17/18

Annual Report

www.cra.gov.sg

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

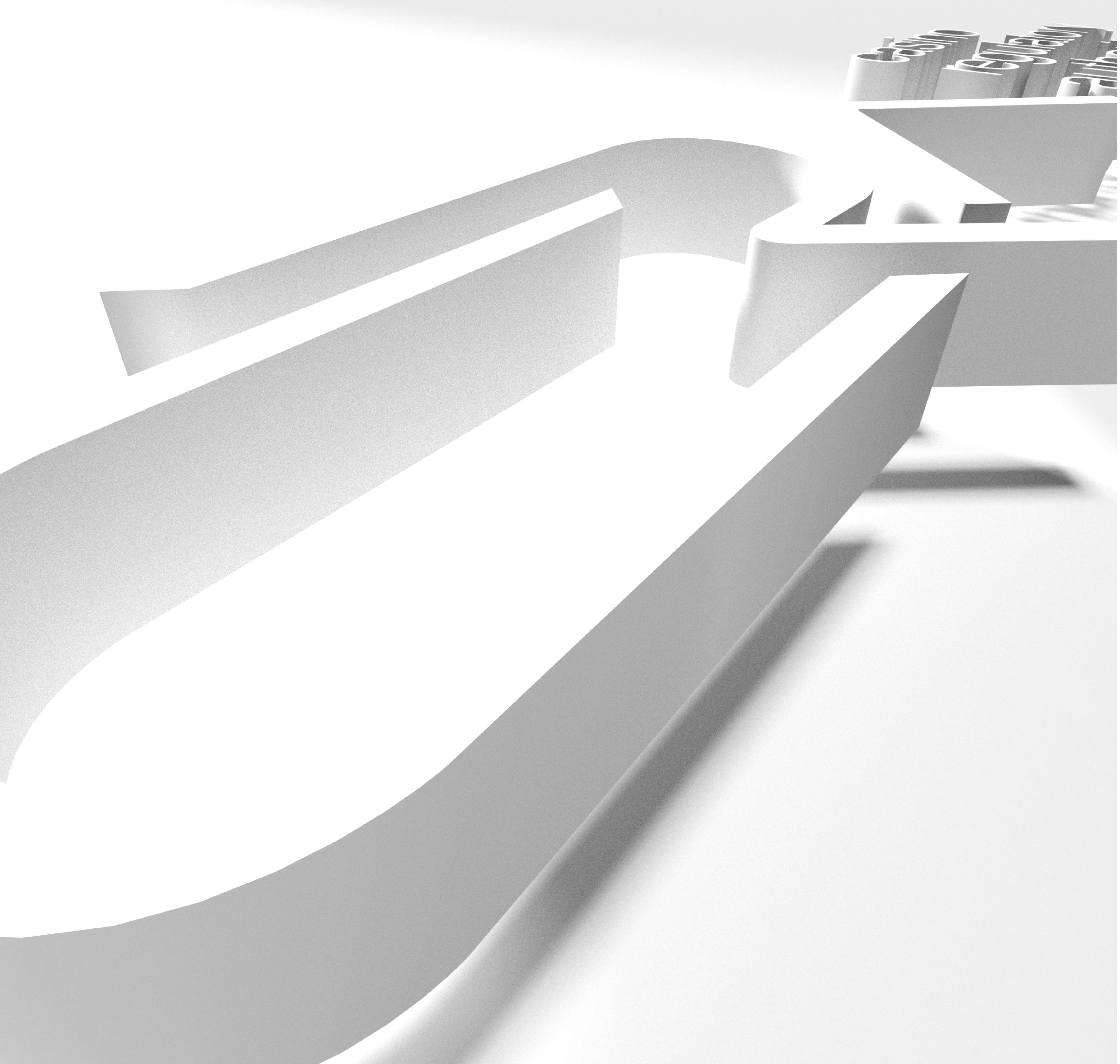








UPHOLDING TRUST
THROUGH REGULATORY EXCELLENCE



contents

Whilst we can look back with pride at our achievements, we must remind ourselves that the pursuit of regulatory excellence is a continuous journey.

chairman's foreword

TAN TEE HOW
Chairman

Introduction

I joined the Casino Regulatory Authority ("CRA") Board as Deputy Chairman on 1 November 2017, and took over as Chairman on 2 April 2018. I would like to thank my predecessors, Mr Richard Magnus and Mr Lee Tzu Yang for their sterling leadership and establishing a strong foundation for CRA as we prepare to meet future challenges in our pursuit of regulatory excellence.

This year marks the 10th anniversary of CRA, as well as a decade of commitment towards upholding trust through regulatory excellence.

Our Journey

When the decision on having Integrated Resorts ("IRs") with casinos in Singapore was made in 2005, there were many concerns about how the casinos could result in potential law and order and social issues. The government was keenly aware of these concerns and had sought to put in place a robust regime to limit their impact right from the beginning.

CRA was formed to (i) ensure that the management and operation of a casino is carried out by persons who are suitable, and remains free from criminal influence or exploitation; (ii) ensure that gaming in a casino is conducted honestly; and (iii) contain and control the potential of a casino to cause harm to minors, vulnerable persons and society at large.

It is not by chance that CRA has, in a short span of time, progressed from a newly formed statutory board to a well-regarded regulator, having put in place a robust regulatory regime that is studied by overseas jurisdictions.

At the same time, casino-linked crime and problem gambling arising from casino gambling are under control. Casino-related crime remains a small proportion of overall crime in Singapore at less than 1%, and organised crime has not entrenched itself in the casinos. The overall probable pathological and problem gambling rates also remained stable since the opening of the IRs, presently below 1%.

These results are testament to the dedication and commitment of our CRA Board and officers, together with the collaborative efforts with our valued partners such as the Singapore Police Force, the Ministry of Social and Family Development, and the National Council on Problem Gambling, amongst others.

Seizing Opportunities

Whilst we can look back with pride at our achievements, we must remind ourselves that the pursuit of regulatory excellence is a continuous journey. Looking ahead, our work will increase in complexity as new challenges surface in view of the continuous changes to our operating landscape. We must remain cognisant of the developments, seize opportunities and overcome challenges in our way ahead.

