casino
regulatory
authority

ANNUAL REPORT 18/19

www.cra.gov.sg

TRANSFORM
ENGAGE
INNOVATE

casino regulatory authority

MISSION

Ensuring that the management and operation of a casino is carried out by persons who are suitable, and remains free from criminal influence or exploitation.

Ensuring that gaming in a casino is conducted honestly.

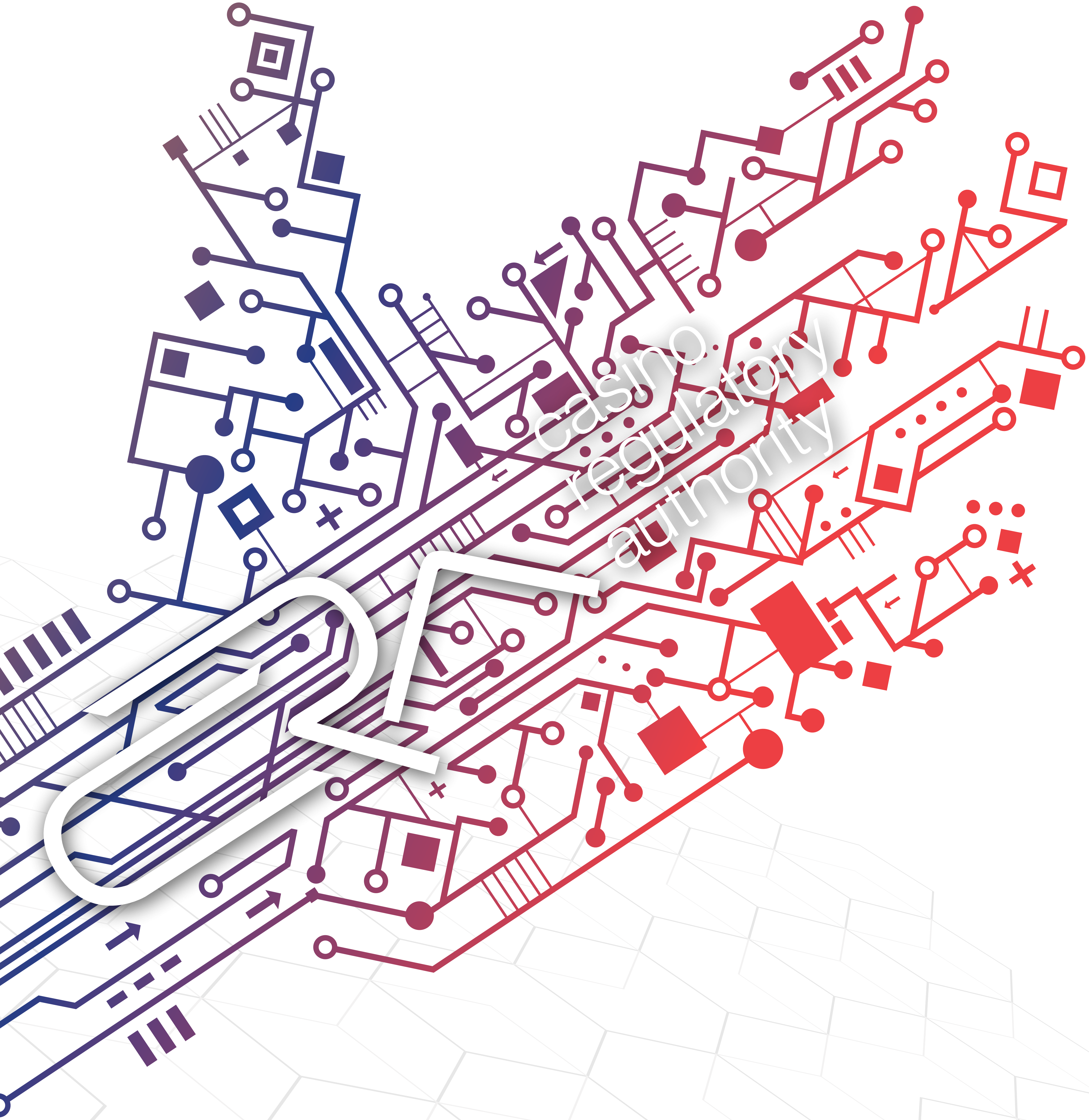
Containing and controlling the potential of a casino to cause harm to minors, vulnerable persons and society at large.

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



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TAN TEE HOW
Chairman

CHAIRMAN'S FOREWORD

From its beginnings in 2008, CRA officers have built up a comprehensive regulatory system from scratch. We had also reached out to established fellow regulators to accelerate the learning. As CRA marks its 11th year of establishment this year, we will continue to strive for regulatory excellence by building on the acumen honed from our past experiences and developing capabilities to respond to new challenges.

INCREASED REGIONAL COMPETITION

The gambling landscape is rapidly evolving. Regionally, the environment remains competitive, with more than 15 Integrated Resorts ("IRs") projects to be developed across Asia-Pacific by 2025. In Singapore, the two IRs have pledged to invest around S$9 billion to refresh their offerings. Even as Singaporeans and tourists look forward to new and attractive amenities from the two IR operators, CRA remains committed to upholding the trust that the public has placed on it to ensure that the casinos continue to be well-regulated. This commitment has guided our work all these years. CRA will continue to work closely with other government agencies such as the Ministry of Social and Family Development and the Singapore Police Force to control and mitigate any social and law-and-order concerns that may arise from casinos.

TECHNOLOGY AS AN ENABLER

The adoption of technological innovations has impacted businesses. For example, the two casino operators in Singapore, Marina Bay Sands ("MBS") and Resorts World at Sentosa ("RWS") have introduced facial recognition and biometric technologies to enhance security checks for patrons and controls for gaming equipment. As a regulator, we must also leverage on emerging technologies to regulate more effectively and efficiently. I am happy to note that CRA has taken various steps in this direction. The set-up of a Data Analytics Unit deploying data analytics tools and techniques will allow CRA to extract greater value from our data to aid policy reviews and enhance decision-making. Another example is the redesigning of the work processes to automate and transform the licensing and suitability investigation of special employees and natural person associates. It not only utilises artificial intelligence to entrench risk management in the licensing process; it also increases the productivity of our officers who will be able to focus on higher value work.

TRANSFORMATION OF CRA

Within the Singapore Public Service, there has been much innovative and transformative efforts invested into improving the lives of Singaporeans and, for the Home Team in particular, in keeping Singapore safe and secure. CRA must also be prepared to adapt and transform, and continue to exemplify the ethos of the Public Service in light of a changing environment.

Our People

CRA recognises that the key to successful transformation is our people. To build an engaged and resilient workforce, we have reviewed job structures and designs; equipped our people with the appropriate skills and competencies; and focused efforts in developing strong acumen, agility, and digital adeptness in our officers. More than skills and competencies, these programmes have given our officers the confidence to embrace change and be prepared to try out new ways of doing things.

