difference.*

”



# BOARD MEMBERS



**MR RICHARD MAGNUS**  
Chairman  
Casino Regulatory Authority



**MR LEE TZU YANG**  
Deputy Chairman  
Casino Regulatory Authority



**MR CHANG SEE HIANG**  
Senior Partner  
Chang See Hiang & Partners



**MR CHUA KIM LENG**  
Assistant Managing Director (Banking & Insurance)  
Monetary Authority of Singapore



**MR KHOO BOON HUI**  
Senior Deputy Secretary  
Ministry of Home Affairs



**MS LAI WEI LIN**  
Director (Healthcare Finance)  
Ministry of Health



**MR LAU PEET MENG**  
Director (Operations)  
Singapore Police Force



**MR KAIKHUSHRU SHIAVAX  
NARGOLWALA**  
Chairman of the Governing Board  
Duke-NUS Graduate Medical School Singapore



**MR NG CHONG KHIM**  
Senior Advisor  
Singapore Technologies Electronics Limited



**MS ONG TOON HUI**  
Deputy Secretary  
Ministry of Social and Family Development



**MR GERALD SINGHAM**  
Partner  
Rodyk & Davidson LLP



**MR DAVID WONG**  
Chairman  
Methodist Welfare Services

# 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:

#### **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.

#### **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.

#### **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.

#### **TECHNOLOGY ADVISORY COMMITTEE**

The Technology Advisory Committee advises the CRA Board in the efficient and effective adoption, usage and management of the Info-Communication Technology in CRA. The Committee also advises the CRA Board on technical standards, directives and guidelines imposed on the casino operators in the area of Info-Communication Technology deployment and implementation as well as the gaming systems.

“

*Our mission calls for a team that is competent, dedicated and impartial. Those chosen to lead are driven by such qualities, personally and professionally.*

”

# SENIOR MANAGEMENT



**MR JERRY SEE**  
Chief Executive



**MS YEO PIA JEE**  
Group Director  
Operations



**MR EE KIAM KEONG**  
Director  
Infocomm Technology



**MR HAROLD GAN**  
Director  
Licensing



**MR KHOO KAH BEE**  
Director  
Corporate Development



**MR LEE KWONG YEE**  
Director  
Gaming Technology



**MR LAWRENCE LEE**  
Director  
Inspection & Compliance



**DR TERENCE LOKE**  
Director  
Policy & Communications



**MR PARAMJIT SINGH**  
Director  
Investigations



**MR TAN TECK WANG**  
General Counsel  
Legal

# MILESTONES & ACHIEVEMENTS

“

*Each task completed  
marks a milestone.  
Each milestone achieved  
spurs us towards our vision.*

”



# MILESTONES & ACHIEVEMENTS

## SEP 2013

### Signing of Memorandum of Understanding (MOU) with the Great Britain Gambling Commission (GBGC)

CRA signed an MOU with the GBGC on 30 September 2013. The MOU, signed by former Chief Executive of CRA, Mr Lau Peet Meng and Commissioner and Chief Executive of GBGC, Ms Jenny Williams, further cements the relationship between CRA and GBGC through the sharing of information, expertise, knowledge and skills.

*Below: Former Chief Executive Mr Lau Peet Meng with Commissioner & Chief Executive Ms Jenny Williams exchanging MOU documents. In the background are CRA Chairman Mr Richard Magnus and GBGC Chairman Mr Philip Graf.*



## OCT 2013

### Full Implementation of Player Information Display

On 1 October 2013, both casino operators had fully met the Player Information Display (PID) requirements set out in CRA's Technical Standards for Electronic Gaming Machines (EGMs). PID serves to inform players of the odds of achieving specific winning combinations, thereby discouraging players from excessive gambling.

