

INAUGURAL
ANNUAL REPORT
2022/2023



REJUVENATE.
ASPIRE.



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MISSION

We protect the people of Singapore by keeping gambling honest and free of criminal influence, and minimising the harm from gambling.

VISION

A trusted and agile gambling regulator for a safe Singapore.

VALUES

- Integrity
- Care
- Professionalism
- Teamwork





MR TAN TEE HOW
CHAIRMAN

CHAIRMAN'S FOREWORD

THE START OF A NEW CHAPTER

This inaugural annual report for the Gambling Regulatory Authority ("GRA") marks the beginning of our new journey as the national gambling regulator following GRA's reconstitution from the Casino Regulatory Authority ("CRA"). GRA was formed on 1 August 2022 with the mission to *protect the people of Singapore by keeping gambling honest and free of criminal influence, and minimising the harm from gambling.*

Even as we continued to maintain strict oversight of the casinos, officers worked tirelessly to develop the legislative and regulatory framework for other forms of gambling, and to ensure a seamless transition to GRA. Despite this achievement, we will not rest on our laurels. Amidst an evolving and dynamic gambling landscape, we will continue to develop future-ready officers and leaders, and pursue impactful engagement with the international regulatory community to enhance mutual learning. Through these engagements, we aim to further strengthen our capabilities and enhance our understanding of the global gambling landscape, including its influence and impact on the gambling developments and industry in Singapore.

ACHIEVING GOOD OUTCOMES FOR SINGAPOREANS

While the establishment of GRA represents a new milestone for the regulation of gambling in Singapore, GRA already has a strong foundation in place with more than 14 years of experience in regulating the casinos.

Through close collaborations with key partners such as the Singapore Police Force ("SPF") and the Ministry of Social and Family Development ("MSF"), we have fared well in mitigating the harms caused by casinos, as both casino-related crime and problem gambling remain low and well under control.

As part of our commitment to keep problem gambling under control, the Singapore government increased the casino entry levies by 50% as a pre-emptive measure back in April 2019. Following the implementation of the increased entry levies, casino visitorship by Singapore Citizens and Permanent Resident ("SCPRs") continues to remain low (refer to Diagram 1), with the number of SCPRs who visited the casinos in 2022 constituting only around 3.2% of the Singapore adult population.

Strong partnerships with other government agencies and a highly-skilled and committed workforce were CRA's key success factors. Over the years, we have forged strong partnerships with economic agencies, such as the Ministry of Trade and Industry, the Singapore Tourism Board and the Sentosa Development Corporation, to ensure that our casino regulatory regime remains effective and robust, and both Integrated Resorts continue to be compelling and attractive world-class destinations. With our expanded regulatory mandate, GRA will work closely with new partners such as the Monetary Authority of Singapore and Singapore Totalisator Board ("Tote Board") to achieve similar positive outcomes in our regulation of the gambling industry.

HARNESSING TECHNOLOGY

Technology will be a key enabler for GRA to regulate more effectively. GRA will further strengthen our use of data analytics and harness its data to gain meaningful insights and drive effective regulatory measures, such as in the detection of possible non-compliances and anomalies in the operations of our regulated entities.

In this digital era, technology has opened many new avenues for us to better monitor, analyse and respond to the rapidly evolving gambling landscape. Thus, it is crucial that we master the innovative solutions at our disposal, and actively integrate relevant technology into our systems and processes to transform and enhance our operational capabilities.

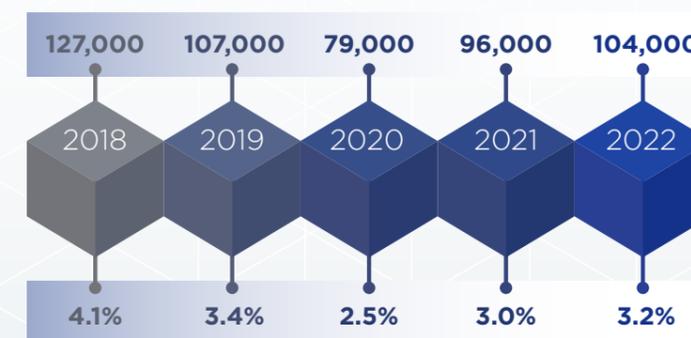
Generative Artificial Intelligence tools, such as ChatGPT, have caused much excitement and some concerns over their usage and application. Harnessing technology to regulate effectively requires not only recognising its potential but also possessing the knowledge to address the challenges it presents. In this regard, GRA is exploring the use of these technological tools in enhancing work effectiveness and efficiency for GRA staff.

UPHOLDING PUBLIC TRUST

With an expanded mandate to regulate a wider range of gambling entities and products, GRA will remain anchored to our cherished values of integrity, care, professionalism and teamwork in our actions, as we continue to uphold the trust of the public through the strict but fair supervision of the gambling industry.

The formation of GRA has put us on a better footing for the future but there will undoubtedly be new challenges which will arise in a changing environment, such as new modes of gambling due to technology advancements. I have every confidence that GRA officers will continue to do their best to overcome these challenges and achieve our vision of being a *trusted and agile gambling regulator for a safe Singapore.*

Number of SCPRs who visited the casinos



Number of SCPRs who visited the casinos, as a percentage of local adult population



Diagram 1



MR TEO CHUN CHING
CHIEF EXECUTIVE

CHIEF EXECUTIVE'S MESSAGE

A MOMENTOUS YEAR

2022 marked a momentous year for the regulation of gambling in Singapore with the formation of GRA. In tandem with GRA's formation and to keep pace with the evolving gambling landscape, GRA worked closely with the Ministry of Home Affairs ("MHA") to review and harmonise Singapore's various gambling legislation under the new Gambling Control Act ("GCA"). This review led to GRA being one of the agencies awarded with the Public Sector Transformation ("PST") Regulatory Excellence award, which recognises exemplary initiatives that have made reforms that reduce regulatory burden and cost, create value for the Public Service and are future-ready.

REGULATING EFFECTIVELY THROUGH A RISK-CALIBRATED APPROACH

One key tenet of our regulatory framework is to adopt a risk-based approach towards gambling regulation. This means that GRA requires higher-risk gambling services such as lottery, betting, and gaming machine rooms to be licensed, while lower-risk gambling such as trade promotion games of chance and fundraiser lotteries are regulated under a class licence regime.