Our Partners

As part of a larger regulatory community, CRA shares its research and learnings with fellow regulators locally, to inform and be informed on what worked and what did not work for us and other regulators. On the international stage, CRA is a member of the International Association of Gaming Regulators, and continues to recognise the importance of establishing strong ties and networks beyond our borders. At the 5th Singapore Symposium on Gambling Regulation and Crime held in August 2019, CRA gathered like-minded partners to collectively enhance the standards of regulation as we exchanged ideas, developed new insights and widened our knowledge to keep pace with future challenges.

CONCLUSION

CRA has developed a strong and positive organisational culture and ethos since its inception and which was strengthened over the last 11 years. It is this strong foundation upon which the current officers will leverage and continuously build on. Today, we have a resilient and professional team of officers who work hard, and take pride in being a regulator that is well-respected by both peers and stakeholders. I have every confidence that all CRA officers will build on this strong foundation and lead CRA to greater heights, as we remain committed to advancing our mission and upholding the trust of the public and our stakeholders.

TEO CHUN CHING
Chief Executive

CHIEF EXECUTIVE'S MESSAGE

INTRODUCTION

I am privileged to be appointed as the Chief Executive of CRA in July 2018. My first year in CRA has been extremely fulfilling as I experienced the dedication and professionalism of CRA officers in carrying out their duties to uphold CRA's mission and vision. The past year has been a hectic but fruitful period for CRA, as we successfully completed the third round of casino licence renewal for RWS and MBS, and also organised the 5th Singapore Symposium on Gambling Regulation and Crime. Internally, we sharpened our strategies and desired outcomes, and embarked on projects that would allow us to become more future-ready and agile.

REGULATORY SUPERVISION

Earlier this year, the casino licences for RWS and MBS were renewed for another three years. However, our work does not end after the casino licence is issued. Beyond licensure, CRA officers conduct ongoing monitoring to ensure that the casino operators and their associates remain suitable and compliant throughout the licence period. The casino operators are held to a stringent set of standards and regulations, and disciplinary action will be taken against the casino operators for breaches where necessary. In FY 2018, CRA imposed financial penalties totalling S$745,000 on the two casino operators for social safeguard breaches, as well as for the failures to implement the system of internal controls approved by CRA and to comply with CRA's direction. The casino operators have since made improvements to their work processes and stepped up measures to enhance their compliance towards the regulatory requirements. Our firm stance is a strong signal to the casino operators that regulatory compliance remains of utmost importance.

STRENGTHENING CAPABILITIES THROUGH COLLABORATIVE PARTNERSHIPS

Over the years, we have built strategic and operational partnerships with our local and foreign partners. Locally, we continue to collaborate with other government agencies to adopt a Whole-of-Government approach to ensure the successful planning and implementation of policies related to the two IRs in Singapore. An example was the commitments by the two IRs to invest close to S$9 billion in non-gaming investments to enhance the vibrancy and appeal of their offerings against overseas competition. Whilst the IRs' re-investments would provide economic benefits for Singapore and Singaporeans, the government had tightened the safeguards to ensure that problem gambling remains under control. One of them was the increase in the casino entry levies. The government remains acutely aware of the potential law and order and social issues associated with casinos, and CRA will continue to work closely with the Ministry of Social and Family Development and the Singapore Police Force to control and mitigate such issues.

CRA continues to recognise the importance of establishing strong ties and networks beyond our borders and the need for us to be plugged in to international developments. We successfully organised the 5th Singapore Symposium on Gambling Regulation and Crime in August 2019. The event provided a key training platform for our officers to learn from established regulators and experts on developments in the gambling landscape, and also helped us to foster closer ties with our partners. Through building networks and engaging in conversations, CRA is better prepared to regulate such developments that affect the casino industry in future.

TRANSFORMING OUR PROCESS, TECHNOLOGY AND PEOPLE

Against the backdrop of evolving operating parameters caused by a rapidly innovating gambling industry, it was fitting that we held this year's Workplan Seminar with the theme of "Transform. Engage. Innovate." To stay relevant and effective, it is vital that we build an engaged workforce, reinforce a spirit of innovation and transform CRA in the areas of process, technology and people.

We have embarked on projects that enhance our operational agility, capability and capacity by harnessing technologies such as artificial intelligence and advanced data analytics tools. For instance, we have re-designed our licensing and probity investigative processes to significantly improve the risk management of CRA's licensees. This is expected to reduce the resource requirements and allow us to strengthen our supervision in higher-risk areas. The formation of a Data Analytics Unit has also allowed us to build capabilities in collecting, processing, integrating and analysing data to gain richer insights on casino operations and patrons.

As we transform our work processes and adopt technology to enhance our capabilities, our officers remain core to our operational success. We focused on learning and training as core developmental priorities to develop a future-ready workforce. We must strive to inculcate the mindset and culture of continuous learning and to encourage our officers to adopt digital skills that are critical for the future environment. Officers are fully supported in taking up courses related to technology literacy, cyber security, data analytics and robotic process automation, and apply what they have learned in CRA's digital transformation plans. Through the transformation in these three key areas, and supported by a strong organisational culture and positive mindset of our people, we are prepared for the future.

CONCLUSION

I am confident that CRA officers will rise to the challenge and build on our strong foundation to deliver on our transformation plans. I look forward to leading our officers in upholding the trust placed on us as we work towards our vision of being the trusted casino regulator, advancing our mission with pride and integrity for a safe Singapore.

TRANSFORM

THROUGH TRANSFORMING OUR PROCESS, TECHNOLOGY AND PEOPLE, AND SUPPORTED BY A STRONG ORGANISATIONAL CULTURE AND POSITIVE MINDSET OF OUR PEOPLE, WE ARE PREPARED FOR THE FUTURE.

Left to Right
Justin Tan (Corporate Development)
Nallamai Ravi (Inspection & Compliance)

BOARD MEMBERS

Chairman
Mr Tan Tee How

Member
Mr Chan Boon Fui
Senior Director
(Leadership Development &
Human Resource Policy)
Public Service Division, Prime Minister's Office

Member
Mr Chua Kim Leng

Member
Mr David Wong
Chairman
Republic Polytechnic

Member
Mr Gerald Singham
Deputy Managing Partner
Dentons Rodyk & Davidson LLP

Member
Mr Khoo Boon Hui
Senior Fellow
Home Team Academy

Member
Ms Kristy Tan
Senior Director, Advocacy Group
Attorney-General's Chambers

Member
Mr Lau Peet Meng

Member
Dr Lee Tung Jean
Deputy Secretary
Ministry of Social and Family Development

Member
Mr Ng Chong Khim
Senior Advisor (Corporate Services)
Ensign Infosecurity (Cybersecurity) Pte. Ltd.

