

# Annual Report 2020/2021

# MISSION, VISION AND VALUES

## 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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Mr Tan Tee How  
Chairman

## CHAIRMAN'S FOREWORD

### Introduction

The year 2020 was a challenging year for the global gambling industry. To deal with the pandemic, many countries, including Singapore, halted casino and other gambling activities for several months. Even when the casinos re-opened, global border restrictions resulted in a substantial decline in casino visitorship and gambling revenue. On the other hand, COVID-19 fuelled the popularity of remote gambling as gamblers turned to gambling on their mobile devices during periods of lockdowns or movement control restrictions.

The new operating environment quickened the pace of technological developments, with casino operators introducing new ways of gambling, such as through cashless and contactless means. For instance, the Resorts World Las Vegas integrated resort, which opened in June 2021, has become the first casino to implement cashless gaming entirely on its gaming floors.

### Establishing the National Gambling Regulator

As these trends are likely to form the "new normal" in the industry, it is timely that the Casino Regulatory Authority ("CRA") will be reconstituted into the Gambling Regulatory Authority ("GRA") to regulate all gambling products in Singapore. The consolidation of regulatory functions under a single regulator serves to ensure that Singapore keeps up with trends in the global gambling landscape, while taking a holistic approach in formulating regulatory policies.

For GRA to be effective in carrying out its new functions, we must strive to be a smart regulator – by anticipating trends and risks, and by entrenching risk management in our decision-making. This entails, for example, the deepening of our sense-making and data analytics capabilities. To this end, GRA would dedicate resources to conduct deep-dive research and environmental scans of the gambling landscape. We will need to closely understand emerging products and trends in order to strengthen evidence-based policy formulation.

At the same time, GRA would continue to adopt a risk-calibrated approach to avoid over-regulating and stifling the innovative practices of industry players. This approach will help us ensure our resources are rightly allocated at looking into products of higher risk, so that we achieve effectiveness in our regulatory regime.

CRA has established a strong casino regulatory regime over the years through building up our knowledge of the industry and honing our craft in regulating the casinos. Building on this foundation, GRA will have to keep up the spirit of learning and re-learning, and build our capabilities to regulate the entire gambling industry.

### Protecting the People of Singapore

With most employees working from home during the pandemic, it has not been easy for CRA officers to prepare for GRA, as much of the developmental work requires intensive face-to-face discussions. Notwithstanding this, I am happy to see that officers have persevered and achieved much despite the new working conditions. In addition, CRA officers worked relentlessly to ensure that CRA's supervision of the casino industry remains thorough and robust.

Our officers collaborated with the Singapore Police Force ("SPF") and the Ministry of Social and Family Development ("MSF") to control and mitigate law and order and social concerns pertaining to the operations of casinos in Singapore. These collaborations produced positive outcomes such as the results from the recent National Council on Problem Gambling's Gambling Participation Survey conducted in 2020, which showed that the probable pathological and problem gambling rate had remained low and relatively stable at 1.2%.

### Building a Future-Ready Workforce and Enhancing Partnerships

Our officers are at the heart of GRA's endeavour to be an effective gambling regulator. We will invest heavily in our officers to ensure that they have the required skills and competencies to fulfil their potential. For example, we will be rolling out a Gambling Regulation 101 training curriculum, developed entirely in-house by experienced officers, to train fellow officers and equip everyone with core functional knowledge of the new gambling products that will come under GRA's regulatory purview. We will also develop and groom officers to be capable leaders to steward GRA in the years ahead.

The formation of GRA has garnered much interest from the international community and provides us with the opportunity to further expand our international network to beyond casino regulators. Over the years, CRA has developed strong ties with our valued international partners. In the years ahead, it is imperative that GRA forge impactful partnerships with the international regulatory community as we look to gain deeper insights from other perspectives and learn each other's best practices.

Closer to home, we look forward to continuing our close working relationships with SPF and MSF, and building new bridges with other agencies such as the Singapore Totalisator Board to regulate the gambling space, and ensure gambling is free from crime.

### Conclusion

Our evolution to become the national gambling regulator is an important milestone in CRA's development. We must strive to uphold the public's trust and confidence in our ability to protect the people of Singapore by keeping gambling honest and free of criminal influence, and minimising the harm from gambling. I have every confidence that our officers will rise to the challenge and lead the organisation to even greater heights.





Mr Teo Chun Ching  
Chief Executive

## CHIEF EXECUTIVE'S MESSAGE

### Introduction

The Ministry of Home Affairs ("MHA") had, in April 2020, announced that CRA will be reconstituted to become GRA with an expanded mandate to regulate the entire gambling landscape in Singapore. Since then, CRA has made good progress in preparing for the transition, and has continued to push on in our transformation journey.

### Supervision Over the Casino Industry

As with many other industries, COVID-19 has significantly impacted the operations of Singapore's two casino operators, Resorts World at Sentosa Pte. Ltd. ("RWS") and Marina Bay Sands Pte. Ltd. ("MBS"), as they had to make adjustments to their casino operations to adhere to the Government's prevailing health advisories and safe management measures.

Notwithstanding the challenges presented by the COVID-19 situation, CRA has continued to exercise strong regulatory supervision over the operators, such as through inspections and onsite observations of their operations. This ensures that the Government's robust regulatory framework continues to deter gambling-related crimes and contain the social ills of casino gambling.

### Transformation to GRA

Significant progress has been achieved in the work that needs to be done leading up to CRA's reconstitution to GRA. Reviews are ongoing to rationalise and consolidate gambling legislations and regulatory frameworks for both existing and emerging gambling products to ensure that the entire gambling landscape will be regulated in a risk-calibrated and holistic manner. To enhance our capabilities and processes, we have also been focusing on digital, process and workforce transformation efforts. This is necessary to make us more effective and efficient in our work to keep Singapore safe from the potential harms and undesirable by-effects of gambling. Even after GRA is formed, transformation will remain an ongoing journey for us to stay agile in a dynamic and increasingly complex operating environment.

### Digital and Process Transformation

It is imperative that GRA entrenches risk management in its work processes so that our regime remains effective. This requires us to enhance our capabilities in understanding the gambling landscape at a broader and yet deeper level, and adopt a risk-calibrated mindset in our decision-making so that we focus our attention on areas and issues that are of higher risk or are more complex. Technology will be an enabler to achieve these desired outcomes as we strive towards becoming a smart GRA.