Over the past few years, there is a growing number of IR/casino projects across the world. Notably, Japan legalised casinos in late 2016 and has passed the IR Implementation Bill, which sets out the implementation parameters for casinos to be built at three initial IR sites, in July 2018. Many international casino operators are gearing up and preparing to bid for a casino licence. These IRs are expected to open in 2025, and are projected to generate around S$20 billion in gaming revenue annually.

There are also various new IR development projects and refreshments to existing properties in jurisdictions such as Nevada, Australia, Macau, Philippines and South Korea. Multi-billion dollar IR developments in Las Vegas, Sydney and Brisbane are targeting to transform into more vibrant entertainment destinations. Regionally, Macau saw the opening of MGM Cotai, Wynn Palace and the Parisian Macau (by Sands China) whilst South Korea saw the opening of Jeju Shinhwa World. In the Philippines, there is Entertainment City which sits along Manila Bay and is home to several new and upcoming IRs, such as Okada Manila, Solaire Resort & Casino, City of Dreams Manila and Westside City Resorts World.

Most of these IR projects aim to change the entire shape of tourism in their areas, and provide a large range of entertainment and leisure offerings. Some attractions include themed/boutique hotels, theme parks, world-class performances and high-end retail outlets. The emergence of these IR projects would provide additional choices and entertainment experiences to consumers, and also bring about more intense competition for the IRs in Singapore.

To ensure that the Singapore IRs remain comparable to similar attractions or facilities internationally and that they continue to appeal to visitors, Resorts World at Sentosa Pte Ltd and Marina Bay Sands Pte Ltd would have to continue to upkeep and refresh their facilities and attractions. This is in line with the government's intent to reinvent Singapore into a vibrant destination of choice and also rejuvenate our economy through its economic spin-offs and jobs creation.

There are also technological advances in the casino industry which may affect casino operations and gaming and with that, bring about different risks to the mission and objectives of regulators worldwide. For example, new gaming platforms such as virtual reality and mobile gaming are transforming the casino landscape in jurisdictions such as Las Vegas. Regulators, including CRA, need to monitor emerging trends and recent developments across the globe, such as the use of cryptocurrencies and deployment of skill-based games.

As the challenges of competition and disruptive technologies affect the industry, CRA must remain committed to its mission. CRA should keep itself plugged in to the development of the industry and anticipate the changes ahead. CRA should also use technology extensively to increase its effectiveness. Whilst CRA regulates robustly to ensure that risks are mitigated, it must also do so without imposing unnecessary burden and cost to the industry. This means that CRA needs to have the necessary regulatory tools and mindset to anticipate and respond with agility.

Conclusion

It is heartening to see the results of the hard work of CRA staff, past and present. While CRA has achieved many milestones, I encourage all CRA officers to focus on how we can build upon these accomplishments and strengthen our capabilities. We will have to be vigilant and agile in ensuring that our regulatory regime remains relevant and effective. To do this, CRA will need to continue to collaborate and build on the strong ties that we have developed with our partners, and establish new relationships at the same time. We should also commit to the development of our officers as professionals and make use of technology as our enabler. I am confident that CRA officers will be able to build on our success and uphold the trust of the public through regulatory excellence.

> To maintain strong regulatory oversight of the casino industry amidst a rapidly changing landscape, we need to sharpen our regulatory approach to ensure that our regime and actions are calibrated and appropriate.

chief executive's message

JERRY SEE
Chief Executive
(up to 1 July 2018)

Introduction

2018 marks the 10th year of CRA's journey as a casino regulator. CRA has come a long way from our formative years when our officers travelled the globe to learn about best regulatory practices. Today, CRA has grown into a regulator respected for its robust regulatory regime. However, this is no cause for CRA to rest on our laurels.

In our continual pursuit to improve, we held our Workplan Seminar with the theme "Upholding Trust through Regulatory Excellence" in April this year. To maintain strong regulatory oversight of the casino industry amidst a rapidly changing landscape, we need to sharpen our regulatory approach to ensure that our regime and actions are calibrated and appropriate. This belief has continued to motivate and steer us in CRA's pursuit of regulatory excellence.

The Year in Review

One key tenet of our strategies was to leverage on data analytics to enhance our ability in understanding and anticipating changes in our operating environment. In 2017, we proactively enhanced our infrastructure and leveraged on technology to improve the efficiency and effectiveness of our work. For instance, we implemented the Gaming Equipment System (GAMES) to better manage data and information on gaming equipment and machines. The ability to harness data through such technology initiatives would allow us to enhance our appreciation and understanding of emerging issues and trends.

Legislative and regulatory amendments were also made to ensure that our framework continues to be relevant and effective. For example, we updated our Licensing of Special Employees and Casino Contracts regime to better meet our current operating environment.

In addition to sharpening our environment scanning and enhancing our regulatory regime, we will remain vigilant to how our regulations and standards are being complied with and implemented by our regulated entities, in particular the implementation of social safeguards to contain and control potential harm caused by casino gambling. Where necessary, disciplinary actions will be taken. CRA will continue to monitor the casino operators' efforts in improving their implementation of social safeguards.

Developing People

CRA's officers are our most valued asset. Having come from diverse backgrounds and experiences, our officers offer multiple perspectives and leverage on each others' strengths to develop and refine our regulatory regime.

While we have recruited people with the right values and attitude, ensuring that our officers are equipped with the relevant knowledge and skills continues to be CRA's top priority. In order to fulfil the increasing demand for our niche training and development needs within CRA, we have developed our formal in-house training programme on casino regulation and conducted an inaugural training session on a wide range of topics including our regulatory and legal framework, key areas of casino operations and regulation. The comprehensive training curriculum was developed entirely by CRA officers and built on the knowledge and experience that we have acquired over the years. Recognising that continuous learning and development is essential for CRA to remain effective and to stay ahead of the game, CRA would continue to build on our in-house training capability and curriculum to ensure that it is kept relevant.

In CRA, we also place great emphasis on continuous learning. In addition to having a more structured approach to develop officers' core and functional competencies, we have introduced study awards in 2017 to better encourage and support officers' learning pursuits and professional development. The first batch of study awards was granted in early 2018 in disciplines such as data analytics, audit and accounting.

CRA is committed to developing officers to their fullest potential and will continue to enhance our professional development programmes and various capability-building initiatives.

Deepening Collaboration and Partnerships

As we grow in strength, capabilities and regulatory experience, we continue to deepen our partnerships with both local and overseas agencies, and to foster greater collaboration with our regulatory counterparts.

