

# Deepening Partnerships, Raising Professionalism



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# VISION & MISSION

## About Us

### Vision

A professional and trusted real estate agency industry.

### Mission

To raise the professionalism of the real estate agency industry and safeguard consumer interest.

### Desired End State

A successfully transformed real estate agency industry that is productive and resilient, and provides professional and client-centric services, supported by technology.

## Our Strategic Thrusts

CEA administers an effective regulatory framework that fosters a well-disciplined, trusted and professional real estate agency industry.

CEA partners the real estate agency industry to spearhead professional development and digitalisation of the industry.

CEA educates consumers on how to make informed decisions when they engage property agents and agencies for their property transactions.



# JOINT MESSAGE



*CEA Council President Mr Quek See Tiat (left) and CEA Executive Director Mr Lim Chee Hwee*

Partnership and collaboration continue to be the cornerstone of CEA's strategy to raise the professional standards of the real estate agency industry. In 2021, CEA focused on deepening and broadening our partnerships with various industry stakeholders to continue our journey to transform the industry.

## **Refreshing the Real Estate Industry Transformation Map (ITM) 2025**

These partnerships play a key role in formulating the updated Real Estate ITM, which was first launched in 2018 and is currently being refreshed to build on the momentum of digitalising and transforming the industry. CEA sought the industry's inputs on the Real Estate ITM 2025 initiatives to ensure that the ongoing transformation better anticipates and meets consumers' needs, and positions the industry to provide professional and client-centric services. The Real Estate ITM 2025 is slated for launch in the second half of 2022.

Under the auspices of the Real Estate ITM, a key initiative is the Alliance for Action (AfA) on Accurate Property Listings. This industry-led coalition, which is supported by CEA, aims to tackle dummy and duplicate property listings to offer consumers more protection against fake listings and, in turn, build trust in the industry. The participation of the major property portals, the large property agencies and the Singapore Estate Agents Association (SEAA) in this AfA underscores the strong commitment by the industry and key partners to uplift the trust and professionalism of the industry.

## **Building Trust and Enhancing Professionalism**

In September 2021, CEA rolled out the full Property Agents' Transaction Records Initiative (TRI), which was first launched in 2019. The TRI offers a full record of all residential property transactions facilitated by property agents and is hosted on the CEA Public Register. These verified records

build trust by allowing consumers to have visibility of property agents' track records (for rental and sale/resale residential property transactions) and help them make an informed decision when choosing their property agents.

To further raise the professionalism of the industry, CEA formed the workgroup for Project ADEPT (which stands for ADvancing and Enhancing Professionalism and Training) in August 2021. The workgroup is jointly led by CEA and the industry, and comprises representatives from the industry, course providers and academia. It aims to review and enhance the Continuing Professional Development (CPD) ecosystem to ensure that property agents are equipped with skills and knowledge that will stand them in good stead for the future to better serve their clients.

The current CPD framework was updated in 2021 to align the Generic Competencies with SkillsFuture Singapore's new Critical Core Skills. Property agents are now able to sign up for courses in critical thinking and other softer skills that will help them provide better and more professional services to their clients. With 98 per cent of the CPD courses available online during the COVID-19 pandemic, property agents have greater flexibility in scheduling their training, making it easier for them to learn at their own convenience.

CEA also signed a Memorandum of Understanding with Ngee Ann Polytechnic (NP), expanding the

opportunities for research, and training and development courses for the real estate agency industry. This partnership allows exchanges between CEA and NP to further promote the industry's continuous learning and development.

### **Driving Digitalisation**

Digitalisation of the industry continued to be a key focus for CEA. In 2021, four new sector-specific digital solutions were rolled out to support the digital transformation of the industry. Provided under the SMEs Go Digital programme, these four solutions aid in digitalising property agencies' document management processes, thus helping the small and medium-sized property agencies build stronger digital capabilities. CEA will continue to encourage property agencies to embrace the digital wave to prepare for the future economy, and push the boundaries of innovation and productivity when facilitating property transactions.

### **Enhancing Regulatory Effectiveness**

Over the years, we have made significant progress in raising the level of professionalism and ethical standards of property agents and agencies. The operationalisation of the Estate Agents (Amendment) Act 2020 on 30 July 2021 has provided a stronger framework to better deter errant property agents and agencies from committing disciplinary breaches. Besides putting in place more effective regulations, CEA has continued to work with the industry

to enhance property agencies' supervision of their property agents and to take remedial actions and training to prevent the reoccurrence of breaches by their agents. With greater oversight and management of the property agents' conduct and their practice of estate agency work, the industry will be better poised to build consumers' confidence in property agents.

### **Engaging our Stakeholders**

During the year, Mr Tan Kiat How, then Minister of State, Ministry of National Development and Ministry of Communications & Information, met with diverse segments of the industry in a series of engagement sessions to discuss the opportunities, challenges and future plans for the industry. His discussions with property agents, agencies, and the industry associations highlighted the collective commitment shared by all to uphold professional standards, and enhance skillsets and digital knowledge. Digital transformation was also a topic of significance for the participants who acknowledged that efforts had to be made to meet the expectations of consumers who are increasingly more digital savvy.



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**Quek See Tiat**  
President

### **Pivoting with Safe Management Measures**

We commend the industry for adjusting nimbly as Singapore went through several phases of safe management measures on the road towards living with an endemic COVID-19. CEA issued no less than 10 advisories on observing safe management measures in property transaction activities throughout the year to guide the property agents and agencies for the different stages to combat the COVID-19 pandemic. We are pleased that the industry has persevered and pivoted as necessary to change the way they conduct estate agency work for the safety of their clients and limit the transmission of the COVID-19 virus.

### **Maintaining Progress in Digitalisation**

As we move towards an endemic COVID-19, CEA hopes to continue to build on the momentum of digitalisation, which was accelerated by the pandemic, and lift the industry towards a higher level of digital readiness. CEA remains steadfast in its commitment to partner and support our stakeholders in our collective drive towards transforming the real estate agency industry to be more client-centric, professional, productive and resilient.



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**Lim Chee Hwee**  
Executive Director

# COUNCIL

## President

**Mr Quek See Tiat**

## Members

**Mr Mike Chan Hein Wah**

Deputy Chief Executive Officer (Estate)  
Housing & Development Board

**Ms Koh Choon Fah**

Retired CEO  
Edmund Tie & Company (SEA) Pte Ltd

**Ms Lee Siow Hwee**

Executive Director  
Consumers Association of Singapore

**Mr Lok Vi Ming**

Senior Counsel and Managing Director  
LVM Law Chambers LLC

**Mr Mohamed Abdul Akbar Bin Mohamed Abdul Kader**

Managing Director  
Nan Guan Construction Pte Ltd

**Mr Ng Boon Yew**

Executive Chairman  
Raffles Campus Group

**Mrs Deborah Ong**

Retired Partner  
PwC Singapore

**Mr Sin Lye Chong (term ended on 31 March 2022)**

Former Group Director (Land Sales & Administration)  
Urban Redevelopment Authority

**Ms Tan Pei Shan**

Executive Director (Policy & Planning)  
National Research Foundation

**Dr Tan Tee Khoon**

Country Manager (Singapore)  
PropertyGuru Group

**Mr Thomas Tan**

Secretary  
Singapore Estate Agents Association  
Chief Operating Officer  
ERA Singapore

**Mr Lim Chee Hwee**

Executive Director  
Council for Estate Agencies

# AUDIT COMMITTEE

## Chairperson

**Mrs Deborah Ong**  
Retired Partner  
PwC Singapore

## Members

**Mr Mike Chan Hein Wah**  
Deputy Chief Executive Officer (Estate)  
Housing & Development Board

**Mr Mohamed Abdul Akbar Bin Mohamed Abdul Kader**  
Managing Director  
Nan Guan Construction Pte Ltd

# HUMAN RESOURCE & FINANCE COMMITTEE

## Chairperson

**Mr Quek See Tiat**  
President  
Council for Estate Agencies

## Members

**Mr Sin Lye Chong (term ended on 31 March 2022)**  
Former Group Director (Land Sales & Administration)  
Urban Redevelopment Authority