In anticipation of an increase in the number of entities that would be licensed by GRA, CRA will be rolling out a new Automated Licence and Permit System ("ALPS") that allows applications to be processed more expeditiously through the automation of checks against pre-determined criteria. ALPS thus transforms GRA's licensing process and focuses our efforts in dealing with matters of higher risk.

CRA also extended the maximum tenure for special employee licences from 3 years to 7 years. This allows CRA to better calibrate special employee licences according to various considerations such as job functions and risk profiles.

In line with the Government's efforts to promote a cashless society, CRA has leveraged digital payment solutions and electronic forms to digitalise and streamline the forfeiture of casino winnings. The new process has resulted in efficiency gains and mitigated the risks associated with handling of cash.

### Workforce Transformation

CRA's officers are central to our vision of becoming a trusted and agile gambling regulator. Beyond putting in place core training programmes such as the Gambling Regulation 101 curriculum and other functional training sessions, it is our aim to develop and sustain a culture of learning and knowledge sharing within the organisation. In a time where options for physical learning and development courses are limited due to COVID-19, CRA has looked to digital resources for officers to continue learning and developing critical skillsets at their own time and pace. One example of digital training resources which we have introduced is the LinkedIn Learning platform which provides each of our officers with access to a wide variety of self-learning courses and programmes to upgrade their skills and enhance their knowledge.

CRA's reconstitution also offers us the unique opportunity to co-create a new corporate identity – GRA's mission, vision, values and corporate logo. As part of the process, every officer in CRA, our board members and key stakeholders such as MHA were consulted to harness the collective wisdom, and to hear the views and aspirations they have for the new organisation. Through the lively interactions and valuable feedback, a strong sense of ownership has emerged. I am confident that our new corporate identity will lay the foundations for future generations of GRA officers by providing a clear and unwavering direction and purpose for GRA and our officers.

Throughout 2020, CRA officers have displayed tremendous grit and resilience. Not only do they have to adjust to the work-from-home arrangements, they had to juggle between the existing regulatory workload and developmental work related to GRA's policies and processes. Despite the challenging circumstances, I am heartened that our officers continued to care for and support one another, and activities such as virtual lunchtime talks, staff appreciation event and bonding sessions were held to keep all of us engaged and motivated.

### Conclusion

As we stride forward in our transformation journey and head towards the last lap in our preparation for the transition to GRA, I am proud to see that all of our officers have been on board with the changes within the organisation and are committed to the cause. There is much more to achieve in the coming months ahead and together, we will work as one team to overcome any challenges in our way.

# BOARD MEMBERS



CHAIRMAN  
**MR TAN TEE HOW**  
Chairman  
National Healthcare Group



MEMBER  
**DR LEE TUNG JEAN**  
Deputy Secretary  
Ministry of Social and  
Family Development



MEMBER  
**MR LING TOK HONG**  
Partner  
Mergers & Acquisitions Leader  
PricewaterhouseCoopers  
Singapore



MEMBER  
**MR NG CHONG KHIM**  
Senior Adviser (Corporate Services)  
Ensign Infosecurity (Cybersecurity)  
Pte. Ltd.



MEMBER  
**MR BERNARD WEE**  
Assistant Managing Director  
Group Head  
Markets & Investment  
Monetary Authority of Singapore



MEMBER  
**MR CHUA KIM LENG**  
Board Director  
United Overseas Insurance Ltd



MEMBER  
**MR HOW KWANG HWEE**  
Senior Assistant Commissioner  
of Police  
Director  
Criminal Investigation Department



MEMBER  
**MR NICHOLAS  
AARON KHOO**  
Chief Financial Officer  
WASD Pte. Ltd.



MEMBER  
**MR PUAH KOK KEONG**  
Deputy Secretary (Policy)  
Ministry of Home Affairs



MEMBER  
**MR SAM SIM TZI YONG**  
Senior Advisor, Vienna University  
Global Tax Policy Centre  
Member, International Association  
of Tax Judges



MEMBER  
**MR JAMES KANG**  
Chief Executive Officer  
Amaris.ai Pte. Ltd.



MEMBER  
**MS KAREN CHONG**  
Senior Director  
Ministry of National Development



MEMBER  
**MS KRISTY TAN**  
Senior Director, Advocacy Group  
Deputy Chief Counsel, Civil Division  
Attorney-General's Chambers



MEMBER  
**MR SHAM SABNANI**  
Vice President &  
Chief Legal Counsel, APAC  
Kimberly-Clark Asia Pacific



MEMBER  
**MS SHARON  
JOANNE OOI**  
Chief Executive Officer  
Swiss Re Australia &  
New Zealand



MEMBER  
**MR TAN CHIAN KHONG**  
Executive Director  
Trailblazer Foundation Ltd

## BOARD COMMITTEES

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 the Authority 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 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.



