



# ANNUAL REPORT 2019/ 2020

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# CHAIRMAN'S FOREWORD



TAN TEE HOW  
CHAIRMAN

## INTRODUCTION

In April 2020, the Ministry of Home Affairs ("MHA") announced that CRA would take on the regulation of all gambling in Singapore. This planned expansion of role presents CRA officers with an exciting journey ahead, as they work towards fulfilling the core mission amidst challenges posed by a post COVID-19 world.

## COVID-19

The COVID-19 pandemic has severely impacted the global economy and caused major disruptions to the lives and livelihood of people all over the world. The casino industry is not insulated from the challenges posed by COVID-19. Across the world, from Macau to Las Vegas, casinos temporarily ceased operations to stem the spread of the virus. In Singapore, the casinos - Marina Bay Sands ("MBS") and Resorts World Sentosa ("RWS") were closed from April to June as part of Singapore's measures to reduce the risk of virus transmission.

Based on revised estimates by the Ministry of Trade and Industry released in August 2020, Singapore's gross domestic product is forecasted to shrink between 5 and 7 per cent for the year, with a significant degree of uncertainty over the trajectory of economic recovery for both global and Singapore economies. Even as the Integrated Resorts gradually resumed operations from July, the recovery is expected to be sluggish as travel restrictions remained in place for many countries.

Beyond financial impact, COVID-19 will also significantly impact how MBS and RWS run their casino operations as they adapt their businesses to adhere to the Government's health advisories and move towards a less interactive and more contactless gaming environment. While ensuring that our regulatory framework and policies do not impede the casino operators, CRA will continue to exercise strong oversight and supervision over them, so that the robust regulatory framework which the Government has implemented continues to deter gambling-related crimes and contain the social ills of casino gambling.

## SAFEGUARDING SINGAPOREANS

Since the casinos opened in 2010, the probable problem and pathological gambling rate has decreased from 2.6% to 0.9% in 2017. This suggests that the social safeguards have been effective. To ensure that Singaporeans continue to be protected against the potential harms of casino gambling, Government increased the entry levy by 50% in April 2019. One year after the increase, visits made by Singapore Citizens and Permanent Residents ("SCPRs") dropped to 2.7% of local adult population in FY2019 from 4.0% in FY2018. CRA will continue to work closely with the Ministry of Social and Family Development ("MSF") and National Council on Problem Gambling ("NCPG") to ensure that the effectiveness of social safeguards is maintained.

## EMERGING TRENDS IN THE GAMBLING LANDSCAPE

The disruptions caused by COVID-19 further underscored the importance for an agile CRA to react swiftly to meet any future regulatory challenge and to effectively operate in a fast-changing environment. The emerging trends that will have significant impact on the gambling landscape include:

- a. Technology has increased the accessibility of gambling products, as people can now gamble at their convenience anywhere and anytime through the internet and mobile devices. This will in turn drive the growth of online gambling.
- b. A change in customer preferences has given rise to new forms of gambling as businesses evolve to suit such new preferences. This has resulted in the convergence between gambling and gaming with gambling elements being introduced in products that were traditionally not seen in gambling, such as loot boxes in video games.
- c. The growing popularity of eSports among youths and the corresponding rise in global viewership for such events may also result in the increased prevalence of eSports betting, which will be a cause for concern in many jurisdictions.

## TRANSFORMATION OF CRA INTO A GAMBLING REGULATOR

To address these new trends and ensure the effectiveness of Singapore's gambling regulatory regime, CRA would be reconstituted in 2021 to oversee the entire gambling landscape as the Gambling Regulatory Authority ("GRA").

CRA is well-placed to take on the greater responsibilities as we embark on this transformational journey. Since CRA's establishment in 2008, CRA has rapidly built up the requisite knowledge and sharpened our regulatory acumen and operational capabilities to establish a strong casino regulatory regime. The reconstituted agency will be able to draw on CRA's rich experiences in regulating the casinos, and its extensive network of international partners, while pooling together expertise in other forms of gambling regulation from other government agencies such as the Gambling Regulatory Unit within MHA.

Having comprehensive transformation plans alone is not sufficient. To ensure a successful transformation to GRA, it is also essential that our officers have a strong transformative mindset, where they possess the drive and will to try out new ways of doing things even when the existing ways are working well. It is one where our people learn, un-learn and re-learn in order to do better.

## STRENGTHENING PARTNERSHIPS AND DEVELOPING OUR PEOPLE

Today, CRA is recognised internationally as a credible and effective regulator, with an extensive network of international partners. As we gear up and prepare ourselves to regulate more gambling operators and products, CRA will build upon the factors which have been critical to our success thus far. We will continue to forge impactful collaborations and develop strong ties with our valued partners to allow our officers to gain new insights from best practices and collectively enhance the standards of gambling regulation.

Within CRA, our officers must be future-ready and keep abreast of global and technological developments to ensure that our policies remain effective and relevant. In particular, CRA will continue to develop an effective and engaged workforce through learning and development. Every officer will possess strong acumen, be agile and digitally adept.

## CONCLUSION

As we forge ahead in becoming the national gambling regulator, our officers must continue to bear to heart the Government's concerns about the potential law and order, and social issues that gambling may cause. We look forward to continuing our close working relationships with the Singapore Police Force, MSF and NCPG to protect Singaporeans and uphold the public's trust, as we move into new terrains and take on new challenges. I am confident that our officers will be able to step up to transform CRA and lead the organisation to even greater heights.

# CHIEF EXECUTIVE'S MESSAGE



TEO CHUN CHING  
CHIEF EXECUTIVE

## INTRODUCTION

2020 has been an eventful year for CRA as we made significant progress on CRA's transformation journey and also started preparations to assume greater regulatory responsibilities as the national gambling regulator in 2021. The year will also be well-remembered as one where public officers, including CRA officers, respond to the call of duty and come together to work as "One Public Service" in the nation's fight against COVID-19.

## CRA'S RESPONSE TO COVID-19

During the challenging COVID-19 period, I am heartened to see CRA officers step up to support the national response by ensuring that comprehensive measures are in place to ensure safety, security and public health. As part of the Home Team, CRA officers assisted in contact tracing operations and supported investigation efforts into breaches of Stay Home Notices. In addition, CRA officers have selflessly stepped forward to volunteer for various government initiatives such as Safe Distancing Ambassadors and Enforcement Officers, and Dormitory Management Support.

