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Accounting And Corporate Regulatory Authority

*Statement By The Accounting And Corporate
Regulatory Authority*

In our opinion, the accompanying financial statements of the Accounting and Corporate Regulatory Authority (the "Authority") as set out on pages 4 to 25 are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2019, and the results, changes in equity and cash flows of the Authority for the financial year then ended.

On behalf of the Authority



TAN CHING YEE
Chairman



ONG KHIAW HONG
Chief Executive

Singapore
24 June 2019

Independent Auditor's Report

*On The Audit Of The Financial Statements Of
The Accounting And Corporate Regulatory Authority
For The Financial Year Ended 31 March 2019*

Report on the Audit of the Financial Statements

OPINION

The financial statements of the Accounting and Corporate Regulatory Authority (the Authority), set out on pages 4 to 25, have been audited under my direction. These financial statements comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (Act 5 of 2018) (the PSG Act), the Accounting and Corporate Regulatory Authority Act (Cap.2A, 2005 Revised Edition) (the ACRA Act) and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2019 and the results, changes in equity and cash flows of the Authority for the financial year ended on that date.

BASIS FOR OPINION

The audit was conducted in accordance with Singapore Standards on Auditing (SSAs). The responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. As the Auditor-General, I am independent of the Authority and I exercise my duties and powers in accordance with the Constitution of the Republic of Singapore (1999 Revised Edition) and the Audit Act (Cap. 17, 1999 Revised Edition). Ethical requirements that are relevant to the audit and in line with the Accounting

and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) have been fulfilled. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

OTHER INFORMATION

The management is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by the Authority but does not include the financial statements and my auditor's report thereon.

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

In connection with the audit of the financial statements, the auditor's responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or the knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work performed on the other information obtained prior to the date of this auditor's report, there is a material misstatement of this other information, that fact will be reported. I have nothing to report in this regard.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the PSG Act, the ACRA Act and Statutory Board Financial Reporting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Authority is constituted based on the ACRA 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

My 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 my 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, professional judgement is exercised and professional scepticism is maintained throughout the audit. An audit also includes:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for my 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 controls.
- Obtaining an understanding of internal controls 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 controls.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding 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 I conclude that a material uncertainty exists, I will draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluating 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.

Among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls identified during the audit are communicated to those charged with governance.

Report on Other Legal and Regulatory Requirements

OPINION

In my opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the financial year are, in all material respects, in accordance with the provisions of the PSG Act, the ACRA Act and the requirements of any other written law applicable to moneys of or managed by the Authority; and

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

BASIS FOR OPINION

The audit was conducted in accordance with SSAs. The responsibilities under those standards are further described in the Auditor's Responsibilities for the Compliance Audit section of this report. As the Auditor-General, I am independent of the Authority and I exercise my duties and powers in accordance with the Constitution of the Republic of Singapore and the Audit Act. Ethical requirements that are relevant to the audit and in line with the ACRA Code have been fulfilled. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion on management's compliance.

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE WITH LEGAL AND REGULATORY REQUIREMENTS

The 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 PSG Act, the ACRA Act and the requirements of any other written law applicable to moneys of or managed by the Authority. This responsibility includes monitoring related compliance requirements relevant to the Authority, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

AUDITOR'S RESPONSIBILITIES FOR THE COMPLIANCE AUDIT

My responsibility is to express an opinion on management's compliance based on the audit of the financial statements. The compliance audit was planned and performed 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 PSG Act, the ACRA Act and the requirements of any other written law applicable to moneys of or managed by the Authority.

A compliance audit includes obtaining an understanding of the internal controls 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 Authority's internal controls. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.



GOH SOON POH
AUDITOR-GENERAL

Singapore
24 June 2019

Accounting And Corporate Regulatory Authority

Statement of Financial Position as at 31 March 2019

	NOTE	31 MARCH 2019 S\$'000	RESTATED 31 MARCH 2018 S\$'000	RESTATED 1 APRIL 2017 S\$'000
CAPITAL AND RESERVES				
Share capital	4	8,601	8,601	8,601
Accumulated surplus		180,246	166,807	153,146
		188,847	175,408	161,747
Represented by:				
NON-CURRENT ASSETS				
Intangible assets	5	10,918	14,384	15,645
Property, plant and equipment	6	2,040	3,748	5,179
Development projects-in-progress	7	372	111	3,024
		13,330	18,243	23,848
CURRENT ASSETS				
Cash and cash equivalents	8	189,251	168,842	186,515
Trade and other receivables	9	7,189	5,894	7,370
		196,440	174,736	193,885
CURRENT LIABILITIES				
Trade and other payables	10	(12,024)	(9,279)	(12,750)
Fees received in advance		-	(25)	(63)
Deposits	11	(3,451)	(3,685)	(3,478)
Provision for pension	12	(16)	(16)	(14)
Provision for contribution to Government Consolidated Fund	13	(3,970)	(2,897)	(37,747)
		(19,461)	(15,902)	(54,052)
NET CURRENT ASSETS		176,979	158,834	139,833
NON-CURRENT LIABILITIES				
Deferred capital grants	14	(377)	(593)	(809)
Provision for costs of dismantlement, removal or restoration	15	(688)	(688)	(717)
Provision for pension	12	(397)	(388)	(408)
		(1,462)	(1,669)	(1,934)
		188,847	175,408	161,747

The accompanying notes form an integral part of the financial statements.