Member
Mr Puah Kok Keong
Deputy Secretary (Policy)
Ministry of Home Affairs

Member
Mr Sam Sim Tzi Yong

Member
Mr Sham Sabnani
Vice President,
General Counsel & Compliance
Bridgestone Asia Pacific Pte Ltd

Member
Ms Sharon Joanne Ooi
Managing Director
Head, P&C Underwriting
Asia, Australia & New Zealand
Swiss Re Asia Pte Ltd

Member
Mr Tan Chian Khong
Executive Director
Trailblazer Foundation Ltd

BOARD COMMITTEES

THE CRA BOARD ADVISES AND PROVIDES STRATEGIC GUIDANCE TO THE MANAGEMENT OF CRA TO MEET ITS OBJECTIVES.

THE CRA BOARD IS ASSISTED BY THE FOLLOWING COMMITTEES:

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 AND RISK COMMITTEE

The Audit and Risk 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. The Committee oversees the risk management framework, system and processes to ensure appropriate actions are in place to mitigate the key risks identified.

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 CRA and reports to the CRA Board from time to time on matters requiring attention of the Board.

DISCIPLINARY COMMITTEE

The Disciplinary Committee determines disciplinary actions against casino operators, licensed special employees, licensed International Market Agents ("IMAs") and IMA representatives.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Human Resource and Remuneration Committee assists the Board in supervising and reviewing the various Human Resource ("HR") policies and frameworks, to ensure a robust and effective HR system to attract and retain talents in CRA.

LEGAL AND REGULATORY COMMITTEE

The Legal and Regulatory Committee provides strategic guidance to the CRA Board on CRA's regulatory framework, and assists the CRA Board by reviewing 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 ("ICT") in CRA. The Committee also advises the CRA Board on technical standards, directives and guidelines imposed on the casino operators in the area of ICT and gaming systems deployment and implementation.

SENIOR MANAGEMENT

ENGAGE

CRA MUST ALSO BE PREPARED TO ADAPT AND TRANSFORM, AND CONTINUE TO EXEMPLIFY THE ETHOS OF THE PUBLIC SERVICE IN LIGHT OF A CHANGING ENVIRONMENT.

Left to Right
Jasmine Lim (Policy & Communications)
Derrick Chan (Inspection & Compliance)
Shaline Seow (Investigations)
Yap Mei Ting (Licensing)

SIGNING OF MEMORANDUM OF COOPERATION WITH BUREAU OF THE INTEGRATED RESORT PROMOTION OF THE GOVERNMENT OF JAPAN ("JAPAN IR BUREAU")

On 23 May 2018, CRA signed a Memorandum of Cooperation ("MOC") with Japan IR Bureau. The MOC would facilitate the mutual exchange of best practices, expertise and experiences in the field of casino regulation between the two agencies.

LEADERSHIP HANDOVER CEREMONY

On 2 July 2018, Mr Teo Chun Ching took over the helm of CRA as Chief Executive from Mr Jerry See in a leadership handover ceremony officiated by Chairman CRA, Mr Tan Tee How. On behalf of CRA, Mr Tan thanked Mr See for his stewardship of CRA in forging closer ties with local and foreign partners, and in strengthening CRA's standing as an effective and robust casino regulator. Mr See has since returned to the Singapore Police Force as Deputy Commissioner of Police (Policy).

Mr Tan also welcomed Mr Teo Chun Ching who has held key appointments such as Commander of Airport Police, Director of Manpower, and Director of Planning & Organisation in the Singapore Police Force.

Left
CRA Chief Executive Mr Teo Chun Ching (right) taking over the leadership from former Chief Executive Mr Jerry See (left).

CRA SPEAKS AT INTERNATIONAL CONFERENCES

Above
CRA's General Counsel, Mr Tan Teck Wang (middle) speaking at a panel session titled "Sanctions – Exploring the wide range and effectiveness of different sanctions imposed on licensees or illegal operators" at IAGR conference 2018.

CRA was invited to speak at both the 2018 International Association of Gaming Advisors' International Gaming Summit ("IAGA Conference") held in Macau in May 2018 as well as the International Association of Gaming Regulators Conference ("IAGR Conference") held in Denmark in September 2018.

The IAGA Conference is an annual conference focusing on key issues facing global gaming industry and regulators. CRA was invited to speak at a regulators roundtable titled "Striving to be the Best". At the panel session, CRA's General Counsel, Mr Tan Teck Wang shared on CRA's key objective of harm minimisation and CRA's vision to be the trusted casino regulator.

CRA was also invited to share on Singapore's experiences and insights on regulatory dilemmas and effectiveness of sanctions imposed on licensees at the annual IAGR Conference 2018. The IAGR conference is an annual event where gambling regulators and industry players come together to share insights and discuss about pertinent regulatory issues and developments affecting the gambling industry.

At the IAGR Conference, CRA's General Counsel, Mr Tan Teck Wang spoke at two panel sessions titled "Sanctions – Exploring the wide range and effectiveness of different sanctions imposed on licensees or illegal operators" and "Regulatory Dilemmas".

MILESTONES&ACHIEVEMENTS

RENEWAL OF RESORTS WORLD AT SENTOSA ("RWS") AND MARINA BAY SANDS ("MBS") CASINO LICENCES

CRA renewed the casino licence of RWS on 31 January 2019 and MBS on 18 April 2019 under Section 49 of the Casino Control Act ("CCA"). This was after assessing that both casino operators had fulfilled the matters set out in Section 45 of the CCA, including having regard to the opinion of an evaluation panel as provided for under the same Section. The licences had been renewed for another three years with effect from 6 February 2019 for RWS and 26 April 2019 for MBS.

CRA WORKPLAN SEMINAR 2019

Top
CRA officers at CRA Workplan Seminar 2019

Bottom, Left
CRA's Chairman Mr Tan Tee How delivering his opening address to CRA officers

Bottom, Right
Chief Executive, Mr Teo Chun Ching addressing CRA officers at CRA Workplan Seminar 2019

CRA held its annual Workplan Seminar 2019 on 3 May 2019 with the theme "Transform. Engage. Innovate." The event was officiated by Chairman CRA, Mr Tan Tee How. In his opening address, Mr Tan commended CRA officers for the work done in 2018, and encouraged CRA officers to embrace organisation-wide transformation plans which were essential in the face of rising public expectations. Mr Tan also highlighted the importance of adopting a transformative mindset and to view change as positive and necessary.

Chief Executive CRA, Mr Teo Chun Ching shared on the impetus and strategic thrusts for transformation. The key areas of transformation are to entrench risk management in our work processes, build a future-ready workforce and create a smart CRA that leverages on systems and technology.

