FROM THE SMALLEST DETAILS...

ACRA
Accounting And Corporate Regulatory Authority

FINANCIAL STATEMENTS 2011/2012

...TO THE LARGER PICTURE

At ACRA, we continue to fine-tune our policies and processes as the business landscape evolves. We leave no detail to chance, because we have the larger picture firmly in sight – our vision of making Singapore the trusted and best place to do business.

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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 5 to 24 are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2012, and the results, changes in equity and cash flows of the Authority for the financial year then ended.

On behalf of the Authority

LIM SOO HOON
Chairman

JUTHIKA RAMANATHAN
Chief Executive

Singapore
26 June 2012

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

REPORT ON THE FINANCIAL STATEMENTS

The accompanying financial statements of the Accounting and Corporate Regulatory Authority (the "Authority"), set out on pages 5 to 24, have been audited under my directions. These financial statements comprise the statement of financial position as at 31 March 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Accounting and Corporate Regulatory Authority Act (Chapter 2A, 2005 Revised Edition) (the "Act") and Statutory Board Financial Reporting Standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with Singapore Standards on Auditing. Those standards require that ethical requirements be complied with, and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are properly drawn up in accordance with the provisions of the 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 2012 and the results, changes in equity and cash flows of the Authority for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Auditor's Responsibility

My responsibility is to express an opinion on management's compliance based on the audit of the financial statements. The audit was conducted in accordance with Singapore Standards on Auditing. Those standards require the compliance audit be 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 Act.

A 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.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion on management's compliance.

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 Act; and

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

LIM SOO PING
Auditor-General
Singapore

26 June 2012

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2012

	Note	2011/12 S$	2010/11 S$
Capital and reserves			
Share capital	4	8,601,000	8,601,000
Accumulated surplus		126,680,895	111,711,994
		135,281,895	120,312,994
Represented by:			
Non-current assets			
Property, plant and equipment	5	10,185,415	2,840,247
Intangible assets	6	1,107,784	1,573,167
Development projects-in-progress	7	246,755	3,489,056
		11,539,954	7,902,470
Current assets			
Inventories	8	48,176	–
Trade and other receivables	9	1,341,925	1,671,490
Cash and cash equivalents	10	136,525,331	124,440,962
		137,915,432	126,112,452
Current liabilities			
Trade and other payables	11	(7,701,245)	(7,004,211)
Fees received in advance		(532,940)	(529,513)
Deposits	12	(1,840,173)	(1,835,530)
Provision for pension	13	(2,588)	(2,588)
Provision for contribution to Government Consolidated Fund	14	(3,403,305)	(3,384,245)
		(13,480,251)	(12,756,087)
Net current assets		124,435,181	113,356,365
Non-current liabilities			
Provision for pension	13	(693,240)	(945,841)
		135,281,895	120,312,994

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	2011/12 S$	2010/11 S$
Income			
Company registration and related fees		19,454,171	18,678,721
Fines and penalties		17,101,645	17,479,918
Information service fees		10,808,945	10,653,986
Business registration and related fees		5,232,588	5,284,953
Public accountants registration and related fees		1,565,253	1,493,316
Other income	15	1,272,079	688,207
		55,434,681	54,279,101
Expenditure			
Staff costs	16	(15,946,150)	(15,791,546)
Services	17	(8,713,481)	(8,538,128)
Rental, maintenance and supplies	18	(4,528,577)	(5,287,781)
Depreciation of property, plant and equipment	5	(2,055,520)	(1,126,824)
Amortisation of intangible assets	6	(465,383)	(570,278)
Other expenditure	19	(3,922,075)	(3,212,547)
		(35,631,186)	(34,527,104)
Surplus before contribution to Government Consolidated Fund		19,803,495	19,751,997
Contribution to Government Consolidated Fund	14	(3,366,594)	(3,357,839)
Net surplus for the financial year, representing total comprehensive income for the financial year		16,436,901	16,394,158

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	Share capital S$	Accumulated surplus S$	Total S$
Balance as at 1 April 2010		8,601,000	95,768,836	104,369,836
Total comprehensive income for the financial year		–	16,394,158	16,394,158
Dividend	20	–	(451,000)	(451,000)
Balance as at 31 March 2011		8,601,000	111,711,994	120,312,994
Total comprehensive income for the financial year		–	16,436,901	16,436,901
Dividend	20	–	(1,468,000)	(1,468,000)
Balance as at 31 March 2012		8,601,000	126,680,895	135,281,895