Accounting And Corporate Regulatory Authority

Statement of Comprehensive Income for the Financial Year ended 31 March 2019

	NOTE	2018/2019 S\$'000	RESTATED 2017/2018 S\$'000
INCOME			
Company incorporation and related fees	16	33,741	31,733
Agency fees	16	17,500	17,200
Information service fees	16	15,139	14,322
Business registration and related fees	16	5,931	6,858
Public accountant registration and related fees	16	2,572	1,696
Corporate service provider registration and related fees	16	1,099	683
Other income	17	5,547	4,041
		<u>81,529</u>	<u>76,533</u>
EXPENDITURE			
Staff costs	18	(25,191)	(23,795)
Services	19	(18,494)	(16,030)
Rental, maintenance and supplies	20	(8,711)	(7,829)
Amortisation of intangible assets	5	(5,061)	(4,983)
Depreciation of property, plant and equipment	6	(1,774)	(2,030)
Other expenditure	21	(2,585)	(4,857)
		<u>(61,816)</u>	<u>(59,524)</u>
SURPLUS BEFORE CONTRIBUTION TO GOVERNMENT CONSOLIDATED FUND		19,713	17,009
Contribution to Government Consolidated Fund	13	(3,970)	(2,897)
NET SURPLUS FOR THE FINANCIAL YEAR		<u>15,743</u>	<u>14,112</u>
OTHER COMPREHENSIVE (EXPENSE)/ INCOME ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME OR EXPENDITURE			
Actuarial (loss)/gain on pension obligations	12	(13)	14
OTHER COMPREHENSIVE (EXPENSE)/ INCOME FOR THE FINANCIAL YEAR		<u>(13)</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>15,730</u>	<u>14,126</u>

The accompanying notes form an integral part of the financial statements.

Accounting And Corporate Regulatory Authority

Statement of Changes in Equity for the Financial Year ended 31 March 2019

	NOTE	SHARE CAPITAL S\$'000	ACCUMULATED SURPLUS S\$'000	TOTAL S\$'000
Balance at 1 April 2017, as previously presented		8,601	149,471	158,072
Impact of change in accounting policy		-	3,675	3,675
RESTATED BALANCE AT 1 APRIL 2017		8,601	153,146	161,747
Restated surplus for the financial year		-	14,112	14,112
Other Comprehensive Income		-	14	14
Dividends paid	22	-	(465)	(465)
RESTATED BALANCE AT 31 MARCH 2018		8,601	166,807	175,408
Net surplus for the financial year		-	15,743	15,743
Other Comprehensive Expense		-	(13)	(13)
Dividends paid	22	-	(2,291)	(2,291)
BALANCE AT 31 MARCH 2019		8,601	180,246	188,847

The accompanying notes form an integral part of the financial statements.

Accounting And Corporate Regulatory Authority

Statement of Cash Flows for the Financial Year ended 31 March 2019

	NOTE	2018/2019 S\$'000	RESTATED 2017/2018 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before contribution to Government Consolidated Fund		19,713	17,009
ADJUSTMENTS FOR:			
Amortisation of intangible assets	5	5,061	4,983
Depreciation of property, plant and equipment	6	1,774	2,030
Loss on disposal of property, plant and equipment		85	55
Amortisation of deferred capital grants	14	(216)	(216)
Write back of provision for costs of dismantlement, removal or restoration	15	-	(29)
Provision for pension	12	11	10
Interest income	17	(2,634)	(1,500)
SURPLUS BEFORE WORKING CAPITAL CHANGES		23,794	22,342
CHANGES IN WORKING CAPITAL:			
(Increase)/decrease in trade and other receivables		(326)	1,116
Increase in trade and other payables		1,606	2,150
Decrease in fees received in advance		(25)	(38)
(Decrease)/increase in deposits		(234)	207
CASH GENERATED FROM OPERATIONS		24,815	25,777
Pension paid	12	(15)	(14)
Contribution paid to Government Consolidated Fund	13	(2,897)	(3,790)
NET CASH FROM OPERATING ACTIVITIES		21,903	21,973
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,665	1,827
Payment for purchase of property, plant and equipment		-	(297)
Payment for development projects-in-progress		(868)	(6,754)
Net cash from/(used in) investing activities		797	(5,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	22	(2,291)	(465)
Return of past composition sums and penalties to Government Consolidated Fund	13	-	(33,957)
Net cash used in financing activities		(2,291)	(34,422)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		20,409	(17,673)
Cash and cash equivalents as at beginning of the financial year	8	168,842	186,515
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR	8	189,251	168,842

The accompanying notes form an integral part of the financial statements.

Accounting And Corporate Regulatory Authority

Notes to the Financial Statements for the Financial Year ended 31 March 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements were approved by the members of the Board of the Authority on 24 June 2019.