5TH SINGAPORE SYMPOSIUM ON GAMBLING REGULATION AND CRIME

Top
Guest-of-Honour Mrs Josephine Teo, together with senior MHA and CRA leaders and speakers at the 5th Singapore Symposium on Gambling Regulation and Crime

Bottom
Guests and participants at the 5th Singapore Symposium on Gambling Regulation and Crime

CRA held the 5th Singapore Symposium on Gambling Regulation and Crime ("Singapore Symposium") in Singapore from 29 to 30 August 2019, with the involvement of more than 230 participants, including 40 foreign speakers and participants, from 21 regulatory and enforcement agencies across 12 jurisdictions. The Symposium brought together Asian regulators and law enforcement agencies to hear from established regulators and experts on topics such as evolving technological developments in the industry, global trends to address problem gambling, effective regulation and dealing with money-laundering and gambling crime, and emerging trends such as eSports betting.

Guest-of-Honour Minister for Manpower and Second Minister for Home Affairs, Mrs Josephine Teo officiated the opening ceremony of the Singapore Symposium. In her keynote address, Mrs Teo highlighted the challenges posed by an evolving gambling landscape, and encouraged the international regulatory community to learn from one another so that the regulators remain effective in regulating the industry and mitigating the potential risks and issues associated with gambling.

NATIONAL DAY AWARD ("NDA")

In recognition of their outstanding efficiency and competence in the Public Service, CRA Board Members Dr Lee Tung Jean and Mr Lau Peet Meng received the Public Administration Medal (Silver) awards.

In recognition of their outstanding contributions to the Public Service, three officers from CRA received National Day Awards.

Mr Teo Chun Ching, Chief Executive CRA, received the Public Administration Medal (Silver) and Long Service Medal. Mr Teo has contributed to the Public Service for 25 years, and was recognised for having played a pivotal role in the review and implementation of many initiatives during his tenure as Director of Manpower in the Singapore Police Force, in areas such as staff welfare, career planning and transition, talent management and succession planning.

Mr Ee Kiam Keong, Director of Infocomm Technology and concurrent Director of the Gambling Regulatory Unit of the Ministry of Home Affairs, received the Public Administration Medal (Bronze). Mr Ee was recognised for his contributions in establishing regulatory standards for gaming machines and technical systems in the Singapore casino industry, and in playing a critical role in developing and operationalising the Remote Gambling Act.

Mr Vincent Lee, Senior Manager (Financial Analysis & Monitoring) of the Licensing Division, received the Efficiency Medal. Mr Lee was recognised for his contributions in developing processes and procedures for handling regulatory offences committed in the casinos, and in training inspectors in the supervision of casino operations.

MINISTER FOR HOME AFFAIRS NATIONAL DAY AWARD ("MNDA")

Above
CRA Board Member, Mr Gerald Singham receiving the Minister for Home Affairs National Day Award (Home Team Volunteers) from Mrs Josephine Teo, Minister for Manpower and Second Minister for Home Affairs.

CRA Board Member, Mr Gerald Singham was awarded the Minister for Home Affairs National Day Award (Home Team Volunteers) for his dedication and exemplary contributions to the CRA Board.

Above
Mr William Lee receiving the Minister for Home Affairs National Day Award from Mrs Josephine Teo, Minister for Manpower and Second Minister for Home Affairs.

Mr William Lee, Assistant General Counsel, received the MNDA in recognition of his outstanding contributions to CRA. The award is given to Home Team officers who demonstrate outstanding competency and efficiency, and made significant contributions in areas of work of special significance. Mr Lee contributed towards the development and formulation of CRA's Disciplinary Action framework for casino operators and special employees, CRA's legal and regulatory positions on credit issuance to casino patrons, and the development of the Casino Regulation training programme.

MHA STAR SERVICE AWARD

Ms Shirley Tan, Manager (Facilities Management), received the MHA Star Service Award in recognition of her outstanding contributions and service excellence. The award is the highest accolade for service excellence in the Home Team. Ms Tan was recognised for her involvement in the renovation works in CRA's office, and going the extra mile in her day-to-day work to make CRA a more pleasant work environment.

AWARDS&ACCOLADES

SHARE CORPORATE BRONZE AWARD

CRA has been awarded the Community Chest SHARE Bronze Award 2017 for our officers' regular contributions to the Community Chest, National Council of Social Service. This award recognises fund raising efforts by organisations with employees for their high participation rate in FY 2017.

Left
Chief Executive CRA, Mr Teo Chun Ching (right), receiving the Community Chest SHARE Bronze Award 2017 from Mr Eric Tan, Deputy Director, Community Chest.

CRA STAR EMPLOYEE AWARD

Ms Jasmine Neo, Executive (Policy & Communications) received the CRA Star Employee Award in recognition of her work dedication and care towards fellow CRA colleagues.

Left
Chief Executive CRA, Mr Teo Chun Ching awarding the CRA Star Employee Award to Ms Jasmine Neo.

CReAte AWARD

In recognition of their team effort towards improving work processes in CRA, the following teams received the CReAte award.

Top, Left
CRA officers from the Corporate Development Division with their CReAte Award 2019 presented by CRA Chief Executive, Mr Teo Chun Ching.

Top, Right
CRA officers from the Licensing Division with their CReAte Award 2019 presented by CRA Chief Executive, Mr Teo Chun Ching.

Bottom
CRA officers from the Inspection and Compliance Division with their CReAte Award 2019 presented by CRA Chief Executive, Mr Teo Chun Ching.

Mr Khoo Kah Bee and Ms Amanda Lim from the Corporate Development Division were recognised for their development of a procurement template to reduce administrative steps and ensure completeness and efficacy in the procurement process.

Mr Lee Guan Chong, Ms Saliza Salleh and Mr Christopher Tan from the Licensing Division were recognised for their involvement in the design of checklists to facilitate the processing and evaluation of special employee licence applications.

Eleven officers from the Inspection and Compliance Division received the CReAte Award 2019. Ms Janet Lee, Ms Amelia Swee, Mr Benjamin Lim, Mr Chua Wei Kian, Mr Siew Wei Bang, Mr Tan Wee Lee, Ms Teng Xiujun, Mr Jeryl Heng, Mr Chia Yun Chuan, Ms Wong Wan Yi and Mr Ian Lee received the award for their involvement in projects aimed to improve the efficiency and effectiveness of casino regulatory work.

AWARDS&ACCOLADES

CRA COMMITMENT RECOGNITION AWARD

14 officers received the 5-year Commitment Recognition Award and 15 officers received the 10-year Commitment Recognition Award. The award is given to officers in recognition of their commitment and dedication to CRA.

Above
CRA officers receiving the 5-year (top) and 10-year Commitment Recognition Award from Chairman CRA, Mr Tan Tee How.

LONG SERVICE AWARD

CRA Board Member, Mr David Wong received the Long Service Award 2018 (10 years) in recognition of his valuable contributions to the CRA Board. The Long Service Award is presented to community leaders and professionals who have made significant contributions to MHA for five or more years.