# SENIOR MANAGEMENT



**MR HAROLD GAN**  
DIRECTOR (INSPECTION  
& COMPLIANCE)

**MS YEO PIA JEE**  
DEPUTY CHIEF EXECUTIVE  
(OPERATIONS)

**MR EE KIAM KEONG**  
DEPUTY CHIEF EXECUTIVE  
(POLICY & DEVELOPMENT)  
CONCURRENT DIRECTOR  
(INFOCOMM TECHNOLOGY)

**MS GINGGI CHOY**  
DIRECTOR (POLICY  
& COMMUNICATIONS)

**MR DECULAN GOH**  
DIRECTOR  
(INVESTIGATIONS)

**MR KHOO KAH BEE**  
DIRECTOR (CORPORATE  
DEVELOPMENT)

**MR ALBERT YEOH**  
GENERAL COUNSEL

**MR TEO CHUN CHING**  
CHIEF EXECUTIVE

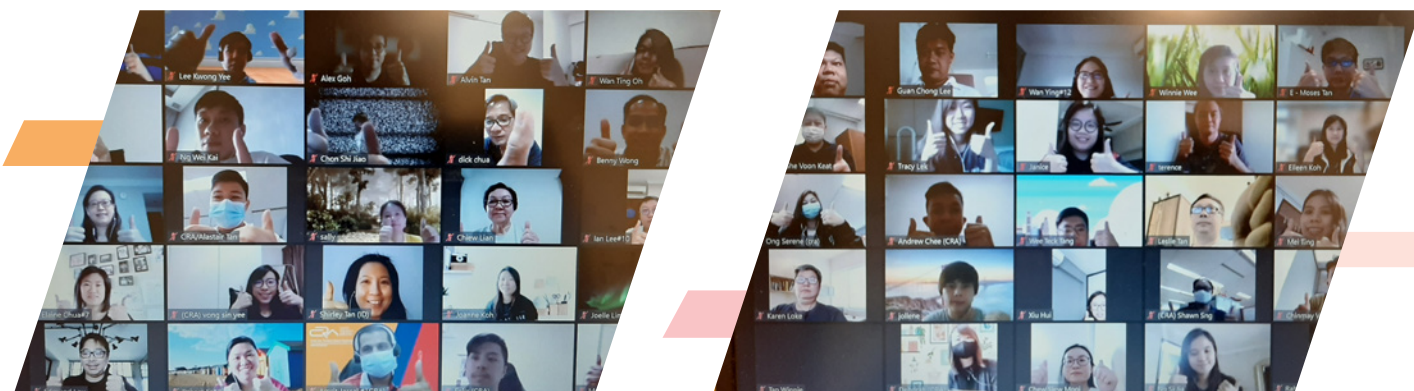
**MR LEE KWONG YEE**  
DIRECTOR (GAMING  
TECHNOLOGY)

**MR LAWRENCE LEE**  
DIRECTOR  
(LICENSING)



# THE CRA EXPERIENCE

## TRANSFORM



CRA officers participating in the virtual WPS 2021.

## Boosting Efficiency with Technology

In FY2020, CRA continued to leverage technology to better support CRA's operations and enhance work efficiency.

Following the successful use of Robotic Process Automation ("RPA") to track and monitor officers' health declarations in 2020, CRA used RPA to extract information from different sources (e.g. FormSG, PDF) to Excel for more efficient data analysis. CRA also revamped our resource booking system so that officers can manage resource bookings efficiently and in a timely manner via their mobile devices at any time. The bookings are also linked to Outlook Calendar for a seamless experience.

With the transition to work-from-home arrangements, manual processes and documents that require signatures were eliminated so that CRA's operations remain unaffected. Invoice certification became a paperless process where digital signatures were used. Such practices resulted in more efficient work processes and savings in man-hours as the routing of documents became a thing of the past.

Building on our experience last year, CRA held another successful virtual Workplan Seminar ("WPS") in April 2021 to engage staff on the upcoming work priorities while keeping to safe management measures amidst the COVID-19 situation. Besides live streaming of workplan presentations, CRA's Chief Executive and Deputy Chief Executives were able to engage CRA officers through a panel discussion.



Panel Discussion during virtual WPS 2021.

# ENGAGE

## Co-Creation of GRA

To provide officers with a sense of ownership, officers were invited to participate in the re-branding of GRA through focus group discussions and at WPS 2021. The virtual setting of WPS did not dampen the spirits of officers, many of whom were excited to share their thoughts and aspirations for GRA, and to co-create GRA's vision and mission. Officers also voted for their favourite GRA corporate logo.

## Building a Future-Ready Workforce

As CRA adjusts to the new normal, learning on the go, and at one's own time and pace have become the new mode of self-directed learning. To ensure that officers continue to invest time in picking up new knowledge and future-ready skillsets, CRA launched various customised Learning Paths, which are curated by our very own officers on a myriad of subjects such as leadership, data analytics and innovation.

These Learning Paths provide useful recommendations on relevant courses and content across various platforms, including LinkedIn Learning, for CRA officers to deepen their knowledge and capabilities on these topics. Such learning and development initiatives complement existing mandatory courses which have been put in place for foundational competencies in data analytics, design-thinking and technology literacy, to better prepare our officers in becoming a future-ready workforce.

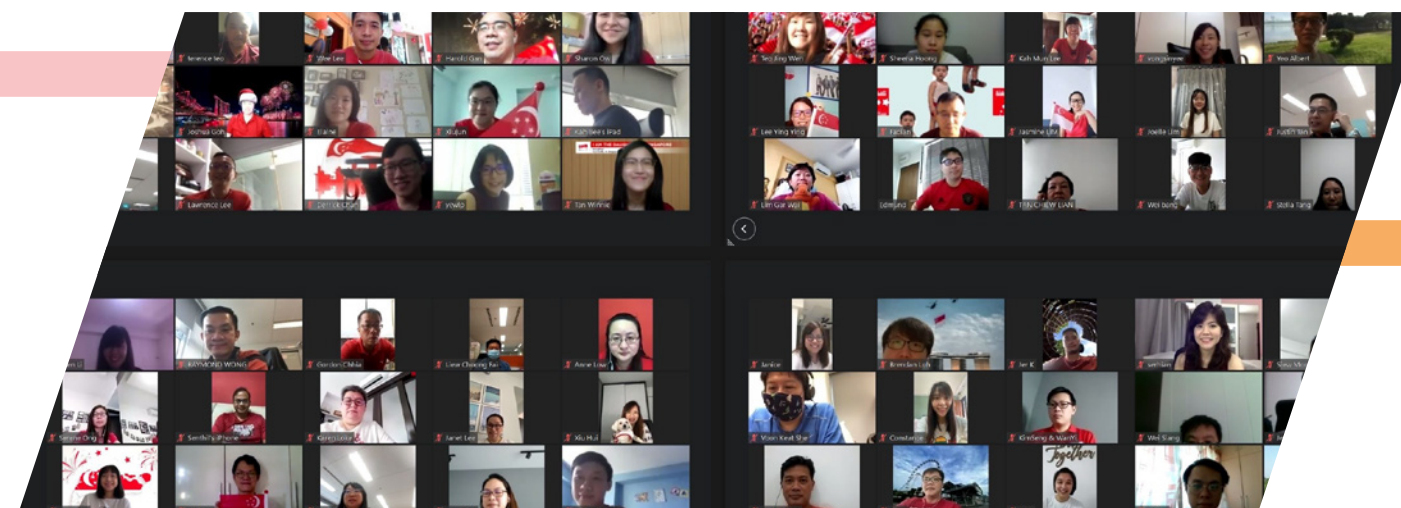


Learning Paths for CRA officers.