This unprecedented situation has impacted many operational models and challenged every public agency to swiftly implement new processes to ensure business continuity and more importantly, to meet critical operational needs and objectives. Even as public service agencies re-open their workplaces and resume public services, we need to fundamentally re-think and adjust our processes and operations so that we can better achieve our mission in the post-COVID-19 environment. Technology has been a key enabler in this regard. In light of the need for safe distancing, CRA has started to leverage technology to interview Special Employee Licence applicants. We have also developed and deployed Robotic Process Automation ("RPA") to automate processes related to temperature and health declarations. More significantly, to ensure that we continue to engage CRA officers, we held our annual Workplan Seminar in April virtually for the first time via live streaming.

## SUPERVISION OVER THE CASINO INDUSTRY

Understanding and anticipating changes to the casino industry are key to ensuring that CRA continues to accomplish our regulatory objectives. Prior to COVID-19, casino operators worldwide had looked to technological innovations to refresh their product offerings and enhance the customer experience to distinguish themselves from competition. The emergence of COVID-19 will certainly bring about greater changes to the industry as casino operators redesign their processes to effectively operate under a "new normal". Social distancing and preventive measures such as contactless interactions will deeply impact casino operations from how security checks are performed to how gaming equipment are handled, and games are conducted. We must thus remain vigilant and be attuned to the latest trends in order to tighten our policies where necessary to ensure our regulatory regime remains effective.

CRA continues to adopt a firm stance towards regulatory compliance. In FY 2019, CRA imposed financial penalties totalling \$165,000 on the two casino operators for breaches of CRA's regulatory requirements. The casino operators have since enhanced their measures to prevent future breaches. CRA will continue to monitor the casino operators' efforts in this area.

## DIGITAL AND PROCESS TRANSFORMATION

The transformation of work processes in CRA continues to be a key priority as we embark on the journey to become a national gambling regulator. Over the past year, we have invested further efforts to enhance our capabilities and decision-making through the use of smart technology. For instance, we implemented the Platform for Reports and Inquiries Management ("PRISM") which is a centralised reporting platform that integrates with existing IT systems to ensure that information submitted by the casino operators through PRISM is promptly updated in a coordinated approach across other IT systems. This is done through features such as rules-based processing and routing functions. Additionally, as part of our strategy to harness data to gain deeper insights on casino operations and improve our regulatory oversight, CRA is working to deploy IT solutions and data visualisation tools for officers to facilitate data collection, processing, integration and analysis.

## WORKFORCE TRANSFORMATION

In addition to digital and process transformation, CRA recognises the need to focus on the most critical success factor of our transformation journey - our people. To prepare our officers to be digitally adept and agile, we focused our training and development in building future-ready and enabling skills and capabilities such as data analytics and RPA. Despite the lack of classroom training and travel restrictions, our officers continue to learn on-the-go, leveraging e-learning and virtual classrooms, and participating in international gambling webinars to stay connected with the international community and keep up-to-date with emerging trends and challenges in the industry. As part of our efforts to develop and groom the next generation of leadership within CRA, we embarked on a 360-feedback exercise for middle management which was supplemented with other developmental interventions such as individualised coaching sessions.

It is crucial that CRA's transformation journey is underpinned by a strong organisational culture which is open and innovative, and officers who are empowered and engaged in co-creating and shaping the desired outcomes. With this in mind, CRA developed an Innovation Framework. Known internally as the InvenThink programme, one of the key aspects is that officers are empowered to give ideas to improve the work environment or processes. Every idea would be considered by CRA senior management, signalling the importance that we place on every officer's contribution. I am delighted to witness how the creativity of our people bore fruit as we implemented many ideas to make CRA more effective and a better workplace for everyone.

Beyond process improvements, we instituted various platforms to allow officers to feel engaged and to co-create a refreshed identity as a national gambling regulator. A Go-Green committee, comprising officers who are passionate about protecting the environment, was formed to foster a green work environment and promote environment awareness. These Go-Green guardians help to drive green initiatives within CRA, such as the CRA Energy Saving Competition. Officers are also encouraged to be part of a re-visioning exercise to shape the vision and values as we transit to become GRA.

## CONCLUSION

The coming months will be exciting yet challenging as we navigate through uncharted waters arising from COVID-19 related developments while staying true to our mission. As we continue to make significant progress in our transformation and preparations to become a national gambling regulator, I am confident that CRA officers will be unwavering in their commitment to the Public Service ethos and to safeguard Singaporeans from the potential harms of gambling. I look forward to working with every officer to co-create an even greater legacy as an effective and trusted gambling regulator.

# 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

# BOARD MEMBERS IN FY 2019



**CHAIRMAN**  
**MR TAN TEE HOW**

Deputy Chairman  
National Healthcare Group



**MEMBER**  
**MR CHAN BOON FUI**

Group Director, Active Mobility  
Active Mobility Group  
Land Transport Authority



**MEMBER**  
**MR CHUA KIM LENG**

Board Director  
United Overseas Insurance Ltd



**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 DAVID WONG**

Chairman  
Republic Polytechnic



**MEMBER**  
**MS FLORENCE CHUA**

Deputy Commissioner of Police  
Singapore Police Force



**MEMBER**  
**MR GERALD SINGHAM**

Deputy Managing Partner  
Dentons Rodyk & Davidson LLP



**MEMBER**  
**MR SAM SIM TZI YONG**

Senior Advisor, Vienna University  
Global Tax Policy Centre  
Member, International Association  
of Tax Judges