Like the casinos, entities providing higher-risk gambling services are subjected to stringent probity checks and robust on-going monitoring by GRA. In late 2022, GRA issued licences to Singapore Pools (Private) Limited ("Singapore Pools") and 25 operators of gaming machine rooms ("GMR operators"), after assessing that these entities have fulfilled the suitability criteria under the GCA.

Under the new class licence regime, entities can provide lower-risk gambling services without the need to apply for a licence from GRA. This differentiated approach enables GRA to allocate resources and oversight based on the level of risk associated with different types of gambling products and services, ensuring flexibility and agility in our regulatory framework.

SUSTAINING DIGITAL TRANSFORMATION EFFORTS

As the digital landscape evolves, GRA must continue to adapt its regulatory measures and leverage technology to build smart systems. In this regard, we have sustained our efforts in driving digital transformation throughout GRA in the past year.

For example, we implemented the first phase of an integrated regulatory approval system in May 2022 to facilitate the processing of applications submitted by the regulated entities. This system is designed with pre-determined criteria which substantially automates the processing of lower-risk applications, resulting in savings of more than 200 man-hours per year and allowing us to deploy manpower to focus on complex or higher-risk applications. We also continued to seek out ways to digitise corporate workflows such as procurement, for greater efficiency in GRA's operations.

DEVELOPING OUR PEOPLE

As we navigate the evolving gambling landscape, we recognise that people are our greatest asset. GRA remains committed to providing resources and opportunities for our staff to experiment and grow, and empowering them to contribute effectively. To align with our new role as the national gambling regulator and drive our workforce transformation, we launched a new HR developmental framework with a strong focus on equipping our officers with future-ready skills through multi-disciplinary learning pathways and nurturing future leaders to steer GRA in the years ahead.

We have leveraged the LinkedIn Learning platform and curated comprehensive learning paths for GRA staff to undertake self-directed learning, covering core skill sets such as Technology, Use of Data, Leadership, and Innovation. These learning paths empower our officers to enhance their expertise in key areas and assist them in leveraging emerging

trends. GRA's commitment to employee learning and our officers' engagement on LinkedIn's platform has earned us recognition as the Winner of the 2022 LinkedIn Talent Awards 2022 - Learning Champion [Government, Academia & Social Enterprises (Singapore)]. This award highlights our dedication to equipping our officers with relevant and applicable skills to thrive in their professional journeys. It is also a testament to our continuous efforts in fostering a learning culture and investing in the growth of our people.

Beyond training, we have also developed and implemented leadership toolkits and resources, such as periodic 360 feedback exercises, to support middle and senior management in enhancing their leadership capabilities.

OUR JOURNEY AND CONTINUED COMMITMENT

GRA has come a long way since our early days as CRA when we had to develop our own regulatory model from scratch as a new regulator. Today, we are seen as a credible regulator which has done well in regulating the casinos and delivered good outcomes for the people of Singapore. This achievement would not have been possible without the collective efforts and collaborations with our key partners and important stakeholders, the guidance and support of board members, and the professionalism and commitment of our staff.

As we embark on this new chapter as GRA, we must remain aware of the challenges and opportunities that lie ahead. The gambling landscape will continue to evolve, and we must stay vigilant and responsive to emerging trends and technological advancements. I look forward to working with our partners and every GRA officer to discharge our duties effectively and towards realising GRA's mission and vision.

BOARD MEMBERS



CHAIRMAN
MR TAN TEE HOW
Chairman
National Healthcare Group



MEMBER
MS KAREN CHONG
Coordinating Divisional
Director, Higher
Educational Group
Ministry of Education



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



MEMBER
(up to 1 April 2023)
**MR NICHOLAS
AARON KHOO**
Chief Operating Officer
Global Star Acquisition Inc



MEMBER
(up to 1 April 2023)
MR NG CHONG KHIM
Senior Adviser
(Corporate Services)
Ensign Infosecurity
(Cybersecurity) Pte. Ltd.



MEMBER
**MS SHARON
JOANNE OOI**
Executive Board,
Hannover Re



MEMBER
(up to 1 April 2023)
**MR SAM SIM TZI
YONG**
Senior Advisor,
Vienna University
Global Tax Policy Centre
Member, International
Association of Tax Judges



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



MEMBER
(up to 1 April 2023)
MR CHUA KIM LENG
Board Director
United Overseas
Insurance Ltd



MEMBER
**MR HOW KWANG
HWEE**
Deputy Commissioner of
Police (Investigation and
Intelligence)
Director, Criminal
Investigation Department
Singapore Police Force



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



MEMBER
(up to 10 May 2023)
MR ESA MASOOD
Deputy Secretary
(Corporate & Partners)
Ministry of Social and
Family Development



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



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



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



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

BOARD COMMITTEES

The GRA Board is assisted by the following committees:



Executive Committee

The Executive Committee assists the GRA Board in making decisions on certain operational matters. The Committee also serves as a sounding board for the GRA 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 GRA 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 GRA's annual budget proposal and recommends it to the GRA Board for approval. To ensure budget robustness, the Committee also assesses the half year financial position of GRA and reports to the GRA 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. The Committee also determines regulatory actions against licensees and class licensees regulated under the GCA.

Human Resource and Remuneration Committee

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

Legal and Regulatory Committee

The Legal and Regulatory Committee provides strategic guidance to the GRA Board on GRA's regulatory framework and assists the GRA Board by reviewing regulatory instruments.

Technology Advisory Committee

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

SENIOR MANAGEMENT

MS YEO PIA JEE

Deputy Chief Executive (Operations) &
Covering Director (Supervision) &
Covering Director (Investigations & Prohibitions)

MR TEO CHUN CHING

Chief Executive

MR EE KIAM KEONG

Deputy Chief Executive
(Policy & Development)
concurrent Director
(Infocomm Technology)



MR ALBERT YEO
General Counsel

MR BENNY WONG
Director (Operations Policy)

MR HAROLD GAN
Director (Compliance)

MR ONG BOON KHEE
Director (Research & Analysis)

MS CHEN SEI LEE
Director (Human Resource)

MR KHOO KAH BEE
Director (Corporate Services)

MR LEE KWONG YEE
Director (Gaming Technology)

MS GINGGI CHOY
Director (Policy, Planning
& Communications)

MR LAWRENCE LEE
Director (Licensing & Monitoring)

MILESTONES AND ACHIEVEMENTS

SIGNIFICANT EVENTS

ISSUANCE OF LICENCES TO SINGAPORE POOLS AND OPERATORS OF GAMING MACHINE ROOMS

GRA issued a licence to Singapore Pools under section 54 of the GCA after assessing that Singapore Pools has fulfilled the suitability criteria under the GCA. The licence, which is effective from 25 October

2022 to 24 October 2025, allows Singapore Pools to conduct betting operations and lotteries.