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	2011/12 S$	2010/11 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before contribution to Government Consolidated Fund		19,803,495	19,751,997
Adjustments for:			
Depreciation of property, plant and equipment	5	2,055,520	1,126,824
Amortisation of intangible assets	6	465,383	570,278
Loss on disposal of property, plant and equipment	19	17,295	87,856
Development projects expensed off	7	489,350	327,851
Provision for pension	13	68,343	107,004
Interest income	15	(636,746)	(590,413)
Surplus before working capital changes		22,262,640	21,381,397
Changes in working capital:			
(Increase) in inventories		(48,176)	–
Decrease in trade and other receivables		306,665	14,772
Increase/(Decrease) in trade and other payables		743,938	(185,979)
Increase in fees received in advance		3,427	25,775
Increase in deposits		4,643	209,415
Cash generated from operations		23,273,137	21,445,380
Pension paid	13	(320,944)	(2,588)
Contribution to Government Consolidated Fund	14	(3,358,539)	(3,217,626)
Net cash from operating activities		19,593,654	18,225,166

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	2011/12 S$	2010/11 S$
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		659,646	588,505
Payment for purchase of property, plant and equipment		(237,064)	(356,566)
Proceeds from disposal of property, plant and equipment		200	798
Payment for development projects		(6,464,067)	(1,704,104)
Net cash used in investing activities		(6,041,285)	(1,471,367)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	20	(1,468,000)	(451,000)
Net cash used in financing activities		(1,468,000)	(451,000)
Net increase in cash and cash equivalents		12,084,369	16,302,799
Cash and cash equivalents as at beginning of financial year		124,440,962	108,138,163
Cash and cash equivalents as at end of financial year	10	136,525,331	124,440,962

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

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 26 June 2012.

1. GENERAL

The Accounting and Corporate Regulatory Authority ("the Authority") was established on 1 April 2004 under the Accounting and Corporate Regulatory Authority Act (Chapter 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 Ministries such as the Prime Minister's Office from time to time.

The principal activities of the Authority are:

(a) to administer the Accountants Act (Chapter 2, 2005 Revised Edition), Business Registration Act (Chapter 32, 2004 Revised Edition), Companies Act (Chapter 50, 2006 Revised Edition), Limited Liability Partnerships Act (Chapter 163A, 2006 Revised Edition) and Limited Partnerships Act (Chapter 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 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 and public accountants conducive to enterprise in Singapore; and

(g) to carry out such other functions as may be conferred on the Authority by the Accounting and Corporate Regulatory Authority Act (Chapter 2A, 2005 Revised Edition).

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Authority have been prepared in accordance with the provisions of the Accounting and Corporate Regulatory Authority Act (Chapter 2A, 2005 Revised Edition) and the Statutory Board Financial Reporting Standards ("SB-FRS").

The SB-FRS are equivalent to the Singapore Financial Reporting Standards ("SFRS") except that certain related party disclosures are optional. As the Authority continues to make the related party disclosures that are now optional, this difference between SB-FRS and SFRS has no material impact on the financial statements of the Authority.

The financial statements are presented in Singapore dollars (S$) which is also the functional currency. They are presented on the historical cost basis except for certain financial assets and liabilities 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and 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 period in which the estimates are revised and in any future periods affected.

Interpretations and amendments to published standards effective in 2011

The new or amended SB-FRS and Interpretations to SB-FRS mandatory for application from 1 April 2011 did not have any material impact on the Authority's financial statements.

New or revised accounting standards and interpretations not yet effective

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Authority's accounting periods beginning on or after 1 January 2012 or later periods and which the Authority has not earlier adopted. The Authority anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the Authority's financial statements.

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 costs 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 charged to the Statement of Comprehensive Income during the financial year in which they are incurred.

Assets costing less than S$500 per item are charged to the Statement of Comprehensive Income in the year of purchase.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Property, plant and equipment and depreciation (cont'd)

Depreciation on property, plant and equipment is calculated on a straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

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

The depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each financial year-end. The effects of any revision are recognised in the Statement of Comprehensive Income 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 taken to the Statement of Comprehensive Income.

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 enhances or extends 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 as an expense as incurred.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis to write off the cost of the intangible assets over their estimated useful lives of 5 years. The amortisation period and method are reviewed at each financial year-end. The effects of any revision are recognised in the Statement of Comprehensive Income when the changes arise.