**MEMBER**  
**MR SHAM SABNANI**

General Counsel & VP for  
Communications  
Bridgestone Asia Pacific Pte Ltd



**MEMBER**  
**MS SHARON JOANNE OOI**

CEO  
Swiss Re Australia & New Zealand



**MEMBER**  
**MR KHOO BOON HUI**

Senior Fellow  
Civil Service College



**MEMBER**  
**MS KRISTY TAN**

Senior Director, Advocacy Group  
Attorney-General's Chambers



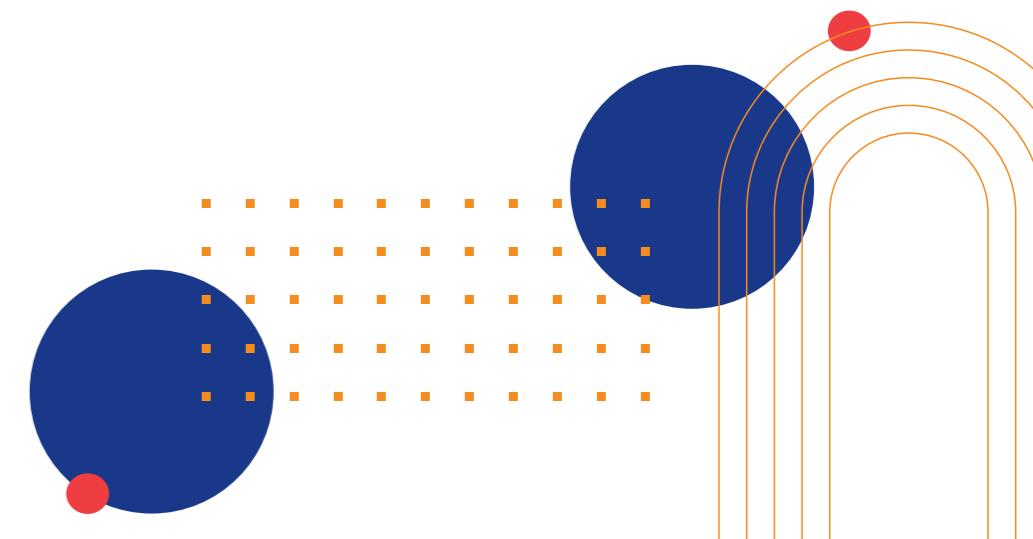
**MEMBER**  
**MR LAU PEET MENG**

Director  
Ministry of Defence



**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 KHOO KAH BEE  
DIRECTOR, CORPORATE  
DEVELOPMENT

MR HAROLD GAN  
DIRECTOR, INSPECTION  
& COMPLIANCE

MR ALBERT YEO  
GENERAL  
COUNSEL

MR LEE KWONG YEE  
DIRECTOR, GAMING  
TECHNOLOGY

MS YEO PIA JEE  
GROUP DIRECTOR,  
OPERATIONS

MR TEO CHUN CHING  
CHIEF EXECUTIVE

MR EE KIAM KEONG  
DIRECTOR, INFOCOMM  
TECHNOLOGY

MS GINGGI CHOY  
DIRECTOR, POLICY  
AND COMMUNICATIONS

MR LAWRENCE LEE  
DIRECTOR,  
LICENSING

MR DECULAN GOH  
DIRECTOR,  
INVESTIGATIONS



# ENGAGE

## DEEPENING KNOWLEDGE CAPABILITIES

As part of CRA's strategy of developing a future-ready work force, CRA officers regularly attend various training conferences overseas such as ICE London and Global Gaming Expo to widen our horizons and gain deeper insights into relevant issues and developments impacting the gambling and regulatory landscape.

While many of such conferences have been cancelled or postponed amidst the disruptions caused by COVID-19, CRA officers remained steadfast in achieving our learning and development goals by exploring other available modes of training resources, such as through online webinars and e-learning modules.

## PEOPLE AT THE HEART OF CRA

Besides competency building, we also engage our people through various events and people-oriented initiatives such as team and divisional bonding activities to promote cohesion, as well as encourage officers to give back to the community through our Corporate Social Responsibility efforts or by doing our part to ensure the sustainability of our environment for future generations of Singaporeans.



CRA officers volunteered at Silver Circle (Fengshan) to organise a mini fun-and-games carnival for the elderly in December 2019.



CRA officers having fun at the CRA Family Day 2019.



CRA officers at the Home Team Festival 2019 ("HTF 2019").



Engaging members of the public at CRA's booth during HTF 2019.



The Go Green Guardians drive corporate-wide initiatives to support CRA's climate action goals.



The Go Green Guardians

## RECOGNITION AND APPRECIATION

### NATIONAL DAY AWARD ("NDA")

In recognition of his contributions to the Public Service through his tenure as the Chairman of the National Crime Prevention Council, CRA Board Member, Mr Gerald Singham received the Public Service Star (Bar) award.

In recognition of his contributions to the Public Service of at least 25 years of service and for his irreproachable character, CRA Board Member, Mr Lau Peet Meng received the Long Service Medal.

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

Mr Tan Wee Lee, Head (Inspection & Compliance), received the Commendation Medal for his contributions to CRA's regulatory work. Mr Tan was involved in developing the first Casino Licence Application System to support the submission and processing of licensing applications, developing the training framework for the Investigations Division, and planning and implementing casino ground deployment in CRA.

Ms Nur Athirah, Senior Executive (Research), received the Efficiency Medal for her contributions to various projects aimed towards allowing CRA to derive meaningful insights from data and to make informed decisions to achieve CRA's regulatory objectives. Ms Athirah was involved in designing and creating databases, program queries and reports used for operational analysis and management reporting, and training officers on the use of business intelligence and business analytics tools.

## NATIONAL DAY AWARDS INVESTITURE 2019 MINISTRY OF HOME AFFAIRS



Mr Tan Wee Lee receiving the Commendation Medal from Mr K Shanmugam, Minister for Home Affairs and Minister for Law.

## NATIONAL DAY AWARDS INVESTITURE 2019 MINISTRY OF HOME AFFAIRS



Ms Nur Athirah receiving the Efficiency Medal from Mr K Shanmugam, Minister for Home Affairs and Minister for Law.

# THE CRA EXPERIENCE

## MINISTER FOR HOME AFFAIRS NATIONAL DAY AWARD (“MND”)

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



*CRA Board Member, Mr Ng Chong Khim 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.*

Ms Marion Ng, Senior Manager (Investigations), received the MND in recognition of her contributions as a key member of the pioneer team that saw through the drafting and operationalisation of the Remote Gambling Act during her secondment to the Gambling Regulatory Unit in the Ministry of Home Affairs. She was in charge of developing the assessment framework for assessing applications for exemption under the RGA and putting in place processes and structures for the unit to function efficiently and effectively.



*Ms Marion Ng and Chief Executive Teo Chun Ching at the Home Team National Observance Ceremony 2019, where she received the MND.*

## MINISTRY OF HOME AFFAIRS STAR SERVICE AWARD

Ms Cheryl Foo of the Licensing Division received the 2019 Ministry of Home Affairs Star Service Award, in recognition of her outstanding contributions and service excellence in 2018. Ms Foo received the award in recognition of her work excellence in day-to-day operations, and in strengthening structures and processes for CRA's licensing functions. Ms Foo also spearheaded initiatives to promote staff wellbeing and cohesion.



*In recognition of her outstanding contributions and service excellence in 2018, Ms Cheryl Foo received the Ministry of Home Affairs Star Service Awards.*



## COMMUNITY CHEST SHARE GOLD AWARD

CRA was awarded the Community Chest SHARE Gold Award 2018. This award recognises fund raising efforts by organisations and is awarded to organisations with high participation rate in making regular donations to Community Chest.