GRA also issued licences to GMR operators under section 54 of the GCA after assessing that they have fulfilled the suitability criteria under the GCA. The licences, which are effective from 1 November 2022 and with a validity period of up to three years, allow these GMR operators to offer gaming machines for play to their members.

GRA SPEAKS AT REGULATING THE GAME 2023

GRA was invited to speak at Regulating the Game 2023, a five-day gambling regulation conference held in Sydney, Australia in March 2023. GRA's General Counsel, Mr Albert Yeo, delivered a presentation on the regulation of gambling in Singapore, alongside other distinguished speakers from established Australian gambling regulators and law enforcement agencies, such as the Victorian Gambling and Casino Control Commission, Liquor & Gaming New South Wales, and the Australian Transaction Reports and Analysis Centre.

In particular, Mr Yeo highlighted the impetus to consolidate regulatory resources within the newly established GRA, which allowed the regulator to more effectively stay abreast of emerging trends in the gambling industry, and adopt a more holistic approach to gambling policies.



 GRA General Counsel Mr Albert Yeo delivering his presentation at Regulating the Game 2023

The conference provided a valuable platform for sharing insights and best practices, and fostering collaborations between regulatory authorities from various jurisdictions.

GRA WORKPLAN SEMINAR

GRA held its Workplan Seminar on 26 April 2023 with the theme "Rejuvenate. Aspire". The event was officiated by Chairman GRA, Mr Tan Tee How. In his opening address, Mr Tan emphasised the need to harness technology to transform GRA's operations to enhance operational effectiveness and productivity, and highlighted the importance of upholding public trust in order for GRA to discharge its renewed mission effectively.

Charting GRA's priorities for FY2023, GRA Chief Executive ("CE") Mr Teo Chun Ching highlighted three key transformation areas - entrenching risk management in work processes, building a future-ready workforce, and continuing GRA's progress in its digitalisation masterplan.

GRA also unveiled its new corporate video¹ that showcased GRA's commitment to its mission of protecting the people of Singapore by keeping gambling honest and free of criminal influence, and minimising the harm from gambling.



 GRA officers at Workplan Seminar 2023

GRA DAY AND NATIONAL DAY OBSERVANCE CEREMONY

GRA celebrated its first anniversary on 1 August 2023. Held in conjunction with the National Day Observance Ceremony, GRA officers marked this special occasion with a celebration of GRA's

achievements and the progress made in its transformation journey in the past year. Imbued with a sense of camaraderie, GRA officers also revelled in the spirit of our nation's 58th birthday, showcasing our unity in working together to participate in team-building games which reinforced staff engagement and the spirit of collaboration.



 GRA officers celebrating GRA Day 2023

¹Click on the link to watch the video on GRA's website: <https://go.gov.sg/gra-corporate-identity>

FOSTERING A CULTURE OF INNOVATION

Million Hours Challenge

Since 2019, GRA has been contributing to the Million Hours Challenge, which is an initiative under the Public Sector Transformation to spur public officers to review and improve processes to collectively save time for our citizens, businesses and fellow officers.

In 2022, GRA saved more than 6,000 man-hours through initiatives such as the digitalisation of corporate workflows and the development of work systems to enhance operational efficiency. These initiatives allowed GRA to focus on higher-value tasks, boosting overall work productivity and performance.

InvenThink Programme

Since the launch of GRA's InvenThink Programme in August 2019 to empower and engage officers to co-create innovative ideas, GRA officers have contributed more than 80 ideas to improve their work environment or processes.

To sustain the momentum to innovate and better foster a dare-to-try culture, GRA revamped the InvenThink framework that introduces initiatives to encourage officers to think out-of-the-box, adopt calculated risk-taking, and sustain creativity in advancing innovation. One such initiative is the formation of an Innovation Workgroup that works with GRA Divisions to trial IT tools for enhanced work productivity, e.g. generative Artificial Intelligence tools.

As part of GRA's innovation initiatives, officers continued to develop innovative ideas for impactful work improvements. Through the GRA Create and Dare-To-Try Awards 2022, officers were recognised for their contributions to the development and implementation of various digital innovation and process review initiatives, such as leveraging customised smart mobile software application to eliminate the use of hardcopy forms.

To further foster a culture where ideas are nurtured, officers had the opportunity to attend a workshop during the MHA-wide Innovation Month in October 2022, to learn the benefits of journey mapping. Through journey mapping, officers were empowered to identify and address pain points, and build upon each other's shared ideas to develop innovative solutions and improve organisational efficiency.

At the Home Team Innovation Award ("InnovA") 2022, GRA received an InnovA Commendation Award for GRA's contribution in enhancing our operational efficiency through the digitalisation of various corporate workflows which facilitated record-keeping and minimised administrative paperwork. InnovA acknowledges individuals and projects across the Home Team that have made significant positive impact through their innovative endeavours.



GRA CE Mr Teo Chun Ching with winners of the GRA Create Awards 2022



GRA CE Mr Teo Chun Ching with winners of the GRA Dare-To-Try Awards 2022

PEOPLE AT THE HEART OF GRA

Throughout 2022, GRA officers actively engaged with one another through various events and activities. These included informative lunchtime talks, interactive townhall sessions and team-building events organised by the staff cohesion committee. Officers also participated in Special Interest Group activities, ranging from sports such as running to other activities like playing board games,

to further promote teamwork and cohesion across different divisions.

Officers also found ways to connect with one another while making a positive impact on the community. In August 2022, officers gathered to read as part of the Read for Books charity book drive to raise awareness and share the gift of reading with the less privileged.