CRA continues to work closely with the Ministry of Social and Family Development and the National Council on Problem Gambling, to ensure that our social safeguards such as entry restrictions and exclusion orders are rigorously implemented and executed by the casino operators. To keep out criminal influence and infiltration in our casinos, CRA also works hand-in-hand with the Singapore Police Force and other law enforcement agencies by regularly exchanging information on emerging trends and modus operandi of casino-related crime.

In addition to strengthening partnerships that we have built right from the beginning, we continue to forge new friendships and ties. As the risks of money laundering and terrorism financing continue to be high, CRA has reached out to engage strategic partners such as the Commercial Affairs Department and the Monetary Authority of Singapore to understand new money laundering typologies and trends, and develop appropriate counter measures. We have also forged working relationships with international partners such as the Australian Transaction Reports and Analysis Centre ("AUSTRAC") and the Financial Crimes Enforcement Network ("FinCEN") to learn and share best practices to combat money laundering activities which transcend international borders.

On the international stage, CRA remains a member of the International Association of Gaming Regulators ("IAGR"), which provides us with a useful platform to build and renew ties, to gain insights from best practices, and to contribute to the international regulatory community through the sharing of our regime and experiences.

Over the years, we have also broadened our cross-jurisdictional partnerships via the signing of Memorandum of Understanding ("MOUs"). In June 2017, CRA entered into an MOU with the Casino Regulatory Division of the Jeju Special Self-Governing Province, South Korea, which is our first MOU signed with a fellow Asian regulator. The MOU allows CRA and CRD to share information and expertise, thereby further strengthening the collaboration between both agencies.

We have benefitted deeply from our strategic and operational partnerships on both the domestic and international fronts. Moving forward, we will continue to collaborate with our partners and actively reach out to the regulatory community.

Conclusion

Since our establishment on 2 April 2008, CRA has done well in putting in place a robust casino regulatory regime as part of our government's promise to limit the impact of casino gambling. This would not be achieved without the collective efforts and partnerships with multiple government agencies and other stakeholders, and through the dedication and commitment of our board members and staff.

I have faith that CRA officers will steadfastly bear our mission to heart as they continue the journey ahead. As I step down from my post as Chief Executive, I have no doubt that CRA officers, together with the new Chief Executive, Mr Teo Chun Ching, will continue to strive to achieve our vision to be the trusted casino regulator, advancing our mission with pride and integrity for a safe Singapore.

We will have to be vigilant and agile in ensuring that our regulatory regime remains relevant and effective.

board members

Chairman
Mr Tan Tee How

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

Member
Mr Chua Kim Leng
Special Advisor
Financial Supervision Group
Monetary Authority of Singapore
(Up to 31 August 2018)

Member
Mr David Wong
Chairman
Republic Polytechnic

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

Member
Mr Khoo Boon Hui
Senior Fellow
Home Team Academy

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

Member
Mr Lau Peet Meng
Deputy Commissioner (Operations)
Singapore Police Force
(Up to 17 June 2018)

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

Member
Mr Ng Chong Khim
Senior Advisor
Singapore Technologies Electronics Limited

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

Member
Mr Sam Sim Tzi Yong
Transfer Pricing Geo Leader
Europe, Middle-East & Africa,
Asia Pacific & Japan
IBM

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

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

Member
Mr Tan Chian Khong
Executive Director
Trailblazer Foundation Ltd

board committees

The CRA Board advises and provides strategic guidance to the management of CRA to meet its objectives.

The CRA Board is assisted by the following committees:

Executive Committee

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

Audit and Risk Committee

The Audit and Risk Committee reviews and appraises the reports of the external auditors and internal auditors on the adequacy of financial and operational controls. The Committee also recommends to the CRA Board the appointment and terms of engagement of the auditors, and approves the auditors' annual plans. The Committee oversees the risk management framework, system and processes to ensure appropriate actions are in place to mitigate the key risks identified.

Budget Review Committee

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

Disciplinary Committee

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

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee assists the CRA 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

From left to right

Ms Ginggi Choy (Director, Policy and Communications)
Mr Tan Teck Wang (General Counsel, Legal)
Mr Harold Gan (Director, Licensing)
Mr Lawrence Lee (Director, Inspection and Compliance)
Mr Jerry See (Chief Executive)
Mr Ee Kiam Keong (Director, Infocomm Technology)
Ms Yeo Pia Jee (Group Director, Operations)
Mr Khoo Kah Bee (Director, Corporate Development)
Mr Lee Kwong Yee (Director, Gaming Technology)
Mr Lim Loo Hui (Director (Covering), Investigations)

CRA is committed to developing officers to their fullest potential.

Front Row (from left to right)

Lee Beng Yan (Corporate Development)

Teo Jing Wen (Human Resource)

Chng Hui Ming (Investigations)

Diana Durga Devi (Licensing)

Tan Wee Lee (Inspection & Compliance)

Back Row (from left to right)

Jeremy Khong (Licensing)

Siew Wei Bang (Inspection & Compliance)

Sharon Ow (Inspection & Compliance)

Vanessa Wong (Policy & Communications)

milestones & achievements

Signing of Memorandum of Understanding (MOU) with Casino Regulatory Division of the Jeju Special Self-Governing Province, South Korea (CRD)

CRA signed an MOU with the Casino Regulatory Division of the Jeju Special Self-Governing Province, South Korea on 27 June 2017. The MOU, which is the first MOU with an Asian gaming regulator, allows for CRA and CRD to share information and expertise, and further strengthen the collaboration between both agencies.

Above
MOU signing ceremony between CRA and the Casino Regulatory Division of the Jeju Special Self-Governing Province, South Korea.

Appointment of New CRA Chairman and Farewell to Outgoing CRA Chairman

Mr Tan Tee How, CRA Deputy Chairman, took over as CRA Chairman from Mr Lee Tzu Yang on 2 April 2018. Mr Lee Tzu Yang had been the Chairman of CRA since 2 April 2015.

Above
CE CRA Mr Jerry See presenting CRA's 10th Anniversary Commemorative Book to outgoing Chairman Mr Lee Tzu Yang.