**Mr Lim Chee Hwee**  
Executive Director  
Council for Estate Agencies



# SELECT COMMITTEE

## Chairperson

**Mr Quek See Tiat**

President  
Council for Estate Agencies

## Members

**Ms Lee Siow Hwee**

Executive Director  
Consumers Association of Singapore

**Mr Lok Vi Ming**

Senior Counsel and Managing Director  
LVM Law Chambers LLC

**Mr Ng Boon Yew**

Executive Chairman  
Raffles Campus Group

**Mrs Deborah Ong**

Retired Partner  
PwC Singapore

**Ms Tan Pei Shan**

Executive Director (Policy & Planning)  
National Research Foundation

**Mr Lim Chee Hwee**

Executive Director  
Council for Estate Agencies

# DISCIPLINARY PANEL

## Head

### **Dr Tan Tee Khoon**

Country Manager (Singapore)  
PropertyGuru Group

## Members

### **Mr Andrew Chan**

Partner  
Allen & Gledhill

### **Mr Chia Chor Leong**

Consultant  
Breakpoint LLC

### **Mr Michael S Chia**

Managing Director  
MSC Law Corporation

### **Ms Eunice Chua**

Chief Executive Officer  
Financial Industry  
Disputes Resolution  
Centre Ltd (FIDReC)

### **Mr Felix Chua**

Key Executive Officer  
Cyberhomes Estate  
Agencies Pte Ltd

### **Ms Yashodhara**

**Dhorausigam**  
Advocate and Solicitor

### **Mr Goh Heng Hoon**

Key Executive Officer  
Ashburton Realty

### **Mr Peter Koh Hock Guan**

Key Executive Officer  
Gateway Property  
Consultants Pte Ltd

### **Er Kok King Min**

Senior Consultant  
PH Consulting Pte Ltd

### **Mr Joseph Lee**

Deputy Managing Director  
Advocate and Solicitor  
LVM Law Chambers LLC

### **Er Ling Shiang Yun**

Partner  
iEngineers Singapore  
Pte Ltd

### **Ms Monica Neo**

Senior Partner  
Chan Neo LLP

### **Mr B Rengarajoo, PBS**

Principal  
B Rengarajoo &  
Associates  
Advocates & Solicitors

### **Mr Tan Hee Jeok**

Partner  
Tan See Swan & Co

### **Ms Tan Pei Shan**

Executive Director  
(Policy & Planning)  
National Research  
Foundation

### **Mr Thomas Tan**

Secretary  
Singapore Estate Agents  
Association  
Chief Operating Officer  
ERA Singapore

### **Ar Teh Joo Heng**

Principal  
Teh Joo Heng Architects

### **Prof Teo Keang Sood**

Faculty of Law  
National University of  
Singapore

### **Mr Dennis Yeo Huang Kiat**

Chief Executive  
(Singapore & South-East Asia)  
Cushman & Wakefield

# PROFESSIONAL DEVELOPMENT COMMITTEE

## Chairperson

**Mr Ng Boon Yew**  
Executive Chairman  
Raffles Campus Group

## Deputy Chairperson

**Ms Koh Choon Fah**  
Retired CEO  
Edmund Tie & Company (SEA) Pte Ltd

## Members

**Ms Chua Lei Kwan Lina Mary**  
Partner  
Rajah and Tann Singapore LLP

**Mrs Pang-Eng Peck Hong**  
Director  
School of Design and Environment  
Ngee Ann Polytechnic

**Ms Lee Mei Ling**  
Executive Vice President and Head  
(Property Development)  
City Developments Limited

**Mr Eugene Lim**  
Key Executive Officer  
ERA Realty Network Pte Ltd

**Er Lim Peng Hong**  
Managing Director  
PH Consulting Pte Ltd

**Mr Bruce Lye**  
Co-Founder and Managing Partner  
SRI Pte Ltd

**Dr Sky Seah Kiat Ying**  
Deputy Head (Academic)  
Department of Real Estate  
National University of Singapore

**Mr Tan Hong Boon**  
Executive Director  
(Capital Markets, Singapore)  
Jones Lang LaSalle Property  
Consultants Pte Ltd

**Prof Tang Hang Wu**  
Law Professor and Director  
Centre for Cross Border  
Commercial Law in Asia  
School of Law  
Singapore Management University

**Ms Edith Tay**  
Executive Director and Key Executive Officer  
PropertyBank Pte Ltd

## WHO WE ARE

The Council for Estate Agencies (CEA) was established as a statutory board under the Ministry of National Development on 22 October 2010 to regulate and develop the real estate agency industry.

In pursuit of its mission to raise the professionalism of the real estate agency industry and safeguard consumer interest, CEA focuses on three strategic thrusts: effective regulation, industry development and consumer education.

For effective regulation of the industry, CEA administers the licensing of property agencies and registration of property agents, and regulates the practice of property agents and agencies in property transactions. It also conducts industry compliance checks and investigations, as well as disciplinary proceedings in respect of offences and unsatisfactory conduct or misconduct by property agents and agencies.

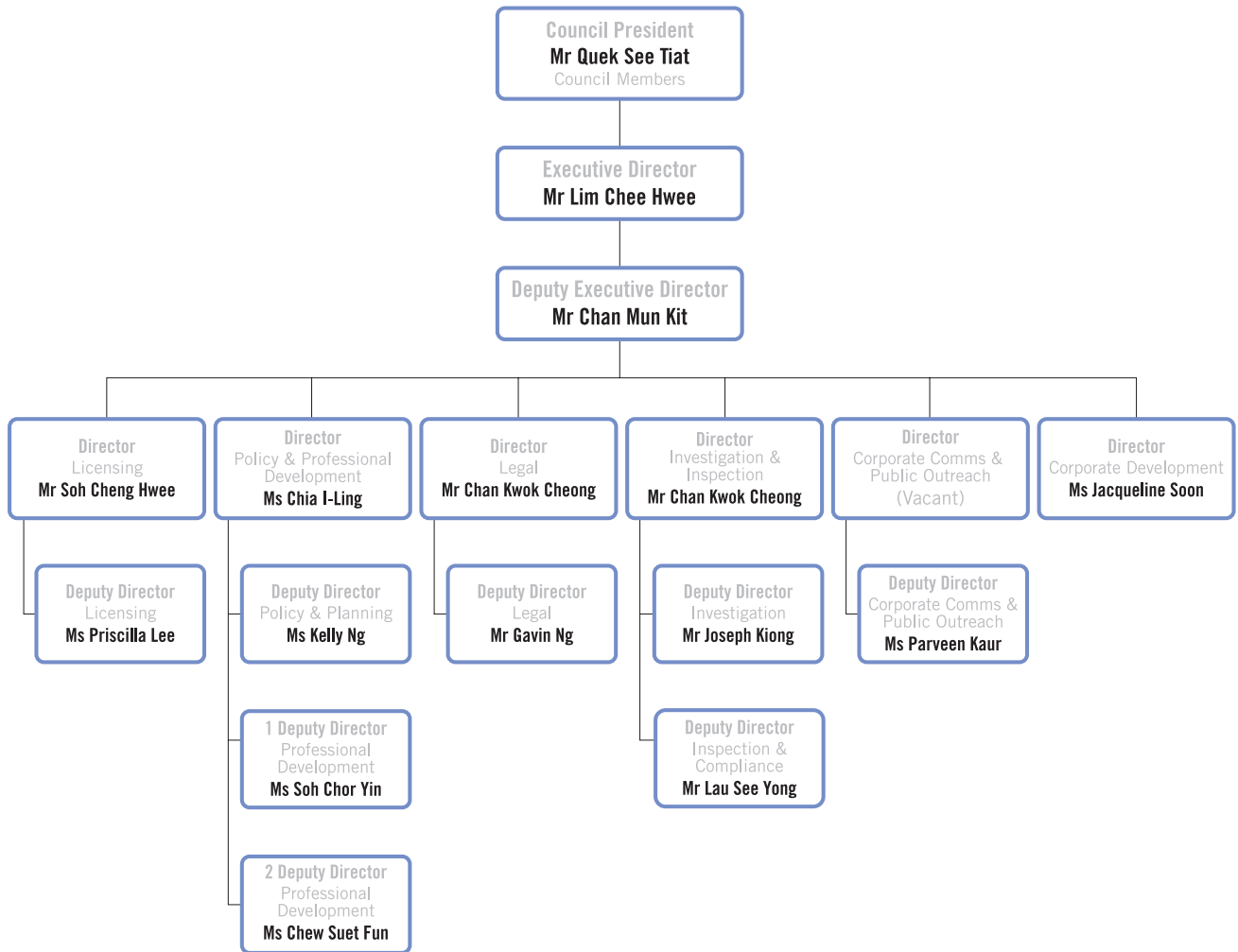
CEA works closely with the industry to raise its professionalism, expand its capabilities, and promote business excellence. It administers the mandatory examinations for property agents and agencies, and the Continuing Professional Development framework, as well as appoints course providers. It identifies opportunities and fosters collaborations with strategic partners in industry development programmes to achieve business productivity.