1. GENERAL

The Accounting and Corporate Regulatory Authority (the “Authority”) was established on 1 April 2004 under the Accounting and Corporate Regulatory Authority Act (Cap. 2A, 2005 Revised Edition) and is under the purview of the Ministry of Finance. As a statutory board, the Authority is subject to the directions of the Ministry of Finance and is required to implement policies and policy changes as determined by the Ministry of Finance and other Government agencies from time to time.

The principal activities of the Authority are:

- (a) to administer the Accountants Act (Cap. 2, 2005 Revised Edition), Business Names Registration Act 2014 (Act 29 of 2014), Companies Act (Cap. 50, 2006 Revised Edition), Limited Liability Partnerships Act (Cap. 163A, 2006 Revised Edition) and Limited Partnerships Act (Cap. 163B, 2010 Revised Edition);
- (b) to report and make recommendations to, and advise the Government on matters relating to the registration and regulation of business entities, corporate service providers and public accountants;
- (c) to establish and administer a repository of documents and information relating to business entities and public accountants and to provide access to the public to such documents and information;
- (d) to represent the Government internationally in respect of matters relating to the registration and regulation of business entities and public accountants;
- (e) to promote public awareness about new business structures, compliance requirements, corporate governance practices and any other matters under the purview of the Authority;
- (f) to provide a responsive and forward-looking regulatory environment for business entities, corporate service providers and public accountants conducive to enterprise in Singapore;
- (g) to promote, facilitate and assist in the development of the accountancy sector, including studying, reporting, making recommendations to and advising the Government on all matters relating to the development and promotion of the accountancy sector; and
- (h) to carry out such other functions as may be conferred on the Authority by the Accounting and Corporate Regulatory Authority Act (Cap. 2A, 2005 Revised Edition).

The registered office and principal place of operation of the Authority is 10 Anson Road, International Plaza, #05-01/15, Singapore 079903.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The financial statements of the Authority have been prepared in accordance with the provisions of the Public Sector (Governance) Act 2018 (Act 5 of 2018), the Accounting and Corporate Regulatory Authority Act (Cap. 2A, 2005 Revised Edition) and the Statutory Board Financial Reporting Standards (“SB-FRS”).

The financial statements are presented in Singapore dollars which is also the functional currency of the Authority. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated. They are prepared on the historical cost basis except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Authority's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income or expenditure during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

NEW OR REVISED ACCOUNTING STANDARDS EFFECTIVE IN 2018

The Authority has adopted the new and revised SB-FRS that are mandatory for application for the financial year. The effect of adopting these new or revised SB-FRS are disclosed below.

(i) SB-FRS 109 Financial Instruments

SB-FRS 109 replaces SB-FRS 39 Financial Instruments: Recognition and Measurement for annual financial year beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Authority has adopted SB-FRS 109 with an initial application date of 1 April 2018 and has not restated comparative information which are reported under the previous SB-FRS 39.

SB-FRS 109 has been applied to the Authority's financial statements as follows:

1. Classification and Measurement

For financial assets held by the Authority on 1 April 2018, the Authority has assessed the business models that are applicable on that date so as to classify them into the appropriate categories under SB-FRS 109. The classification and measurement requirements of SB-FRS 109 have no significant impact on the financial statements of the Authority. Trade and other receivables and cash and cash equivalents, previously classified as loans and receivables and measured at amortised cost, are now classified as financial assets at amortised cost under SB-FRS 109. The Authority's financial assets are held to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2. Impairment of Financial Assets

SB-FRS 109 has replaced the incurred credit loss model under SB-FRS 39 with a forward-looking expected credit loss model to recognise loss allowance for financial assets. There was no impairment of the Authority's trade receivables as at 1 April 2018 as a result of this change.

(ii) SB-FRS 115 Revenue from Contracts with Customers

SB-FRS 115 introduces a single comprehensive model for entities to account for revenue from contracts with customers and supersedes SB-FRS 11 Construction Contracts, SB-FRS 18 Revenue and related interpretations. Under SB-FRS 115, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. Revenue is recognised at an amount that reflects the consideration which the entity expects to be entitled to in exchange for transferring goods and services to its customers.

The adoption of SB-FRS 115 has mainly affected the renewal fees of the following:

Business registration and related fees

- Business name
- Limited partnership

Public accountant registration and related fees

- Public accountant

Corporate service provider registration and related fees

- Qualified individual
- Filing agent

Under SB-FRS 115, the Authority recognises all renewal fees 'at a point in time' once the renewal is granted as all performance obligations have been satisfied at this point. The revenue recognition principles before and after adoption of SB-FRS 115 are described as follows:

Before adoption of SB-FRS 115

The 1-year renewal fee for registration of business name, limited partnership, or corporate service provider (i.e. filing agent and qualified individual) was recognised as income at the point of fee collection. If the registrants renewed for more than one year, the fees received in advance were recognised as liability in the Statement of Financial Position and will be recognised in following years' income based on the anniversary date of renewal application.

The 1-year renewal fee for registration of public accountant was recognised evenly over the renewal period of January to December.

After adoption of SB-FRS 115

The Authority recognises all renewal fees at the point of fee collection on the basis that each registrant can conduct business once the renewal is granted as all performance obligations have been satisfied at this point.