FY2018

CASINO OPERATOR	RELEVANT LEGISLATION	BREACH	ACTION TAKEN BY CRA
Marina Bay Sands Pte. Ltd.	Section 116(1) of the CCA	Failure to prevent one permanent resident of Singapore from entering and remaining on its casino premises without a valid entry levy.	Financial penalty of $5,000
	Section 133(1) of the CCA	Failure to prevent one minor from entering and/or remaining on its casino premises without reasonable excuse.	Financial penalty of $10,000
Resorts World at Sentosa Pte. Ltd.	Section 57(5) of the CCA	Failure to comply with a direction that relates to the conduct, supervision or control of casino operations.	Financial penalty of $250,000
	Section 133(1) of the CCA	Failure to prevent a total of five minors from entering and/ or remaining on its casino premises without reasonable excuse.	Financial penalty of $80,000
	Section 138(4) of the CCA	Failure to implement a system of internal controls approved by the Authority.	Financial penalty of $400,000

INNOVATE

FINANCIAL CONTENTS

AS A REGULATOR, WE MUST ALSO LEVERAGE ON EMERGING TECHNOLOGIES TO REGULATE MORE EFFECTIVELY AND EFFICIENTLY.

Left to Right
Tang Wee Teck (Internal Audit)
Ng Si Jia (Gaming Technology)

STATEMENT BY THE CASINO REGULATORY AUTHORITY OF SINGAPORE

In our opinion,

(1) the accompanying financial statements set out on pages 32 to 58 of the Casino Regulatory Authority of Singapore (the "Authority") are drawn up so as to present fairly, in all material respects, the financial position of the Authority as at 31 March 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Authority for the year then ended in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), the Casino Control Act, Chapter (Cap. 33A) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS");

(2) 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 the requirements of any other written law applicable to moneys of or managed by the Authority; and

(3) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

On Behalf of the Authority:

Tan Tee How
Chairman

Teo Chun Ching
Chief Executive

Singapore
24 July 2019

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2019
Independent Auditor's Report to the Members of Casino Regulatory Authority of Singapore

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Casino Regulatory Authority of Singapore (the "Authority") set out on pages 32 to 58, which comprise the balance sheet as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and cash flow statement of the Authority for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), the Casino Control Act, Chapter (Cap. 33A) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2019 and the results, changes in equity and cash flows of the Authority for the financial year then ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of the Authority for the year ended 31 March 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 29 June 2018.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report and Statement by the Authority, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

For the financial year ended 31 March 2019
Independent Auditor's Report to the Members of Casino Regulatory Authority of Singapore

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Public Sector (Governance) Act, the Act and SB-FRS, 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.

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Authority or for the Authority to cease operations.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT
(Continued)

For the financial year ended 31 March 2019
Independent Auditor's Report to the Members of Casino Regulatory Authority of Singapore

Auditor's Responsibilities for the Audit of the Financial statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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 Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Authority; and

(b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Compliance Audit section of our report. We are independent of the Authority in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Responsibilities of Management 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 Public Sector (Governance) Act, the Act and the requirement of any other written law applicable to moneys of or managed by the Authority. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's Responsibilities for the Compliance Audit

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 Public Sector (Governance) Act, the Act and the requirement of any other written law applicable to moneys of or managed by the Authority.

INDEPENDENT AUDITOR'S REPORT

(Continued)

For the financial year ended 31 March 2019
Independent Auditor's Report to the Members of Casino Regulatory Authority of Singapore

Auditor's Responsibilities for the Compliance Audit (Continued)

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 entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

24 July 2019

BALANCE SHEET

as at 31 March 2019

	Note	2018 / 2019 $	2017 / 2018 $
Equity			
Capital account	3	36,001,000	36,001,000
Accumulated surplus		29,613,670	29,202,236
Total equity		65,614,670	65,203,236
Represented by:			
Non-current assets			
Plant and equipment	4	6,213,236	5,055,848
Intangible assets	5	2,320,306	2,125,541
		8,533,542	7,181,389
Current assets			
Trade and other receivables	6	1,210,476	790,508
Prepaid operating expenses		390,389	795,914
Deposits		737,344	833,396
Amount due from parent ministry	12	267,045	-
Cash and cash equivalents	7	133,960,813	107,296,399
		136,566,067	109,716,217
Total assets		145,099,609	116,897,606
Current liabilities			
Trade and other payables	8	5,560,399	5,104,790
Fees received in advance	9	25,790,433	41,032,189
Prepayments received	10	549,986	490,785
Provisions	11	1,528,507	1,398,441
Amount due to parent ministry and other government agencies	12	46,203	263
Provision for contribution to consolidated fund	19	518,282	846,987
		33,993,810	48,873,455
Net current assets		102,572,257	60,842,762
Non-current liabilities			
Fees received in advance	9	44,449,315	1,506,849
Provisions	11	1,041,814	1,234,576
Deferred lease payables	13	-	26,916
Deferred capital grants	14	-	52,574
		45,491,129	2,820,915
Total liabilities		79,484,939	51,694,370
Net assets		65,614,670	65,203,236

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

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	2018 / 2019 $	2017 / 2018 $
Income			
License fee		44,295,890	44,000,000
Application fees		1,249,944	1,090,426
Fines		746,700	74,400
		46,292,534	45,164,826
Expenditure			
Expenditure on manpower	15	(21,918,827)	(21,197,573)
Staff welfare and development		(872,650)	(947,074)
Rental of premises and others		(3,076,265)	(3,127,731)
Maintenance		(2,545,502)	(2,162,716)
Depreciation of plant and equipment	4	(1,832,884)	(1,980,045)
Amortisation of intangible assets	5	(672,525)	(535,308)
Utilities		(235,081)	(204,861)
Communications		(436,927)	(451,599)
Management and professional services	16	(11,296,567)	(9,806,571)
Other operating expenses	17	(1,457,763)	(1,442,633)
		(44,344,991)	(41,856,111)
Operating surplus		1,947,543	3,308,715
Non-operating income	18	1,794,799	1,616,207
Amortisation of deferred capital grants	14	52,574	57,354
Surplus before statutory contribution to consolidated fund		3,794,916	4,982,276
Statutory contribution to consolidated fund	19	(518,282)	(846,987)
Surplus for the year, representing total comprehensive income for the financial year		3,276,634	4,135,289

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 2019

	Capital account $	Accumulated surplus $	Total $
Balance as at 1 April 2017	36,001,000	25,066,947	61,067,947
Surplus for the year, representing total comprehensive income for the year	-	4,135,289	4,135,289
Balance as at 31 March 2018 and 1 April 2018	36,001,000	29,202,236	65,203,236
Surplus for the year, representing total comprehensive income for the year	-	3,276,634	3,276,634
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Dividents declared (Note 23)	-	(1,369,000)	(1,369,000)
Transfer of funds to the Consolidated Fund[1]	-	(1,496,200)	(1,496,200)
Balance as at 31 March 2019	36,001,000	29,613,670	65,614,670

[1] In 2019, the Ministry of Finance, in accordance with Section 3(b) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A), decided that the Authority contributes $1,496,200 to the Consolidated Fund as a transfer of prior periods' collection of fines and financial penalties.