## LONG SERVICE AND SPECIAL APPRECIATION AWARDS

A total of 31 and 3 officers received the Long Service Award and Special Appreciation Award respectively this year. The Long Service Award recognises and appreciates officers' contributions to the Public Service. The Special Appreciation Award recognises and appreciates officers who continue to work and contribute to CRA after retiring at the national retirement age of 62.

## CRA STAR EMPLOYEE AWARD

Ms Lim Gar Wai and Ms Amelia Swee received the CRA Star Employee Award 2020. This award is given to officers who have exemplified CRA's values.

## INNOVATE

### EMBRACING TECHNOLOGY TO CONTINUE STAFF ENGAGEMENTS

Prior to COVID-19, CRA held regular organisation-wide sharing and internal engagement sessions to keep officers up to date on the latest developments in the gambling landscape.

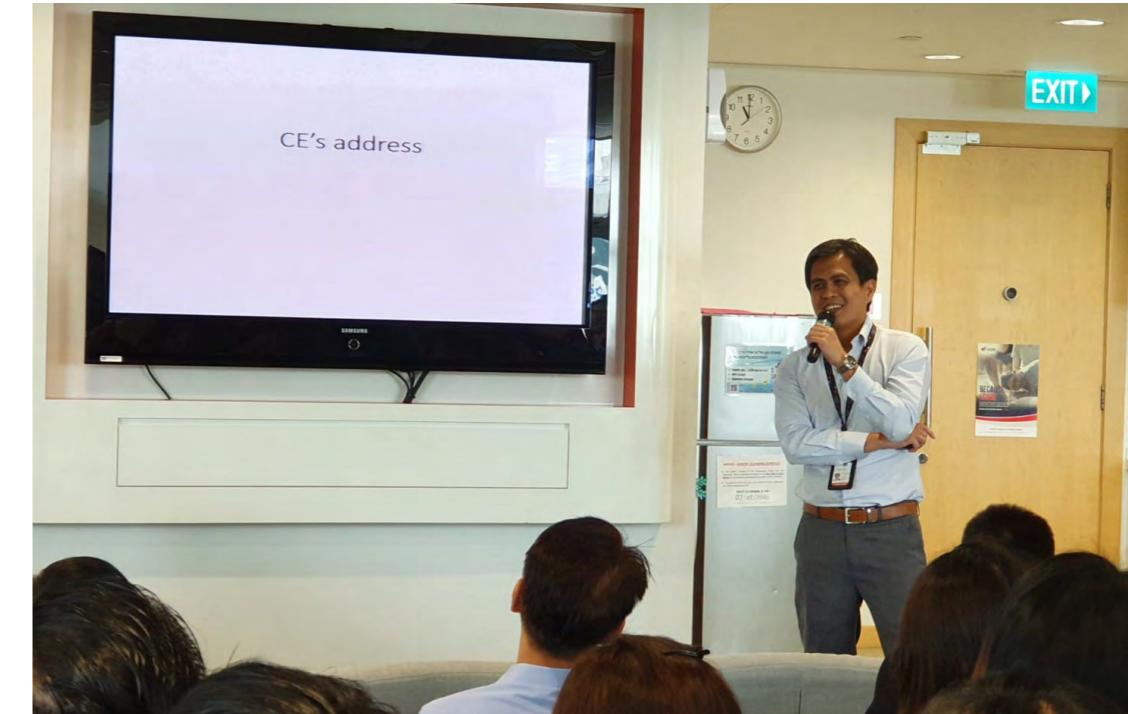


*Regular organisation-wide sharing sessions prior to the onset of COVID-19.*

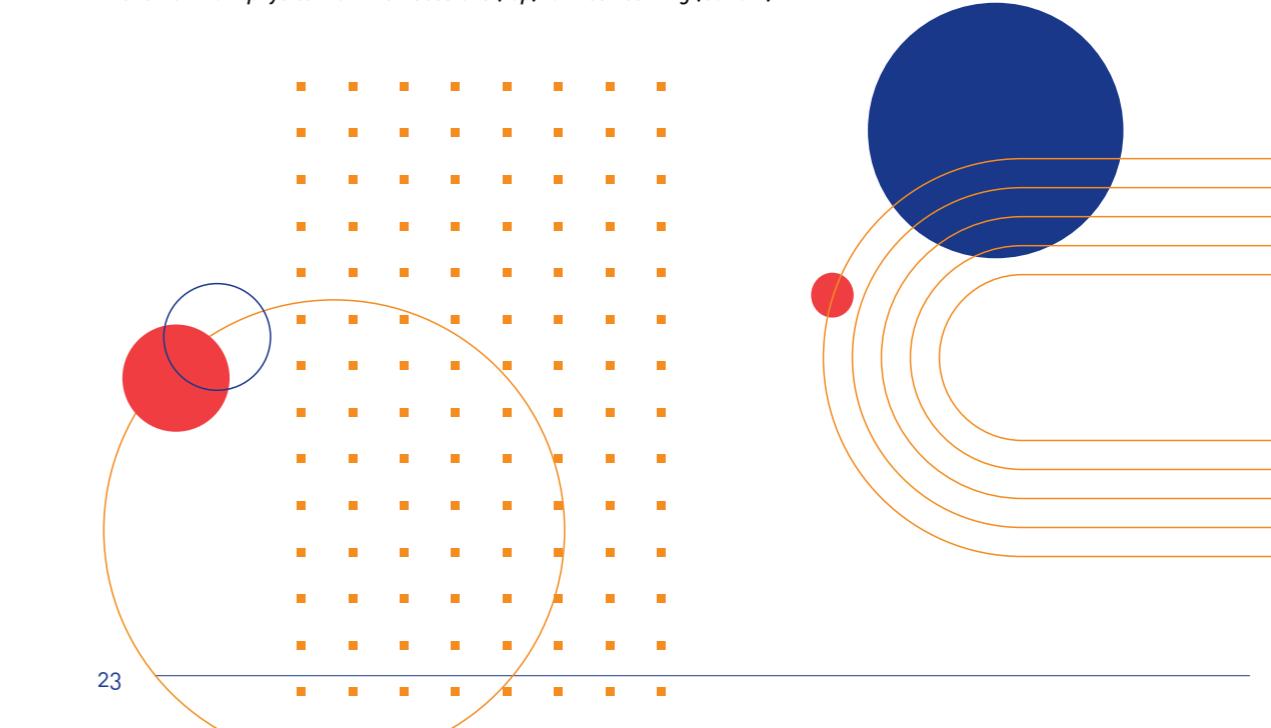
To overcome limitations placed on physical gatherings during this period, CRA adopted the use of pre-recorded videos and live streaming via electronic platforms to continue engaging officers during Townhall sessions, as well as organising virtual talks on a wide range of topics to maintain officers' well-being and effectiveness.