Above
Chairman CRA Mr Tan Tee How speaking at a panel discussion at CRA Workplan Seminar 2018 and 10th Anniversary event.

milestones & achievements

CRA Workplan Seminar 2018 and 10th Anniversary Event

CRA held its Workplan Seminar 2018 and 10th Anniversary event on 20 April 2018, marking a decade of regulatory work as a casino regulator. The theme for the event was 'Upholding Trust Through Regulatory Excellence'. Delivering her keynote address as the Guest-of-Honour, Mrs. Josephine Teo, then Minister, Prime Minister's Office & Second Minister for Manpower & Second Minister for Home Affairs commended the CRA Board and CRA officers for their contributions and encouraged them to continue to advance CRA's mission. To mark CRA's 10th anniversary, CRA launched our 10th Anniversary Commemorative Book which documented CRA's growth and transition through the last decade, and our pursuit of regulatory excellence for the journey ahead.

Above
Guest-of-Honour Mrs Josephine Teo, together with past and present CRA leaders and long-serving staff at the CRA Workplan Seminar 2018 and 10th Anniversary event.

Above
CRA officers at the Workplan Seminar 2018 and 10th Anniversary event.

awards & accolades

National Day Award 2017

Mr Amrit Jassal, Senior Assistant Director (Policy) received the National Day Award Commendation Medal for his outstanding contributions to the Public Service.

Mr Jassal was recognised for the development of key policies on the inspection of casino operations. During Mr Jassal's tenure in the Investigations Division, he had overseen the setup of the Enforcement Unit and played a critical role in the development of the systems and processes relating to the investigation of regulatory offences.

Minister for Home Affairs National Day Award 2017

Above
Ms Faith Lim receiving the Minister for Home Affairs National Day Award from Mr K Shanmugam, Minister for Home Affairs and Minister for Law.

In recognition for his dedication and exemplary contributions to the CRA board, former CRA Board Member, Mr Kaikhushru Shiavax Nargolwala was awarded the Minister for Home Affairs National Day Award (Home Team Volunteers).

Ms Faith Lim, Senior Manager (Policy), received the Minister for Home Affairs National Day Award in recognition of her contributions to CRA. The award is given to Home Team officers who demonstrate outstanding competency and efficiency, and made significant contributions in areas of work of special significance.

During Faith's tenure in the Investigations Division, she played an invaluable role in developing the ground processes and procedures for Investigations, and subsequently in the training of new officers and conducting refresher training sessions.

awards & accolades

Home Team Achievement Award

Above
Ms Pauline Wan (left), Ms Vanessa Wong (centre) and Ms Josephine Kok (right) receiving the Home Team Achievement Award respectively from Mr K Shanmugam, Minister for Home Affairs and Minister for Law.

In recognition for their involvement and contributions to the success of the Home Team Show and Festival 2017, three officers were awarded the Home Team Achievement Award at the Minister's Award Presentation Ceremony.

Ms Pauline Wan, then Senior Assistant Director (Corporate Development), Ms Vanessa Wong, Senior Manager (Communications & International Relations) and Ms Josephine Kok, Senior Manager (Planning) exhibited excellent teamwork and commitment in their respective roles and contributed greatly to the success of the Home Team Show and Festival 2017.

CRA Star Employee Award 2018

In recognition of their work dedication and care towards fellow CRA colleagues, Mr Chinmay Verma, Senior Manager (Policy) and Ms Shirley Tan, Manager (Facilities Management) were awarded the CRA Star Employee Award.


Above
Mr Chinmay Verma (left) and Ms Shirley Tan (right) receiving the CRA Star Employee Award respectively from Chief Executive, Mr Jerry See.

awards & accolades

CReAte Award 2018

In recognition of their team effort in implementing a systematic approach in performing data analytics on procurement records, Mr Ernest Lim, Ms Stella Tang and Mr Tan Chiu Liang from the Corporate Development Division team received the CReAte award. The award is given to teams for their impactful work improvement or innovation.

Above
Ms Stella Tang and Mr Tan Chiu Liang from the Corporate Development Division team, with their CReAte Award presented by Chief Executive, Mr Jerry See (centre).

CRA Commitment Recognition Award 2018

16 officers received the 5-year Commitment Recognition Award and 7 officers received the 10-year Commitment Recognition Award. The award is given to officers in recognition of their commitment and dedication to CRA.

Long Service Award

CRA Board Member, Mr Chua Kim Leng received the Long Service Award 2017 in recognition of his contributions to the CRA Board. The Long Service Award is presented to community leaders and professionals who have made significant contributions to MHA for five or more years.

enforcement actions

FY2017

CASINO OPERATOR	RELEVANT LEGISLATION	BREACH	ACTION TAKEN BY CRA
Marina Bay Sands Pte. Ltd.	Section 116(1) of the CCA	Failure to prevent one permanent resident of Singapore from entering or remaining on its casino premises without a valid entry levy.	Financial penalty of $5,000
Resorts World at Sentosa Pte. Ltd.	Section 133(1) of the CCA	Failure to prevent a total of three minors from entering and/ or remaining on its casino premises without reasonable excuse.	Financial penalties totaling $40,000
	Section 126(1) of the CCA	Failure to prevent one excluded person from entering and/ or remaining on its casino premises without reasonable excuse.	Financial penalty of $15,000

financial contents

From left to right

Jansson Tee (Gaming Technology)

Stella Tang (Corporate Development)

Lim Hoe Gee (Infocomm Technology)

Tan Boon Siong (Inspection & Compliance)

Jerena Cher (Policy & Communications)

statement by the casino regulatory authority of singapore

In our opinion, the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto of the Casino Regulatory Authority of Singapore (the "Authority") as set out on pages 28 to 55 are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2018 and of the results, changes in equity and cash flows of the Authority for the financial year ended 31 March 2018.

On Behalf of the Authority:

Tan Tee How
Chairman

Jerry See
Chief Executive

Singapore
29 June 2018

independent auditor's report

For the financial year ended 31 March 2018
To the Members of Casino Regulatory Authority of Singapore

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Casino Regulatory Authority of Singapore (the "Authority") set out on pages 28 to 55, which comprise the balance sheet as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Casino Control Act, Chapter (Cap. 33A) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2018 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.