To protect the interests of consumers, CEA plans and implements public education programmes to equip consumers with the necessary information to make informed decisions in property transactions involving the services of property agents. It facilitates access to consumer resources and provides various channels for complaints and dispute resolution.

CEA is governed by a Council that comprises professionals from sectors related to the real estate agency industry, as well as representatives from relevant government agencies.

The Council advises and provides strategic guidance to the management of CEA to meet its objectives. The Council is assisted by five Committees: Audit Committee, Human Resource & Finance Committee, Select Committee, Disciplinary Panel, and Professional Development Committee.

# CEA ORGANISATION CHART



# DRIVING INDUSTRY TRANSFORMATION THROUGH STRONG PARTNERSHIPS



Since the launch of the Real Estate Industry Transformation Map (ITM) in February 2018, CEA, working closely with the property agencies, real estate agency industry associations (IAs), and various government agencies, has made good progress in transforming the sector towards higher productivity and raising professionalism. Building on these achievements, CEA will continue to guide and support the transformation of the real estate agency industry as it seeks various ways to adapt, innovate and digitalise.

### Engaging Industry Stakeholders on Real Estate ITM 2025

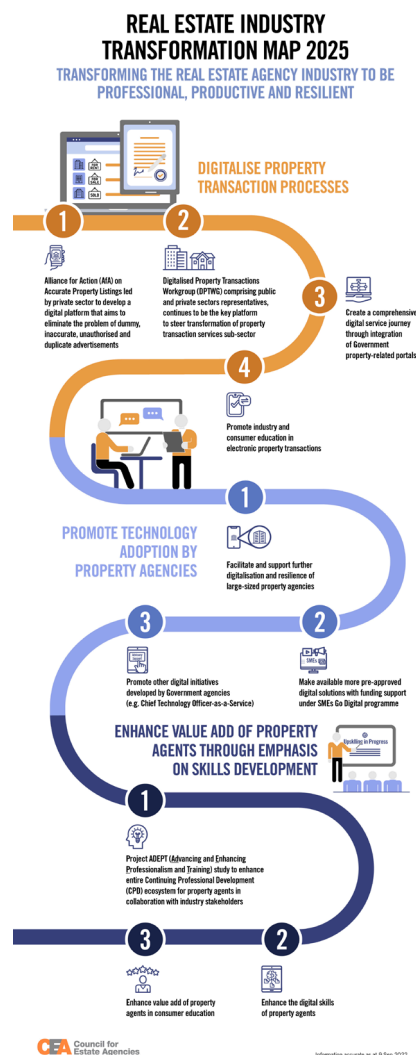
Throughout 2021-2022, CEA has extensively consulted industry stakeholders to gather feedback on the state of the industry and the proposed Real Estate ITM 2025 initiatives as part of the exercise to refresh the Real Estate ITM. The invaluable inputs will build on the momentum of and gains from the ongoing transformation in the industry. The Real Estate ITM 2025 aims to successfully transform the real estate agency industry to one that is professional, productive, and resilient, and supported by technology to better anticipate and meet consumers' needs. It is targeted for launch in the second half of 2022.

### Alliance for Action (AfA) on Accurate Property Listings

One of the key initiatives of the Real Estate ITM 2025 is the AfA on Accurate Property Listings that was announced in November 2021.

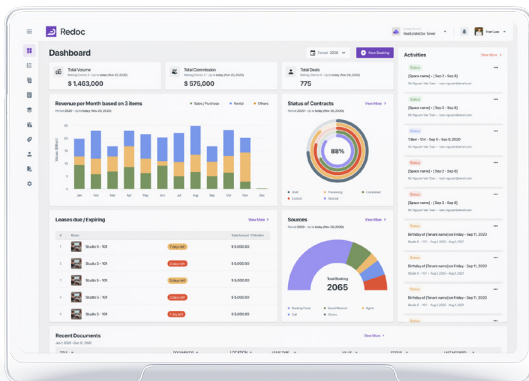
Co-led by the Singapore Estate Agents Association (SEAA), PropertyGuru and 99.co, with the five largest property agencies (PropNex Realty, ERA Realty

Network, Huttons Asia, OrangeTee & Tie and SRI) and EdgeProp as members, the AfA aims to eliminate the problem of dummy, inaccurate, unauthorised, and duplicate property listings and advertisements published by property agents on online channels through the development of a prototype digital platform. The platform will enhance consumer experience by allowing faster and more accurate online searches of properties, and offering safeguards against fake listings to protect consumers' interests. The real estate agency industry will benefit from the use of the digital platform as it will lift professionalism and promote consumer confidence and trust in property agents.



## SMEs Go Digital Programme for the Real Estate Agency Industry

As part of CEA's efforts to support the digital transformation of the industry, four pre-approved sector-specific solutions were rolled out in 2021 since the launch of the SMEs Go Digital programme for the real estate agency industry in February 2021. These cloud-based solutions have been developed by Real Estate Doc Pte Ltd and CommercePromote Pte Ltd. Small and medium-sized property agencies can subscribe to these solutions to more efficiently manage documents and submit transaction records. Property agencies that had adopted the use of the solutions received up to 80 per cent of government funding support under the Productivity Solutions Grant.



*Real Estate Doc Pte Ltd's document management solution, Redoc.co, is one of the pre-approved digital solutions supportable under the SMEs Go Digital programme (Image: Real Estate Doc Pte Ltd)*

CEA is working together with the Infocomm Media Development Authority (IMDA) and Enterprise Singapore (ESG) to identify more

digital solutions for the real estate agency industry under the SMEs Go Digital programme. We hope to help property agencies, especially the small and medium-sized ones, to make full use of digital technologies and build stronger digital capabilities to raise their productivity.

## Project ADEPT

In August 2021, the Project ADEPT (ADvancing and Enhancing Professionalism and Training) workgroup, jointly led by CEA and the real estate agency industry, was formed. The workgroup has embarked on a study to enhance the entire Continuing Professional Development (CPD) ecosystem that will include quality assurance of CPD courses and a differentiated approach to better support the industry's diverse learning needs. This will enable property agents to remain relevant and resilient while giving consumers greater assurance and satisfaction in the services of property agents. The study is expected to be completed in 2023.

## Extending and Strengthening our Partnerships

CEA is committed to working closely with the industry, through engagement and consultation, to explain our policies and regulations to facilitate better compliance, educate property agents, as well as to develop and deliver better policies.



## Engaging with the industry

From September 2021 to November 2021, Mr Tan Kiat How, then Minister of State, Ministry of National Development and Ministry of Communications & Information, embarked on a series of engagement sessions with Key Executive Officers (KEOs) and management staff from the large, medium and small property agencies, IAs, and property agents.

At his sessions with the KEOs and management staff from the property agencies, Mr Tan Kiat How acknowledged their forward thinking and planning in embracing and leveraging property technology to deliver better services to their clients, and overcome the challenges to the conduct of estate agency work due to the COVID-19 pandemic.