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 2019

	Note	2018 / 2019 $	2017 / 2018 $
Cash flows from operating activities			
Surplus before statutory contribution to consolidated fund		3,794,916	4,982,276
Adjustments for:			
Depreciation of plant and equipment	4	1,832,884	1,980,045
Amortisation of intangible assets	5	672,525	535,308
Amortisation of deferred capital grant	14	(52,574)	(57,354)
Plant and equipment written off	4	4,629	-
Provision for unutilised leave, net	11	306,596	(138,167)
Provision for retention bonus	11	293,133	420,087
Deferred lease expense		(26,916)	(24,991)
Loss on disposal of plant and equipment	17	-	7,830
Interest income from short term deposits	18	(1,793,875)	(1,614,309)
Surplus before working capital changes		5,031,318	6,090,725
Operating cash flows before working capital changes:			
Increase in trade and other receiveables		840	720
Decrease / (increase) in prepaid operating expenses		405,525	(214,035)
Decrease / (increase) in deposits		96,052	(1,420)
Increase in trade and other payables		455,609	176,362
Increase in prepayments received		59,201	43,440
Decrease in provision for reinstatement cost	11	(12,425)	-
Increase in amount due from / (to) parent ministry, net		(221,105)	(96,719)
Increase / (decrease) in fees received in advance		27,700,710	(43,963,781)
Payment of retention bonus	11	(650,000)	(682,000)
Leave encashed	11	-	(9,052)
Cash flows generated from / (used in) operations		32,865,725	(38,655,760)
Contribution to consolidated fund	19	(846,987)	(1,251,924)
Transfer of funds to consolidated fund		(1,496,200)	-
Interest received		1,373,067	2,254,015
Net cash flows generated from / (used in) operations		31,895,605	(37,653,669)
Cash flows from investing activities:			
Purchase of plant and equipment	4	(3,798,913)	(1,770,612)
Purchase of intangible assets	5	(63,278)	(787,991)
Net cash flows used in investing activities		(3,862,191)	(2,558,603)
Cash flows from financing activity:			
Dividend paid	23	(1,369,000)	-
Net cash flows used in financing activity		(1,369,000)	-
Net increase/(decrease) in cash and cash equivalents		26,664,414	(40,212,272)
Cash and cash equivalents at beginning of the year		107,296,399	147,508,671
Cash and cash equivalents at end of the year	7	133,960,813	107,296,399

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

1. General

The Casino Regulatory Authority of Singapore (the "Authority") was established under the 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 2019 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*

Accounting standards effective on 1 April 2018

On 1 April 2018, the Authority adopted all the new and revised SB-FRSs and INT SB-FRSs that are effective from that date and are relevant to its operations. Changes to the Authority's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRSs and INT SB-FRSs. The adoption of these new/revised SB-FRSs and INT SB-FRSs does not result in changes to the Authority's accounting policies except as disclosed below:

SB-FRS 109 Financial Instruments

SB-FRS 109 replaces SB-FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018. It includes guidance on the classification and measurement of financial assets and financial liabilities; impairment requirements for financial assets; and general hedge accounting.

The Authority applied SB-FRS 109 using a modified retrospective approach, with date of initial application on 1 April 2018. The Authority has not restated the comparative information, which continues to be reported under SB-FRS 39 and the disclosure requirements of SB-FRS 107 Financial Instruments: Disclosures relating to items within the scope of SB-FRS 39.

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

SB-FRS 109 Financial Instruments (cont'd)

Classification and measurement

Under SB-FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVTPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Authority's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the business model was made as of the date of initial application on 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of SB-FRS 109 did not have a significant impact to the Authority. Loans and receivables (comprising trade and other receivables, deposit, amount due from parent ministry and cash and cash equivalents) as at 31 March 2018 are held to collect conntractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 April 2018.

There are no changes in classification and measurement for the Authority's financial liabilities.

Impairment

SB-FRS 109 requires the Authority to record expected credit losses on all of its financial assets at amortised cost. The Authority previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired. Given the limited exposure of the Authority to credit risk, this amendment has no material impact on the financial statements.

SB-FRS 115 Revenue from Contracts with Customers

SB-FRS 115 replaces SB-FRS 18 Revenue and other revenue related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. SB-FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

SB-FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Authority adopted SB-FRS 115 using the modified retrospective approach with the date of initial application of 1 April 2018. The Authority elected to apply the standard to all contracts as at 1 April 2018.

The adoption of SB-FRS 115 does not have a significant impact on the financial statements of the Authority.

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

Standards issued but not yet effective

Description	Effective for annual period beginning on or after
SB-FRS 116 *Leases*	1 January 2019

SB-FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 April 2019.

The Authority has performed a preliminary impact assessment of the adoption of SB-FRS 116 and expects that the adoption of FRS 116 will result in increase in total assets and total liabilities. The Authority is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to SB-FRS 116 and assessing the possible impact of adoption.

2.3 *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.

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 2019 was $6,213,236 and $2,320,306 (2017/2018: $5,055,848 and $2,125,541) 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.

A reduction/extension in the useful lives of plant and equipment by one year (2017/2018 – one year) would reduce/increase the Authority's surplus for the financial year by approximately $740,029/$193,523 (2017/2018: $802,083/$201,318).

2. Summary of significant accounting policies (cont'd)

2.4 *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 statement of comprehensive income.

2.5 *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 $5,000 each, are charged to the statement of comprehensive income in the year of purchase as "plant and equipment expensed off" disclosed in Note 17.

Assets classified as construction-in-progress included in plant and equipment are not amortised as these assets are not yet available for use.

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 assets (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 statement of comprehensive income in the year the asset is derecognised.

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

2. Summary of significant accounting policies (cont'd)

2.6 *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.

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 statement of comprehensive income 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.

2.7 *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 statement of comprehensive income, 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 statement of comprehensive income.

2. Summary of significant accounting policies (cont'd)

2.8 *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:

<u>Debt instruments at amortised cost</u>

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gain and losses are recognised in statement of profit or loss and other comprehensive income when the assets are derecognised or impaired, and through amortisation process.

The Authority classifies the following financial assets as financial assets at amortised cost:

(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 statement of comprehensive income.

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.

2. Summary of significant accounting policies (cont'd)

2.9 *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 financial assets at amortised cost under SB-FRS 109. The accounting policy is stated in Note 2.8.

2.10 *Trade and other receivables*

Trade and other receivables are classified and accounted for as financial assets at amortised cost under SB-FRS 109. The accounting policy for this category of financial assets is stated in Note 2.8.

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 2.11 below.

2.11 *Impairment of financial assets*

The Authority recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Authority expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Authority applies a simplified approach in calculating ECLs. Therefore, the Authority does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority considers factors such as historical credit loss experience and forward-looking factors specific to the debtors.

All impairment losses are recognised in the statement of comprehensive income.