On disposal of an item of intangible assets, the difference between the net disposal proceeds and its carrying amount is taken to the Statement of Comprehensive Income.

d) Development projects-in-progress

Development projects-in-progress relate to projects on computer systems and office renovation. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Impairment of non-financial assets (cont'd)

An impairment loss is recognised in the Statement of Comprehensive Income 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 recorded in the Statement of Comprehensive 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 reporting period are classified as non-current assets. Trade and other receivables are derecognised when the rights to receive cash flows from the customers have expired or have been received.

An allowance for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the Statement of Comprehensive Income.

When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in Statement of Comprehensive Income.

The carrying amounts recorded at the end of the reporting period 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 and bank balances, fixed deposits 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 (net of transaction costs) and subsequently measured at amortised cost using the effective interest method.

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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, and 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 reporting period 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

Company registration and related fees and business registration and related fees are recognised when transacted.

Income from fines and penalties is recognised upon settlements.

Information service fees are recognised when information is provided.

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

All other fees are recognised on the accrual basis as and when earned.

k) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Authority pays fixed contributions into separate entities such as the 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 reporting period.

(iii) Pension benefits

Provision for pension is made for the payment of pension benefits to pensionable officers under the provisions of the Pensions Act (Chapter 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 reporting period. 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 in the Statement of Comprehensive Income under staff costs.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

l) Operating leases

Leases for the 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 the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

m) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost comprises all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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:

(a) 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.

(b) Impairment of trade and other receivables

Management reviews its receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense.

In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

4. SHARE CAPITAL

The 8,601,000 shares are fully paid and held by the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act (Chapter 183, 1985 Revised Edition). The shares have no par value.

5. PROPERTY, PLANT AND EQUIPMENT

2011/12	Furniture and fittings S$	Micrographic equipment S$	Audio visual equipment S$	Office equipment S$	Computer hardware and system S$	Total S$
Cost						
At 1 April 2011	1,335,390	87,251	82,086	549,113	9,346,000	11,399,840
Additions	534	–	–	5,220	215,481	221,235
Projected costs of dismantlement, removal or restoration	533,000	–	–	–	–	533,000
Transferred from Development projects-in-progress	113,643	–	17,700	164,755	8,368,385	8,664,483
Disposals	(40,357)	–	–	(62,356)	(693,554)	(796,267)
At 31 March 2012	1,942,210	87,251	99,786	656,732	17,236,312	20,022,291
Accumulated Depreciation						
At 1 April 2011	310,200	51,900	62,123	300,260	7,835,110	8,559,593
Depreciation for the financial year	184,063	7,371	13,183	135,890	1,715,013	2,055,520
Disposals	(33,776)	–	–	(50,907)	(693,554)	(778,237)
At 31 March 2012	460,487	59,271	75,306	385,243	8,856,569	9,836,876
Net Book Value						
At 31 March 2012	1,481,723	27,980	24,480	271,489	8,379,743	10,185,415

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2010/11	Furniture and fittings S$	Micrographic equipment S$	Audio visual equipment S$	Office equipment S$	Computer hardware and system S$	Total S$
Cost						
At 1 April 2010	1,991,236	87,251	71,062	248,554	9,526,028	11,924,131
Reclassification of assets	(548,280)	–	17,700	373,680	156,900	–
Additions	–	–	6,020	19,078	347,829	372,927
Adjustment	(79,948)	–	–	–	–	(79,948)
Disposals	(27,618)	–	(12,696)	(92,199)	(684,757)	(817,270)
At 31 March 2011	1,335,390	87,251	82,086	549,113	9,346,000	11,399,840
Accumulated Depreciation						
At 1 April 2010	209,678	44,500	62,032	233,717	7,498,824	8,048,751
Reclassification of assets	(11,435)	–	369	7,797	3,269	–
Depreciation for the financial year	128,683	7,400	11,806	87,834	906,278	1,142,001
Adjustment	(11,639)	–	–	–	(3,538)	(15,177)
Disposals	(5,087)	–	(12,084)	(29,088)	(569,723)	(615,982)
At 31 March 2011	310,200	51,900	62,123	300,260	7,835,110	8,559,593
Net Book Value						
At 31 March 2011	1,025,190	35,351	19,963	248,853	1,510,890	2,840,247

6. INTANGIBLE ASSETS

	2011/12 S$	2010/11 S$
Cost		
As at 1 April	6,217,829	5,126,073
Transferred from Development projects-in-progress	–	1,091,756
As at 31 March	6,217,829	6,217,829
Accumulated amortisation		
As at 1 April	4,644,662	4,074,384
Amortisation for the financial year	465,383	570,278
As at 31 March	5,110,045	4,644,662
Net book value as at 31 March	1,107,784	1,573,167

All intangible assets are internally-developed applications relating to the operations of the Authority with a remaining amortisation period ranging from 1 to 3 years (2010/11: 1 to 4 years).