The Authority applied the full retrospective method in the adoption of SB-FRS 115 Revenue from Contracts with Customers. The adjustments effected on the financial statements are summarised below.

The adjustments on each prior period presented in the Statement of Financial Position were as follows:

	PREVIOUSLY STATED AS AT 31 MARCH 2018 S\$'000	EFFECTS OF ADOPTION OF SB-FRS115 S\$'000	RESTATED AS AT 31 MARCH 2018 S\$'000
CURRENT LIABILITIES			
Fees received in advance	2,940	(2,915)	25
NON-CURRENT LIABILITIES			
Fees received in advance	729	(729)	-
	PREVIOUSLY STATED AS AT 1 APRIL 2017 S\$'000	EFFECTS OF ADOPTION OF SB-FRS115 S\$'000	RESTATED AS AT 1 APRIL 2017 S\$'000
CURRENT LIABILITIES			
Fees received in advance	2,506	(2,443)	63
NON-CURRENT LIABILITIES			
Fees received in advance	1,232	(1,232)	-

The adjustments to the Statement of Comprehensive Income for the financial year ended 31 March 2018 were as follows:

	PREVIOUSLY STATED FOR FINANCIAL YEAR ENDED 31 MARCH 2018 S\$'000	EFFECTS OF ADOPTION OF SB-FRS115 S\$'000	RESTATED FOR FINANCIAL YEAR ENDED 31 MARCH 2018 S\$'000
INCOME			
Business registration and related fees	6,913	(55)	6,858
Public accountant registration and related fees	1,512	184	1,696
Corporate service provider registration and related fees	843	(160)	683

The impact on the Authority's retained earnings as at 31 March 2018 and 1 April 2017 was as follows:

	AS AT 31 MARCH 2018 S\$'000	AS AT 1 APRIL 2017 S\$'000
Retained earnings	163,163	149,471
Adjustment to retained earnings from adoption of SB-FRS 115	3,644	3,675
RESTATED RETAINED EARNINGS	166,807	153,146

The adjustments to the Statement of Cash Flows for the financial year ended 31 March 2018 were as follows:

	PREVIOUSLY STATED FOR FINANCIAL YEAR ENDED 31 MARCH 2018 S\$'000	EFFECTS OF ADOPTION OF SB-FRS115 S\$'000	RESTATED FOR FINANCIAL YEAR ENDED 31 MARCH 2018 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before contribution to Government Consolidated Fund	17,040	(31)	17,009
Changes in working capital:			
Decrease in fees received in advance	(69)	31	(38)

NEW OR REVISED ACCOUNTING STANDARDS NOT YET EFFECTIVE

The following new standards have been published and are mandatory for accounting periods beginning on or after 1 January 2019 and which the Authority has not early adopted:

	EFFECTIVE DATE (ANNUAL PERIODS BEGINNING ON OR AFTER)
SB-FRS 19 : Amendments to SB-FRS 19: Plan Amendment, Curtailment or Settlement	1 January 2019
SB-FRS 109 : Amendments to SB-FRS 109: Prepayment Features with Negative Compensation	1 January 2019
SB-FRS 116 : Leases	1 January 2019

The Authority expects that the adoption of Amendments to SB-FRS 19 and Amendments to SB-FRS 109 will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SB-FRS 116 are described below.

SB-FRS 116 Leases

SB-FRS 116 will supersede SB-FRS 17 Leases and its associated interpretative guidance. The Standard requires the lessees to recognise most leases on financial statements to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The Standard includes two recognition exemptions for leases – leases of ‘low value’ assets and short-term leases.

The Authority plans to adopt the new standard on the required effective date, i.e. for its financial statements beginning on 1 April 2019. Based on the preliminary assessment, the significant contracts held by the Authority are for leases of office premises and computer equipment which are short-term or low value in nature. Accordingly, this standard is not expected to have material impact on the Authority’s financial statements in the year of initial application.

(B) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Projected cost of dismantlement, removal or restoration are included as part of the cost of property, plant and equipment if there is obligation for dismantlement, removal or restoration as a consequence of acquiring or using the asset.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Authority and the cost of the asset can be measured reliably. All other repairs and maintenance are recognised in expenditure when incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Furniture and fittings	8 years
Office equipment	5 to 8 years
Computer hardware and system	3 to 5 years

The depreciation method, estimated useful lives and residual values are reviewed, and adjusted as appropriate, at each financial year-end. The effects of any revision are recognised in expenditure when the changes arise.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in income or expenditure.

(C) INTANGIBLE ASSETS AND AMORTISATION

Intangible assets consist mainly of computer software and development costs for various computer application systems. They are capitalised on the basis of the costs incurred to bring to use or develop the specific software. Direct expenditure which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised in expenditure when incurred.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to income or expenditure using the straight-line method over their estimated useful life of 5 years. The amortisation period and method are reviewed at each financial year-end. The effects of any revision are recognised in income or expenditure when the changes arise.

On disposal of an item of intangible assets, the difference between the net disposal proceeds and its carrying amount is recognised in income or expenditure.