GRA CE Mr Teo Chun Ching and GRA officers participating in the Read for Books charity book drive

RECOGNITION AND APPRECIATION

PUBLIC SECTOR TRANSFORMATION REGULATORY EXCELLENCE AWARD

GRA, together with MHA, SPF, MSF and Tote Board, clinched the PST Regulatory Excellence Award for streamlining Singapore’s gambling legislations after undertaking a comprehensive review.

The PST Regulatory Excellence Award recognises exemplary initiatives that have made reforms that reduce regulatory burden and cost, create value for the Public Service and are future-ready.



Representatives from GRA and other agencies receiving the PST Regulatory Excellence Award from Mr Leo Yip, Head of Civil Service for the review of gambling legislation

NATIONAL DAY AWARDS

Ms Lee Kah Mun, Senior Assistant Director (Compliance), received the Public Administration Medal (Bronze). Ms Lee was instrumental in building sense-making capabilities in the organisation. She was also involved in the development of regulatory



Ms Sim Wee Min receiving her award from Guest-of-Honour Mrs Josephine Teo, Minister for Communications and Information and Second Minister for Home Affairs (Source: Official photo from event organiser)

principles for casino games and modes of game play. As a member of the Gambling Regulation 101 Curriculum Committee, Ms Lee coordinated and curated training materials, quizzes, and case studies to help prepare officers for work under GRA.

Ms Sim Wee Min, Assistant Director (Compliance), received the Commendation Medal. Through her stints in the organisation, Ms Sim played an active role in the casino license renewals, including developing a set of standard operating procedures to ensure a formalised and coordinated process.

Mr Christopher Tan, Manager (Licensing II) received the Efficiency Medal. Mr Tan was key in the development of an internal system to streamline and automate parts of the licensing process. Mr Tan also reviewed the application forms required for Special Employee Licence to ensure relevancy of the forms and clarity of questions.

Mr Lawrence Lee, Director (Licensing & Monitoring) received the Long Service Medal for his dedication to the Public Service.

MINISTER FOR HOME AFFAIRS NATIONAL DAY AWARDS (“MNDA”)

In recognition of the efforts and teamwork that led to the streamlining of gambling legislation and establishment of GRA as the single regulator for gambling in Singapore, GRA along with other agencies including MHA, the Attorney-General’s Chambers, SPF, MSF and Tote Board were awarded the MNDA (Team).

Ms Vong Sin Yee, Senior Manager (Probity), received the MNDA (Individual). Ms Vong contributed significantly to the reviews on the organisation’s operational policies and regulatory requirements. She was also a member of the team that led gambling policy reviews prior to GRA’s formation.



Ms Vong Sin Yee and GRA CE Mr Teo Chun Ching at the Home Team National Day Observance Ceremony 2022

MHA STAR SERVICE AWARD

Mr Alfred Tay, Senior Assistant Director (Supervision) received the MHA Commendation Star Service Award 2022 in recognition of his outstanding contributions and service excellence in 2021. Mr Tay displayed good leadership and provided strong support to his teammates and peers. He readily stepped up to volunteer at the larger public service level and helped fellow colleagues in corporate-level activities.



COMMUNITY CHEST SHARE PLATINUM AWARD

GRA was awarded the Community Chest SHARE Platinum Award 2022. This award recognises fund raising efforts by organisations and is awarded to organisations with high participation rate in making regular donations to the Community Chest.

GRA Deputy Chief Executive Mr Ee Kiam Keong receiving the Community Chest SHARE Platinum Award from Ms Sun Xueling, Minister of State for Home Affairs and Social and Family Development (Source: Official photo from event organiser)

PUBLIC SERVICE LONG SERVICE AWARD

A total of 26 officers received the 2023 Long Service Award. The Long Service Award recognises and appreciates officers’ contributions to the Public Service.

ENFORCEMENT ACTIONS

OPERATOR	RELEVANT LEGISLATION	BREACH	ACTION TAKEN BY GRA
Resorts World at Sentosa Pte. Ltd.	Regulation 13(2) of the Casino Control (Prevention of Money Laundering and Terrorism Financing) Regulations 2009	Failure to perform customer due diligence measures	Financial penalty of \$20,000
Resorts World at Sentosa Pte. Ltd.	Regulation 14(1A)(a) and (c) of the Casino Control (Prevention of Money Laundering and Terrorism Financing) Regulations 2009	Failure to perform enhanced customer due diligence measures	Financial penalty of \$75,000
Ceylon Sports Club	Section 88(1)(a)(i) of the GCA	Failure to comply with regulatory requirements relating to the screening and registration of persons, and prevention of entry of excluded persons	Suspension of licence for one (1) month

GAMBLING REGULATORY AUTHORITY OF SINGAPORE

(Formerly known as Casino Regulatory Authority of Singapore)

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In our opinion,

- (a) the accompanying financial statements set out on pages 28 to 55 of the Gambling Regulatory Authority of Singapore (the "Authority") are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2023, and the results, changes in equity and cash flows of the Authority for the year then ended in accordance with the provisions of the Public Sector (Governance) Act 2018, the Gambling Regulatory Authority of Singapore Act 2022, the Gambling Control Act 2022, the Casino Control Act 2006 (collectively, the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS");
- (b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the year are, in all material respects, in accordance with the provisions of the Acts, and the requirements of any other written law applicable to moneys of or managed by the Authority; and
- (c) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

On behalf of the Authority,



Tan Tee How
Chairman



Teo Chun Ching
Chief Executive

Singapore
18 July 2023


**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
GAMBLING REGULATORY AUTHORITY OF SINGAPORE**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Gambling Regulatory Authority of Singapore (the "Authority") set out on pages 28 to 55 which comprise the statement of financial position as at 31 March 2023, 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 Public Sector (Governance) Act 2018, the Gambling Regulatory Authority of Singapore Act 2022, the Gambling Control Act 2022, the Casino Control Act (collectively, the "Acts") 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 2023 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.


**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
GAMBLING REGULATORY AUTHORITY OF SINGAPORE**

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Acts 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
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
GAMBLING REGULATORY AUTHORITY OF SINGAPORE**
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion:

- 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 Acts and the requirements of any other written law applicable to moneys of or managed by the Authority; and
- proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

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 Acts and the requirement of any other written law applicable to moneys of or managed by the Authority. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the requirements.

AUDITOR'S RESPONSIBILITIES FOR THE COMPLIANCE AUDIT

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Acts and the requirement of any other written law applicable to moneys of or managed by the Authority.