7. DEVELOPMENT PROJECTS-IN-PROGRESS

	2011/12 S$	2010/11 S$
Cost		
As at 1 April	3,489,056	1,705,017
Expenditure incurred	5,911,532	3,203,646
Development projects expensed off	(489,350)	(327,851)
Transferred to Intangible assets	–	(1,091,756)
Transferred to Property, plant and equipment	(8,664,483)	–
As at 31 March	246,755	3,489,056

Development projects on computer systems are internally-developed applications for the operations of the Authority.

8. INVENTORIES

	2011/12 S$	2010/11 S$
Guidebooks	48,176	–

The cost of inventories sold is recognised as an expense and included in the expenditure on Services amounting to S$10,177 (2010/11: S$NIL).

9. TRADE AND OTHER RECEIVABLES

	2011/12 S$	2010/11 S$
Trade receivables	951,480	1,272,723
Prepayment	96,152	81,574
Interest income receivable	294,293	317,193
As at 31 March	1,341,925	1,671,490

Trade receivables are unsecured and non-interest bearing and they are neither past due nor impaired.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and at banks, deposits maintained with the Accountant-General's Department (AGD) of the Ministry of Finance and fixed deposits placed with banks. 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 Whole-of-Government Centralised Liquidity Management (CLM) and Statutory Board Approved Funds Scheme. Fixed deposits with banks are placed for periods not exceeding 365 days. The effective interest rate of fixed deposits and deposits placed with AGD under CLM is 0.64% (2010/11: 0.47%) per annum. There is no interest earned on deposits of S$68,000,000 (2010/11: S$NIL) placed under Statutory Board Approved Funds Scheme and such amount is not subject to dividend payment in accordance to the Capital Management Framework for Statutory Boards issued by the Ministry of Finance.

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

	2011/12 S$	2010/11 S$
Cash on hand and at banks	597,129	298,120
Deposits maintained with AGD	125,928,202	68,142,842
Fixed deposits with banks	10,000,000	56,000,000
As at 31 March	136,525,331	124,440,962

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

11. TRADE AND OTHER PAYABLES

	2011/12 S$	2010/11 S$
Trade payables	6,691,835	6,035,106
Other payables	490,641	408,100
Provision for unconsumed leave	518,769	561,005
As at 31 March	7,701,245	7,004,211

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

11. TRADE AND OTHER PAYABLES (cont'd)

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 reporting period.

The movement in provision for unconsumed leave is as follows:

	2011/12 S$	2010/11 S$
As at 1 April	561,005	405,000
Amount (utilised)/provided during the financial year	(42,236)	156,005
As at 31 March	518,769	561,005

12. DEPOSITS

Deposits include security deposits placed by vendors and moneys placed with the Authority by secretarial, law and accounting firms for payment of future transactions with the Authority.

	2011/12 S$	2010/11 S$
Security deposits	15,000	15,000
Deposits placed with the Authority	1,825,173	1,820,530
As at 31 March	1,840,173	1,835,530

13. 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 will be borne by the Government and is excluded from the amount stated below.

	2011/12 S$	2010/11 S$
As at 1 April	948,429	844,013
Amount provided during the financial year	68,343	107,004
Amount paid during the financial year	(320,944)	(2,588)
As at 31 March	695,828	948,429
Amount payable within one year	2,588	2,588
Amount payable after one year	693,240	945,841

The pension obligation is calculated based on the last drawn salary and the number of years of service. The discount rate used in determining the present value of pension obligations as as 31 March 2012 is 2.09% per annum for obligations with tenure longer than 3 years and 0.23% per annum for obligations with tenure shorter than 3 years. The pension obligations were not discounted to the present value in the previous financial year due to immateriality.