(D) DEVELOPMENT PROJECTS-IN-PROGRESS

Development projects-in-progress relate to projects on computer systems and/or internally developed applications relating to the operations of the Authority. No depreciation or amortisation is provided for development projects-in-progress until they are transferred to property, plant and equipment or intangible assets.

(E) IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment, intangible assets and development projects-in-progress are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost to sell and its value in use. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups.

An impairment loss is recognised in expenditure if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of any accumulated depreciation or amortisation, if no impairment loss has been recognised. Reversal of impairment loss is recognised in income.

(F) TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less allowance for impairment. They are included in current assets, except those maturing later than 12 months after the financial year are classified as non-current assets. Trade and other receivables are derecognised when they have been received or the rights to receive cash flows from the customers have expired.

The Authority applies the simplified approach and recognises a loss allowance based on lifetime expected credit losses at each reporting date. Lifetime expected credit losses are estimated based on the Authority's credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions, taking into consideration both the current and the forecast direction of conditions. The amount of the allowance is recognised in expenditure.

When the asset becomes uncollectible, it is written off against the allowance accounts. Subsequent recoveries of amounts previously written off are recognised in income.

The carrying amounts recorded at the end of the financial year approximate their fair values and are not expected to be significantly different from the values that would eventually be received.

(G) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, bank balances and deposits maintained with Accountant-General's Department that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(H) TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method.

The carrying amounts recorded at the end of the financial year approximate their fair values and are not expected to be significantly different from the values that would eventually be settled.

(I) PROVISIONS

Provisions are recognised in the Statement of Financial Position when the Authority has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate, taking into consideration the time value of money. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

(J) INCOME RECOGNITION

Revenue is recognised when the Authority satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation, generally measured based on the consideration to which the Authority expects to be entitled in exchange for transferring promised goods or services to a customer.

Company, business, public accountant and corporate service provider registration and renewal fees are recognised at a point in time when the registration or renewal is granted. Fees pertaining to regulatory inspections of public accountants are recognised over time.

Information service fees from online sales are recognised at a point in time when information is provided. Fees from sales through agreements are recognised over time.

Agency fee and income from other services provided are recognised over the period in which the services are rendered.

Interest income is recognised using the effective interest method.

(K) EMPLOYEE BENEFITS

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Authority pays fixed contributions into Central Provident Fund. The Authority has no further payment obligations once the contributions have been paid. The Authority's contributions are recognised as staff costs when they are due.

(ii) Employees' leave entitlements

Employees' entitlements to annual leave are recognised when they accrue to the employees. A provision is made for leave earned by the employees as a result of services rendered up to the end of the financial year.

(iii) Pension benefits

Provision for pension is made for the payment of pension benefits to pensionable officers under the provisions of the Pensions Act (Cap. 225, 2004 Revised Edition). The cost of pension benefits due to pensionable officers is determined based on the discounted present value of expected payouts to be made by the Authority in respect of services provided by these pensionable officers up to the end of the financial year. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the tenure of the related pension obligation. Any actuarial gain or loss arising from the valuation of pension provision is immediately recognised as other comprehensive income or expense not reclassified subsequently to income or expenditure.

(L) OPERATING LEASES

Leases of rental of office premises and computer equipment where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are taken to income or expenditure on a straight-line basis over the period of the lease.

(M) GOVERNMENT GRANTS

Government grants are recognised at their fair values where there is reasonable assurance that the grant will be received and all conditions attached will be complied with. When the grants relate to compensation for expenses incurred, they are recognised in the income or expenditure on a systematic basis in the same periods in which the expenses are recognised. Where the grants relate to assets, the grants are recognised as deferred capital grants in the statement of financial position. The deferred capital grants are amortised and credited to the income or expenditure over the periods necessary to match the depreciation charged of the assets or when the assets are disposed or written off.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical accounting estimates and assumptions are stated below:

ESTIMATED IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment, intangible assets and development projects-in-progress are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

4. SHARE CAPITAL

The 8,601,000 (2017/2018: 8,601,000) shares are fully paid and held by the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act (Cap. 183, 2014 Revised Edition). The shares have no par value.

5. INTANGIBLE ASSETS

	2018/2019 S\$'000	2017/2018 S\$'000
COST		
As at 1 April	25,270	21,548
Transferred from development projects-in-progress (Note 7)	1,680	3,722
Retirement	(396)	-
As at 31 March	26,554	25,270
 ACCUMULATED AMORTISATION		
As at 1 April	10,886	5,903
Amortisation for the financial year	5,061	4,983
Retirement	(311)	-
As at 31 March	15,636	10,886
 Net book value as at 31 March	10,918	14,384

All intangible assets are internally-developed applications relating to the operations of the Authority and with a remaining amortisation period ranging from 1 to 5 years (2017/2018: 2 to 4 years).