## People at the Heart of CRA

Amidst the COVID-19 disruptions and safe distancing measures in place, CRA continued to engage our people through virtual events. We also sustained our commitment to do our part for the community through our Corporate Social Responsibility ("CSR") efforts this year via a virtual auction to raise funds for the less privileged as part of SG Care Giving Week.

Not forgetting to do our part to support CRA's climate change goals, CRA officers also actively posted our "green efforts" on Workplace as part of the "I did a Green Action" Corporate Challenge to share "green" tips and advice with fellow officers.



CRA officers celebrate National Day 2020 virtually together.



# ENGAGE

As part of SG Care Giving Week, CRA participated in one of the Public Service Cares initiatives by holding a virtual auction to raise funds for less privileged families and individuals residing in rental flats.



CRA officers sharing their environmentally friendly actions with fellow colleagues to support CRA's climate change goals.

CRA officers continued to interact with one another and stay engaged via virtual workshops, retreats and team-bonding events. Guests were also invited to give virtual lunchtime talks on self-care such as stress management and cultivating positive thinking.



Team-building activities over virtual platforms.

Officers participating in the virtual Read for Books Charity Drive.

# ENGAGE

## Recognition and Appreciation

### National Day Award ("NDA")

Ms Janet Lee, Manager (Licensing), received the NDA Efficiency Medal in recognition for her outstanding contributions to CRA. With her positive attitude and drive to challenge herself, Ms Lee provided valuable inputs in the preparation of the inspection programme and methodology, helped in the revamp of her branch's standard operating procedures and was the team lead for the transformation to a new internal IT system.



In recognition of her outstanding contributions in CRA, Ms Janet Lee received the NDA Efficiency Medal from CRA's Chief Executive.

### Minister for Home Affairs National Day Award ("MNDA")

Mr Mogan s/o Ramasami, Assistant Manager (Inspection & Compliance), received the MNDA in recognition of his outstanding contributions across various divisions in CRA. With his drive to learn, he was posted from a corporate function to various operational functions in CRA including Enforcement, and Inspection and Compliance. Following the legislative amendments made to the casino entry levy in April 2019, Mr Mogan was a key member of the teams deployed at the casinos to monitor the operationalisation of changes.

### MHA Star Service Award

Ms Lim Gar Wai, Senior Manager (Planning), received the MHA Star Service Award 2020, in recognition of her outstanding contributions and service excellence in 2019. Ms Lim demonstrated care and empathy to her fellow colleagues and strived towards achieving win-win in her engagements on work matters. She is also a key member of CRA's Go Green Guardians, fostering a green environment in CRA.



In recognition of her outstanding contributions and service excellence in 2019, Ms Lim Gar Wai received the MHA Star Service Award from Director (Policy & Communications).

## ENGAGE

### Community Chest SHARE Gold Award

CRA was awarded the Community Chest SHARE Gold Award 2019. This award recognises fund raising efforts by organisations and is awarded to organisations with high participation rate in making regular donations to the Community Chest in FY2019.

### Long Service Award

A total of 24 officers received the 2021 Long Service Award this year. The Long Service Award recognises and appreciates officers' contributions to the Public Service.

### CRA Star Employee Award

Mr Tok Teck Kwan, Senior Assistant Director (Research), Ms Geraldine Yeo, Head (Inspection & Compliance), and Ms Josephine Kok, Senior Manager (Planning) received the 2021 CRA Star Employee Award (Individual). This award is given to officers who have exemplified CRA's values and champion desirable behaviours, encouraging a productive work environment in CRA.

The Infocomm Technology Division received the 2021 CRA Star Employee Award (Team) for their contributions towards facilitating a smooth work-from-home experience for fellow colleagues.

### Virtual Staff Appreciation Event

CRA held an inaugural virtual staff appreciation event to recognise and show appreciation for officers' efforts and commitment towards advancing CRA. Officers embarked on virtual overseas tours and participated in interactive games to win attractive prizes sponsored by the CRA Management.



Screen capture from the virtual overseas tour during the staff appreciation event in June 2021.

## INNOVATE

### Million Hours Challenge

CRA participated in the Public Service's Million Hours Challenge, an initiative which called on public officers to collectively save one million hours of time for our citizens and businesses, by reviewing and improving processes to create better experiences for them.

For 2020, CRA strongly improved upon 2019's achievements and saved more than 2,400 hours by streamlining existing work processes and project optimisation initiatives. CRA officers will continue to adopt an innovative mindset and explore the use of technology to improve work processes and enhance engagements with our stakeholders.

### InvenThink Programme

Since the launch of CRA's InvenThink Programme in September 2019, CRA officers have contributed more than 60 ideas to improve the office environment or their work processes. Six of these ideas were also awarded the inaugural Dare-to-Try award in 2020, which gave recognition to officers who proactively proposed creative and unconventional solutions to challenge the status quo.

A project to implement a cashless process for monies seized for CRA's investigations received the Commendation Award at the Home Team Innovation Award 2020 for contributing to the Government's move towards cashless transactions.

Another project to extend the Special Employee Licence tenure was nominated for the Public Service Transformation Award, for enabling CRA to entrench risk management in CRA's licensing regime.



**InvenThink**

An Innovation Programme By





## ENFORCEMENT ACTIONS

Casino Operator	Relevant Legislation	Breach	Action Taken by CRA
Resorts World at Sentosa Pte. Ltd.	Regulation 8(5) of the Casino Control (Internal Controls) Regulations 2013	Failure to implement a system of internal controls approved by the Authority.	Financial penalty of \$75,000

## FINANCIAL STATEMENTS

# CASINO REGULATORY AUTHORITY OF SINGAPORE

ANNUAL FINANCIAL STATEMENTS 31 MARCH 2021

# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE  
ANNUAL FINANCIAL STATEMENTS 31 MARCH 2021

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CASINO REGULATORY AUTHORITY OF SINGAPORE

## STATEMENT BY CASINO REGULATORY AUTHORITY OF SINGAPORE

In our opinion,

- the accompanying financial statements set out on pages 28 to 54 of the Casino Regulatory Authority of Singapore (the "Authority") are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2021, and the results, 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 "Act"), the Casino Control Act (Cap. 33A) (the "Casino Control Act") and Statutory Board Financial Reporting Standards ("SB-FRS");
- 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, the Casino Control Act and the requirements of any other written law applicable to moneys of or managed by the Authority; and
- 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  
7 July 2021



# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

**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 28 to 54 which comprise the balance sheet as at 31 March 2021, 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 "Act"), the Casino Control Act (Cap. 33A) (the "Casino Control 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 2021 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 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.