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 and SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

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

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

independent auditor's report
(Continued)

For the financial year ended 31 March 2018
To the Members of Casino Regulatory Authority of Singapore

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

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

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the year are, in all material respects, in accordance with the provisions of the Act; and

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

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. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

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.

independent auditor's report

(Continued)

For the financial year ended 31 March 2018
To the Members of Casino Regulatory Authority of Singapore

Auditor's Responsibilities for the Compliance Audit (Continued)

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

Foo Kon Tan LLP

Foo Kon Tan LLP

Public Accountants and
Chartered Accountants
Singapore

29 June 2018

balance sheet

as at 31 March 2018

	Note	2017 / 2018 $	2016 / 2017 $
Equity			
Capital account	3	36,001,000	36,001,000
Accumulated surplus		29,202,236	25,066,947
Total equity		65,203,236	61,067,947
Represented by:			
Non-current assets			
Plant and equipment	4	5,055,848	6,047,894
Intangible assets	5	2,125,541	1,098,075
		7,181,389	7,145,969
Current assets			
Trade and other receivables	6	790,508	1,430,934
Prepaid operating expenses		795,914	581,879
Deposits		833,396	831,976
Amount due from parent ministry	12	-	438
Cash and cash equivalents	7	107,296,399	147,508,671
		109,716,217	150,353,898
Total assets		116,897,606	157,499,867
Current liabilities			
Trade and other payables	8	5,104,790	4,928,428
Fees received in advance	9	41,032,189	44,250,764
Prepayments received	10	490,785	447,345
Provisions	11	1,398,441	1,574,299
Amount due to parent ministry and other government agencies	12	263	97,420
Provision for contribution to consolidated fund	19	846,987	1,251,924
		48,873,455	52,550,180
Net current assets		60,842,762	97,803,718
Non-current liabilities			
Fees received in advance	9	1,506,849	42,252,055
Provisions	11	1,234,576	1,467,850
Deferred lease payables	13	26,916	51,907
Deferred capital grants	14	52,574	109,928
		2,820,915	43,881,740
Total liabilities		51,694,370	96,431,920
Net assets		65,203,236	61,067,947

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

statement of comprehensive income

For the financial year ended 31 March 2018

	Note	2017 / 2018 $	2016 / 2017 $
Income			
License fee		44,000,000	43,794,521
Application fees		1,090,426	748,230
Fines		74,400	176,800
		45,164,826	44,719,551
Expenditure			
Expenditure on manpower	15	(21,197,573)	(20,302,458)
Staff welfare and development		(947,074)	(928,220)
Rental of premises and others		(3,127,731)	(3,011,100)
Maintenance		(2,162,716)	(1,605,834)
Depreciation of plant and equipment	4	(1,980,045)	(1,922,546)
Amortisation of intangible assets	5	(535,308)	(535,232)
Utilities		(204,861)	(190,884)
Communications		(451,599)	(471,941)
Management and professional services	16	(9,806,571)	(9,524,289)
Other operating expenses	17	(1,442,633)	(1,225,799)
		(41,856,111)	(39,718,303)
Operating surplus		3,308,715	5,001,248
Non-operating income	18	1,616,207	2,305,657
Amortisation of deferred capital grants	14	57,354	57,354
Surplus before statutory contribution to consolidated fund		4,982,276	7,364,259
Statutory contribution to consolidated fund	19	(846,987)	(1,251,924)
Surplus for the year, representing total comprehensive income for the financial year		4,135,289	6,112,335

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

statement of changes in equity

For the financial year ended 31 March 2018

	Capital account $	Accumulated surplus $	Total $
Balance as at 1 April 2016	36,001,000	18,954,612	54,955,612
Surplus for the year, representing total comprehensive income for the year	-	6,112,335	6,112,335
Balance as at 31 March 2017 and 1 April 2017	36,001,000	25,066,947	61,067,947
Surplus for the year, representing total comprehensive income for the year	-	4,135,289	4,135,289
Balance as at 31 March 2018	36,001,000	29,202,236	65,203,236

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

statement of cash flows

For the financial year ended 31 March 2018

	Note	2017 / 2018 $	2016 / 2017 $
Cash flows from operating activities:			
Surplus before statutory contribution to consolidated fund		4,982,276	7,364,259
Adjustments for:			
Depreciation of plant and equipment	4	1,980,045	1,922,546
Amortisation of intangible assets	5	535,308	535,232
Amortisation of deferred capital grant	14	(57,354)	(57,354)
Provision for unutilised leave, net		(138,167)	101,145
Provision for retention bonus	11	420,087	619,564
Deferred lease expense		(24,991)	(11,999)
Loss on disposal of plant and equipment	17	7,830	36,134
Interest income from short term deposits	18	(1,614,309)	(2,304,957)
Surplus before working capital changes		6,090,725	8,204,570
Operating cash flows before working capital changes:			
(Increase)/decrease in trade and other receivables		720	(65)
(Increase) in prepaid operating expenses		(214,035)	(191,658)
(Increase)/decrease in deposits		(1,420)	3,060
Increase in trade and other payables		176,362	703,153
Increase/(decrease) in prepayments received		43,440	(462,677)
Decrease/(increase) in amount due to parent ministry, net		(96,719)	97,516
(Decrease)/increase in fees received in advance		(43,963,781)	22,184,360
Payment of retention bonus	11	(682,000)	(598,000)
Leave encashed	11	(9,052)	(4,379)
Contribution to consolidated fund	19	(1,251,924)	(1,482,540)
Cash flows (used in)/generated from operations		(39,907,684)	28,453,340
Interest received		2,254,015	1,730,348
Net cash flows (used in)/generated from operating activities		(37,653,669)	30,183,688
Cash flows from investing activities:			
Purchase of plant and equipment	4	(1,770,612)	(2,012,471)
Purchase of intangible assets	5	(787,991)	(345,062)
Capital grants received on purchase of plant and equipment		-	54,293
Net cash flows used in investing activities		(2,558,603)	(2,303,240)
Net (decrease)/increase in cash and cash equivalents		(40,212,272)	27,880,448
Cash and cash equivalents at beginning of the year		147,508,671	119,628,223
Cash and cash equivalents at end of the year	7	107,296,399	147,508,671

***Reconciliation of liabilities arising from financing activities*:**

No reconciliation is required as the Authority does not generate nor utilise cash flows from financing activities.

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

notes to the financial statements

31 March 2018

1. General

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

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

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

(a) ensuring that the management and operation of a casino is and remains free from criminal influence or exploitation;

(b) ensuring that gaming in a casino is conducted honestly; and

(c) containing and controlling the potential of a casino causing harm to minors, vulnerable persons and the society at large.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Authority for the financial year ended 31 March 2018 have been drawn up in accordance with the provisions of the Act and the Statutory Board Financial Reporting Standards ("SB-FRS").