Officers were also encouraged to share tips and good practices, and skills or hobbies picked up during the circuit breaker period over Workplace. This allowed officers to connect with one another even while working from home.

Most memorably, we brought all 160 CRA officers online to have our first ever virtual Work Plan Seminar in April 2020 to engage our officers on key work priorities for the coming year.



*Transition from physical Townhall sessions (top) to livestreaming (bottom).*





*Live streaming presentations for Work Plan Seminar during the Circuit Breaker period.*

## 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 2019, CRA saved more than 1,700 man-hours by streamlining existing work processes and project optimisation initiatives. CRA will continue to encourage an innovative culture and exploration of technological solutions to challenge the status quo and to improve existing work processes.

## INVENTHINK PROGRAMME

CRA launched the InvenThink programme in September 2019 to drive innovation in the workplace and beyond. Officers are empowered to contribute ideas on workplace improvement and be part of the team to implement those ideas. Till-date, more than 40 ideas were raised to improve CRA's working environment, and to strengthen CRA's regulatory and operational processes.



# ENFORCEMENT ACTIONS

CASINO OPERATOR	RELEVANT LEGISLATION	BREACH	ACTION TAKEN BY CRA
Marina Bay Sands Pte. Ltd.	Section 57(5) of the CCA	Failure to comply with a written direction given by the Authority.	Financial penalty of \$10,000
	Regulation 8(1) (a) of the Casino Control (Entry Levy) Regulations 2010	Failure to implement a system for the collection of the entry levy which has been approved by the Authority.	Financial penalty of \$70,000
	Section 116(1) of the CCA	Failure to prevent 11 Singapore Citizens / Permanent Residents of Singapore from entering and/or remaining on the casino premises without valid entry levies.	Financial penalty of \$55,000
	Section 126(1) of the CCA	Failure to prevent 1 excluded person from entering and/or remaining on its casino premises without reasonable excuse.	Financial penalty of \$10,000
Resorts World at Sentosa Pte. Ltd.	Section 133(1) of the CCA	Failure to prevent 1 minor from entering and/or remaining on its casino premises without reasonable excuse.	Financial penalty of \$20,000
	Regulation 24(1) (a) of the Casino Control (Gaming Equipment) Regulations 2009	Failure to ensure that gaming equipment used in its casino is of a class approved by the Authority.	Letter of censure

CASINO REGULATORY AUTHORITY OF SINGAPORE  
ANNUAL FINANCIAL STATEMENTS 31 MARCH 2020

## CASINO REGULATORY AUTHORITY OF SINGAPORE

ANNUAL FINANCIAL STATEMENTS 31 MARCH 2020

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

In our opinion,

- (a) the accompanying financial statements set out on pages 33 to 62 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 2020, 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");
- (b) 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
- (c) 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  
28 July 2020

**CASINO REGULATORY AUTHORITY OF SINGAPORE  
INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

**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 33 to 62, which comprise the balance sheet as at 31 March 2020, 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 2020 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 2020**

**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.

**CASINO REGULATORY AUTHORITY OF SINGAPORE  
INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

- 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 2020

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

28 July 2020

CASINO REGULATORY AUTHORITY OF SINGAPORE  
BALANCE SHEET  
AS AT 31 MARCH 2020

	Note	2019/2020 \$	2018/2019 \$
<b>Equity</b>			
Capital account	4	36,001,000	36,001,000
Accumulated surplus		37,310,369	29,613,670
<b>Total equity</b>		<u>73,311,369</u>	<u>65,614,670</u>
Represented by:			
<b>Non-current assets</b>			
Plant and equipment	5	6,602,089	6,213,236
Intangible assets	6	2,372,468	2,320,306
Right-of-use assets	14	6,977,579	-
		<u>15,952,136</u>	<u>8,533,542</u>
<b>Current assets</b>			
Trade and other receivables	7	2,194,641	1,210,476
Prepaid operating expenses		413,620	390,389
Deposits		737,634	737,344
Amount due from parent ministry	13	-	267,045
Cash and cash equivalents	8	164,014,256	133,960,813
		<u>167,360,151</u>	<u>136,566,067</u>
<b>Total assets</b>		<u>183,312,287</u>	<u>145,099,609</u>
<b>Current liabilities</b>			
Trade and other payables	9	4,009,983	5,560,399
Fees received in advance	10	48,202,174	25,790,433
Prepayments received	11	502,814	549,986
Provisions	12	1,235,608	1,528,507
Amount due to parent ministry and other government agencies	13	116,756	46,203
Lease liabilities	14	2,460,376	-
Provision for contribution to consolidated fund	21	1,576,432	518,282
		<u>58,104,143</u>	<u>33,993,810</u>
<b>Net current assets</b>		<u>109,256,008</u>	<u>102,572,257</u>
<b>Non-current liabilities</b>			
Fees received in advance	10	46,093,150	44,449,315
Provisions	12	1,077,871	1,041,814
Lease liabilities	14	4,725,754	-
		<u>51,896,775</u>	<u>45,491,129</u>
<b>Total liabilities</b>		<u>110,000,918</u>	<u>79,484,939</u>
<b>Net assets</b>		<u>73,311,369</u>	<u>65,614,670</u>

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 2020**

	Note	2019/2020 \$	2018/2019 \$
<b>Income</b>			
License fees	15	47,863,014	44,295,890
Application fees	15	849,000	1,249,944
Fines	15	175,500	746,700
		<b>48,887,514</b>	<b>46,292,534</b>
<b>Expenditure</b>			
Expenditure on manpower	16	[21,230,321]	[21,918,827]
Staff welfare and development		[1,152,318]	[872,650]
Rental of premises and others		[23,829]	[3,076,265]
Maintenance		[2,574,854]	[2,545,502]
Depreciation of plant and equipment	5	[1,988,335]	[1,832,884]
Depreciation of right-of-use assets	14	[2,537,301]	-
Amortisation of intangible assets	6	[750,087]	[672,525]
Utilities		[237,808]	[235,081]
Communications		[442,660]	[436,927]
Management and professional services	17	[10,476,564]	[11,296,567]
Interest on lease liabilities	14	[304,476]	-
Other operating expenses	18	[1,489,930]	[1,457,763]
		<b>[43,208,483]</b>	<b>[44,344,991]</b>
<b>Operating surplus</b>			
		<b>5,679,031</b>	<b>1,947,543</b>
Non-operating income	19	3,594,100	1,794,799
Amortisation of deferred capital grants	20	-	52,574
<b>Surplus before statutory contribution to consolidated fund</b>		<b>9,273,131</b>	<b>3,794,916</b>
Statutory contribution to consolidated fund	21	[1,576,432]	[518,282]
<b>Surplus for the year, representing total comprehensive income for the financial year</b>		<b>7,696,699</b>	<b>3,276,634</b>