### Former Chief Executive of CRA Takes Helm as President of the International Association of Gaming Regulators (IAGR)

CRA's former Chief Executive Mr Lau Peet Meng took over the helm as President of IAGR. This is the first time an Asian regulator has held the position. Mr Lau succeeds Ms Susan Hensel, Director of Licensing for the Pennsylvania Gaming Control Board. Having served as a member on the IAGR's Board of Trustees since 2011 and as the Vice President during the 2012/2013 term, Mr Lau had led the development of a Multi-Jurisdictional Business Form for use across jurisdictions around the world.



*Above: Mr Lau Peet Meng speaking at the IAGR Oslo Conference 2013.*

# NOV 2013

## 3<sup>rd</sup> Singapore Symposium on Casino Regulation and Crime

CRA and the Singapore Police Force jointly organised the 3<sup>rd</sup> Singapore Symposium on Casino Regulation and Crime on 28 & 29 November 2013. Themed ‘Upping the Ante, Looking Out for Eastern Tides’, the biennial event saw a gathering of more than 240 local and foreign participants and underscored the need for agencies to foster greater collaboration with each other as key strategic partners, as well as tackle the challenges arising from Asia’s changing casino gaming landscape. Speakers from well-known law enforcement agencies and casino regulators in foreign jurisdictions such as Australia, Canada, Macau, the Philippines, the United Kingdom and the United States shared their knowledge and experience, and conducted workshops for the participants.

**Above Right:** Mr Karl Bennison, Chief of Enforcement Division, Nevada Gaming Control Board, speaking at the Casino Crimes session.



**Below Right:** Panel session on Asia’s Changing Landscape and Legislations. (From left to right) Mr Tan Teck Wang, CRA; Mr Cristino Naguiat, Jr., Philippine Amusement and Gaming Corporation; Mr Lau Peet Meng, CRA; Mr Fernando Vitoria, Gaming Inspection and Coordination Bureau; Ms Wendy Wong, Gaming Inspection and Coordination Bureau.



**Below:** Guests and participants at the 3<sup>rd</sup> Singapore Symposium on Casino Regulation and Crime.



# MILESTONES & ACHIEVEMENTS

## JAN 2014

### Leadership Handover Ceremony

Mr Jerry See took over the helm of CRA as Chief Executive from Mr Lau Peet Meng in a Leadership Handover Ceremony held on 6 January 2014 officiated by CRA Chairman Mr Richard Magnus. On behalf of CRA, Mr Magnus thanked Mr Lau for his stewardship and welcomed Mr See who brings with him vast leadership experiences and having held various key appointments such as Chief Executive of the Home Team Academy, Commander of the Police Coast Guard, Training Command and Director of Manpower in the Singapore Police Force. Mr Lau has since returned to the Singapore Police Force as Director (Operations).



*Above: Mr Lau Peet Meng handing over the leadership of CRA to Mr Jerry See.*

### Renewal of Memorandum of Understanding (MOU) with the National University of Singapore (NUS)

CRA and NUS' Department of Mathematics and Department of Statistics and Applied Probability renewed and signed another three-year MOU on 20 January 2014. The MOU aims at furthering collaboration between CRA and NUS to promote joint research and development activities in the field of mathematics and statistics related to casino gaming. Under this MOU, CRA has co-organised the biennial Casino Gaming Mathematics Seminars with NUS and also engaged NUS undergraduates in gaming technology research internships.

### Signing of Memorandum of Understanding (MOU) with the Independent Liquor and Gaming Authority (ILGA), New South Wales

CRA signed an MOU with the ILGA on 29 January 2014. Besides information sharing, the MOU will also allow for exchange visits, training and attachments between CRA and the ILGA.

## FEB 2014

### Signing of Memorandum of Understanding (MOU) with the Alcohol and Gaming Commission of Ontario (AGCO)

CRA on 26 February 2014 signed an MOU with the AGCO. The MOU reaffirms the commitment of both parties to collaborate in areas such as information and knowledge sharing and paves the way for strengthening the regulatory frameworks of both countries in response to the dynamic global gambling landscape.