Impairment losses in respect of financial assets measured at amortised cost is reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised. Any subsequent reversal of an impairment loss is recognised in statement of profit or loss and comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2. Summary of significant accounting policies (cont'd)

2.12 *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:

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income 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 expired. 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 statement of comprehensive income.

2.13 *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
(Continued)
For the financial year ended 31 March 2019

2. Summary of significant accounting policies (cont'd)

2.14 *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 statement of comprehensive income 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 presented as "current" and "non-current" portions of liabilities 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.

2.15 *Leases*

As lessee

Operating lease payments are recognised as an expense in the statement of comprehensive income 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.

2.16 *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 fee*

Licence fee is recognised as income over the time 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.

2. Summary of significant accounting policies (cont'd)

2.16 *Income recognition (cont'd)*

(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 a time proportionate basis using the effective interest method.

2.17 *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.

2.18 *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 such that 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. Summary of significant accounting policies (cont'd)

2.19 *Government grants*

Grants received from the Ministry for capital expenditure are recorded in the deferred capital grants account upon utilisation of the grants for purchase of plant and equipment and intangible assets which are written off in the year of purchase.

Deferred capital grants are recognised as income over the periods necessary to match the depreciation, amortisation, write-off and/or impairment loss of the plant and equipment and intangible assets, the balance of the related deferred capital grants is recognised as income to match the carrying amount of plant and equipment and intangible assets disposed.

2.20 *Capital*

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

3. Capital account

	2018 / 2019		2017 / 2018	
	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 represents capital injections by the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Cap. 183), in its capacity as a shareholder under the debt equity framework for statutory boards, implemented with effect from 1 September 2004. Under this framework, capital projects will be partially funded by the Minister for Finance as equity injection, and the remaining through loans or general funds of the Authority.

4. Plant and equipment

	Plant and machinery $	Renovation $	Furniture, fittings, tools and equipment $	Heritage assets $	Construction-in-Progress $	Total $
Cost:						
At 1 April 2017	311,781	2,856,057	9,357,314	130,964	1,363,020	14,019,136
Additions	58,950	-	684,462	-	1,027,200	1,770,612
Reclassifications	22,410	-	565,827	-	(588,237)	-
Transfer to intangible assets (Note 5)	-	-	-	-	(774,783)	(774,783)
Disposals	(84,704)	-	(631,897)	-	-	(716,601)
At 31 March 2018 and 1 April 2018	308,437	2,856,057	9,975,706	130,964	1,027,200	14,298,364
Additions	-	-	3,686,009	-	112,904	3,798,913
Reclassifications	-	-	218,558	-	(218,558)	-
Transfer to intangible assets (Note 5)	-	-	-	-	(804,012)	(804,012)
Disposals	-	(12,425)	(23,559)	-	-	(35,984)
Write-off	-	-	-		(4,629)	(4,629)
At 31 March 2019	308,437	2,843,632	13,856,715	130,964	112,904	17,252,652
Accumulated depreciation:						
At 1 April 2017	282,401	1,944,064	5,744,777	-	-	7,971,242
Depreciation for the year	19,464	585,687	1,374,894	-	-	1,980,045
Disposals	(76,874)	-	(631,897)	-	-	(708,771)
At 31 March 2018 and 1 April 2018	224,991	2,529,751	6,487,774	-	-	9,242,516
Depreciation for the year	11,762	325,846	1,495,276	-	-	1,832,884
Disposals	-	(12,425)	(23,559)	-	-	(35,984)
At 31 March 2019	236,753	2,843,172	7,959,491	-	-	11,039,416
Carrying amount:						
At 31 March 2019	71,684	460	5,897,224	130,964	112,904	6,213,236
At 31 March 2018	83,446	326,306	3,487,932	130,964	1,027,200	5,055,848

NOTES TO THE FINANCIAL STATEMENTS
(Continued)
For the financial year ended 31 March 2019

5. Intangible assets

	Computer Software $
Cost:	
At 1 April 2017	4,527,631
Additions	787,991
Transfer from plant and equipment (Note 4)	774,783
Write-off	(1,412,504)
At 31 March 2018 and 1 April 2018	4,677,901
Additions	63,278
Transfer from plant and equipment (Note 4)	804,012
At 31 March 2019	5,545,191
Accumulated amortisation:	
At 1 April 2017	3,429,556
Amortisation for the year	535,308
Write-off	(1,412,504)
At 31 March 2018 and 1 April 2018	2,552,360
Amortisation for the year	672,525
At 31 March 2019	3,224,885
Carrying amount:	
At 31 March 2019	2,320,306
At 31 March 2018	2,125,541

6. Trade and other receivables

	2018 / 2019 $	2017 / 2018 $
Interest receivable	1,210,476	789,668
Other receivables	-	840
	1,210,476	790,508

7. Cash and cash equivalents

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

	2018 / 2019 $	2017 / 2018 $
Cash maintained with Accountant–General's Department ("AGD")	133,960,813	107,296,399

Included in the cash and cash equivalents are:

(i) an amount of $362,389 (2017/2018: $706,014) which does not earn any interest.

(ii) the remaining balance of $133,598,424 (2017/2018: $106,590,385) 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 1.44% to 1.98% (2017/2018: 1.24% to 1.25%) per annum.

8. Trade and other payables

	2018 / 2019 $	2017 / 2018 $
Trade payables	1,943,457	1,810,972
Other payables	793,867	497,959
Accrued operating expenses	2,823,075	2,795,859
	5,560,399	5,104,790

Trade payables and other payables are non-interest bearing. Trade payables are normally settled on a 30-days term. (2017/2018: 30 days)

9. Fees received in advance

	Current $	Non-current $	Total $
2018 / 2019			
Application fees	283,584	-	283,584
Casino license fees	25,506,849	44,449,315	69,956,164
	25,790,433	44,449,315	70,239,748
2017 / 2018			
Application fees	286,984	-	286,984
Casino license fees	40,745,205	1,506,849	42,252,054
	41,032,189	1,506,849	42,539,038

9. Fees received in advance (cont'd)

The fees received in advance (contract liabilities) primarily relate to the Authority's obligation to transfer services to customers for which the Authority has received advances received from customers for casino license fees and application fees.

Revenue recognised that was included in fees received in advance balance as at the beginning of the year by the Authority is $44,295,890 (2017/2018: $44,000,000).