*Then Minister of State for National Development and Communications & Information Mr Tan Kiat How in virtual engagement sessions with KEOs and management staff from PropNex Realty, ERA Realty Network, Huttons Asia, OrangeTee & Tie, and medium and small property agencies (anticlockwise from top left)*



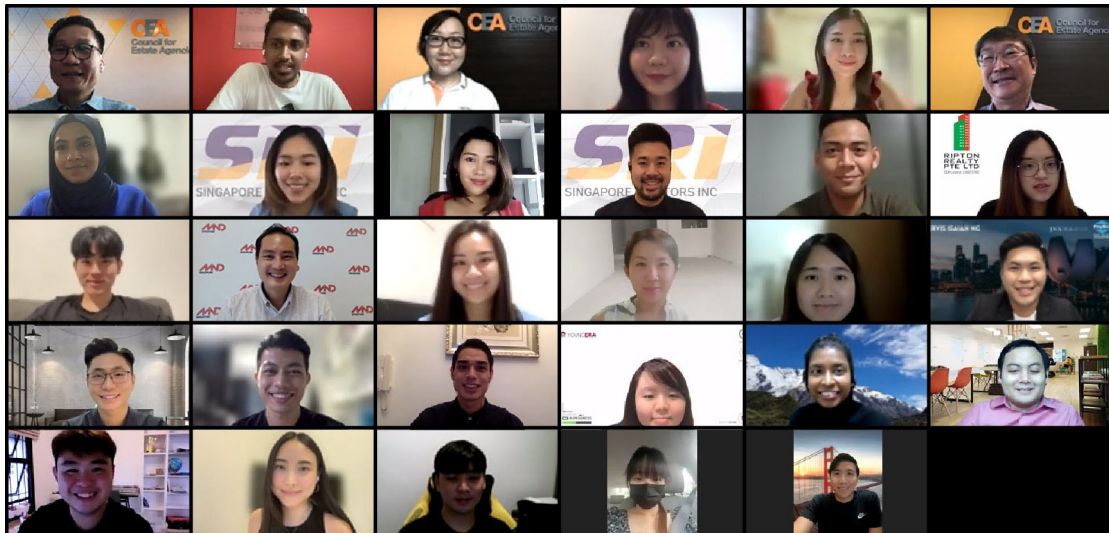
Then Minister of State for National Development and Communications & Information Mr Tan Kiat How in virtual engagement sessions with the Singapore Estate Agents Association (top), Institute of Estate Agents (bottom left), and Singapore Institute of Surveyors and Valuers (bottom right)

At his sessions with the IAs, namely, SEAA, Institute of Estate Agents (IEA), and Singapore Institute of Surveyors and Valuers (SISV), Mr Tan Kiat How commended their digitalisation initiatives and provision of new digital tools to meet their members' needs.

A common discussion thread throughout these sessions with the property agencies and the IAs was the importance of upholding professional standards and enhancing skillsets through the CPD framework. Views and suggestions were offered on the current CPD courses and further improvements that could be made to

ensure that property agents would have digital fluency and the right skillsets to better serve a progressively digitally savvy consumer base.

There were also calls by the industry for CEA to share more case studies of disciplinary action taken against errant agents as well as good practices. This will help the industry to avoid committing similar breaches and better comply with CEA's regulations. The IAs voiced the need for more consumer education on the roles and responsibilities, and scope of work of property agents to improve agent-client relations.



*Then Minister of State for National Development and Communications & Information Mr Tan Kiat How in a virtual engagement session with a group of property agents from various property agencies who are in the initial years of their careers*

Mr Tan Kiat How also met with a group of property agents from various property agencies who are in the initial years of their careers. They provided insights and suggestions to improve the relevance of the CPD courses, such as offering more training on commercial and industrial property transactions as well as courses on softer but critical skills like motivation and negotiation. They also expressed the need for more to be done to ensure that the less technologically savvy agents would not be left behind by the digitalisation drive.

### **Promoting continuous learning and development**

CEA and Ngee Ann Polytechnic (NP) signed a Memorandum of Understanding (MOU) on 12 April 2021 to promote cooperation in areas

such as research and CPD courses for the real estate agency industry. This partnership will include opportunities for training and development exchanges between CEA and NP staff members. NP has been a member of CEA's Professional Development Committee since 2016.



*The CEA-NP MOU signing with signatories Mr Lim Chee Hwee, Executive Director of CEA (left) and Mr Clarence Ti, then Principal of NP*

# RAISING INDUSTRY PROFESSIONALISM AND STANDARDS



## Property Agents' Transaction Records Initiative

In September 2021, CEA launched the Transaction Records Initiative (TRI) which is one of the initiatives under the Real Estate Industry Transformation Map (ITM). To enable consumers to have better visibility on property agents' track record, CEA published a complete record of rental and sale/resale residential property transactions, both public and private housing, which were facilitated by property agents. Available on the CEA Public Register which displays the profile of every property agent, these records offer consumers information on the various types of residential property transactions the property agents have conducted, the parties they represented in the transactions, and the neighbourhoods they covered. The aim of providing these details is to enable consumers to make a more informed decision when selecting their property agent. Similarly, property agents can use the information to substantiate their experience and expertise in different residential property transactions.

CEA has received good feedback from consumers and property agents on the TRI. Since its launch, there have been more than 600,000 page views. With transaction records verified and displayed by a trusted source, property agents are mindful that their potential clients can check and obtain more details about their experience. Overall, the TRI, together with the profile of property agents on the CEA Public Register, has helped build consumers' confidence and trust in property agents.

## Review of Practices and Processes

In June 2021, CEA ceased charging the registration fee of \$230 when a property agent switches from one property agency to another. This move followed a review of our fee policy to explore ways in which we could be more pro-enterprise, and took into consideration feedback and suggestions from the real estate agency industry.

## Upholding Professional Standards Amid the COVID-19 Pandemic

### RES Examinations

Throughout the year, CEA continued to conduct the Real Estate Salesperson (RES) and Real Estate Agency (REA) examinations while complying with the safe management measures during the COVID-19 pandemic. The RES examinations had to be conducted in classrooms with a reduced capacity to ensure the safety of the examination candidates and the invigilating staff.

The RES examinations were held in February, August and October 2021, with an additional session in November 2021. The latter was conducted on a one-off basis, given the reduced examination capacity in 2020 due to the COVID-19 pandemic when CEA had to cancel two RES examinations and conduct smaller-scale RES examinations instead.



*Candidates taking the RES examination at SIM Headquarters on 21 August 2021 with safe management measures in place*

## **Transitioning to a COVID-19 resilient nation**

With the changing COVID-19 pandemic situation, the real estate agency industry continued to show its resilience during this challenging time and take collective responsibility to ensure the safety of their clients and the community. The property agents and agencies adapted quickly through harnessing technological innovations in their business models and practices such as the use of digital marketing and virtual property viewings, while at the same time, ensuring that safe management measures were adhered to while facilitating property transactions.

CEA issued advisories during the different phases of the COVID-19 pandemic to the real estate agency industry. These were based on the Multi-Ministry Taskforce's guidance on, among others, the safe management measures that had to be complied with during the pandemic. These included guidelines on carrying out estate agency work safely as well as guidance to Continuing Professional Development (CPD) course providers on the measures to observe when conducting CPD courses.

### **Online CPD Courses**

CEA continued to engage and work with the industry to reiterate to property agents the importance of sharpening their skills and critical competencies in order to carry out their roles more effectively in the future economy.

To facilitate and encourage upskilling despite the COVID-19 pandemic, CPD course providers added e-learning programmes to their course repertoire.

About 98 per cent of CPD courses were eventually made available online, thereby giving property agents the choice of greater flexibility to fit their professional development training around their schedules or repeating them as needed from the safety of their homes.

For property agents to remain resilient in a changing operating environment, their knowledge and skillsets must be relevant and current. To this end, CEA updated the CPD framework to align the Generic Competencies skills and competencies with SkillsFuture Singapore's new Critical Core Skills with effect from 1 October 2021. These included the key skills of critical thinking, interacting with others and staying relevant, all of which are crucial skills that property agents need as part of their work in the digital era.