### 5<sup>th</sup> Gaming Technology Forum

CRA held the 5th Gaming Technology Forum on 28 February 2014. Bringing together representatives from Singapore Approved Manufacturers and Approved Suppliers (AMASs), Singapore Recognised Testing Laboratories/Approved Test Service Providers (SRTLs/ATSPs) and the two casino operators, the forum presents an opportunity for industry players to be updated and to engage one another on the developments in casino gaming technology regulations and technical standards.



*Above: Chief Executive Mr Jerry See delivering the opening address at the 5<sup>th</sup> Gaming Technology Forum.*



*Above: Participants at the forum receiving updates on regulations and standards.*

## APR 2014

### Appointment of New CRA Board

The new CRA Board commenced a new term in April 2014 with 11 newly appointed and re-appointed members. The CRA Board advises and provides strategic guidance to the management of CRA on matters such as regulations and corporate governance.

On 15 July 2014, Mr Lee Tzu Yang was appointed to the CRA Board as the Deputy Chairman.

### Seminar on Gaming Regulation in the United Kingdom (UK)

CRA and the Singapore Academy of Law jointly organised a seminar titled 'The First Decade of UK Gaming Regulation and Beyond' on 4 April 2014. It drew a total of 100 participants from CRA and the legal profession. Chairman of the Great Britain Gambling Commission, Mr Philip Graf, shared the key lessons and unique perspectives of the UK's approach to casino regulation in the last decade and beyond. This was followed by a panel discussion moderated by CRA Chairman, Mr Richard Magnus and Board Member, Mr Gerald Singham. Justice Chao Hick Tin, Judge of Appeal, Supreme Court, was the Guest of Honour for the seminar.

## MAY 2014

### CRA Workplan Seminar (WPS) 2014

On 15 May 2014, CRA held its annual Workplan Seminar with the theme 'Anticipating Change, Advancing Our Mission'. CRA Chairman Mr Richard Magnus was the Guest of Honour for the event. In his opening speech, Mr Magnus highlighted the role that each CRA officer had to play to meet the organisation's challenges in the coming years, as well as the importance of understanding cross-border regulatory and industry linkages.



*Above: CRA Chairman Mr Richard Magnus delivering the opening address.*



*Above: CRA's officers at the CRA WPS 2014.*

# AWARDS & ACCOLADES

## National Day Award

In recognition of her achievements and contributions to the Public Service and to CRA, Senior Assistant Director (Communications & International Relations) Ms Cheryl Foo was conferred the National Day Award 2013 - Commendation Medal.

Ms Foo was recognised for building up CRA's corporate presence and reputation through networking and fostering relations with international gaming regulators. Within CRA, she had also worked closely with the divisions to plan and organise activities to foster a culture of innovation and spirit of work excellence among officers.



*Left: Ms Cheryl Foo receiving the Commendation Medal from Deputy Prime Minister, Coordinating Minister for National Security and Minister for Home Affairs, Mr Teo Chee Hean.*

## Minister for Home Affairs National Day Award

Deputy Director (Policy & Communications) Ms Ginggi Choy was awarded the Minister for Home Affairs National Day Individual Award in 2013. This is an annual award given to officers who have exhibited outstanding efficiency and competency in administrative and/or operational areas of work that has special significance.

Ms Choy was recognised for having led in the development of Regulations for Casino Layout and the framework for resolution for Patron Disputes. Subsequent to the casinos' openings, Ms Choy led a team in establishing an Inspection Framework for CRA's regular inspection of the casino operations.



*Left: Ms Ginggi Choy receiving the award from Deputy Prime Minister, Coordinating Minister for National Security and Minister for Home Affairs, Mr Teo Chee Hean.*

## Long Service Awards

6 CRA Board members received the Long Service Awards from Deputy Prime Minister, Coordinating Minister for National Security and Minister for Home Affairs, Mr Teo Chee Hean on 9 November 2013. The Long Service Awards are given to individuals who have served on the Home Team agencies' Boards, Councils or Committees for periods ranging from five to 25 years. The recipients are: Mr Richard Magnus, Mr Benedict Cheong, Mr Lim Lee Meng, Mr Gerald Singham, Mr David Wong and Mr Ernest Wong.