**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
GAMBLING REGULATORY AUTHORITY OF SINGAPORE**
AUDITOR'S RESPONSIBILITIES FOR THE COMPLIANCE AUDIT (CONT'D)

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



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

18 July 2023


**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Note	2022/2023 \$	2021/2022 \$
Equity			
Capital account	4	36,001,000	36,001,000
Accumulated surplus		37,832,572	40,757,207
Total equity		73,833,572	76,758,207
Represented by:			
Non-current assets			
Plant and equipment	5	7,888,769	11,147,613
Intangible assets	6	3,871,629	1,896,621
Right-of-use assets	14	7,208,452	1,902,977
		18,968,850	14,947,211
Current assets			
Other receivables	7	2,604,715	235,076
Prepaid operating expenses		1,372,455	818,371
Deposits		831,848	732,424
Cash and cash equivalents	8	168,007,397	146,247,920
		172,816,415	148,033,791
Total assets		191,785,265	162,981,002
Current liabilities			
Trade and other payables	9	5,063,419	10,038,033
Fees received in advance	10	51,128,194	25,906,230
Prepayments received	11	534,176	670,842
Provisions	12	1,664,157	1,935,934
Amounts due to parent ministry and other government agencies	13	123,712	28,018
Lease liabilities	14	2,919,990	2,088,228
		61,433,648	40,667,285
Net current assets		111,382,767	107,366,506
Non-current liabilities			
Fees received in advance	10	51,066,325	44,449,315
Provisions	12	1,142,625	1,106,195
Lease liabilities	14	4,309,095	-
		56,518,045	45,555,510
Total liabilities		117,951,693	86,222,795
Net assets		73,833,572	76,758,207

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 2023**

	Note	2022/2023 \$	2021/2022 \$
Income			
License fees	15	49,203,389	48,000,000
Venue approval fees	15	16,541	-
Application fees	15	1,007,275	1,103,490
Fines	15	-	352,700
		50,227,205	49,456,190
Expenditure			
Expenditure on manpower	16	(28,327,400)	(26,084,514)
Staff welfare and development		(1,039,214)	(677,295)
Rental of premises and others		(25,765)	(26,824)
Maintenance		(3,414,427)	(3,295,675)
Depreciation of plant and equipment	5	(2,356,979)	(1,976,478)
Depreciation of right-of-use assets	14	(2,648,678)	(2,537,301)
Amortisation of intangible assets	6	(1,276,019)	(980,810)
Utilities		(265,186)	(215,905)
Communications		(465,386)	(460,633)
Management and professional services	17	(14,346,879)	(12,531,258)
Interest on lease liabilities	14	(112,681)	(151,224)
Other operating expenses	18	(2,089,537)	(1,539,425)
		(56,368,151)	(50,477,342)
Operating deficit		(6,140,946)	(1,021,152)
Non-operating income	19	3,216,311	349,047
Deficit before statutory contribution to consolidated fund		(2,924,635)	(672,105)
Statutory contribution to consolidated fund	20	-	-
Deficit for the year, representing total comprehensive income for the financial year		(2,924,635)	(672,105)

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 2023**

	Capital Account \$	Accumulated surplus \$	Total \$
Balance as at 1 April 2021	36,001,000	41,429,312	77,430,312
Deficit for the year, representing total comprehensive income for the financial year	-	(672,105)	(672,105)
Balance as at 31 March 2022 and 1 April 2022	36,001,000	40,757,207	76,758,207
Deficit for the year, representing total comprehensive income for the financial year	-	(2,924,635)	(2,924,635)
Balance as at 31 March 2023	36,001,000	37,832,572	73,833,572

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 2023**

	Note	2022/2023 \$	2021/2022 \$
Cash flows from operating activities			
Deficit before statutory contribution to consolidated fund		(2,924,635)	(672,105)
Adjustments for:			
Depreciation of plant and equipment	5	2,356,979	1,976,478
Amortisation of intangible assets	6	1,276,019	980,810
Depreciation of right-of-use assets	14	2,648,678	2,537,301
Construction-in-progress written off	18	352,288	-
(Write-back)/provision for unutilised leave, net		(175,899)	65,882
Provision for retention bonus	12	334,110	263,654
Interest income from short term deposits	19	(3,046,919)	(348,932)
Interest on lease liabilities	14	112,681	151,224
Surplus before working capital changes		933,302	4,954,312
Operating cash flows before working capital changes:			
Increase in other receivables		(82,309)	(11,381)
Increase in prepaid operating expenses		(554,084)	(171,148)
Increase in deposits		(99,424)	(122)
Decrease in trade and other payables		(1,321,762)	(215,706)
(Decrease)/increase in prepayments received		(136,666)	212,003
Increase/(decrease) in amount due to parent ministry, net		95,694	(240,569)
Increase in fees received in advance		31,838,974	24,075,931
Payment of retention bonus	12	(304,000)	(348,000)
Payment of unutilised leave	12	(89,558)	(50,208)
Cash flows generated from operations		30,280,167	28,205,112
Contribution to consolidated fund		-	(946,254)
Interest received		759,589	446,726
Net cash flows generated from operations		31,039,756	27,705,584
Cash flows from investing activities:			
Purchase of plant and equipment		(5,120,685)	(1,899,974)
Purchase of intangible assets		(1,233,617)	(44,100)
Net cash flows used in investing activities		(6,354,302)	(1,944,074)
Cash flows from financing activities:			
Payment of lease liabilities, representing net cash flow used in financing activities	14	(2,925,977)	(2,788,750)
Net increase in cash and cash equivalents		21,759,477	22,972,760
Cash and cash equivalents at beginning at the year		146,247,920	123,275,160
Cash and cash equivalents at end of the year	8	168,007,397	146,247,920

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


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
1. GENERAL

The Gambling Regulatory Authority of Singapore (the "Authority") was first established as the Casino Regulatory Authority under the Casino Control Act 2006 (the "Casino Control Act") on 2 April 2008 as a statutory board.

With effect from 1 August 2022, the Casino Regulatory Authority was reconstituted under the Gambling Regulatory Authority Act 2022 (the "Gambling Regulatory Act") as Gambling Regulatory Authority of Singapore.