### **Guide on Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021**

Singapore remains an active and committed member of the Financial Action Task Force (FATF), an inter-governmental body that develops standards for combating money laundering, terrorism financing and other related threats to the integrity of the international financial system. The real estate agency industry shares this commitment as it plays an important role in helping to counter the global threat of money laundering and terrorism financing through property transactions.

The new Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021,

which took effect from 30 July 2021, outlines the duties of the real estate agency industry in preventing money laundering and terrorism financing. CEA also issued the Guide on Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021 so that property agents and agencies understand and fulfil their obligations when conducting estate agency work under the new regulatory requirements.

During the year, CEA conducted several inspections of property agencies to ensure their compliance with the requirements. CEA will ramp up such inspections in the coming years to guide property agencies in preparation for the FATF's next evaluation on Singapore.

### **Taking Firm Enforcement Action**

Throughout the year, CEA continued to focus on investigations and prosecution of property agents and agencies for breaches of the Estate Agent Act and Regulations. This is necessary to uphold industry professionalism and build consumers' trust in the real estate agency industry. In addition to conducting regular inspections of property agencies, CEA successfully prosecuted several errant agents in Court and took enforcement action against those who committed disciplinary breaches through hearings by the CEA Disciplinary Committee.

Some examples of the concluded cases include:

#### **Conducting unlicensed estate agency work**

A former property agent committed offences under the Estate Agents Act

by holding himself out to the public as being a property agent without being registered with CEA.

The former property agent had posted several advertisements on an online property listing portal containing his former CEA registration number and the name of his former property agency. During the time that these advertisements were visible to the public on the property listing portal, he had held himself out to the public, through these advertisements, as being a registered property agent.

The Court sentenced the former property agent to a fine of \$27,000 (in default 67 days' imprisonment) for three charges of holding himself out to the public as a property agent without being registered with CEA. The Court also took into consideration another seven charges for the purposes of sentencing.

#### **Handling transaction money and failing to lodge a suspicious transaction report**

A property agent contravened the Estate Agents (Estate Agency Work) Regulations 2010 by handling transaction money in the form of a booking fee for a condominium unit that his buyer-clients (who were a father and son) wanted to purchase. He also contravened the Corruption, Drug Trafficking and Other Serious Crimes Act (CDSA) for failing to report a suspicious transaction to the Suspicious Transaction Reporting Office (STRO).

Upon hearing that the father could only pay the booking fee in cash as he did not have a bank account, the property agent offered to help

the buyers issue a cheque for the payment of the booking fee. He received \$11,000 in cash from the father and the subsequent partial balance of the booking fee, amounting to \$32,300 in cash, was handed to him in a red plastic bag. The property agent deposited the money into his bank account and issued a cheque for the full booking fee to the developer on his clients' behalf. The property agent should have lodged a suspicious transaction report to the STRO at this point as making a cash payment for the bulk of the booking fee was out of the ordinary and should have aroused suspicion.

Subsequently, the property agent was informed that the father and the son were an undischarged bankrupt and an underaged individual respectively, and both were therefore not eligible to purchase the condominium unit.

The Court sentenced the property agent to a total fine of \$5,000 for the charge of handling transaction money amounting to \$32,300. The Court also took into consideration the other handling transaction money charge for \$11,000 for the purposes of sentencing. For the CDSA charge, the Court sentenced the property agent to pay a fine of \$7,000.

### **Failing to act honestly, fairly and in a reasonable manner towards others**

A property agent, Agent A, misrepresented to potential buyers of a landed property that the built-in area of

the property was about 4,000 square feet, resulting in the prospective buyers offering a price that was higher than what they would otherwise have offered. The difference in size (of more than 1,000 square feet) led to an eventual abortion of the transaction and the commencement of a civil suit between the prospective buyers, Agent A and the sellers. Although the civil suit was eventually settled, the prospective buyers still suffered a financial loss of more than \$13,000.

In addition, Agent A's husband, Agent B, closed the transaction as the sellers' agent even though it was Agent A who had facilitated the transaction. Agent A and Agent B were from different property agencies. By doing so, Agents A and B had excluded Agent A's property agency from the transaction, deprived Agent A's property agency from earning the commission, and failed to act honestly, fairly and in a reasonable manner towards Agent A's agency.

Agent A pleaded guilty to two breaches of CEA's Code of Ethics and Professional Client Care (CEPCC) and was fined \$5,000 and suspended for four months by a CEA Disciplinary Committee. The CEA Disciplinary Committee took into consideration four other charges for the purposes of sentencing. Agent B pleaded guilty to a breach of CEA's CEPCC and was fined \$2,000 and suspended for two months by a CEA Disciplinary Committee.



## **Bringing discredit or disrepute to the real estate industry**

When a property agent did not manage to defer the resale completion date of a Housing & Development Board (HDB) flat on behalf of his buyer-clients, he decided to fabricate an agreement between his buyer-clients and the sellers, and e-filed the fabricated agreement on the HDB Flat Portal.

The fabricated agreement purportedly recorded an agreement between both parties to defer the resale completion date when the sellers never agreed to the deferment at all material times. The fabricated document also contained the sellers' signatures, which the property agent had digitally copied from the Option to Purchase and affixed onto the fabricated agreement without the sellers' knowledge and consent. This fabricated document was subsequently sent to HDB to mislead HDB into believing that the buyers and the sellers had mutually agreed to defer the completion date of the HDB flat when there was in fact no such agreement.

The property agent pleaded guilty to two breaches of CEA's CEPCC with two other CEPCC breaches that were taken into consideration for sentencing purposes. The property agent was sentenced by a CEA Disciplinary Committee to a financial penalty of \$4,000 and a suspension of five months.

Nature of Complaints	Number of Complaints as at 31 Dec	
	2020	2021
<b>Service-related</b> (e.g. punctuality issues; late response/no follow up by agents; poor communication)	422	490
<b>Advertisement-related</b>	223	346
<b>Non-compliance with rules and procedures of property transactions</b> (e.g. conducting estate agency work as an unregistered agent; failing to conduct business with due diligence and care; holding of transaction monies)	104	146
<b>Not acting ethically and fairly to other persons (other than clients)</b> (e.g. overstating or misrepresenting facts; conveying false information)	36	54
<b>Not acting in client's interests</b> (e.g. dual representation; failing to declare conflict of interest; failing to convey offer, counter-offer, or expression of interests)	23	37
<b>Other breaches</b> (e.g. providing false information to CEA in relation to renewal of licence or registration; bringing discredit or disrepute to the real estate industry; obstructing CEA's investigations)	50	66
<b>Total</b>	<b>858</b>	<b>1,139</b>

Categories	Investigation Outcome	Number of Complaints as at 31 Dec	
		2020	2021
<b>Substantiated complaints</b>	Letter of advice/Warning served	192	245
	Disciplinary action <sup>#</sup>	23	30
	Prosecution <sup>#</sup>	7	5
<b>Unsubstantiated complaints</b> Refers to cases with insufficient evidence to substantiate claims, assessed to have no wrongdoing on the part of the property agent, baseless/frivolous complaints		294	335
<b>Complaints handled by property agencies</b> Refers to cases such as service-related lapses, disputes between property agents or property agencies, which were referred to property agencies for resolution		459	508
<b>Other cases</b> Refers to non-CEA regulated cases that were referred by CEA to other government agencies/organisations for resolution		14	10
<b>Total<sup>^</sup></b>		<b>989</b>	<b>1,133</b>

# These figures refer to the conclusion of the cases before the CEA Disciplinary Committee or the Court.

<sup>^</sup> Some cases completed in the year were brought forward from previous years.