## Public Service Week 2014

Started in 2008 as an annual event to build in public officers a sense of pride and belonging to the Public Service, PS Week reminds officers of the important role they play in nation building, and the need to serve with dedication and commitment. This year, Senior Manager (Investigations) Mr Sugumaran s/o C M Balakrishna Pillai was nominated as one of the public service's unsung heroes. Mr Bala was nominated by CRA for his outstanding and committed contributions to the public service for 48 years, and passion for his job.

## CRA Sponsorship Award 2013

Senior Assistant Director (Investigations) Ms Pauline Wan was awarded the CRA Sponsorship Award 2013. The CRA Sponsorship Award aims to groom high calibre officers who have been identified to fill key leadership positions to pursue higher studies. Ms Wan will be pursuing her full-time Master of Business Administration programme at the National University of Singapore for the academic year 2014/2015.

## CRA Commitment Recognition Award

22 CRA officers received the inaugural CRA Commitment Recognition Award in January 2014. This award is given to officers who have at least five years of service in CRA in recognition of their commitment and dedication.

## CRA Star Employee Award 2013

In recognition for embodying CRA's values at the workplace, Senior Manager (Investigations) Mr Sugumaran s/o C M Balakrishna Pillai and Assistant Manager (GT Operations) Mr Christopher Tan were awarded the Star Employee Award.

# ENFORCEMENT ACTIONS

Date	Relevant Legislation	Breach & Action Taken by the Casino Regulatory Authority
13/11/2013	Section 116(1) of the Casino Control Act	<p>CRA imposed financial penalties totalling \$102,500 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, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012. CRA took action in respect of 12 SCPRs who had entered/remained on MBS' casino without valid entry levies and 5 SCPRs who had remained in the casino without valid entry levies after their 24-hour entry levies had expired.</p> <p>CRA also separately censured MBS for contravening entry levy requirements in relation to 117 SCPR MBS employees/employee of MBS tenant.</p>
	Section 126(1) of the Casino Control Act	CRA imposed financial penalties totalling \$235,000 on MBS for failing to prevent 16 excluded persons from entering and/or remaining on its casino premises without reasonable excuse, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012.
	Section 116(1) of the Casino Control Act	CRA imposed financial penalties totalling \$55,000 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, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012. CRA took action in respect of 11 SCPRs who had entered/remained on RWS' casino without valid entry levies and 1 SCPR who had remained in the casino without valid entry levy after his 24-hour entry levy had expired.
	Section 126(1) of the Casino Control Act	CRA imposed financial penalties totalling \$70,000 on RWS for failing to prevent 5 excluded persons from entering and/or remaining on its casino premises without reasonable excuse, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012.
	Section 133(1) of the Casino Control Act	CRA imposed financial penalties totalling \$65,000 on RWS for failing to prevent 5 foreign minors from entering and/or remaining on its casino premises without reasonable excuse, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012.

# FINANCIAL CONTENTS



Statement by the Casino Regulatory Authority of Singapore	25
Independent Auditor's Report	26
Balance Sheet	28
Comprehensive Income and Expenditure Statement	29
Statement of Changes in Equity	30
Cash Flow Statement	31
Notes to the Financial Statements	32

# 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 28 to 54 are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2014 and of the results, changes in equity and cash flows of the Authority for the financial year ended 31 March 2014.

On Behalf of the Authority:



**Richard Magnus**  
Chairman



**Jerry See**  
Chief Executive

Singapore  
24 July 2014

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2014  
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 28 to 54, which comprise the balance sheet as at 31 March 2014, 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 2014 and the results, changes in equity and cash flows of the Authority for the year then ended on that date.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2014  
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.