The functions of the Authority are

- (a) to scrutinise, regulate and control gambling in or affecting Singapore to ensure that it is conducted honestly and free from criminal influence and exploitation;
- (b) to inquire into, and make recommendations to or otherwise advise the Minister on, matters relating to gambling, either on its own motion or upon the request of the Minister;
- (c) to research and inquire into matters relating to the control of gambling, including the probity and financial security and viability of persons involved in the management of gambling operations;
- (d) to work collaboratively with:
 - (i) the National Council on Problem Gambling to reduce the prevalence of problem gambling and the severity of harm from gambling; and
 - (ii) the Singapore Police Force and public authorities or other persons (whether in or outside Singapore) responsible for investigating and prosecuting crimes, or for the regulation and control of the conduct of gambling, including sharing information with them for crime prevention and in circumstances where the Authority reasonably suspects an offence under any written law or other law may have been committed
- (e) to foster responsible gambling and minimise the harm from gambling;
- (f) to set and maintain appropriate standards and levels of accountability for the conduct of gambling; and
- (g) to perform such other functions as may be conferred on the Authority by any other Act.

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


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

The financial statements of the Authority for the financial year ended 31 March 2023 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 that in the current financial year, the Authority has adopted all the new and amended standards which are relevant to the Authority and are effective for annual financial periods beginning on or after 1 April 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Authority.

Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SB-FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SB-FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to SB-FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SB-FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SB-FRS 116 Leases: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SB-FRS 1 <i>Presentation of Financial Statements</i> : <i>Non-current Liabilities with Covenants</i>	1 January 2024

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

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

2.3 *Functional and foreign currency*

Transactions and balances

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

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

2.4 *Plant and equipment*

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

Plant and equipment costing less than \$5,000 each, are charged to the statement of comprehensive income in the year of purchase as "plant and equipment expensed off" as disclosed in Note 18 to the financial statements.

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
Computer and Communication Systems	- 5 years
Furniture, fittings, tools & equipment	- 3 to 8 years
Heritage assets (refers to artwork)	- No depreciation

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

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

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

2.5 *Intangible assets*

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

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

The amortisation expense on intangible assets is recognised in the statement of comprehensive income through the 'amortisation of intangible assets' line item.

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

2.6 *Impairment of non-financial assets*

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the statement of comprehensive income, consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the Authority estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the statement of comprehensive income.

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

2.7 Financial instruments

(i) 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.

At initial recognition, the Authority measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of comprehensive income.

Subsequent measurement

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

Debt instruments at amortised cost

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

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

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

De-recognition

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

Regular way purchase and sale of financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Authority commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

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

2.7 Financial instruments (cont'd)

(ii) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.8 Cash and cash equivalents

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

2.9 Trade and other receivables

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

An allowance is made for uncollectible amounts when there is objective evidence that the Authority will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.10 below.

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

2.10 Impairment of financial assets

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

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

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

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

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

2.11 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)

2.12 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.

2.13 Leases

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

Authority as a lessee

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

(i) Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

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

2.13 Leases

Authority as a lessee (cont'd)

(i) Right-of-use assets (cont'd)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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

(ii) Lease liabilities

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

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

The Authority's lease liabilities are disclosed in Note 14 to the financial statements.

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

2.14 Income recognition

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

Income is recognised as follows:

(a) Casino licence fees

Casino licence fees are recognised as income over the tenure of casino licence on an accrual basis.

(b) Others licence fees

Others licence fees are fees collected for conducts of betting operations, operation of gaming machines and for other gambling services. Licence fees are recognised as income over the tenure of licence on an accrual basis.

(c) Venue approval fees

Venue approval fees are fees collected for places or premises used in providing gambling services. Approval fees are recognised as income over the tenure of approval on an accrual basis.

(d) Application fees

Application fees (casino and non-casino applications) 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.

(e) Interest income

Interest income is recognised on a time proportionate basis using the effective interest method.

2.15 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.


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.16 Capital**

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Authority's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of incomes, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. CAPITAL ACCOUNT

	2022/2023		2021/2022	
	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.


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
5. PLANT AND EQUIPMENT

	Plant and machinery \$	Renovation \$	Computer and Communication Systems \$	Furniture, fittings, tools & equipment \$	Heritage assets \$	Construction-in-progress \$	Total \$
Cost:							
At 1 April 2021	308,437	2,835,162	14,385,291	847,855	130,964	1,364,952	19,872,661
Additions	-	-	3,408,152	11,814	-	3,535,225	6,955,191
Reclassification	-	-	1,180,312	-	-	(1,180,312)	-
Transfer to intangible assets (Note 6)	-	-	-	-	-	(54,000)	(54,000)
At 31 March 2022 and 1 April 2022	308,437	2,835,162	18,973,755	859,669	130,964	3,665,865	26,773,852
Additions	-	-	82,863	18,345	-	1,010,985	1,112,193
Reclassification	-	-	393,357	-	-	(393,357)	-
Disposals	-	-	(744,928)	(93,085)	-	-	(838,013)
Write off	-	-	-	-	-	(352,288)	(352,288)
Transfer to intangible assets (Note 6)	-	-	-	-	-	(1,661,770)	(1,661,770)
At 31 March 2023	308,437	2,835,162	18,705,047	784,929	130,964	2,269,435	25,033,974
Accumulated depreciation:							
At 1 April 2021	258,389	2,835,162	9,722,019	834,191	-	-	13,649,761
Depreciation for the year	9,367	-	1,961,853	5,258	-	-	1,976,478
At 31 March 2022 and 1 April 2022	267,756	2,835,162	11,683,872	839,449	-	-	15,626,239
Depreciation for the year	8,136	-	2,339,463	9,380	-	-	2,356,979
Disposals	-	-	(744,928)	(93,085)	-	-	(838,013)
At 31 March 2023	275,892	2,835,162	13,278,407	755,744	-	-	17,145,205
Carrying amount:							
At 31 March 2023	32,545	-	5,426,640	29,185	130,964	2,269,435	7,888,769
At 31 March 2022	40,681	-	7,289,883	20,220	130,964	3,665,865	11,147,613


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
6. INTANGIBLE ASSETS

	Computer software
	\$
Cost:	
At 1 April 2021	7,444,305
Additions	236,800
Transfer from plant and equipment (Note 5)	54,000
At 31 March 2022 and 1 April 2022	7,735,105
Additions	1,589,257
Disposals	(67,809)
Transfer from plant and equipment (Note 5)	1,661,770
At 31 March 2023	10,918,323
Accumulated amortisation:	
At 1 April 2021	4,857,674
Amortisation for the year	980,810
At 31 March 2022 and 1 April 2022	5,838,484
Amortisation for the year	1,276,019
Disposals	(67,809)
At 31 March 2023	7,046,694
Carrying amount:	
At 31 March 2023	3,871,629
At 31 March 2022	1,896,621

7. OTHER RECEIVABLES

	2022/2023	2021/2022
	\$	\$
Interest receivables	2,511,025	223,695
Others	93,690	11,381
	<u>2,604,715</u>	<u>235,076</u>

Interest receivables are short term deposits earning interest, ranging from 0.49% to 2.85% (2021/2022: 0.29% to 0.41 %) per annum.