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

**CASINO REGULATORY AUTHORITY OF SINGAPORE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Capital account \$	Accumulatedsurplus \$	Total \$
<b>Balance as at 1 April 2018</b>	<b>36,001,000</b>	<b>29,202,236</b>	<b>65,203,236</b>
Surplus for the year, representing total comprehensive income for the year	-	3,276,634	3,276,634
<b>Transactions with owners, recognised directly in equity Contributions by and distributions to owners</b>			
Dividends declared (Note 25)			
Transfer of funds to the Consolidated Fund <sup>[1]</sup>	-	(1,369,000)	(1,369,000)
	-	(1,496,200)	(1,496,200)
<b>Balance as at 31 March 2019 and 1 April 2019</b>	<b>36,001,000</b>	<b>29,613,670</b>	<b>65,614,670</b>
Surplus for the year, representing total comprehensive income for the year	-	7,696,699	7,696,699
<b>Balance as at 31 March 2020</b>	<b>36,001,000</b>	<b>37,310,369</b>	<b>73,311,369</b>

<sup>[1]</sup> 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.

**CASINO REGULATORY AUTHORITY OF SINGAPORE  
CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Note	2019/2020 \$	2018/2019 \$
<b>Cash flows from operating activities</b>			
Surplus before statutory contribution to consolidated fund		9,273,131	3,794,916
Adjustments for:			
Depreciation of plant and equipment	5	1,988,335	1,832,884
Amortisation of intangible assets	6	750,087	672,525
Depreciation of right-of-use assets	14	2,537,301	–
Amortisation of deferred capital grant	20	–	(52,574)
Plant and equipment written off	5	–	4,629
Provision for unutilised leave, net	12	(146,528)	306,596
Provision for retention bonus	12	411,686	293,133
Deferred lease expense		–	(26,916)
Interest income from short term deposits	19	(3,588,925)	(1,793,875)
Interest on lease liabilities	14	304,476	–
<b>Surplus before working capital changes</b>		11,529,563	5,031,318
Operating cash flows before working capital changes:			
Decrease in trade and other receivables	43	840	
(Increase)/decrease in prepaid operating expenses	(23,231)	405,525	
(Increase)/decrease in deposits	(290)	96,052	
(Decrease)/increase in trade and other payables	(1,550,417)	455,609	
(Decrease)/increase in prepayments received	(47,172)	59,201	
Decrease in provision for reinstatement cost	12	–	(12,425)
Increase/(decrease) in amount due to parent ministry, net		337,598	(221,105)
Increase in fees received in advance		24,055,577	27,700,710
Payment of retention bonus	12	(522,000)	(650,000)
<b>Cash flows generated from operations</b>		33,779,671	32,865,725
Contribution to consolidated fund	21	(518,282)	(846,987)
Transfer of funds to consolidated fund		–	(1,496,200)
Interest received		2,604,717	1,373,067
<b>Net cash flows generated from operations</b>		35,866,106	31,895,605
<b>Cash flows from investing activities:</b>			
Purchase of plant and equipment	5	(2,490,092)	(3,798,913)
Purchase of intangible assets	6	(689,345)	(63,278)
<b>Net cash flows used in investing activities</b>		(3,179,437)	(3,862,191)
<b>Cash flows from financing activity:</b>			
Dividend paid	25	–	(1,369,000)
Payment of lease liabilities	14	(2,633,226)	–
<b>Net cash flows used in financing activity</b>		(2,633,226)	(1,369,000)
Net increase in cash and cash equivalents		30,053,443	26,664,414
Cash and cash equivalents at beginning of the year		133,960,813	107,296,399
<b>Cash and cash equivalents at end of the year</b>	8	164,014,256	133,960,813

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

**CASINO REGULATORY AUTHORITY OF SINGAPORE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

## 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, 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 2020 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 2019

On 1 April 2019, 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 116 Leases

SB-FRS 116 supersedes SB-FRS 17 Leases, INT SB-FRS 104 *Determining whether an Arrangement contains a Lease*, INT SB-FRS 15 *Operating Leases-Incentives* and INT SB-FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

CASINO REGULATORY AUTHORITY OF SINGAPORE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

#### Accounting standards effective on 1 April 2019 (cont'd)

##### SB-FRS 116 Leases (cont'd)

The Authority adopted SB-FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Authority elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Authority applied the standard only to contracts that were previously identified as leases applying SB-FRS 17 and INT SB-FRS 104 at the date of initial application. The Authority also elected to use the recognition exemptions for the lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The effect of adoption SB-FRS 116 as at 1 April 2019 are as follows:

	Increase (\$)
<b>Assets</b>	
Right-of-use assets	9,514,880
<b>Liabilities</b>	
Lease liabilities	9,514,880

The Authority has lease contracts for various items of office premises and other equipment. Before the adoption of SB-FRS 116, the Authority classified each of its leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.14.

##### Leases previously accounted for as operating leases

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

CASINO REGULATORY AUTHORITY OF SINGAPORE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

#### Accounting standards effective on 1 April 2019 (cont'd)

##### SB-FRS 116 Leases (cont'd)

The Authority also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application;
- applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019:

- Right-of-use assets and lease liabilities of \$9,514,880 were recognised and presented separately in the balance sheet.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	(\$)
Operating lease commitments as at 31 March 2019	10,250,456
	<u>10,250,456</u>
Weighted average incremental borrowing rate as at 1 April 2019	3.2%
Discounted operating lease commitments as at 1 April 2019 and lease liabilities as at 1 April 2019	9,514,880

CASINO REGULATORY AUTHORITY OF SINGAPORE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 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>	<i>Effective for annual periods beginning on or after</i>
Amendments to References to the Conceptual Framework in SB-FRS Standards	1 January 2020
Amendments to SB-FRS 1 and SB-FRS 8: <i>Definition of Material</i>	1 January 2020
Amendments to SB-FRS 103 : Definition of a Business	1 January 2020
SB-FRS 117 Insurance Contracts	1 January 2020
Amendments to SB-FRS 110 & SB-FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

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.