# TOWARDS A BETTER REAL ESTATE TRANSACTION EXPERIENCE THROUGH CONSUMER EDUCATION



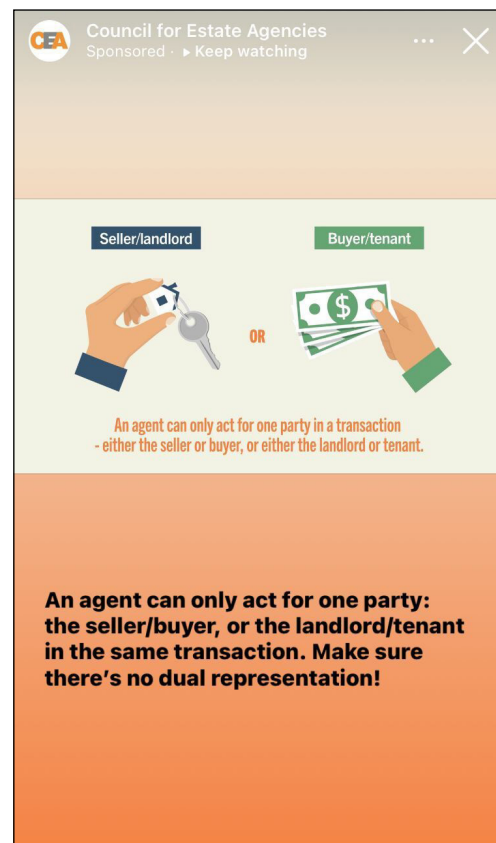
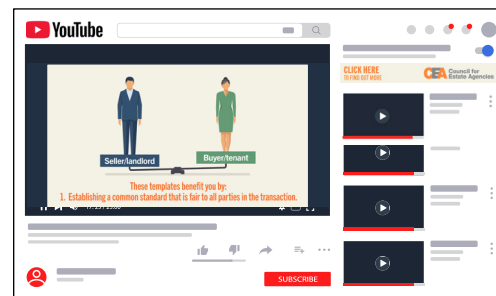
## Annual Consumer Outreach Campaign

To equip consumers with better knowledge of what they should look out for when engaging a property agent, we launched our annual outreach campaign in October 2021 reiterating CEA's four key consumer messages, namely:

- Visit the CEA Public Register to check a property agent's registration status, disciplinary/enforcement records and past property transactions.
- Use the optional contract templates for property transactions.
- A property agent cannot represent the seller and the buyer, or the landlord and the tenant in the same transaction (i.e. no dual representation).
- A property agent should not handle certain monies related to a property transaction.

With more consumers embarking on their property transaction journeys online, we articulated our consumer messages through online banner advertisements as well as a series of 30-second videos, each conveying one key message and providing guidance to consumers on how to protect their interests and ensure a smooth property transaction. These videos were carried on various websites and social media channels, such as Facebook and Instagram, to reach our target audience based on their social media consumption habits and interests. The videos were well received, with view rates above the benchmark for similar public service message videos. In addition, the majority of viewers watched the videos from beginning to end. Our 2021 outreach campaign garnered positive sentiments, as evidenced by the results of the post-campaign survey

conducted by CEA. Respondents found the campaign messages to be clear and easy to understand, and indicated that they provided new information and explained well how best to engage a property agent. There were also more respondents who were familiar with the roles and responsibilities of consumers and property agents.



*Video advertisements featuring CEA's key messages ran on YouTube and other online channels*

## Educating Consumers Against Property Scams

Given the spate of property scams where scammers impersonated property agents, CEA formulated a simple guide for consumers to check if the property agent is registered with CEA and to combat such scams:

- Check the property agent's details in the property listing against the CEA Public Register to verify that the property agent is registered with CEA.
- You can do so by searching for the property agent on the CEA Public Register using the advertised phone number. If the search does not lead to a property agent's profile page, it means that the phone number is not registered with CEA by any property agent, and could be an indication that the advertisement is a scam.
- You also do not need to pay any fees to secure a viewing appointment.
- If you think that you may have been a victim of a scam, please file a police report.

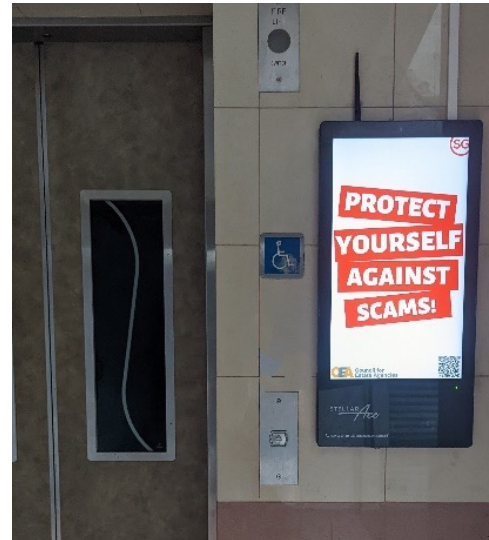


**Use CEA's Public Register to check that the property agent has a valid registration.** 

**Verify the property agent's details and contact number via the Public Register.** 

**You do not need to pay fees to secure a viewing appointment.** 

Visit:  
[www.cea.gov.sg/4things](http://www.cea.gov.sg/4things)



*CEA consumer advisory on HDB Digital Display Panels at HDB lift lobbies (30 May – 5 June 2022)*

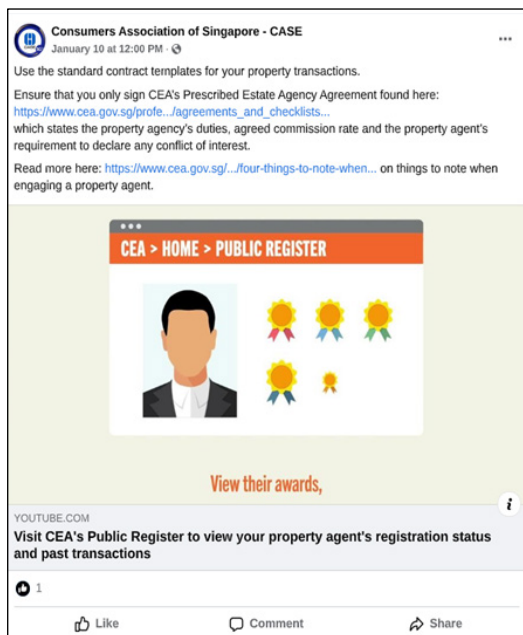
To expand our reach to the public, CEA collaborated with our partners including property agencies, property portals, industry associations, and government agencies such as the Singapore Police Force and the Housing & Development Board (HDB), to convey the cautionary and educational messages on their respective online channels to alert property consumers. With these messages, consumers could take the necessary actions to avoid falling victim to such scams.

## Cultivating Partnerships

Collaborating with and extending our network of partners will always be a priority for CEA as we explore new consumer touchpoints.

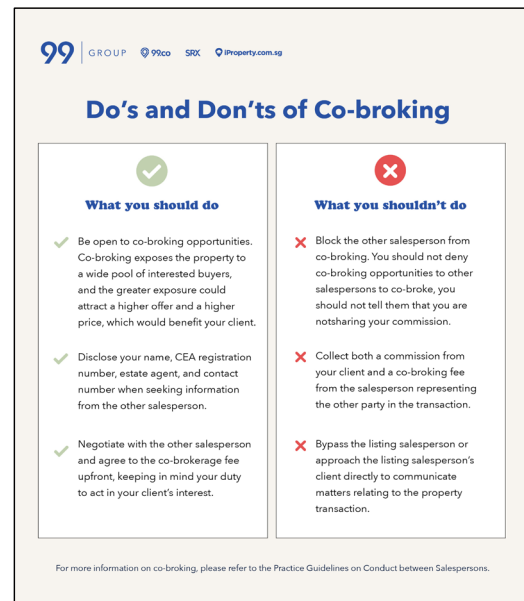
During the year, we continued to co-present alongside HDB at their virtual seminars to share our messages with property consumers.

We also partnered other government agencies, the five largest property agencies, Singapore Estate Agents Association (SEAA), Institute of Estate Agents (IEA) and Singapore Institute of Surveyors and Valuers (SISV), property portals and the Consumers Association of Singapore (CASE) to share relevant consumer content on their internal and external communications channels including social media platforms. For instance, we worked with CASE to share consumer content on dual representation and using the optional contract templates for property transactions via their Facebook page.



Collaboration with CASE to share consumer content on dual representation on their Facebook page

We also worked with 99.co to share information and resources on topics that are of interest to the real estate agency industry via 99.co's agent marketing platforms. These included pertinent topics on advertising guidelines and co-broking.