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
8. CASH AND CASH EQUIVALENTS

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

	2022/2023	2021/2022
	\$	\$
Cash maintained with Accountant-General's Department ("AGD")	168,007,397	146,247,920

Included in the cash and cash equivalents are:

- (i) an amount of \$1,207,068 (2021/2022: \$6,320,178) which does not earn any interest.
- (ii) the remaining balance of \$166,800,329 (2021/2022: \$139,927,742) is managed under the Centralised Liquidity Management ("CLM") scheme as set out in the Accountant-General's Circular's No. 4/2009. These are short term deposits earning interest, ranging from 0.49% to 2.85% (2021/2022: 0.29% to 0.41%) per annum.

9. TRADE AND OTHER PAYABLES

	2022/2023	2021/2022
	\$	\$
Trade payables	-	1,677,373
Other payables	136,021	31,073
Accrued operating expenses	3,332,333	3,081,670
Accrued capital expenditure	1,595,065	5,247,917
	<u>5,063,419</u>	<u>10,038,033</u>

Trade payables and other payables are non-interest bearing. Trade payables are normally settled on a 30-days term (2021/2022: 30 days). Other payables mainly relate to moneys seized for purposes of investigation.

Accrued operating expense mainly relates to liabilities for operating expenses but which were invoiced subsequent to year end.

Accrued capital expenditure mainly related to liabilities for capital expenditure (plant & equipment or intangible assets) but which were invoiced subsequent to year end.


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
10. FEES RECEIVED IN ADVANCE

	Current \$	Non-current \$	Total \$
2022/2023			
Application fees (casino)	162,204	-	162,204
Casino license fees	48,000,000	46,093,151	94,093,151
Others licence fees	2,834,750	4,562,924	7,397,674
Venue approval fees	131,240	410,250	541,490
	<u>51,128,194</u>	<u>51,066,325</u>	<u>102,194,519</u>
2021/2022			
Application fees (casino)	262,394	-	262,394
Casino license fees	25,643,836	44,449,315	70,093,151
	<u>25,906,230</u>	<u>44,449,315</u>	<u>70,355,545</u>

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

Income recognised that was included in fees received in advance balance as at the beginning of the year by the Authority is \$25,906,230 (2021/2022: \$44,685,779).

11. PREPAYMENTS RECEIVED

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

12. PROVISIONS

	Current \$	Non-current \$	Total \$
2022/2023			
Financial liabilities:			
Provision for retention bonus	336,093	572,850	908,943
Provision for unutilised leave	1,328,064	-	1,328,064
Non-financial liabilities:			
Provision for reinstatement cost	-	569,775	569,775
Total	<u>1,664,157</u>	<u>1,142,625</u>	<u>2,806,782</u>


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
12. PROVISIONS (CONT'D)

	Current \$	Non-current \$	Total \$
2021/2022			
Financial liabilities:			
Provision for retention bonus	342,413	536,420	878,833
Provision for unutilised leave	1,593,521	-	1,593,521
Non-financial liabilities:			
Provision for reinstatement cost	-	569,775	569,775
Total	<u>1,935,934</u>	<u>1,106,195</u>	<u>3,042,129</u>

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

	2022/2023 \$	2021/2022 \$
At 1 April	878,833	963,179
Provision for the financial year	334,110	263,654
Payment made during the financial year	(304,000)	(348,000)
At 31 March	<u>908,943</u>	<u>878,833</u>

The retention bonus due to employees is determined based on the expected pay-out to be made by the Authority in respect of services rendered by these employees up to the end of the reporting period.

Movement of the provision for unutilised leave is as follows:

	2022/2023 \$	2021/2022 \$
At 1 April	1,593,521	1,577,847
(Write-back)/provision for the financial year	(175,899)	65,882
Provision utilised	(89,558)	(50,208)
	<u>1,328,064</u>	<u>1,593,521</u>


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

13. AMOUNTS DUE TO PARENT MINISTRY AND OTHER GOVERNMENT AGENCIES

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

14. LEASES

Authority as a lessee

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

(a) Right-of-use assets

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

	Office premises \$
At 1 April 2021	4,440,278
Depreciation	(2,537,301)
At 31 March 2022 and 1 April 2022	1,902,977
Addition	7,954,153
Depreciation	(2,648,678)
At 31 March 2023	7,208,452

(b) Lease liabilities

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

	2022/2023 \$	2021/2022 \$
At 1 April	2,088,228	4,725,754
Addition	7,954,153	-
Accretion of interest	112,681	151,224
Payments	(2,925,977)	(2,788,750)
At 31 March	7,229,085	2,088,228
Current	2,919,990	2,088,228
Non-current	4,309,095	-


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

14. LEASES (CONT'D)

Authority as a lessee (cont'd)

(c) Others

The following are the amounts recognised in statement of comprehensive income:

	2022/2023 \$	2021/2022 \$
Depreciation of right-of-use assets	2,648,678	2,537,301
Interest on lease liabilities	112,681	151,224
Total amount recognised in statement of comprehensive income	2,761,359	2,688,525

(d) Total cash outflow

The Authority had total cash outflows for leases of \$2,925,977 (\$2,788,750 in 2021/2022).