6. PROPERTY, PLANT AND EQUIPMENT

	FURNITURE AND FITTINGS S\$'000	OFFICE EQUIPMENT S\$'000	COMPUTER HARDWARE AND SYSTEM S\$'000	TOTAL S\$'000
COST				
As at 1 April 2017	2,818	1,193	10,829	14,840
Additions	17	4	243	264
Transferred from development projects-in-progress (Note 7)	-	-	390	390
Retirement	(165)	(62)	(6)	(233)
As at 31 March 2018	2,670	1,135	11,456	15,261
Transferred from development projects-in-progress (Note 7)	-	-	66	66
Retirement	-	-	(24)	(24)
As at 31 March 2019	2,670	1,135	11,498	15,303
ACCUMULATED DEPRECIATION				
As at 1 April 2017	2,032	992	6,637	9,661
Depreciation for the financial year	337	66	1,627	2,030
Retirement	(111)	(62)	(5)	(178)
As at 31 March 2018	2,258	996	8,259	11,513
Depreciation for the financial year	102	59	1,613	1,774
Retirement	-	-	(24)	(24)
As at 31 March 2019	2,360	1,055	9,848	13,263
NET BOOK VALUE				
As at 31 March 2018	412	139	3,197	3,748
As at 31 March 2019	310	80	1,650	2,040

7. DEVELOPMENT PROJECTS-IN-PROGRESS

	2018/2019 S\$'000	2017/2018 S\$'000
COST		
As at 1 April	111	3,024
Expenditure incurred	2,007	1,199
Transferred to intangible assets (Note 5)	(1,680)	(3,722)
Transferred to property, plant and equipment (Note 6)	(66)	(390)
As at 31 March	<u>372</u>	<u>111</u>

Development projects are related to computer systems and/or applications relating to the operations of the Authority.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and at banks and deposits maintained with the Accountant-General's Department (AGD) of the Ministry of Finance. Deposits maintained with AGD include cash float for payments to be made by the Authority using the AGD's accounting and payment system, deposits placed under the Whole-of-Government Centralised Liquidity Management (CLM) and Statutory Board (SB) Approved Funds Scheme.

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise:

	AS AT 31 MARCH 2019 S\$'000	AS AT 31 MARCH 2018 S\$'000
Cash on hand, cash at banks and deposits with AGD	28,123	3,514
Deposits with AGD under CLM	131,128	135,328
Deposits with AGD under SB Approved Funds Scheme	30,000	30,000
	<u>189,251</u>	<u>168,842</u>

The carrying amounts recorded at the end of the reporting period approximate their fair values.

The effective interest rate of deposits placed with AGD under CLM is 1.78% (2017/2018: 1.26%) per annum.

The deposits maintained with AGD under SB Approved Funds Scheme is made up of funds for Next Wave Digital Services to leverage on information technology to raise productivity and reduce compliance costs for businesses, accounting firms and corporate service providers in the next phase of the Authority's digital service development.

There is no interest earned on the deposits placed under the SB Approved Funds Scheme and such amount is not subject to dividend payment in accordance with the Capital Management Framework for Statutory Boards issued by the Ministry of Finance.

9. TRADE AND OTHER RECEIVABLES

	AS AT 31 MARCH 2019 S\$'000	AS AT 31 MARCH 2018 S\$'000
Trade receivables	1,892	2,177
Loss allowance	(12)	-
Trade receivables, net	1,880	2,177
Other receivables	3,364	2,872
Prepayment	186	55
Interest income receivable	1,759	790
	7,189	5,894

Trade receivables are unsecured, non-interest bearing and usually collected within the credit terms granted. They are neither past due nor impaired except for the loss allowance provided.

10. TRADE AND OTHER PAYABLES

	AS AT 31 MARCH 2019 S\$'000	AS AT 31 MARCH 2018 S\$'000
Trade payables	7,873	4,828
Other payables	3,341	3,740
Provision for unconsumed leave	810	711
	12,024	9,279

Trade payables are unsecured, non-interest bearing and payable on a 30-day credit term.

Provision for unconsumed leave is the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

The movement in provision for unconsumed leave is as follows:

	2018/2019 S\$'000	2017/2018 S\$'000
As at 1 April	711	664
Net amount provided during the financial year	99	47
As at 31 March	810	711

Certain comparative figures have been reclassified to conform to current year presentation. Payables (S\$3,072,000) previously included under Trade Payables has been reclassified to Other Payables to better represent the nature of the payables.

11. DEPOSITS

Deposits comprise security deposits placed by information service providers and vendors and monies placed mainly by secretarial, law and accounting firms for payment of future transactions with the Authority.

	AS AT 31 MARCH 2019 S\$'000	AS AT 31 MARCH 2018 S\$'000
Security deposits	172	172
Monies placed with the Authority	3,279	3,513
	3,451	3,685

Deposits are unsecured, interest-free and are repayable on demand.

12. PROVISION FOR PENSION

This represents the Authority's share of retirement benefits due to pensionable employees who were transferred from the Civil Service to the Authority when it was established. Pension payable to pensionable officers prior to the establishment of the Authority was borne by the Government and excluded from the amount stated below.

	2018/2019 S\$'000	2017/2018 S\$'000
As at 1 April	404	422
Amount provided/(written back) during the financial year	24	(4)
Amount paid during the financial year	(15)	(14)
As at 31 March	413	404
Amount payable within one year	16	16
Amount payable after one year	397	388

There are no pensionable employees in service. Pension obligation is calculated based on the monthly pension allowance to retired pensionable employees and life expectancy of 85 years (2017/2018: 85 years). The discount rates used in determining the present value of pension obligations as at 31 March 2019 ranges from 2.38% to 2.54% depending on the tenure of the obligation (2017/2018: 2.61% to 2.76%).