### **2.4 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" 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.

CASINO REGULATORY AUTHORITY OF SINGAPORE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

### **2.4 PLANT AND EQUIPMENT (CONT'D)**

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.

### **2.5 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.

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.

CASINO REGULATORY AUTHORITY OF SINGAPORE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

### **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.

CASINO REGULATORY AUTHORITY OF SINGAPORE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 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.

Cash and cash equivalents carried in the balance sheet are classified and accounted for as financial assets at amortised cost under SB-FRS 109.

CASINO REGULATORY AUTHORITY OF SINGAPORE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 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.

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## 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.

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## 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**

These accounting policies are applied on and after the initial application date of SB-FRS 116, 1 April 2019:

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
-----------------	---------

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.

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## 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.

These accounting policies are applied before the initial application date SB-FRS 116, 1 April 2019:

#### *Authority as a lessee*

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

### **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.

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## 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 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.

### **2.19 CAPITAL**

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

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## 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 2020 was \$6,602,089 and \$2,372,468 (2018/2019: \$6,213,236 and \$2,320,306) 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 and intangible assets by one year (2018/2019 – one year) would reduce/increase the Authority's surplus for the financial year by approximately \$895,467/\$337,828 (2018/2019: \$740,029/\$193,523).

## 4. CAPITAL ACCOUNT

	2019/2020		2018/2019	
	Number of Shares	\$	Number of Shares	\$
<b>Issued and paid up:</b> At 1 April and 31 March	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.

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## 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 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 6)	–	–	–	–	(804,012)	(804,012)
Disposals	–	(12,425)	(23,559)	–	–	(35,984)
Write-off	–	–	–	–	(4,629)	(4,629)
At 31 March 2019 and 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	308,437	2,835,162	14,746,922	130,964	215,211	18,236,696
<b>Accumulated depreciation:</b>						
At 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 and 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	247,571	2,835,162	8,551,874	–	–	11,634,607
<b>Carrying amount:</b>						
At 31 March 2020	60,866	–	6,195,048	130,964	215,211	6,602,089
At 31 March 2019	71,684	460	5,897,224	130,964	112,904	6,213,236

## 6. INTANGIBLE ASSETS

	Computer Software \$
<b>Cost:</b>	
At 1 April 2018	4,677,901
Additions	63,278
Transfer from plant and equipment (Note 5)	804,012
At 31 March 2019 and 1 April 2019	5,545,191
Additions	689,345
Transfer from plant and equipment (Note 5)	112,904
At 31 March 2020	6,347,440
<b>Accumulated amortisation:</b>	
At 1 April 2018	2,552,360
Amortisation for the year	672,525
At 31 March 2019 and 1 April 2019	3,224,885
Amortisation for the year	750,087
At 31 March 2020	3,974,972
<b>Carrying amount:</b>	
At 31 March 2020	2,372,468
At 31 March 2019	2,320,306

## 7. TRADE AND OTHER RECEIVABLES

	2019/2020 \$	2018/2019 \$
Interest receivable	2,194,641	1,210,476

Interest receivable

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## 8. CASH AND CASH EQUIVALENTS

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

	2019/2020 \$	2018/2019 \$
Cash maintained with Accountant-General's Department ("AGD")	164,014,256	133,960,813

Included in the cash and cash equivalents are:

- (i) an amount of \$823,621 (2018/2019: \$362,389) which does not earn any interest.
- (ii) the remaining balance of \$163,190,635 (2018/2019: \$133,598,424) 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 1.67% to 2.13% (2018/2019: 1.44% to 1.98%) per annum.

## 9. TRADE AND OTHER PAYABLES

	2019/2020 \$	2018/2019 \$
Trade payables	347,830	1,943,457
Other payables	1,399,660	793,867
Accrued operating expenses	2,262,493	2,823,075
	<u>4,009,983</u>	<u>5,560,399</u>

Trade payables and other payables are non-interest bearing. Trade payables are normally settled on a 30-days term (2018/2019: 30 days). Other payables mainly relate to liabilities for capital expenditure.

## 10. FEES RECEIVED IN ADVANCE

	Current \$	Non-current \$	Total \$
<b>2019/2020</b>			
Application fees	202,174	-	202,174
Casino license fees	48,000,000	46,093,150	94,093,150
	<u>48,202,174</u>	<u>46,093,150</u>	<u>94,295,324</u>
<b>2018/2019</b>			
Application fees	283,584	-	283,584
Casino license fees	25,506,849	44,449,315	69,956,164
	<u>25,790,433</u>	<u>44,449,315</u>	<u>70,239,748</u>

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## 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 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 \$25,506,849 (2018/2019: \$44,295,890).

## 11. PREPAYMENTS RECEIVED

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

## 12. PROVISIONS

	Current \$	Non-current \$	Total \$
<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
Total	<u>1,235,608</u>	<u>1,077,871</u>	<u>2,313,479</u>
<b>2018/2019</b>			
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	<u>1,528,507</u>	<u>1,041,814</u>	<u>2,570,321</u>
Movement of the provision for retention bonus account is as follows:			
	2019/2020 \$	2018/2019 \$	
At 1 April		953,692	
Provision for the financial year		411,686	
Payment made during the financial year		(522,000)	
At 31 March	<u>843,378</u>	<u>953,692</u>	

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## 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:

	2019/2020 \$	2018/2019 \$
At 1 April	1,046,854	740,258
Provision for the financial year	-	306,596
Provision utilised	<u>(146,528)</u>	-
	<u>900,326</u>	<u>1,046,854</u>

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

	2019/2020 \$	2018/2019 \$
At 1 April	569,775	582,200
Provision utilised	-	<u>(12,425)</u>
At 31 March	<u>569,775</u>	<u>569,775</u>

## 13. 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.

## 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	<u>(2,537,301)</u>
At 31 March 2020	<u>6,977,579</u>

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## 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:

	2019 \$
At 1 April	9,514,880
Accretion of interest	304,476
Payments	<u>(2,633,226)</u>

#### At 31 March

	2019 \$
Current	2,460,376
Non-current	<u>4,725,754</u>

The maturity analysis of lease liabilities is disclosed in Note 23(b).