**Foo Kon Tan Grant Thornton LLP**  
Public Accountants and  
Chartered Accountants  
Singapore  
24 July 2014

# BALANCE SHEET

as at 31 March 2014

	Note	2013/2014 \$	2012/2013 \$
<b>Equity</b>			
Capital account	3	36,001,000	36,001,000
Accumulated surplus / (deficit)		7,215,370	(3,413,485)
<b>Total equity</b>		<b>43,216,370</b>	<b>32,587,515</b>
Represented by:			
<b>Non-current assets</b>			
Plant and equipment	4	3,904,313	3,391,500
Intangible assets	5	846,924	1,368,178
		4,751,237	4,759,678
<b>Current assets</b>			
Trade and other receivables	6	372,392	138,103
Prepaid operating expenses		361,293	257,477
Deposits		845,515	670,103
Cash and cash equivalents	7	119,431,412	89,380,316
		121,010,612	90,445,999
<b>Total assets</b>		<b>125,761,849</b>	<b>95,205,677</b>
<b>Current liabilities</b>			
Trade and other payables	8	2,616,132	3,523,637
Fees received in advance	9	38,370,346	20,316,344
Prepayments	10	1,099,726	1,196,741
Provisions	11	1,191,386	1,128,051
Amount due to parent ministry	12	80,975	–
Amount due to other government agencies	12	14,596	–
Provision for contribution to consolidated fund	17	1,477,847	–
		44,851,008	26,164,773
<b>Net current assets</b>		<b>76,159,604</b>	<b>64,281,226</b>
<b>Non-current liabilities</b>			
Fees received in advance	9	36,451,299	35,189,041
Provisions	11	1,185,957	1,216,995
Deferred lease payables	13	57,215	47,353
		37,694,471	36,453,389
<b>Total liabilities</b>		<b>82,545,479</b>	<b>62,618,162</b>
<b>Net assets</b>		<b>43,216,370</b>	<b>32,587,515</b>

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 2014

	Note	2013/2014	2012/2013
		\$	\$
<b>Income</b>			
License fee		37,554,795	25,910,180
Application fees		851,195	1,994,895
Fines		760,500	1,822,100
		39,166,490	29,727,175
<b>Expenditure</b>			
Expenditure on manpower	14	(16,500,131)	(13,371,441)
Staff welfare and development		(960,309)	(755,905)
Rental of premises and others		(2,609,826)	(2,308,134)
Maintenance		(1,033,435)	(850,577)
Depreciation of plant and equipment	4	(862,547)	(1,614,718)
Amortisation of intangible assets	5	(625,922)	(630,444)
Utilities		(255,852)	(220,638)
Communications		(365,821)	(381,154)
Management and professional services		(3,557,987)	(3,327,746)
Other operating expenses	15	(1,015,720)	(850,948)
		(27,787,550)	(24,311,705)
<b>Operating surplus</b>		11,378,940	5,415,470
<b>Non-operating income</b>	16	727,762	296,825
<b>Surplus before statutory contribution to consolidated fund</b>		12,106,702	5,712,295
Statutory contribution to consolidated fund	17	(1,477,847)	-
<b>Surplus for the year, representing total comprehensive income for the financial year</b>		10,628,855	5,712,295

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

# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

	Capital account \$	Accumulated (deficit)/surplus \$	Total \$
Balance as at 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 and 1 April 2013	36,001,000	(3,413,485)	32,587,515
Surplus for the year, representing total comprehensive income for the year	-	10,628,855	10,628,855
Balance as at 31 March 2014	36,001,000	7,215,370	43,216,370