Collaboration with 99.co to share information and resources on co-broking via 99.co's agent marketing platforms

## Gathering Consumer Insights

CEA completed the fieldwork of its fourth Public Perception Survey in February 2022. Through interviews with over 1,000 members of the public, the survey findings shed light on the public awareness levels of CEA, provided a good sensing of consumer satisfaction on the services provided by property agents and allowed us to understand consumer expectations of how property agents can add value to their property transaction experience.

These insights will also enable CEA to further finetune our consumer education programmes to empower consumers to work effectively and harmoniously with their property agent. At the same time, the findings will enable CEA to gauge how property agents can further enhance their professionalism and service standards to cultivate stronger relationships with their clients.

# PURSUIING EXCELLENCE WITHIN CEA



CEA adapted to the challenges presented by the COVID-19 pandemic while placing priority on safeguarding the health and safety of our staff and customers.

We were assessed and certified with the SG Clean quality mark in December 2021, a reflection of our commitment to maintaining high standards of sanitation and hygiene at our office. The SG Clean quality mark is an important component of the National Environment Agency's SG Clean campaign, a nationwide effort to instil a "keep clean culture" during and beyond the COVID-19 pandemic.

### Working Smarter Through IT

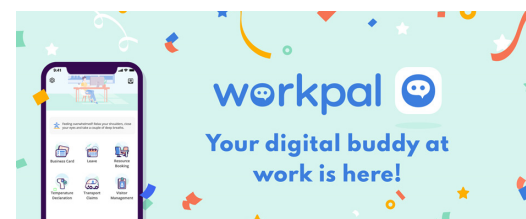
We continued to tap on technological tools in our work amid evolving safe management measures which saw our staff working from home during a large part of the COVID-19 pandemic. For instance, CEA Disciplinary Committees conducted their disciplinary hearings via Zoom against property agents who had been charged with breaches of the Estate Agents Act and Regulations. This ensured that our day-to-day operations remained unaffected and enabled us to maintain our service standards.

During the year, we rolled out the CEA Digitalisation and Data Strategy Plan which aims to approach problems with a digital-first solution, and to build a digital and data literate workforce. As part of CEA's effort to build up our staff's digital literacy skills, our staff are encouraged to complete selected Basic Digital Literacy e-learning modules in the LEARN application, a one-stop digital learning platform. Through this, our staff can have a better understanding of new technology

trends and can make use of digital tools for data analytics and improved delivery of CEA's services.

We successfully completed the development of the CEA Finance Dashboard which provides a platform for CEA management to view and retrieve CEA's revenue and expenditure information and to identify budgetary trends more easily. It also helps facilitate better budgetary marksmanship and aids CEA management in forward financial planning and decision making.

In addition, we rolled out Workpal, an application that allows our staff to submit their leave applications and transport claims on the go. By cutting down administrative processes, this mobile application offers greater convenience and efficiency for our staff.

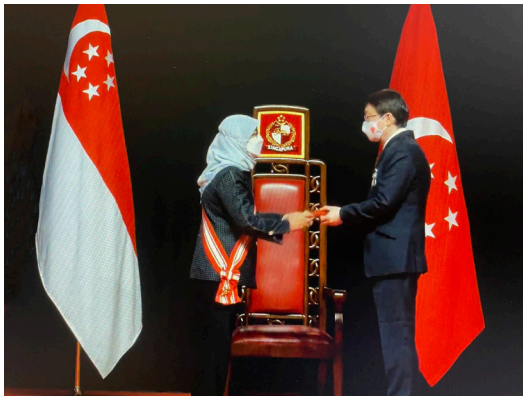


Our efforts to leverage technology and data in our work processes have enabled us to progress from a "Digital Starter" to a "Digital Performer" in the Digital Maturity Index (DMI) survey conducted in August 2021. The survey, commissioned by the Government Technology Agency, aims to help government agencies understand how they can better re-think and re-engineer the way to serve the public through digitalisation. It also serves to enable government agencies to track their progress in transforming the way they transact with their customers through seamless, secure and relevant digital services.



CEA is moving ahead in our digitalisation journey with the targeted commissioning of a new electronic Knowledge Management System (KMS) in the second half of 2022. The new system will offer advanced functionalities to search for archived files more efficiently and ensure effective management of records within CEA.

### Our People, Our Pride



*Mr Lim Chee Hwee, Executive Director, CEA, receiving the Public Administration Medal (Silver) (Bar) at the National Day Awards 2021 from President Halimah Yacob*

Mr Lim Chee Hwee, Executive Director, CEA, was a recipient of the Public Administration Medal (Silver) (Bar) at the National Day Awards 2021. This award is conferred on public officers for their outstanding efficiency, competency, and industry in their work. Ms Lin Ai Choo, Senior Officer at CEA's Licensing Division, was conferred the Efficiency Medal for her dedication in delivering quality results in her work.

Two CEA-led project teams clinched the Minister's Team Award 2021 conferred by the Ministry of National Development (MND) on 6 August 2021. The award recognises significant and innovative team-based projects that contribute to MND's vision of

transforming Singapore into an endearing home and a distinctive global city. Both teams were formed to develop initiatives under the Real Estate Industry Transformation Map, and comprised various stakeholder groups.

One winning team, a multi-stakeholder workgroup led by CEA, developed the Guide on Consumer Ratings of Property Agents to introduce consistent standards for the ratings of property agents and build trust among users of rating platforms. With common standards, consumers can better compare the ratings of property agents across different rating platforms. Property agents can also better appreciate and use the ratings they have received to market themselves and to continuously improve their services.

The other winning team is the Digitalised Property Transactions Workgroup (DPTWG), led by CEA



*The trophies awarded to the two CEA-led project teams that clinched the Minister's Team Award 2021 conferred by MND*

and comprises industry stakeholders and several government agencies. The DPTWG has been working on facilitating the entire real estate agency industry to move towards offering digitalised, seamless, efficient, and secure property transactions. These efforts will put in place conditions and platforms for the automation and digitalisation of property transactions, which will improve the efficiency and productivity of service providers and benefit consumers.

# FINANCIAL STATEMENTS

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# Statement by the Council

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

In our opinion,

- a. the accompanying financial statements of the Council for Estate Agencies (hereafter to be called “Council”) as set out on pages 6 to 29 are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the “Public Sector (Governance) Act”), the Estate Agents Act, Chapter 95A (the “Act”) and Statutory Board Financial Reporting Standards (“SB-FRSs”), so as to present fairly, in all material respects, the financial position of the Council as at 31 March 2022 and the results, changes in equity and cash flows of the Council for the financial year then ended;
- b. the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Council during the financial year have been, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act and the Act; and
- c. proper accounting and other records have been kept, including records of all assets of the Council whether purchased, donated or otherwise.

On behalf of the Council,



.....  
**QUEK SEE TIAT**  
President



.....  
**LIM CHEE HWEE**  
Executive Director

Dated: 14 July 2022

# Independent Auditor’s Report to the Members of the Council for Estate Agencies

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of the Council for Estate Agencies (the “Council”) which comprise the statement of financial position as at 31 March 2022, 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 our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the “Public Sector (Governance) Act”), the Estate Agents Act, Chapter 95A (the “Act”) and Statutory Board Financial Reporting Standards (“SB-FRSs”) so as to present fairly, in all material respects, the state of affairs of the Council as at 31 March 2022 and the results, changes in equity and cash flows of the Council for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the financial statements and auditor’s report thereon

Management is responsible for the other information. The other information comprises the Statement by the Council of the Council for Estate Agencies as set out on page 1 but does not include the financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

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

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

# Independent Auditor's Report to the Members of the Council for Estate Agencies

## Report on the Audit of the Financial Statements (Cont'd)

### Information other than the financial statements and auditor's report thereon (Cont'd)

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Public Sector (Governance) Act, the Act and SB-FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Council'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 Council or for the Council to cease operations.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

# Independent Auditor's Report to the Members of the Council for Estate Agencies

## Report on the Audit of the Financial Statements (Cont'd)

### Auditor's responsibilities for the audit of the financial statements (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Other Matters

The financial statements for the financial year ended 31 March 2021 were audited by another firm of auditors whose report dated 22 July 2021 expressed an unmodified opinion on those financial statements.