10. Prepayments received

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

11. Provisions

	Current $	Non-current $	Total $
2018 / 2019			
Financial liabilities:			
Provision for retention bonus	481,653	472,039	953,692
Provision for unutilised leave	1,046,854	-	1,046,854
Non-financial liabilities:			
Provision for reinstatement cost	-	569,775	569,775
Total	1,528,507	1,041,814	2,570,321
2017 / 2018			
Financial liabilities:			
Provision for retention bonus	658,183	652,376	1,310,559
Provision for unutilised leave	740,258	-	740,258
Non-financial liabilities:			
Provision for reinstatement cost	-	582,200	582,200
Total	1,398,441	1,234,576	2,633,017

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

	2018 / 2019 $	2017 / 2018 $
At 1 April	1,310,559	1,572,472
Provision for the financial year	293,133	420,087
Payment made during the financial year	(650,000)	(682,000)
At 31 March	953,692	1,310,559

11. Provisions (cont'd)

The retention bonus due to employees is determined based on the expected pay-out 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 unutilised leave is as follows:

	2018 / 2019 $	2017 / 2018 $
At 1 April	740,258	887,477
Provision for the financial year	306,596	740,258
Provision utilised	-	(878,425)
Leave encashed	-	(9,052)
	1,046,854	740,258

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

	2018 / 2019 $	2017 / 2018 $
At 1 April	582,200	582,200
Provision utilised	(12,425)	-
At 31 March	569,775	582,200

12. Amount due from/(to) parent ministry and other government agencies

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

13. Deferred lease payables

	2018 / 2019 $	2017 / 2018 $
Deferred lease payables	-	26,916

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)
For the financial year ended 31 March 2019

14. Deferred capital grants

	2018 / 2019 $	2017 / 2018 $
Balance at beginning of year	52, 574	109,928
Less: Grants recorded in the statement of comprehensive income - Amortisation of deferred capital grant	(52,574)	(57,354)
	-	52,574

Capital grant received relates to the amount of reimbursement received by the Authority from Government Technology Agency ("GovTech") (formerly known as Infocomm Development Authority of Singapore) for the purchase of furniture, fittings, tools and equipment to enhance the network security system.

15. Expenditure on manpower

	2018 / 2019 $	2017 / 2018 $
Employee benefits expense (including key management personnel):		
Salaries, allowances and bonuses	18,988,122	18,443,871
Defined contribution plans	2,930,705	2,766,182
Other employee benefits	-	(12,480)
	21,918,827	21,197,573
Compensation of key management personnel		
Salaries, bonuses and other allowances	3,024,667	3,249,595
Defined contribution plans	344,113	345,286
Total compensation paid to key management personnel	3,378,780	3,594,881

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.

16. Management and professional services

	2018 / 2019 $	2017 / 2018 $
Computer services	3,363,499	2,136,786
Other professional services	5,687,756	6,005,725
Board fees	183,067	132,334
Others	2,062,245	1,531,726
	11,296,567	9,806,571

Management and professional services mainly relate to IT services and manpower costs, and casino social safeguards costs amounting to $6,417,777 and $1,096,248 (2017/2018: $5,954,972 and $1,081,032) paid/payable to Ministry of Social and Family Development ("MSF") and GovTech, respectively.

17. Other operating expenses

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

	2018 / 2019 $	2017 / 2018 $
Plant and equipment expensed off	30,573	140,547
Intangible assets expensed off	35,971	-
Goods and services tax expensed off	1,151,559	1,041,768
Loss on disposal of plant and equipment	-	7,830

18. Non-operating income

	2018 / 2019 $	2017 / 2018 $
Interest income from short term deposits	1,793,875	1,614,309
Others	924	1,898
	1,794,799	1,616,207

19. 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 was computed based on 17% of the surplus net of transfer of funds to the Consolidated Fund for the year as at 31 March 2019.

During the financial year, management paid statutory contribution of $846,987 (2017/2018: $1,251,924).

The total contribution for the year can be reconciled to the net surplus as follows:

	2018 / 2019 $	2017 / 2018 $
Surplus of the Authority before statutory contribution to consolidated fund	3,794,916	4,982,276
Less: Transfer of funds to the Consolidated Fund for the year	746,200	-
Contribution payable at 17% (2017/2018: 17%)	518,282	846,987

20. 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 4 years. Operating lease payments recognised in the statement of comprehensive income during the year amounted to $3,076,265 (2017/2018: $3,127,731).

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

	2018 / 2019 $	2017 / 2018 $
Not later than one year	2,633,226	2,446,617
Later than one year but not later than five years	7,617,230	-
	10,250,456	2,446,617

(b) *Other commitments*

In addition to the above, the Authority is given the flexibility to lease for the use of computer equipment under Government Technology Agency (GovTech)'s (formerly known as Infocomm Development Authority of Singapore) PC Bulk Tender with no purchase options with a third vendor. The Authority will pay a monthly fee for the use of those equipment. All other IT services will be subscribed via other GovTech's bulk tenders under the "Whole of Government ICT Infrastructure" arrangement.

21. Financial risk management objectives and policies

The Authority's principal financial instruments comprise of cash and cash equivalents. 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 interest 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.

	Note	On demand or within 1 year $	Between 2 to 5 years $	Total $
2018 / 2019				
Trade and other payables	8	5,560,399	-	5,560,399
Provision for retention bonus	11	481,653	472,039	953,692
Provision for unutilised leave	11	1,046,854	-	1,046,854
Amount due to parent ministry and other government agencies	12	46,203	-	46,203
		7,135,109	472,039	7,607,148

21. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (Cont'd)*

	Note	On demand or within 1 year $	Between 2 to 5 years $	Total $
2017 / 2018				
Trade and other payables	8	5,104,790	-	5,104,790
Provision for retention bonus	11	658,183	652,376	1,310,559
Provision for unutilised leave	11	740,258	-	740,258
Amount due to parent ministry and other government agencies	12	263	-	263
		6,503,494	652,376	7,155,870

22. 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:

<u>Cash and cash equivalents, trade and other receivables, amount due from/(to) parent ministry, deposits, trade and other payables</u>

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

<u>Provision for retention bonus</u>

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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)
For the financial year ended 31 March 2019

22. Fair value of financial instruments (cont'd)

Classification of financial assets/liabilities

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

	Note	2018 / 2019 $	2017 / 2018 $
Financial assets at amortised cost			
Trade and other receivables	6	1,210,476	-
Deposits		737,344	-
Amount due from parent ministry	12	267,045	-
Cash and cash equivalents	7	133,960,813	-
		136,175,678	-
Loans and receivables			
Trade and other receivables	6	-	790,508
Deposits		-	833,396
Cash and cash equivalents	7	-	107,296,399
		-	108,920,303
Financial liabilities at amortised cost			
Trade and other payables	8	5,602,206	5,104,790
Provision for retention bonus	11	953,692	1,310,559
Provision for unutilised leave	11	1,046,854	740,258
Amount due to parent ministry		46,203	263
		7,648,955	7,155,870

23. Dividend

	2018 / 2019 $	2017 / 2018 $
Declared and payable during the financial year:		
Final exempt (one-tier) dividend for 2018/2019: 0.038 cents (2017/2018: nil) per share	1,369,000	-

24. 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.

There were no changes in the Authority's approach to capital management during the year. The Authority is not subject to any externally imposed capital requirements.

25. Comparative figures

The financial statements for the year ended 31 March 2018 were audited by another firm.

26. Authorisation of financial statements

The financial statements of the Authority for the year ended 31 March 2019 were authorised for issue by the members of its Board on 24 July 2019.

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