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

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

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Authority has adopted all the new and revised SB-FRS and Interpretations to SB-FRS (INT SB-FRS) that are effective for annual periods beginning on or after 1 April 2017.

The adoption of the SB-FRS does not have a material impact on the financial statements of the Authority in the period of their initial adoption.

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

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

The following are the new or amended SB-FRS and INT SB-FRS issued in 2017 that are not effective but may be early adopted for the current financial year:

Reference	Description	Effective for annual period beginning on or after
SB-FRS 109	*Financial Instruments*	1 January 2018
SB-FRS 115	*Revenue from Contracts with Customers*	1 January 2018
Clarifications to SB-FRS 115	*Revenue from Contracts with Customers*	1 January 2018
SB-FRS 116	*Leases*	1 January 2019

<u>SB-FRS 109 Financial Instruments</u>
SB-FRS 109 replaces most of the existing guidance in SB-FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from SB-FRS 39.

SB-FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of the comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 April 2018.

During 2017, the Authority completed its initial assessment of the impact on the Authority's financial statements.

Overall, the Authority does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SB-FRS 109.

Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SB-FRS 109. The Authority does not have any financial assets held at fair value or classified as "available for sale".

Impairment – On adoption of SB-FRS 109, the Authority does not expect a significant increase in the impairment loss allowance.

Transition – The Authority plans to adopt the standard when it becomes effective in 2018 without restating comparative information.

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

2.3 *SB-FRS and INT SB-FRS not yet effective (cont'd)*

<u>SB-FRS 115 and Clarifications to SB-FRS 115 *Revenue from Contracts with Customers*</u>
SB-FRS 115 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also establishes principles to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. In addition, it also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, SB-FRS 115 replaces existing revenue recognition guidance, including SB-FRS 18 *Revenue*, SB-FRS 11 *Construction Contracts*, INT SB-FRS 113 *Customer Loyalty Programmes*, INT SB-FRS 115 *Agreements for the Construction of Real Estate*, INT SB-FRS 118 *Transfers of Assets from Customers* and INT SB-FRS 31 *Revenue – Barter Transactions Involving Advertising Services.*

SB-FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Clarifications to SB-FRS 115 *Revenue Contracts with Customers* clarifies how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, SB-FRS 115, i.e. on 1 January 2018.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Authority is adopting SB-FRS 115 in its financial statements for the year ending 31 March 2019. During 2017, the Authority completed its initial assessment, the Authority does not expect significant changes to the basis of revenue recognition for its casino licence fee, application fees and fines on the adoption of SB-FRS 115.

<u>SB-FRS 116 *Leases*</u>
SB-FRS 116 *Leases* eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise the right-of-use (ROU) assets and financial liabilities to pay rentals with a term of more than 12 months, unless the underlying asset is of a low value.

SB-FRS 116 substantially carries forward the lessor accounting requirements in SB-FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the SB-FRS 17 operating lease and finance lease accounting models respectively. However, SB-FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, SB-FRS 116 replaces existing lease accounting guidance, including SB-FRS 17, INT SB-FRS 104 *Determining whether an Arrangement contains a Lease*, INT SB-FRS 115 *Operating Leases – Incentives* and INT SB-FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

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

2.3 *SB-FRS and INT SB-FRS not yet effective (cont'd)*

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

SB-FRS 116 is effective for annual periods beginning or after 1 January 2019, with early adoption permitted if SB-FRS 115 is also applied.

The Authority has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Authority has office units where they are under operating leases. The Authority expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. It is currently impracticable to disclose any further information on the known or reasonable estimable impact to the Authority's financial statement because the Authority is currently in the midst of renewing its rental contracts, expiring on 31 December 2018, with its landlord. Management does not plan to early adopt the above new SB-FRS 116.

2.4 *Significant accounting judgements and estimates*

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

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.

Provision for Retention bonus

The Authority has put in place a retention bonus scheme for certain officers whereby gratuity sums of fixed amounts are paid out on the completion of the 3rd to 6th years of services. Management made a provision for retention bonus by pro-rating the retention bonus entitlement in accordance with their service period. The biggest uncertainty in estimating the provision is the attrition rate to be applied which takes into account the potential employee turnover in the future. The provision made involves management's best estimate. Uncertainty in the attrition rate could result in outcomes that could require material adjustments to the carrying amount of the provision in future periods. As at 31 March 2018, a 1% increase/decrease in the attrition rate, keeping the discount rate constant, would have increase/(decrease) in the provision for retention bonus as follows:

	2017 / 2018 $	2016 / 2017 $
Attrition rate:		
- Increase by 1%	(13,694)	(16,431)
- Decrease by 1%	13,694	16,431

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

2.4 *Significant accounting judgements and estimates (cont'd)*

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 2018 was $5,055,848 and $2,125,541 (2016/2017: $6,047,894 and $1,098,075) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised.

A reduction/extension in the useful lives of plant and equipment by one year (2016/2017 – one year) would reduce/increase the Authority's surplus for the financial year by approximately $802,083 / $201,318 (2016/2017: $522,139 / $146,884).

2.5 *Functional and foreign currency*

Transactions and balances

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

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

2.6 *Plant and equipment*

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

Plant and equipment costing less than $2,000 each, are charged to the statement of comprehensive income in the year of purchase as "plant and equipment expensed off" disclosed in Note 17.

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

2.6 *Plant and equipment (cont'd)*

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

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

Plant and machinery	-	10 years
Renovation	-	Over the remaining lease term
Furniture, fittings, tools & equipment	-	3 to 8 years
Heritage (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.

2.7 *Intangible assets*

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

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

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

2.8 *Impairment of non-financial assets*

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

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

2.8 *Impairment of non-financial assets (cont'd)*

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.

2.9 *Financial assets*

Initial recognition and measurement

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

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

Subsequent measurement

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

Loans and receivables

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

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financial statements
(Continued)
31 March 2018

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

2.9 *Financial assets (cont'd)*

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

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

De-recognition

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

2.10 *Cash and cash equivalents*

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

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

2.11 *Trade and other receivables*

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

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

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

2.12 *Impairment of financial assets*

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

Financial assets carried at amortised cost

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

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

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

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

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

2.13 *Financial liabilities*

Initial recognition and measurement

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

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

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

2.13 *Financial liabilities (cont'd)*

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in 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.