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

# CASH FLOW STATEMENT

For the financial year ended 31 March 2014

	Note	2013/2014 \$	2012/2013 \$
<b>Cash flows from operating activities:</b>			
Surplus before statutory contribution to consolidated fund		12,106,702	5,712,295
Adjustments for:			
Depreciation of plant and equipment	4	862,547	1,614,718
Amortisation of intangible assets	5	625,922	630,444
Unutilised leave		(80,675)	173,665
Retention bonus	11	530,426	552,363
Deferred lease expense	13	9,862	47,353
Plant and equipment expensed off	15	70,750	35,258
Intangible assets expensed off	15	1,019	–
Loss on disposal of plant and equipment	15	–	332
Interest income from short term deposits	16	(700,713)	(296,254)
<b>Surplus before working capital changes</b>		<b>13,425,840</b>	<b>8,470,174</b>
Operating cash flows before working capital changes:			
(Increase)/ decrease in trade and other receivables		(47,681)	27,387
Decrease in amount due from parent ministry		–	6,299
(Increase)/ decrease in prepaid operating expenses		(103,816)	321,616
Increase in deposits		(175,412)	(85,872)
Decrease in trade and other payables		(907,504)	(1,581,281)
Decrease in prepayments		(97,015)	(104,834)
Increase in amount due to parent ministry		80,975	–
Increase in amount due to other Government Agency		14,596	–
Increase in fees received in advance		19,316,260	31,288,759
Payment of retention bonus		(490,000)	(358,000)
<b>Cash flows generated from operations</b>		<b>31,016,243</b>	<b>37,984,248</b>
Interest received		514,105	296,254
<b>Net cash flows generated from operating activities</b>		<b>31,530,348</b>	<b>38,280,502</b>
<b>Cash flows from investing activities:</b>			
Purchase of plant and equipment		(1,373,564)	(1,367,725)
Purchase of intangible assets		(105,688)	(316,378)
<b>Net cash flows used in investing activities</b>		<b>(1,479,252)</b>	<b>(1,684,103)</b>
Net increase in cash and cash equivalents		30,051,096	36,596,399
Cash and cash equivalents at beginning of the year		89,380,316	52,783,917
<b>Cash and cash equivalents at end of the year</b>	<b>7</b>	<b>119,431,412</b>	<b>89,380,316</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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 2014 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 2013.

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 2014

## 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 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

### Provision for retention bonus

The Authority has put in place a retention bonus scheme for certain officers whereby gratuity sums of fixed amounts are paid out on the completion of the 3rd to 6th years of services. Management made a provision for retention bonus by pro-rating the retention bonus entitlement in accordance with their service period. The biggest uncertainty in estimating the provision is the attrition rate to be applied which takes into account the potential employee turnover in the future. The provision made involves management's best estimate. Uncertainty in the attrition rate could result in outcomes that could require material adjustments to the carrying amount of the provision in future periods.

### 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 2014 was \$3,831,767 and \$846,924 (2012/2013: \$3,391,500 and \$1,368,178) 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.

### 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 receivables at the end of the reporting period is disclosed in Note 20 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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 & equipment	–	3 to 8 years
Heritage (refers to artwork)	–	No depreciation

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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 2014

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

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.

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## *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.

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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.

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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

	2013/2014		2012/2013	
	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 2014

## 4. PLANT AND EQUIPMENT

	Plant and machinery \$	Renovation \$	Furniture, fittings, tools, and equipments \$	Heritage \$	Work-in- Progress \$	Total \$
<b>Cost:</b>						
At 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 and 1 April 2013	583,167	2,161,250	5,099,066	130,964	–	7,974,447
Additions	–	480,363	435,312	–	459,685	1,375,360
At 31 March 2014	583,167	2,641,613	5,534,378	130,964	459,685	9,349,807
<b>Accumulated depreciation:</b>						
At 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 and 1 April 2013	300,537	1,442,914	2,839,496	–	–	4,582,947
Depreciation for the year	84,377	132,698	645,472	–	–	862,547
At 31 March 2014	384,914	1,575,612	3,484,968	–	–	5,445,494
<b>Carrying amount:</b>						
At 31 March 2014	198,253	1,066,001	2,049,410	130,964	459,685	3,904,313
At 31 March 2013	282,630	718,336	2,259,570	130,964	–	3,391,500