Amounts recognised in the Statement of Comprehensive Income in respect of the provision for pension for the financial year are as follows:

	2018/2019 S\$'000	2017/2018 S\$'000
STAFF COST:		
Interest cost	11	10
OTHER COMPREHENSIVE EXPENSE/(INCOME)		
Actuarial loss/(gain) due to changes in financial assumptions	13	(14)
	24	(4)

13. CONTRIBUTION TO GOVERNMENT CONSOLIDATED FUND

The contribution to the Government Consolidated Fund is made in accordance with section 3 of the Statutory Corporations (Contributions to Consolidated Fund) Act (Cap. 319A, 2004 Revised Edition). Under this Act, the Minister for Finance has the authority to prescribe the contributions to be made by the statutory boards in respect of their annual accounting surplus as well as their past accumulated surplus in lieu of income tax.

The contribution rate and the framework governing such contributions are determined by the Ministry of Finance.

	2018/2019 S\$'000	2017/2018 S\$'000
As at 1 April	2,897	37,747
Amount provided during the financial year:		
Contribution at 17% of the surplus (2017/2018: 17%)	3,351	2,897
Additional contribution due to adoption of SB-FRS 115	619	-
Amount paid during the financial year	(2,897)	(37,747)
As at 31 March	3,970	2,897

The Authority has applied SB-FRS 115 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes to revenue recognition policies for renewal fees. In accordance to the transitional provisions in SB-FRS 115, the new policy was applied retrospectively with restatement made for the comparative financial year and adjustment to accumulated surplus as at 1 April 2017. An additional contribution to Government consolidated fund of S\$619,000 (2017/2018: NIL) was provided due to the adjustment to accumulated surplus.

14. DEFERRED CAPITAL GRANTS

	2018/2019 S\$'000	2017/2018 S\$'000
As at 1 April	593	809
Amortisation of deferred capital grants (Note 17)	(216)	(216)
As at 31 March	377	593

The capital grants related to assets amounting to S\$932,548 and S\$146,228 which were received from the Ministry of Finance and the former Infocomm Development Authority of Singapore respectively in the financial year ended 31 March 2016.

15. PROVISION FOR COSTS OF DISMANTLEMENT, REMOVAL OR RESTORATION

Provision was made for the costs of dismantlement, removal or restoration of the Authority's rented premises to the original condition upon termination of the lease.

	2018/2019 S\$'000	2017/2018 S\$'000
As at 1 April	688	717
Amount provided during the financial year	-	15
Amount used during the financial year	-	(15)
Amount written back during the financial year	-	(29)
As at 31 March	688	688

During the financial year ended 31 March 2018, the required work to dismantle one of the rented premises was completed and the unused provision of S\$29,447 was written back and included in other income.

16. INCOME

(a) Disaggregation of SB-FRS 115 Revenue

	TIMING OF RECOGNITION					
	AT A POINT IN TIME 2018/19 S\$'000	OVER TIME 2018/19 S\$'000	TOTAL 2018/19 S\$'000	AT A POINT IN TIME 2017/18 S\$'000	OVER TIME 2017/18 S\$'000	TOTAL 2017/18 S\$'000
Company incorporation and related fees	33,741	-	33,741	31,733	-	31,733
Agency Fees	-	17,500	17,500	-	17,200	17,200
Information service fees	6,072	9,067	15,139	5,652	8,670	14,322
Business registration and related fees	5,931	-	5,931	6,858	-	6,858
Public accountant registration and related fees	1,165	1,407	2,572	1,152	544	1,696
Corporate service provider registration and related fees	1,099	-	1,099	683	-	683
TOTAL	48,008	27,974	75,982	46,078	26,414	72,492

(b) Agency Fees

Under the Accounting and Corporate Regulatory Authority (Amendment) Act 2014 effective from 15 May 2015, the following sums collected by the Authority are to be paid into the Government Consolidated Fund:

- (i) any penalty for late payment or late filing;
- (ii) any financial penalty, and interest for late payment of the financial penalty; and
- (iii) any sum for the composition of any offence.

The collection of the above sums during the financial year amounting to S\$15,978,623 (2017/2018: S\$17,184,317) was not reported as part of the Authority's income. In return, the Authority receives Agency Fee of S\$14,000,000 (2017/2018: S\$14,000,000) from the Ministry of Finance (MOF) for being an agent of the Government in the collection of composition sums and penalties. Agency fees receivable from MOF as at 31 March 2019 were \$1,166,666 (31 March 2018: \$1,166,666).

The Authority received an Agency Fee of S\$3,500,000 (2017/2018: S\$3,200,000) from the Prime Minister's Office (PMO) for sharing data with Government Agencies during the financial year. Agency fees receivable from PMO as at 31 March 2019 were \$583,333 (31 March 2018: \$533,333).