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

	1 April 2022 \$	Non-cash changes Additions \$	Interest \$	Other* \$	Cash flows \$	31 March 2023 \$
Lease liabilities						
Current	2,088,228	725,068	112,681	2,919,990	(2,925,977)	2,919,990
Non-current	-	7,229,085	-	(2,919,990)	-	4,309,095
Total lease liabilities	2,088,228	7,954,153	112,681	-	(2,925,977)	7,229,085
	1 April 2021 \$	Non-cash changes Interest \$	Other* \$	Cash flows \$	31 March 2022 \$	
Lease liabilities						
Current	2,637,526	151,224	2,088,228	(2,788,750)	2,088,228	
Non-current	2,088,228	-	(2,088,228)	-	-	
Total lease liabilities	4,725,754	151,224	-	(2,788,750)	2,088,228	

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


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
15. INCOME

	2022/2023 \$	2021/2022 \$
License fees (Casino)	48,000,000	48,000,000
Licence fees (Others)	1,203,389	-
Venue approval fees	16,541	-
Application fees	1,007,275	1,103,490
Fines	-	352,700
	<u>50,227,205</u>	<u>49,456,190</u>
Timing of transfer of services		
- At a point in time	1,007,275	1,456,190
- Over time	49,219,930	48,000,000
	<u>50,227,205</u>	<u>49,456,190</u>

16. EXPENDITURE ON MANPOWER

	2022/2023 \$	2021/2022 \$
Employee benefits expense (including key management personnel):		
Salaries, allowances, and bonuses	25,340,596	23,356,133
Defined contribution plans	2,896,804	2,728,381
	<u>28,237,400</u>	<u>26,084,514</u>
Compensation of key management personnel		
Salaries, allowances, and bonuses	3,780,512	3,425,112
Defined contribution plans	318,324	396,305
Total compensation paid to key management personnel	<u>4,098,836</u>	<u>3,821,417</u>

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


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
17. MANAGEMENT AND PROFESSIONAL SERVICES

	2022/2023 \$	2021/2022 \$
Computer services	4,608,551	3,468,650
Other professional services	5,241,852	6,146,515
Board fees	173,589	180,941
Information, communication and technology services	3,159,714	1,724,976
Others	1,163,173	1,010,176
	<u>14,346,879</u>	<u>12,531,258</u>

Computer services and other professional services consists of costs that are paid/payable to Ministry of Social and Family Development ("MSF") relating to social safeguards and are paid/payable to Government Technology Agency relating to IT services and manpower cost.

Information, communication and technology services are costs that are paid/payable to contracted third party vendors in relation to the provision of IT services.

18. OTHER OPERATING EXPENSES

The following items have been included in other operating expenses:

	2022/2023 \$	2021/2022 \$
Plant and equipment expensed off	237,864	165,337
Intangible assets expensed off	5,432	7,619
Goods and services tax expensed off	1,609,537	1,172,464

19. NON-OPERATING INCOME

The following items have been included in non-operating income:

	2022/2023 \$	2021/2022 \$
Interest income from short term deposits	3,046,919	348,932


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

20. STATUTORY CONTRIBUTION TO CONSOLIDATED FUND

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

In lieu of income tax, the Authority is required to make contribution to the Consolidated Fund of the Government in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) and in accordance with the Finance Circular Minute No M5/2005. The contribution was computed based on 17% of the surplus net of transfer of funds to the Consolidated Fund for the year as at 31 March 2023.

There is no contribution for the current financial year and the deficit amount would be carried forward to be off-set against future financial years' surplus.

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

	2022/2023 \$	2021/2022 \$
Deficit of the Authority before statutory contribution to consolidated fund	(2,924,635)	(672,105)
Contribution payable at 17% (2021/2022: 17%)	-	-

21. COMMITMENTS AND CONTINGENCIES

The Authority is given the flexibility to lease for the use of computer equipment under GovTech's PC Bulk Tender with no purchase options with a third vendor. The Authority will pay a monthly fee for the use of those equipment. All other IT services will be subscribed via other GovTech's bulk tenders under the "Whole of Government ICT Infrastructure" arrangement.

	2022/2023 \$	2021/2022 \$
Within 1 year	220,935	192,757
Within 2-5 years	190,618	207,830
	411,553	400,587

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

22. 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 statement of financial position.

(b) Liquidity risk

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

Liquidity risk analyses

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

	Note	On demand or within 1 year \$	Between 2 to 5 years \$	Total \$
2022/2023				
Trade and other payables	9	5,063,419	-	5,063,419
Provision for retention bonus		336,093	659,336	995,429
Provision for unutilised leave	12	1,328,064	-	1,328,064
Amount due to parent ministry and other government agencies	13	123,712	-	123,712
Lease liabilities		3,151,321	4,464,372	7,615,693
		10,002,609	5,123,708	15,126,317


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
22. 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 \$
2021/2022				
Trade and other payables	9	10,038,033	–	10,038,033
Provision for retention bonus		342,413	611,191	953,604
Provision for unutilised leave	12	1,593,521	–	1,593,521
Amount due to parent ministry and other government agencies	13	28,018	–	28,018
Lease liabilities		2,138,148	–	2,138,148
		<u>14,140,133</u>	<u>611,191</u>	<u>14,751,324</u>

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Cash and cash equivalents and deposits

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

Other receivables, trade and other payables, amount due from/to parent ministry and other government agencies

The carrying amounts of these receivables and payables (including amount due from/to parent ministry and other government agencies) approximate their fair values as they are subject to normal trade credit terms.

Lease liabilities

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


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)Provision for retention bonus

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

Classification of financial assets/liabilities

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

	Note	2022/2023 \$	2021/2022 \$
Financial assets at amortised cost			
Trade and other receivables	7	2,604,715	235,076
Deposits		831,848	732,424
Cash and cash equivalents	8	168,007,397	146,247,920
		<u>171,443,960</u>	<u>147,215,420</u>
Financial liabilities at amortised cost			
Trade and other payables	9	5,063,419	10,038,032
Provision for retention bonus	12	908,943	878,833
Provision for unutilised leave	12	1,328,064	1,593,521
Amount due to parent ministry	13	123,712	28,018
Lease liabilities	14	7,229,085	2,088,228
		<u>14,653,223</u>	<u>14,626,632</u>

24. CAPITAL MANAGEMENT

The capital structure of the Authority consists of capital account and accumulated surplus. The Authority's objective when managing capital is to safeguard its ability as a going concern by monitoring and maintaining sufficient cash flows.

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

25. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Authority for the year ended 31 March 2023 were authorised for issue by the members of its Board on 18 July 2023.



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