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 5. INTANGIBLE ASSETS

	Computer software \$	Work-in- Progress \$	Total \$
<b>Cost:</b>			
At 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 and 1 April 2013	3,024,731	–	3,024,731
Additions	64,879	39,789	104,668
At 31 March 2014	3,089,610	39,789	3,129,399
<b>Accumulated amortisation:</b>			
At 1 April 2012	1,026,109	–	1,026,109
Amortisation for the year	630,444	–	630,444
At 31 March 2013 and 1 April 2013	1,656,553	–	1,656,553
Amortisation for the year	625,922	–	625,922
At 31 March 2014	2,282,475	–	2,282,475
<b>Carrying amount:</b>			
At 31 March 2014	807,135	39,789	846,924
At 31 March 2013	1,368,178	–	1,368,178

## 6. TRADE AND OTHER RECEIVABLES

	2013/2014 \$	2012/2013 \$
Debtors	3,852	–
Interest receivable	324,668	138,060
Other receivables	43,872	43
	372,392	138,103

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 7. CASH AND CASH EQUIVALENTS

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

	2013/2014	2012/2013
	\$	\$
Cash maintained with Accountant-General's Department ("AGD")	119,431,412	89,380,316

Included in the cash and cash equivalents are:

- (i) an amount of \$1,634,213 (2012/2013: \$1,508,953) which does not earn any interest.
- (ii) the remaining balance of \$117,797,199 (2012/2013: \$87,871,363) 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 0.70% (2012/2013: 0.55% to 0.63% per annum).

## 8. TRADE AND OTHER PAYABLES

	2013/2014	2012/2013
	\$	\$
Trade payables	46	555,159
Other payables	386,970	855,994
Accrued operating expenses	2,229,116	2,112,484
	2,616,132	3,523,637

Trade payables and other payables are non-interest bearing. Trade payables are normally settled on a 30-days term. (2012/2013: 30 days)

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 9. FEES RECEIVED IN ADVANCE

	Current \$	Non-current \$	Total \$
<b>2013/2014</b>			
Application fees	331,234	–	331,234
Casino license fees	38,039,112	36,451,299	74,490,411
	38,370,346	36,451,299	74,821,645
<b>2012/2013</b>			
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

## 10. PREPAYMENTS RECEIVED

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

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 11. PROVISIONS

	Current \$	Non-current \$	Total \$
<b>2013/2014</b>			
<b>Financial liabilities:</b>			
Provision for retention bonus	552,000	833,357	1,385,357
Provision for unutilised leave	639,386	-	639,386
	1,191,386	833,357	2,024,743
<b>Non-financial liabilities:</b>			
Provision for reinstatement cost	-	352,600	352,600
Total	1,191,386	1,185,957	2,377,343

### 2012/2013

<b>Financial liabilities:</b>			
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
<b>Non-financial liabilities:</b>			
Provision for reinstatement cost	-	280,054	280,054
Total	1,128,051	1,216,995	2,345,046

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

	2013/2014 \$	2012/2013 \$
At 1 April	1,344,931	1,150,568
Provision for the financial year	530,426	552,363
Payment made during the financial year	(490,000)	(358,000)
At 31 March	1,385,357	1,344,931

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 11. PROVISIONS (CONT'D)

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

	2013/2014	2012/2013
	\$	\$
At 1 April	280,054	280,054
Provision for the financial year	72,546	–
At 31 March	352,600	280,054

## 12. AMOUNT DUE TO PARENT MINISTRY / OTHER GOVERNMENT AGENCIES

Amounts due to Ministry of Home Affairs (the “parent ministry”) and other government agency are unsecured, non-interest bearing and are repayable in cash on demand.