CASINO REGULATORY AUTHORITY OF SINGAPORE

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

**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 Act, the Casino Control 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.

# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASINO  
REGULATORY AUTHORITY OF SINGAPORE**

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- 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 Act, the Casino Control 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 Act, the Casino Control 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 Act, the Casino Control Act and the requirement of any other written law applicable to moneys of or managed by the Authority.

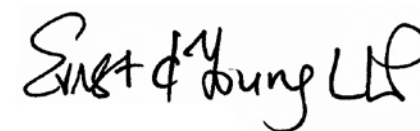
CASINO REGULATORY AUTHORITY OF SINGAPORE

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASINO  
REGULATORY AUTHORITY OF SINGAPORE**

## AUDITOR'S RESPONSIBILITIES FOR THE COMPLIANCE AUDIT (CONT'D)

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

7 July 2021



# FINANCIAL STATEMENTS

## CASINO REGULATORY AUTHORITY OF SINGAPORE

### BALANCE SHEET AS AT 31 MARCH 2021

	Note	2020/2021 \$	2019/2020 \$
<b>Equity</b>			
Capital account	4	36,001,000	36,001,000
Accumulated surplus		41,429,312	37,310,369
<b>Total equity</b>		<b>77,430,312</b>	<b>73,311,369</b>
Represented by:			
<b>Non-current assets</b>			
Plant and equipment	5	6,222,900	6,602,089
Intangible assets	6	2,586,631	2,372,468
Right-of-use assets	14	4,440,278	6,977,579
		13,249,809	15,952,136
<b>Current assets</b>			
Trade and other receivables	7	321,489	2,194,641
Prepaid operating expenses		647,223	413,620
Deposits		732,303	737,634
Cash and cash equivalents	8	123,275,160	164,014,256
		124,976,175	167,360,151
<b>Total assets</b>		<b>138,225,984</b>	<b>183,312,287</b>
<b>Current liabilities</b>			
Trade and other payables	9	5,005,823	4,009,983
Fees received in advance	10	44,635,779	48,202,174
Prepayments received	11	458,839	502,814
Provisions	12	1,904,904	1,235,608
Amount due to parent ministry and other government agencies	13	268,587	116,756
Lease liabilities	14	2,637,526	2,460,376
Provision for contribution to consolidated fund	20	946,254	1,576,432
		55,857,712	58,104,143
<b>Net current assets</b>		<b>69,118,464</b>	<b>109,256,008</b>
<b>Non-current liabilities</b>			
Fees received in advance	10	1,643,835	46,093,150
Provisions	12	1,205,897	1,077,871
Lease liabilities	14	2,088,228	4,725,754
		4,937,960	51,896,775
<b>Total liabilities</b>		<b>60,795,672</b>	<b>110,000,918</b>
<b>Net assets</b>		<b>77,430,312</b>	<b>73,311,369</b>

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

## CASINO REGULATORY AUTHORITY OF SINGAPORE

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2020/2021 \$	2019/2020 \$
<b>Income</b>			
License fees	15	48,000,000	47,863,014
Application fees	15	760,670	849,000
Fines	15	10,000	175,500
		48,770,670	48,887,514
<b>Expenditure</b>			
Expenditure on manpower	16	(23,501,264)	(21,230,321)
Staff welfare and development		(603,648)	(1,152,318)
Rental of premises and others		(35,463)	(23,829)
Maintenance		(2,354,572)	(2,574,854)
Depreciation of plant and equipment	5	(2,022,782)	(1,988,335)
Depreciation of right-of-use assets	14	(2,537,301)	(2,537,301)
Amortisation of intangible assets	6	(887,805)	(750,087)
Utilities		(177,790)	(237,808)
Communications		(466,124)	(442,660)
Management and professional services	17	(10,601,288)	(10,476,564)
Interest on lease liabilities	14	(229,956)	(304,476)
Other operating expenses	18	(1,267,668)	(1,489,930)
		(44,685,661)	(43,208,483)
<b>Operating surplus</b>		<b>4,085,009</b>	<b>5,679,031</b>
Non-operating income	19	1,481,188	3,594,100
<b>Surplus before statutory contribution to consolidated fund</b>		<b>5,566,197</b>	<b>9,273,131</b>
Statutory contribution to consolidated fund	20	(946,254)	(1,576,432)
<b>Surplus for the year, representing total comprehensive income for the financial year</b>		<b>4,619,943</b>	<b>7,696,699</b>

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

# FINANCIAL STATEMENTS

## CASINO REGULATORY AUTHORITY OF SINGAPORE

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Capital account	Accumulated surplus	Total
	\$	\$	\$
Balance as at 1 April 2019	36,001,000	29,613,670	65,614,670
Surplus for the year, representing total comprehensive income for the year	-	7,696,699	7,696,699
Balance as at 31 March 2020 and 1 April 2020	36,001,000	37,310,369	73,311,369
Surplus for the year, representing total comprehensive income for the year	-	4,619,943	4,619,943
Contributions by and distributions to owner:			
Dividend declared (Note 24)	-	(501,000)	(501,000)
Balance as at 31 March 2021	36,001,000	41,429,312	77,430,312