2.14 *Provisions*

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

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

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

2.15 *Employee benefits*

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

(c) *Retention bonus*

The retention bonus due to employees is presented as "current" and "non-current" portions of liabilities based on the expected payout to be made by the Authority in respect of services rendered by these employees up to the end of the reporting period.

2.16 *Leases*

As lessee

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

2.17 *Income recognition*

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

Income is recognised as follows:

(a) *Casino licence fee*

Licence fee is recognised as income on an accrual basis.

(b) *Application fees*

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

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

2.17 *Income recognition (cont'd)*

(c) *Fines*

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

(d) *Interest income*

Interest income is recognised on an accrual basis.

2.18 *Goods and services tax*

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

(a) Where the goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(b) Receivables and payables that are stated with the amount of goods and services tax included.

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

2.19 *Related parties*

The Authority is established as a statutory board and is an entity related to the Government of Singapore. The Authority's related parties refer to Government-related entities including Ministries, Organs of State and other Statutory Boards. The Authority applies the exemption in Paragraph 25 of SB-FRS 24 *Related Party Disclosures* 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.

2.20 *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.

notes to the financial statements
(Continued)
31 March 2018

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

2.21 *Capital*

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

3. Capital account

	2017 / 2018		2016 / 2017	
	Number of shares	$	Number of Shares	$
Issued and paid up:				
At 1 April and 31 March	36,001,000	36,001,000	36,001,000	36,001,000

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

4. Plant and equipment

	Plant and machinery $	Renovation $	Furniture, fittings, tools and equipment $	Heritage assets $	Construction-in-Progress $	Total $
Cost:						
At 1 April 2016	971,167	2,858,797	8,279,653	130,964	113,597	12,354,178
Additions	-	-	696,603	-	1,315,868	2,012,471
Reclassifications	(388,000)	-	388,000	-	-	-
Transfer to intangible assets (Note 5)	-	-	-	-	(66,445)	(66,445)
Disposals	(271,386)	(2,740)	(6,942)	-	-	(281,068)
At 31 March 2017 and 1 April 2017	311,781	2,856,057	9,357,314	130,964	1,363,020	14,019,136
Additions	58,950	-	684,462	-	1,027,200	1,770,612
Reclassifications	22,410	-	565,827	-	(588,237)	-
Transfer to intangible assets (Note 5)	-	-	-	-	(774,783)	(774,783)
Disposals	(84,704)	-	(631,897)	-	-	(716,601)
At 31 March 2018	308,437	2,856,057	9,975,706	130,964	1,027,200	14,298,364
Accumulated depreciation:						
At 1 April 2016	484,005	1,360,913	4,448,712	-	-	6,293,630
Depreciation for the year	38,807	583,965	1,299,774	-	-	1,922,546
Reclassifications	(3,233)	-	3,233	-	-	-
Disposals	(237,178)	(814)	(6,942)	-	-	(244,934)
At 31 March 2017 and 1 April 2017	282,401	1,944,064	5,744,777	-	-	7,971,242
Depreciation for the year	19,464	585,687	1,374,894	-	-	1,980,045
Disposals	(76,874)	-	(631,897)	-	-	(708,771)
At 31 March 2018	224,991	2,529,751	6,487,774	-	-	9,242,516
Carrying amount:						
At 31 March 2018	83,446	326,306	3,487,932	130,964	1,027,200	5,055,848
At 31 March 2017	29,380	911,993	3,612,537	130,964	1,363,020	6,047,894

notes to the
financial statements
(Continued)
31 March 2018

5. Intangible assets

	Computer Software $	Total $
Cost:		
At 1 April 2016	4,116,124	4,116,124
Additions	345,062	345,062
Transfer from plant and equipment (Note 4)	66,445	66,445
At 31 March 2017 and 1 April 2017	4,527,631	4,527,631
Additions	787,991	787,991
Transfer from plant and equipment (Note 4)	774,783	774,783
Write-off	(1,412,504)	(1,412,504)
At 31 March 2018	4,677,901	4,677,901
Accumulated amortisation:		
At 1 April 2016	2,894,324	2,894,324
Amortisation for the year	535,232	535,232
At 31 March 2017 and 1 April 2017	3,429,556	3,429,556
Amortisation for the year	535,308	535,308
Write-off	(1,412,504)	(1,412,504)
At 31 March 2018	2,552,360	2,552,360
Carrying amount:		
At 31 March 2018	2,125,541	2,125,541
At 31 March 2017	1,098,075	1,098,075

6. Trade and other receivables

	2017 / 2018 $	2016 / 2017 $
Interest receivable	789,668	1,429,374
Other receivables	840	1,560
	790,508	1,430,934

7. Cash and cash equivalents

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

	2017 / 2018 $	2016 / 2017 $
Cash maintained with Accountant–General's Department ("AGD")	107,296,399	147,508,671

Included in the cash and cash equivalents are:

(i) an amount of $706,014 (2016/2017: $261,373) which does not earn any interest.

(ii) the remaining balance of $106,590,385 (2016/2017: $147,247,298) 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 1.24% to 1.25% (2016/2017: 1.24% to 1.49%) per annum.

8. Trade and other payables

	2017 / 2018 $	2016 / 2017 $
Trade payables	1,810,972	1,205,804
Other payables	497,959	330,639
Accrued operating expenses	2,795,859	3,391,985
	5,104,790	4,928,428

Trade payables and other payables are non-interest bearing. Trade payables are normally settled on a 30-days term. (2016/2017: 30 days)

9. Fees received in advance

	Current $	Non-current $	Total $
2017 / 2018			
Application fees	286,984	-	286,984
Casino license fees	40,745,205	1,506,849	42,252,054
	41,032,189	1,506,849	42,539,038
2016 / 2017			
Application fees	250,764	-	250,764
Casino license fees	44,000,000	42,252,055	86,252,055
	44,250,764	42,252,055	86,502,819

notes to the
financial statements
(Continued)
31 March 2018

10. Prepayments received

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

11. Provisions

	Current $	Non-current $	Total $
2017 / 2018			
Financial liabilities:			
Provision for retention bonus	658,183	652,376	1,310,559
Provision for unutilised leave	740,258	-	740,258
Provision for reinstatement cost	-	582,200	582,200
Total	1,398,441	1,234,576	2,633,017
2016 / 2017			
Financial liabilities:			
Provision for retention bonus	686,822	885,650	1,572,472
Provision for unutilised leave	887,477	-	887,477
Provision for reinstatement cost	-	582,200	582,200
Total	1,574,299	1,467,850	3,042,149

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

	2017 / 2018 $	2016 / 2017 $
At 1 April	1,572,472	1,550,908
Provision for the financial year	420,087	619,564
Payment made during the financial year	(682,000)	(598,000)
At 31 March	1,310,559	1,572,472

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.