#### (c) Others

The following are the amounts recognised in profit or loss:

	2019 \$
Depreciation of right-of-use assets	2,537,301
Interest on lease liabilities	<u>304,476</u>
Total amount recognised in profit or loss	<u>2,841,777</u>

#### (d) Total cash outflow

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

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

	1 April 2019	Non-cash changes	Cash flows	31 March 2020
	\$	Interest \$	Other* \$	\$
<b>Lease liabilities</b>				
Current	2,328,750	304,476	2,460,376	<u>(2,633,226)</u>
Non-current	<u>7,186,130</u>	-	<u>(2,460,376)</u>	<u>4,725,754</u>
Total lease liabilities	<u>9,514,880</u>	<u>304,476</u>	-	<u>(2,633,226)</u>
				7,186,130

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

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### 15. INCOME

	2019/2020 \$	2018/2019 \$
License fees	47,863,014	44,295,890
Application fees	849,000	1,249,944
Fines	175,500	746,700
	<u>48,887,514</u>	<u>46,292,534</u>
Timing of transfer of services		
- At a point in time	1,024,500	1,996,644
- Over time	47,863,014	44,295,890
	<u>48,887,514</u>	<u>46,292,534</u>

### 16. EXPENDITURE ON MANPOWER

	2019/2020 \$	2018/2019 \$
Employee benefits expense (including key management personnel):		
Salaries, allowances and bonuses	18,420,086	18,988,122
Defined contribution plans	2,810,235	2,930,705
	<u>21,230,321</u>	<u>21,918,827</u>
Compensation of key management personnel		
Salaries, bonuses and other allowances	2,775,150	3,024,667
Defined contribution plans	345,442	344,113
Total compensation paid to key management personnel	<u>3,120,592</u>	<u>3,378,780</u>

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

	2019/2020 \$	2018/2019 \$
Computer services	3,017,111	3,363,499
Other professional services	5,491,933	5,687,756
Board fees	157,485	183,067
Others	1,810,035	2,062,245
	<u>10,476,564</u>	<u>11,296,567</u>

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### 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 \$5,789,082 and \$1,179,532 (2018/2019:\$6,417,777 and \$1,096,248) 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:

	2019/2020 \$	2018/2019 \$
Plant and equipment expensed off	189,821	30,573
Intangible assets expensed off	12,536	35,971
Goods and services tax expensed off	<u>1,085,738</u>	<u>1,151,559</u>

### 19. NON-OPERATING INCOME

	2019/2020 \$	2018/2019 \$
Interest income from short term deposits	3,588,925	1,793,875
Others	5,175	924
	<u>3,594,100</u>	<u>1,794,799</u>

### 20. DEFERRED CAPITAL GRANTS

	2019/2020 \$	2018/2019 \$
Balance at beginning of year	-	52,574
Less: Grants recorded in the statement of comprehensive income – Amortisation of deferred capital grant	-	(52,574)
	<u>-</u>	<u>-</u>

Capital grant received relates to the amount of reimbursement received by the Authority from GovTech for the purchase of furniture, fittings, tools and equipment to enhance the network security system.

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## 21. 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 2020.

During the financial year, management paid statutory contribution of \$518,282 (2018/2019:\$846,987).

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

	2019/2020 \$	2018/2019 \$
Surplus of the Authority before statutory contribution to consolidated fund	9,273,131	3,794,916
Less: Transfer of funds to the Consolidated Fund for the year	-	746,200
Contribution payable at 17% (2018/2019: 17%)	<u>1,576,432</u>	<u>518,282</u>

## 22. COMMITMENTS AND CONTINGENCIES

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

The Authority leases office premises under lease agreements that are non-cancellable with tenures of four years.

As at 31 March 2019, the future minimum lease payments payable under non-cancellable operating leases are as follows:

	2018/2019 \$
Not later than one year	2,633,226
Later than one year but not later than five years	7,617,230
	<u>10,250,456</u>

As disclosed in Note 2.2, the Authority has adopted SB-FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the balance sheet as at 31 March 2020.

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## 22. COMMITMENTS AND CONTINGENCIES (CONT'D)

### (b) *Other commitments*

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.

### (c) *Contingencies – claim*

The Authority has received a notice from a software owner for an alleged breach of intellectual property rights relating to software deployed by an external vendor in the Authority's systems. All parties are in the process of working out the details of the alleged breach and resolving the matter.

Accordingly, no provision for any liability has been made in these financial statements.

## 23. 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.

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## 23. 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 can be required to pay.

	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>
	Note	On demand or within 1 year	Between 2 to 5 years	Total
		\$	\$	\$
<b>2018/2019</b>				
Trade and other payables	9	5,560,399	–	5,560,399
Provision for retention bonus	12	481,653	472,039	953,692
Provision for unutilised leave	12	1,046,854	–	1,046,854
Amount due to parent ministry and other government agencies	13	46,203	–	46,203
		<u>7,135,109</u>	<u>472,039</u>	<u>7,607,148</u>

## 24. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

#### Provision for retention bonus

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

#### Classification of financial assets/liabilities

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

	Note	2019/2020	2018/2019
		\$	\$
<b>Financial assets at amortised cost</b>			
Trade and other receivables	7	2,194,641	1,210,476
Deposits		737,634	737,344
Amount due from parent ministry	13	–	267,045
Cash and cash equivalents	8	164,014,256	133,960,813
		<u>166,946,531</u>	<u>136,175,678</u>
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	9	4,009,983	5,560,399
Provision for retention bonus	12	843,378	953,692
Provision for unutilised leave	12	900,326	1,046,854
Amount due to parent ministry	13	116,756	46,203
Lease liabilities	14	7,186,130	–
		<u>13,056,573</u>	<u>7,607,148</u>

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## 25. DIVIDEND

	2019/2020 \$	2018/2019 \$
<b>Declared and payable during the financial year:</b>		
Final exempt (one-tier) dividend for 2019/2020: nil cents (2018/2019: 0.038 cents) per share	-	1,369,000

## 26. 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.

## 27. EVENTS OCCURRING AFTER THE REPORTING PERIOD

### Coronavirus

The Authority is monitoring the developments of the coronavirus situation closely, assessing and reacting actively to its impact on the financial position and operating results of the Authority.

Given the dynamic nature of these circumstances, the related impact on the Authority's results of operations, cash flows and financial condition could not be reasonably estimated at this stage and will be reflected in the Authority's financial statements for the financial year ending 31 March 2021.

### Establishment of Gambling Regulatory Authority (GRA)

On 3rd 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") by 2021. This reconstitution will consolidate and optimise gambling regulatory resources within a single agency. GRA will be a Statutory Board, with the mandate to regulate the entire gambling landscape in Singapore.

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.

## 28. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Authority for the year ended 31 March 2020 were authorised for issue by the members of its Board on 28 July 2020.



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