13. PROVISION FOR PENSION (cont'd)

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

	2011/12 S$
Current service cost	91,303
Actuarial gain	(22,960)
	68,343

14. PROVISION FOR CONTRIBUTION TO GOVERNMENT CONSOLIDATED FUND

The provision comprises contribution to the Government Consolidated Fund made in accordance with section 3 of the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A, 2004 Revised Edition) which is based on 17% (2010/11: 17%) of the surplus for the financial year and unclaimed moneys amounting to S$11,005 (2010/11: S$26,406) to be transferred to the Government Consolidated Fund.

	2011/12 S$	2010/11 S$
As at 1 April	3,384,245	3,217,626
Amount provided during the financial year	3,377,599	3,384,245
Amount paid during the financial year	(3,358,539)	(3,217,626)
As at 31 March	3,403,305	3,384,245

15. OTHER INCOME

Other income includes interest income of S$636,746 (2010/11: S$590,413).

16. STAFF COSTS

	2011/12 S$	2010/11 S$
Salaries and other costs	14,476,250	14,431,229
CPF contributions	1,469,900	1,360,317
	15,946,150	15,791,546

17. SERVICES

Included in the expenditure on Services are the following:

	2011/12 S$	2010/11 S$
Computer service charges	6,206,161	6,322,586
Consultancy fees	1,969,539	1,771,616
Audit fees	320,860	263,000

18. RENTAL, MAINTENANCE AND SUPPLIES

	2011/12 S$	2010/11 S$
Maintenance	2,204,730	2,977,546
Rental	1,947,162	1,980,612
Utilities and office supplies	376,685	329,623
	4,528,577	5,287,781

19. OTHER EXPENDITURE

Included in Other expenditure are the following:

	2011/12 S$	2010/11 S$
Non-recoverable GST expenses	1,156,619	903,833
Commission and related fees	611,275	600,934
Postage and other related expenses	544,571	504,327
Conference	385,863	11,210
Overseas travelling expenses	185,698	203,643
Recruitment expenses	70,682	135,613
Loss on disposal of property, plant and equipment	17,295	87,856

20. DIVIDEND

	2011/12 S$	2010/11 S$
Dividend paid in respect of the previous financial year	1,468,000	451,000

The payment is made in accordance with the Capital Management Framework for Statutory Boards.

21. COMMITMENTS

a) *Capital commitments*

Capital expenditure for development projects which has been approved and contracted but not provided for in the financial statements is as follows:

	2011/12 S$	2010/11 S$
Property, plant and equipment	4,688,317	730,651
Intangible assets	–	4,967,881
As at 31 March	4,688,317	5,698,532

b) *Operating lease commitments*

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

	2011/12 S$	2010/11 S$
Amount due within one year	2,136,485	1,645,356
Amount due within two to four years	3,722,602	–
As at 31 March	5,859,087	1,645,356

22. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, the significant transactions with related parties are as follows:

	2011/12 S$	(Restated) 2010/11 S$
a) Purchases of goods and services from		
Infocomm Development Authority of Singapore	2,254,800	2,095,501
b) Compensation of key management personnel		
Salaries and other short-term employee benefits	2,152,454	1,947,300
CPF contributions	75,469	67,795
Board members' allowances	110,263	116,375

The comparative figures for Compensation of key management personnel have been restated due to a change in the definition of key management personnel.

The Authority's key management personnel is now defined as the Board Members and the Executive Committee (comprising the Chief Executive, Assistant Chief Executives and management personnel designated as "Director"). The Executive Committee was formed to oversee the planning, directing and controlling of the activities of the Authority.

The Heads of Division now report to members of the Executive Committee and are no longer defined as key management personnel. Their salaries and other short-term employee benefits amounting to $2,042,713 are therefore excluded from the comparative figures for Compensation of key management personnel.

23. FINANCIAL RISK MANAGEMENT

(a) *Credit Risk*

The Authority's exposure to credit risk arises from customers and financial institutions. Concentration of credit risk relating to trade receivables is limited due to its varied customers. Cash and fixed deposits are placed 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. Credit risk is thus minimised. 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 reporting period.

(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 foreign exchange exposure.

(e) *Capital Risk*

Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act (Chapter 183, 1985 Revised Edition) is the only shareholder of the Authority. Dividend payment to the shareholder is made in accordance to the Capital Management Framework for Statutory Boards.

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.

24. COMPARATIVES

Where necessary, the comparative figures in the financial statements have been adjusted to conform with changes in the presentation in the current financial year.

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