17. OTHER INCOME

	2018/2019 S\$'000	2017/2018 S\$'000
Interest income	2,634	1,500
Operating grants from Government agencies	1,687	1,437
Amortisation of deferred capital grants (Note 14)	216	216
Training fees	402	360
Others	608	528
	5,547	4,041

18. STAFF COSTS

	2018/2019 S\$'000	2017/2018 S\$'000
Salaries and other costs	22,464	21,201
CPF contributions	2,727	2,594
	25,191	23,795

19. SERVICES

Included in services are the following:

	2018/2019 S\$'000	2017/2018 S\$'000
Computer service charges	11,396	8,654
Professional and consultancy fees	3,497	3,748
Statutory audit fees	322	322

20. RENTAL, MAINTENANCE AND SUPPLIES

	2018/2019 S\$'000	2017/2018 S\$'000
Maintenance	6,331	5,284
Rental	2,105	2,227
Utilities and office supplies	275	318
	8,711	7,829

21. OTHER EXPENDITURE

Included in other expenditure are the following:

	2018/2019 S\$'000	2017/2018 S\$'000
Expenses incurred under Statutory Board Approved Funds:		
Accountancy Development Fund	-	1,047
Business Competency Development Fund	-	880
Non-recoverable GST expenses	1,023	1,160
Commission and related fees	578	824
Overseas travelling expenses	313	204
Postage and other related expenses	131	117
Conference and other related expenses	11	30

The purpose of the Statutory Board Approved Funds are as follows:

Accountancy Development Fund supports areas relating to the Singapore Chartered Accountants Qualification Programme as well as promoting high quality financial reporting, audit quality and corporate governance.

Business Competency Development Fund aims to boost the regulatory knowledge base and competency of the business community and raise the level of corporate compliance in Singapore.

The two Funds have ceased on 31 March 2018 and the remaining unused funds have been transferred to the operating fund of the Authority.

22. DIVIDENDS PAID

	2018/2019 S\$'000	2017/2018 S\$'000
Dividends paid in respect of the previous financial year	2,291	465

The payment is made in accordance with the Capital Management Framework for Statutory Boards outlined in the Finance Circular Minute No. M26/2008.

23. COMMITMENTS

(A) CAPITAL COMMITMENTS

Capital commitment for development projects which have been approved and contracted but not provided for in the financial statements is S\$665,206 (2017/2018: S\$1,303,777).

(B) OPERATING LEASE COMMITMENTS AS LESSEE

At the end of the reporting period, the commitments in respect of non-cancellable operating leases for the rental of office premises, computer equipment and office equipment are as follows:

	2018/2019 S\$'000	2017/2018 S\$'000
Not later than one year	1,758	2,240
Between one and three years	127	1,762
As at 31 March	<u>1,885</u>	<u>4,002</u>

24. RELATED PARTY TRANSACTIONS

24.1 Other than disclosed elsewhere in the financial statements, the significant transactions between the Authority and related parties are as follows:

	2018/2019 S\$'000	2017/2018 S\$'000
(a) Purchases of goods and services from Government Technology Agency	5,540	5,608
(b) Funding support to Singapore Accountancy Commission under the Accountancy Development Fund	-	1,027

On 14 February 2013, the Authority undertook to provide S\$10 million funding to the Singapore Accountancy Commission's Singapore Chartered Accountants Qualification Programme (Note 21) for 5 years with effect from 2013/14. The funding ended on 31 March 2018.

24.2 Other than disclosed elsewhere in the financial statements, the significant account balances as at 31 March that the Authority has in relation to its related parties are as follows:

	2018/2019 S\$'000	2017/2018 S\$'000
(c) Composition sums and penalties due to Ministry of Finance	1,220	1,428

24.3 Compensation of key management personnel:

	2018/2019 S\$'000	2017/2018 S\$'000
(d) Salaries and other short-term employee benefits	3,449	3,600
(e) CPF contributions	166	174
(f) Board members' allowances	199	174

The Authority's key management personnel is defined as the Board Members and the Executive Committee members. The Executive Committee oversees the planning, directing and controlling of the activities of the Authority.

25. FINANCIAL RISK MANAGEMENT

(A) CREDIT RISK

The Authority's exposure to credit risk arises mainly from customers and financial institutions. Credit risk exposure is minimised by placing deposits with Accountant-General's Department under Whole-of-Government Centralised Liquidity Management and Statutory Board Approved Funds Scheme as well as high credit quality financial institutions. The maximum exposure at the end of the financial year, in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the statement of financial position.

(B) LIQUIDITY RISK

The Authority monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Authority's operations. The Authority does not have a significant exposure to liquidity risk at the end of the financial year.

(C) INTEREST RATE RISK

The exposure to risk for changes in interest rate relates primarily to deposits placed with Accountant-General's Department under Whole-of-Government Centralised Liquidity Management and high credit quality financial institutions.

(D) CURRENCY RISK

The Authority is not subject to any significant foreign exchange exposure.

(E) CAPITAL RISK

The Authority manages its capital to ensure that it will be able to continue as a going concern while fulfilling its objective as a statutory board. The capital structure of the Authority consists of share capital and accumulated surplus. There were no changes in the capital management approach during the financial year and the Authority is also not subject to externally imposed capital requirements, except for those mandated by the Ministry of Finance.