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

## CASINO REGULATORY AUTHORITY OF SINGAPORE

### CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2020/2021 \$	2019/2020 \$
<b>Cash flows from operating activities</b>			
Surplus before statutory contribution to consolidated fund		5,566,197	9,273,131
Adjustments for:			
Depreciation of plant and equipment	5	2,022,782	1,988,335
Amortisation of intangible assets	6	887,805	750,087
Depreciation of right-of-use assets	14	2,537,301	2,537,301
Provision/(reversal) for unutilised leave, net	12	677,521	(146,528)
Provision for retention bonus	12	471,801	411,686
Interest income from short term deposits	19	(1,403,146)	(3,588,925)
Interest on lease liabilities	14	229,956	304,476
<b>Surplus before working capital changes</b>		10,990,217	11,529,563
Operating cash flows before working capital changes:			
(Increase)/decrease in trade and other receivables		(43)	43
Increase in prepaid operating expenses		(233,603)	(23,231)
Decrease/(increase) in deposits		5,330	(290)
Increase/(decrease) in trade and other payables		995,840	(1,550,417)
Decrease in prepayments received		(43,975)	(47,172)
Increase in amount due to parent ministry, net		151,831	337,598
(Decrease)/increase in fees received in advance		(48,015,710)	24,055,577
Payment of retention bonus	12	(352,000)	(522,000)
<b>Cash flows (used in)/generated from operations</b>		(36,502,113)	33,779,671
Contribution to consolidated fund	20	(1,576,432)	(518,282)
Interest received		3,276,341	2,604,717
<b>Net cash flows (used in)/generated from operations</b>		(34,802,204)	35,866,106
<b>Cash flows from investing activities:</b>			
Purchase of plant and equipment	5	(1,858,803)	(2,490,092)
Purchase of intangible assets	6	(886,757)	(689,345)
<b>Net cash flows used in investing activities</b>		(2,745,560)	(3,179,437)
<b>Cash flows from financing activities:</b>			
Dividend paid	24	(501,000)	-
Payment of lease liabilities	14	(2,690,332)	(2,633,226)
<b>Net cash flows used in financing activities</b>		(3,191,332)	(2,633,226)
Net (decrease)/increase in cash and cash equivalents		(40,739,096)	30,053,443
Cash and cash equivalents at beginning at the year		164,014,256	133,960,813
<b>Cash and cash equivalents at end of the year</b>	8	123,275,160	164,014,256

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



# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

### 1. GENERAL

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

The Authority has its registered office and principal place of operation at 460 Alexandra Road, mTower, #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 2021 have been drawn up in accordance with the provisions of the Act and the Statutory Board Financial Reporting Standards ("S8-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 that in the current financial year, the Authority has adopted all the new and amended standards which are relevant to the Authority and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Authority.

CASINO REGULATORY AUTHORITY OF SINGAPORE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 CHANGE IN ACCOUNTING POLICIES (CONT'D)

##### Standards issued but not yet effective

The Authority has not adopted the following standards and interpretations that have been issued but not yet effective:

<i>Description</i>	<b>Effective for annual periods beginning on or after</b>
Amendments to SB-FRS 16 <i>Property, Plant and Equipment</i> : Proceeds before Intended Use	1 January 2022
Amendments to SB-FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> : Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SB-FRSs 2018-2020	1 January 2022
Amendments to SB-FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023

The Authority expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

#### 2.3 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### *2.4 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" as disclosed in Note 18.

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 straightline 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.

### *2.5 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### *2.5 INTANGIBLE ASSETS (CONT'D)*

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.

### *2.6 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.

### *2.7 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.

# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### **2.7 FINANCIAL ASSETS (CONT'D)**

#### *Subsequent measurement*

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

#### *Debt instruments at amortised cost*

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.

### **2.8 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.

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### **2.9 TRADE AND OTHER RECEIVABLES**

Trade and other receivables are classified and accounted for as financial assets at amortised cost under SB-FRS 109.

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 2.10 below.

### **2.10 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.

### **2.11 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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### *2.11 FINANCIAL LIABILITIES (CONT'D)*

#### *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.

### *2.12 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.

### *2.13 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### *2.13 EMPLOYEE BENEFITS (CONT'D)*

#### *(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.

### *2.14 LEASES*

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Authority as a lessee*

The Authority applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Authority recognises lease liabilities representing the obligation to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

#### *(i) Right-of-use assets*

The Authority recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office Premises	4 years
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The right-of-use assets are also subject to impairment. The accounting policies for impairment is disclosed in Note 2.6 *Impairment of non-financial assets*.

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include penalties for terminating the lease, if the lease term reflects the Authority exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### **2.14 LEASES (CONT'D)**

*Authority as a lessee (cont'd)*

(ii) *Lease liabilities (cont'd)*

In calculating the present value of lease payments, the Authority uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Authority's lease liabilities are included in Note 14 Leases.

### **2.15 INCOME RECOGNITION**

Income is recognised when the Authority satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

Income is recognised as follows:

(a) *Casino licence fees*

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.

(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.

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### **2.16 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.

### **2.17 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.

### **2.18 CAPITAL**

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

# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

## 4. CAPITAL ACCOUNT

	2020/2021		2019/2020	
	Number of Shares	\$	Number of Shares	\$
<b>Issued and paid up:</b>				
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.

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 5. PLANT AND EQUIPMENT

	Plant and machinery	Renovation	Furniture, fittings, tools and equipment	Heritage assets	Construction -in-progress	Total
	\$	\$	\$	\$	\$	\$
<b>Cost:</b>						
At 1 April 2019	308,437	2,843,632	13,856,715	130,964	112,904	17,252,652
Additions	-	-	2,274,881	-	215,211	2,490,092
Reclassifications	-	(460)	460	-	-	-
Transfer to intangible assets (Note 6)	-	-	-	-	(112,904)	(112,904)
Disposals	-	(8,010)	(1,385,134)	-	-	(1,393,144)
At 31 March 2020 and 1 April 2020	308,437	2,835,162	14,746,922	130,964	215,211	18,236,696
Additions	-	-	493,851	-	1,364,952	1,858,803
Transfer to intangible assets (Note 6)	-	-	-	-	(215,211)	(215,211)
Disposals	-	-	(7,627)	-	-	(7,627)
At 31 March 2021	308,437	2,835,162	15,233,146	130,964	1,364,952	19,872,661
<b>Accumulated depreciation:</b>						
At 1 April 2019	236,753	2,843,172	7,959,491	-	-	11,039,416
Depreciation for the year	10,818	-	1,977,517	-	-	1,988,335
Disposals	-	(8,010)	(1,385,134)	-	-	(1,393,144)
At 31 March 2020 and 1 April 2020	247,571	2,835,162	8,551,874	-	-	11,634,607
Depreciation for the year	10,818	-	2,011,964	-	-	2,022,782
Disposals	-	-	(7,627)	-	-	(7,627)
At 31 March 2021	258,389	2,835,162	10,556,211	-	-	13,649,762
<b>Carrying amount:</b>						
At 31 March 2021	50,048	-	4,676,937	130,964	1,364,952	6,222,900
At 31 March 2020	60,866	-	6,195,048	130,964	215,211	6,602,089



# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 6. INTANGIBLE ASSETS

	Computer Software \$
<b>Cost:</b>	
At 1 April 2019	5,545,191
Additions	689,345
Transfer from plant and equipment (Note 5)	112,904
	<hr/>
At 31 March 2020 and 1 April 2020	6,347,440
Additions	886,757
Disposals	(5,103)
Transfer from plant and equipment (Note 5)	215,211
	<hr/>
At 31 March 2021	7,444,305
	<hr/>
<b>Accumulated amortisation:</b>	
At 1 April 2019	3,224,885
Amortisation for the year	750,087
	<hr/>
At 31 March 2020 and 1 April 2020	3,974,972
Amortisation for the year	887,805
Disposals	(5,103)
	<hr/>
At 31 March 2021	4,857,674
	<hr/>
<b>Carrying amount:</b>	
At 31 March 2021	2,586,631
	<hr/>
At 31 March 2020	2,372,468
	<hr/>

## 7. TRADE AND OTHER RECEIVABLES

	2020/2021 \$	2019/2020 \$
Interest receivable	321,489	2,194,641

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 8. CASH AND CASH EQUIVALENTS

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

	2020/2021 \$	2019/2020 \$
Cash maintained with Accountant-General's Department ("AGD")	123,275,160	164,014,256

Included in the cash and cash equivalents are:

- (i) an amount of \$4,143,279 (2019/2020: \$823,621) which does not earn any interest.
- (ii) the remaining balance of \$119,131,881 (2019/2020: \$163,190,635) 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 0.28% to 1.52% (2019/2020: 1.67% to 2.13%) per annum.

## 9. TRADE AND OTHER PAYABLES

	2020/2021 \$	2019/2020 \$
Trade payables	1,330,459	347,830
Other payables	1,134,585	1,399,660
Accrued operating expenses	2,540,779	2,262,493
	<hr/>	<hr/>
	5,005,823	4,009,983
	<hr/>	<hr/>

Trade payables and other payables are non-interest bearing. Trade payables are normally settled on a 30-days term (2019/2020: 30 days). Other payables mainly relate to liabilities for capital expenditure.

## 10. FEES RECEIVED IN ADVANCE

	Current \$	Non-current \$	Total \$
<b>2020/2021</b>			
Application fees	186,464	-	186,464
Casino license fees	44,449,315	1,643,835	46,093,150
	<hr/>	<hr/>	<hr/>
	44,635,779	1,643,835	46,279,614
	<hr/>	<hr/>	<hr/>
<b>2019/2020</b>			
Application fees	202,174	-	202,174
Casino license fees	48,000,000	46,093,150	94,093,150
	<hr/>	<hr/>	<hr/>
	48,202,174	46,093,150	94,295,324
	<hr/>	<hr/>	<hr/>

# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 10. 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 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 \$48,015,710 (2019/2020: \$25,588,259).

## 11. PREPAYMENTS RECEIVED

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

## 12. PROVISIONS

	Current \$	Non-current \$	Total \$
<b>2020/2021</b>			
Financial liabilities:			
Provision for retention bonus	327,057	636,122	963,179
Provision for unutilised leave	1,577,847	-	1,577,847
Non-financial liabilities:			
Provision for reinstatement cost	-	569,775	569,775
<b>Total</b>	<b>1,904,904</b>	<b>1,205,897</b>	<b>3,110,801</b>
<b>2019/2020</b>			
Financial liabilities:			
Provision for retention bonus	335,282	508,096	843,378
Provision for unutilised leave	900,326	-	900,326
Non-financial liabilities:			
Provision for reinstatement cost	-	569,775	569,775
<b>Total</b>	<b>1,235,608</b>	<b>1,077,871</b>	<b>2,313,479</b>

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

	2020/2021 \$	2019/2020 \$
At 1 April	843,378	953,692
Provision for the financial year	471,801	411,686
Payment made during the financial year	(352,000)	(522,000)
<b>At 31 March</b>	<b>963,179</b>	<b>843,378</b>

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 12. 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:

	2020/2021 \$	2019/2020 \$
At 1 April	900,326	1,046,854
Provision/(reversal) for the financial year	628,450	(146,528)
Provision utilised	49,071	-
	<b>1,577,847</b>	<b>900,326</b>

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

	2020/2021 \$	2019/2020 \$
At 1 April 2021 and 31 March 2020	<b>569,775</b>	<b>569,775</b>

## 13. AMOUNT DUE TO PARENT MINISTRY AND OTHER GOVERNMENT AGENCIES

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

## 14. LEASES

Authority as a lessee

The Authority has lease contracts for office premises. The Authority's obligations under these leases are secured by the lessor's title to the leased assets.

### (a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Office Premises \$
At 1 April 2019	9,514,880
Depreciation	(2,537,301)
<b>At 31 March 2020 and 1 April 2020</b>	<b>6,977,579</b>
Depreciation	(2,537,301)
<b>At 31 March 2021</b>	<b>4,440,278</b>

# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 14. LEASES (CONT'D)

Authority as a lessee (cont'd)

### (b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020/2021 \$	2019/2020 \$
<b>At 1 April</b>	7,186,130	9,514,880
Accretion of interest	229,956	304,476
Payments	(2,690,332)	(2,633,226)
<b>At 31 March</b>	4,725,754	7,186,130
Current	2,637,526	2,460,376
Non-current	2,088,228	4,725,754

### (c) Others

The following are the amounts recognised in profit or loss:

	2020/2021 \$	2019/2020 \$
Depreciation of right-of-use assets	2,537,301	2,537,301
Interest on lease liabilities	229,956	304,476
<b>Total amount recognised in profit or loss</b>	2,767,257	2,841,777

### (d) Total cash outflow

The Authority had total cash outflows for leases of \$2,690,332 (\$2,633,226 in 2019/2020).