## 13. DEFERRED LEASE PAYABLES

	2013/2014	2012/2013
	\$	\$
Deferred lease payables	57,215	47,353

Rental expenses incurred for certain operating leases (net of any incentives received from the lessors) are recognised in the comprehensive income and expenditure 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 and expenditure statement on a straight-line basis over the remaining tenure of the lease.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 14. EXPENDITURE ON MANPOWER

	2013/2014	2012/2013
	\$	\$
<hr/>		
Employee benefits expense (including key management personnel):		
Salaries, allowances and bonuses	14,560,655	11,530,750
Defined contribution plans	1,916,173	1,593,502
Other employee benefits	23,303	247,189
	<hr/> 16,500,131	<hr/> 13,371,441
<hr/>		
<i>Compensation of key management personnel</i>		
Salaries, bonuses and other allowances	2,771,093	2,594,036
Defined contribution plans	242,102	243,767
Total compensation paid to key management Personnel	<hr/> 3,013,195	<hr/> 2,837,803

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:

	2013/2014	2012/2013
	\$	\$
<hr/>		
Plant and equipment expensed off	70,750	35,258
Intangible assets expensed off	1,019	-
Goods and services tax expensed off	660,439	622,760
Loss on disposal of plant and equipment	-	332

## 16. NON-OPERATING INCOME

	2013/2014	2012/2013
	\$	\$
<hr/>		
Interest income from short term deposits	700,713	296,254
Others	27,049	571
	<hr/> 727,762	<hr/> 296,825

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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. The contribution is computed based on 17% of the accumulated surplus as at 31 March 2014. Prior to this, there was no contribution to the consolidated fund as the Authority has been registering accumulated deficit.

## 18. COMMITMENTS

### (a) Operating lease commitments – as lessee

The Authority has entered into operating leases for rental of premises, equipment and other assets. The non-cancellable leases have tenures of 5 years. Operating lease payments recognised in the comprehensive income and expenditure statement during the year amounted to \$2,609,826 (2012/2013: \$2,308,134).

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

	2013/2014	2012/2013
	\$	\$
Not later than one year	2,817,388	2,598,260
Later than one year but not later than five years	11,524,211	14,341,598
	<u>14,341,599</u>	<u>16,939,858</u>

### (b) 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 2014, the Authority made service payments amounting to \$492,470 (2012/2013: \$543,332) include under “maintenance” in the comprehensive income and expenditure statement under this arrangement.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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.

	Note	On demand or within 1 year \$	Between 2 to 5 years \$	Total \$
<b>2013/2014</b>				
Trade and other payables	8	2,616,132	–	2,616,132
Provision for retention bonus	11	552,000	833,357	1,385,357
Provision for reinstatement cost	11	–	352,600	352,600
Amount due to parent ministry and other government agencies		95,571	–	95,571
		3,263,703	1,185,957	4,449,660
<b>2012/2013</b>				
Trade and other payables	8	3,523,637	–	3,523,637
Provision for retention bonus	11	459,199	1,054,701	1,513,900
Provision for reinstatement cost	11	–	280,054	280,054
		3,982,836	1,334,755	5,317,591

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 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:

	Note	2013/2014 \$	2012/2013 \$
<b>Loans and receivables</b>			
Trade and other receivables	6	372,392	138,103
Deposits		845,515	670,103
Cash and cash equivalents	7	119,431,412	89,380,316
		120,649,319	90,188,522
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	8	2,616,132	3,523,637
Provision for retention bonus	11	1,385,357	1,344,931
Provision for unutilised leave	11	639,386	720,061
Provision for site restoration cost	11	352,600	280,054
Amount due to parent ministry	12	80,975	–
Amount due to other government agencies	12	14,596	–
		5,089,046	5,868,683

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2014

## 21. CAPITAL MANAGEMENT

The capital structure of the Authority consists of capital account and accumulated surplus. 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 2014 were authorised for issue by the members of its Board on 24 July 2014.

This page is intentionally left blank

This page is intentionally left blank





460 Alexandra Road  
PSA Building #12-01  
Singapore 119963

[www.cra.gov.sg](http://www.cra.gov.sg)