11. Provisions (cont'd)

Movement of the provision for unutilised leave is as follows:

	2017 / 2018 $	2016 / 2017 $
At 1 April	887,477	790,711
Provision for the financial year	740,258	887,477
Provision utilised	(878,425)	(786,332)
Leave encashed	(9,052)	(4,379)
At 31 March	740,258	887,477

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

	2017 / 2018 $	2016 / 2017 $
At 1 April	582,200	582,200
Provision for the financial year	-	-
At 31 March	582,200	582,200

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

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

13. Deferred lease payables

	2017 / 2018 $	2016 / 2017 $
Deferred lease payables	26,916	51,907

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

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

notes to the
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(Continued)
31 March 2018

14. Deferred capital grants

	2017 / 2018 $	2016 / 2017 $
Balance at beginning of year	109,928	167,282
Less: grants recorded in the statement of comprehensive income		
- Amortisation of deferred capital grant	(57,354)	(57,354)
Balance at end of year	52,574	109,928

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

15. Expenditure on manpower

	2017 / 2018 $	2016 / 2017 $
Employee benefits expense (including key management personnel):		
Salaries, allowances and bonuses	18,443,871	17,413,655
Defined contribution plans	2,766,182	2,660,186
Other employee benefits	(12,480)	228,617
	21,197,573	20,302,458

Compensation of key management personnel

	2017 / 2018 $	2016 / 2017 $
Salaries, bonuses and other allowances	3,249,595	2,815,141
Defined contribution plans	345,286	324,018
Total compensation paid to key management personnel	3,594,881	3,139,159

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

16. Management and professional services

	2017 / 2018 $	2016 / 2017 $
Computer services	2,136,786	2,266,970
Other professional services	6,005,725	5,591,366
Board fees	132,334	118,125
Others	1,531,726	1,547,828
	9,806,571	9,524,289

Management and professional services mainly relate to IT services and manpower costs, and casino social safeguards costs amounting to $5,954,972 and $1,081,032 (2016/2017: $5,637,412 and $1,066,560) paid/payable to Ministry of Social and Family Development ("MSF") and Govtech, respectively.

17. Other operating expenses

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

	2017 / 2018 $	2016 / 2017 $
Plant and equipment expensed off	140,547	93,848
Intangible assets expensed off	-	8,447
Goods and services tax expensed off	1,041,768	881,579
Loss on disposal of plant and equipment	7,830	36,134

18. Non-operating income

	2017 / 2018 $	2016 / 2017 $
Interest income from short term deposits	1,614,309	2,304,957
Others	1,898	700
	1,616,207	2,305,657

19. Statutory contribution to consolidated fund

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

In lieu of income tax, the Authority is required to make contribution to the Consolidated Fund of the Government in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) and in accordance with the Finance Circular Minute No M5/2005. The contribution was computed based on 17% of the surplus as at 31 March 2018.

19. Statutory contribution to consolidated fund (cont'd)

During the financial year, management paid statutory contribution of $1,251,924 (2016/2017: $1,482,540).

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

	2017 / 2018 $	2016 / 2017 $
Surplus of the Authority before statutory contribution to consolidated fund	4,982,276	7,364,259
Contribution payable at 17% (2016/2017: 17%)	846,987	1,251,924

20. Commitments

(a) *Operating lease commitments – as lessee*

The Authority has entered into operating leases for rental of premises, equipment and other assets. The non-cancellable leases have tenures of 5 years. Operating lease payments recognised in the statement of comprehensive income during the year amounted to $3,127,731 (2016/2017: $3,011,100).

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

	2017 / 2018 $	2016 / 2017 $
Not later than one year	2,446,617	3,151,162
Later than one year but not later than five years	-	2,446,617
	2,446,617	5,597,779

(b) *Other commitments*

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

21. Financial risk management objectives and policies

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

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

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

(a) *Credit risk*

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

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

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

(b) *Liquidity risk*

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

Liquidity risk analyses

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

	Note	On demand or within 1 year $	Between 2 to 5 years $	Total $
2017 / 2018				
Trade and other payables	8	5,104,790	-	5,104,790
Provision for retention bonus	11	658,183	652,376	1,310,559
Provision for reinstatement cost	11	-	582,200	582,200
Provision for unutilised leave	11	740,258	-	740,258
Amount due to parent ministry and other government agencies	12	263	-	263
		6,503,494	1,234,576	7,738,070

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

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

	Note	On demand or within 1 year $	Between 2 to 5 years $	Total $
2016 / 2017				
Trade and other payables	8	4,928,428	-	4,928,428
Provision for retention bonus	11	686,822	885,650	1,572,472
Provision for reinstatement cost	11	-	582,200	582,200
Provision for unutilised leave	11	887,477	-	887,477
Amount due to parent ministry and other government agencies	12	97,420	-	97,420
		6,600,147	1,467,850	8,067,997

22. Fair value of financial instruments

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

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

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

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

Provision for retention bonus

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

notes to the financial statements

(Continued)

31 March 2018

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

Classification of financial assets/liabilities

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

	Note	2017 / 2018 $	2016 / 2017 $
Loans and receivables			
Trade and other receivables	6	790,508	1,430,934
Deposits		833,396	831,976
Cash and cash equivalents	7	107,296,399	147,508,671
		108,920,303	149,771,581
Financial liabilities at amortised cost			
Trade and other payables	8	5,104,790	4,928,428
Provision for retention bonus	11	1,310,559	1,572,472
Provision for unutilised leave	11	740,258	887,477
Provision for site restoration cost	11	582,200	582,200
Amount due to parent ministry		263	97,420
		7,738,070	8,067,997

23. 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.

24. Authorisation of financial statements

The financial statements of the Authority for the year ended 31 March 2018 were authorised for issue by the members of its Board on 29 June 2018.

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authority

www.cra.gov.sg
460 Alexandra Road PSA Building #12-01 Singapore 119963