A reconciliation of liabilities arising from the Authority's financing activities are as follows:

	1 April 2020	Non-cash changes		Cash flows	31 March 2021
	\$	Interest \$	Other* \$	\$	\$
<b>Lease liabilities</b>					
Current	2,460,376	229,956	2,637,526	(2,690,332)	2,637,526
Non-current	4,725,754	-	(2,637,526)	-	2,088,228
<b>Total lease liabilities</b>	7,186,130	229,956	-	(2,690,332)	4,725,754

\* The "Other" column relates to reclassification of non-current portion of obligations under lease liabilities to passage of time.

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 15. INCOME

	2020/2021 \$	2019/2020 \$
License fees	48,000,000	47,863,014
Application fees	760,670	849,000
Fines	10,000	175,500
	48,770,670	48,887,514
Timing of transfer of services	770,670	1,024,500
- At a point in time	48,000,000	47,863,014
- Over time	48,770,670	48,887,514

## 16. EXPENDITURE ON MANPOWER

	2020/2021 \$	2019/2020 \$
Employee benefits expense (including key management personnel):		
Salaries, allowances and bonuses	20,986,665	18,420,086
Defined contribution plans	2,514,599	2,810,235
	23,501,264	21,230,321
<b>Compensation of key management personnel</b>		
Salaries, bonuses and other allowances	2,810,724	2,775,150
Defined contribution plans	386,673	345,442
<b>Total compensation paid to key management personnel</b>	3,197,397	3,120,592

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.

## 17. MANAGEMENT AND PROFESSIONAL SERVICES

	2020/2021 \$	2019/2020 \$
Computer services	3,172,859	3,017,111
Other professional services	5,380,641	5,491,933
Board fees	177,496	157,485
Others	1,870,292	1,810,035
	10,601,288	10,476,564



# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 17. MANAGEMENT AND PROFESSIONAL SERVICES (CONT'D)

Management and professional services mainly relate to IT services and manpower costs, and casino social safeguards costs amounting to \$5,630,032 and \$1,167,348 (2019/2020: \$5,789,082 and \$1,179,532) paid/payable to Ministry of Social and Family Development ("MSF") and Government Technology Agency ("GovTech"), respectively.

## 18. OTHER OPERATING EXPENSES

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

	2020/2021 \$	2019/2020 \$
Plant and equipment expensed off	52,275	189,821
Intangible assets expensed off	13,059	12,536
Goods and services tax expensed off	1,013,028	1,085,738

## 19. NON-OPERATING INCOME

	2020/2021 \$	2019/2020 \$
Interest income from short term deposits	1,403,146	3,588,925
Others	78,043	5,175
	1,481,188	3,594,100

## 20. STATUTORY CONTRIBUTION TO CONSOLIDATED FUNDS

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 MS/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 2021.

During the financial year, management paid statutory contribution of \$1,576,432 (2019/2020: \$518,282).

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

	2020/2021 \$	2019/2020 \$
Surplus of the Authority before statutory contribution to consolidated fund	5,566,197	9,273,131
Contribution payable at 17% (2019/2020: 17%)	946,254	1,576,432

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 21. COMMITMENTS AND CONTINGENCIES

The Authority is given the flexibility to lease for the use of computer equipment under GovTech's 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.

## 22. 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, trade and other payables, as well as accruals and provisions 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.

# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (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 is required to pay.

	Note	On demand or within 1 year \$	Between 2 to 5 years \$	Total \$
<b>2020/2021</b>				
Trade and other payables	9	5,005,823	-	5,005,823
Provision for retention bonus	12	327,057	636,122	963,179
Provision for unutilised leave	12	1,577,847	-	1,577,847
Amount due to parent ministry and other government agencies	13	268,587	-	268,587
Lease Liabilities	14	2,788,751	2,138,148	4,926,899
		<u>9,968,065</u>	<u>2,774,270</u>	<u>12,742,335</u>
	Note	On demand or within 1 year \$	Between 2 to 5 years \$	Total \$
<b>2019/2020</b>				
Trade and other payables	9	4,009,983	-	4,009,983
Provision for retention bonus	12	335,282	508,096	843,378
Provision for unutilised leave	12	900,326	-	900,326
Amount due to parent ministry and other government agencies	13	116,756	-	116,756
Lease liabilities	14	2,690,332	4,926,899	7,617,231
		<u>8,052,679</u>	<u>5,434,995</u>	<u>13,487,674</u>

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 23. 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 to parent ministry and other government agencies, deposits, trade and other payables

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

#### Lease Liabilities

The carrying amounts of lease liabilities approximate their fair values as its incremental borrowing rate ("IBR") used to measure lease liabilities is based on the Cost of Capital for ministries as determined by the Ministry of Finance (MOF), a ministry of the Government of Singapore.

#### 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	2020/2021 \$	2019/2020 \$
<b>Financial assets at amortised cost</b>			
Trade and other receivables	7	321,489	2,194,641
Deposits		732,304	737,634
Cash and cash equivalents	8	123,275,160	164,014,256
		<u>124,328,953</u>	<u>166,946,531</u>
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	9	5,005,823	4,009,983
Provision for retention bonus	12	963,179	843,378
Provision for unutilised leave	12	1,577,847	900,326
Amount due to parent ministry	13	268,587	116,756
Lease liabilities	14	4,725,754	7,186,130
		<u>12,541,190</u>	<u>13,056,573</u>

# FINANCIAL STATEMENTS

CASINO REGULATORY AUTHORITY OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 24. DIVIDEND

	2020/2021 \$	2019/2020 \$
Declared and payable during the financial year: Final exempt (one-tier) dividend for 2020/2021: 0.0139 cents (2019/2020: nil cents) per share	501,000	-

## 25. 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.

## 26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

### Coronavirus

The management will continuously assess the situation and review the impact of COVID-19 on the Authority and will take appropriate action as required.

### Establishment of Gambling Regulatory Authority (GRA)

During the financial year, on 3 April 2020, the Ministry of Home Affairs released a press statement announcing that they will expand the mandate of the Authority, by reconstituting the Authority to establish the Gambling Regulatory Authority ("GRA").

The reconstitution plan of the Authority and establishment of GRA has not yet been finalised at this stage, accordingly the related impact on the Authority could not be determined yet.

## 27. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Authority for the year ended 31 March 2021 were authorised for issue by the members of its Board on 7 July 2021.





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