### Report on Other Legal and Regulatory Requirement

#### Opinion

In our opinion:

- a. the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Council during the financial year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Council; and
- b. proper accounting and other records have been kept, including records of all assets of the Council whether purchased, donated or otherwise.

# Independent Auditor's Report to the Members of the Council for Estate Agencies

## Report on Other Legal and Regulatory Requirement (Cont'd)

### **Basis for opinion**

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Council in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

### **Responsibilities of management for compliance with legal and regulatory requirements**

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 Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Council. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the requirements.

### **Auditor's responsibilities for the compliance audit**

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Council.

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



**Foo Kon Tan LLP**

Public Accountants and Chartered Accountants

Singapore, 14 July 2022



# Statement of Financial Position

as at 31 March 2022

		31 March 2022	31 March 2021
	Note	\$'000	\$'000
<b>ASSETS</b>			
<b>Non-Current</b>			
Plant and equipment	3	101	139
Right-of-use asset	4	1,252	2,003
Intangible assets	5	1,458	683
		<b>2,811</b>	<b>2,825</b>
<b>Current</b>			
Other receivables	6	203	147
Prepayments		104	137
Cash and cash equivalents	7	14,614	14,965
		<b>14,921</b>	<b>15,249</b>
<b>Total assets</b>		<b>17,732</b>	<b>18,074</b>
<b>EQUITY</b>			
Share capital	8	4,255	3,274
<b>LIABILITIES</b>			
<b>Non-Current</b>			
Deferred capital grant	9	140	224
Provision	10	204	162
Lease liability	11	532	1,296
		<b>876</b>	<b>1,682</b>
<b>Current</b>			
Lease liability	11	764	725
Trade and other payables	12	2,216	2,388
Deferred revenue	13	6,143	5,714
Government grant received in advance	14	3,478	4,291
		<b>12,601</b>	<b>13,118</b>
<b>Total liabilities</b>		<b>13,477</b>	<b>14,800</b>
<b>Total equity and liabilities</b>		<b>17,732</b>	<b>18,074</b>

# Statement of Comprehensive Income

for the Financial Year Ended 31 March 2022

		Year ended 31 March 2022	Year ended 31 March 2021
	Note	\$'000	\$'000
<b>Revenue</b>	15	<b>12,304</b>	11,655
<b>Less: Expenditure</b>			
Real estate examinations related cost		1,691	1,051
Depreciation and amortisation	3,4,5	1,037	1,101
Fees and charges	16	5,373	4,662
Expenditure on manpower	17	11,785	11,239
Administrative and other expenses	18	1,250	1,379
Interest expense on lease liability		89	49
Total operating expenses		<b>21,225</b>	19,481
Operating deficit before government grant		<b>(8,921)</b>	(7,826)
<b>Grants</b>			
Deferred capital grant amortised	9	84	109
Operating grants	14	8,667	7,527
Grants received in advance amortised	14	170	190
		<b>8,921</b>	7,826
Surplus for the financial year before statutory contribution to Consolidated Fund		-	-
Statutory contribution to Consolidated Fund		-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	-

# Statement of Changes in Equity

for the Financial Year Ended 31 March 2022

	Share capital
	\$'000
Balance at 1 April 2020	3,125
Total capital injection for the year (Note 8)	149
Balance at 31 March 2021	<b>3,274</b>
Total capital injection for the year (Note 8)	<b>981</b>
<b>Balance at 31 March 2022</b>	<b>4,255</b>

# Statement of Cash Flows

for the Financial Year Ended 31 March 2022

	Note	Year ended 31 March 2022	Year ended 31 March 2021
		\$'000	\$'000
<b>Cash Flows from Operating Activities</b>			
Operating deficit before government grant		(8,921)	(7,826)
Adjustments for:			
Depreciation of plant and equipment	3	80	245
Depreciation of right-of-use assets	4	751	768
Amortisation of intangible assets	5	206	88
Interest income		(39)	(79)
Interest expense on lease liability	4	89	49
<b>Operating deficit before working capital changes</b>		<b>(7,834)</b>	<b>(6,755)</b>
Changes in other receivables		(31)	179
Changes in prepayments		33	9
Changes in deferred revenue		429	51
Changes in trade and other payables		(172)	585
Net cash used in operations		(7,575)	(5,931)
Interest received		14	79
Net cash used in operating activities		(7,561)	(5,852)
<b>Cash flows from Investing Activities</b>			
Purchase of plant and equipment	3	-	(7)
Purchase of intangible assets	5	(981)	(149)
<b>Net cash used in investing activities</b>		<b>(981)</b>	<b>(156)</b>
<b>Cash flows from Financing Activities</b>			
Interest paid	Note A	(89)	(49)
Payment of principal portion of lease liability	Note A	(725)	(782)
Government capital injection received	8	981	149
Government operating grants received	14	8,024	10,515
<b>Net cash generated from financing activities</b>		<b>8,191</b>	<b>9,833</b>
Net (decrease)/ increase in cash and cash equivalents		(351)	3,825
Cash and cash equivalents at beginning of year		14,965	11,140
Cash and cash equivalents at end of year	7	14,614	14,965

## Reconciliation of liabilities arising from financing activities

The following is the disclosure of the reconciliation of liabilities arising from financing activities, excluding equity items:

		Year ended 31 March 2022	Year ended 31 March 2021
		\$'000	\$'000
<b>Lease liability (Note 11)</b>			
At the beginning of year		2,021	549
Cashflows:			
- Interest paid	(Note A)	(89)	(49)
- Payment of principal	(Note A)	(725)	(782)
Non-cashflows:			
- Interest expense		89	49
- New leases		-	2,254
<b>At the end of year</b>		<b>1,296</b>	<b>2,021</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 1 General information

The Council for Estate Agencies (the “Council”) was established on 22 October 2010 under the Estate Agents Act (Chapter 95A) (the “Act”) and is under the purview of the Ministry of National Development (“MND”). As a statutory board, the Council is subject to the directions of the MND and is required to implement policies and comply with instructions from its supervisory Ministry and other Government Ministries such as the Ministry of Finance (“MOF”).

The registered office and principal place of operations of the Council is located at 480 Lorong 6 Toa Payoh, HDB Hub East Wing #13-01, Singapore 310480.

The primary functions and duties of the Council are:

- i. To administer the licensing and registration regimes under the Act;
- ii. To regulate and control the practice of estate agents and salespersons;
- iii. To promote integrity and competence of estate agents and salespersons and to maintain or enhance their status;
- iv. To administer examination and a professional development framework for the purposes of licensing and registration under the Act;
- v. To develop codes of practice, ethics and conduct for estate agents and salespersons;
- vi. To conduct investigations and disciplinary proceedings in relation to offences and unsatisfactory conduct or misconduct in relation to estate agency work;
- vii. To develop measures to equip consumers with the necessary knowledge to conduct their real estate transactions with prudence and diligence; and
- viii. To perform such other functions and discharge such other duties as may be conferred on the Council by any written law.

## 2a. Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Public Sector (Governance) Act, the Act and Singapore Statutory Board Financial Reporting Standards (“SB-FRS”) including related interpretations (“INT SB-FRS”) and Guidance Notes. The financial statements have been prepared under the historical cost convention.

The financial statements of the Council are presented in Singapore dollars (“SGD” or “S\$”) and rounded to the nearest thousand (“S\$’000”), unless otherwise stated.

The preparation of the financial statements in conformity with SB-FRS requires the use of judgements, 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 revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2a. Basis of preparation (Cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### Significant accounting estimates and judgements

In the process of applying the Council's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

#### *a. Significant judgement made in applying accounting policies*

##### i. Determination of the lease term of right-of-use asset (Note 4)

The Council leases the office premises to operate its business. In determining the lease term of right-of-use asset, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Council becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee.

For leases of office premises, the following factors are normally the most relevant:

- a. If there are significant penalties to terminate (or not extend), the Council is typically reasonably certain to extend (or not terminate);
- b. If the office premises is expected to have significant remaining values, the Council is typically reasonably certain to extend (or not to terminate);
- c. Otherwise, the Council considers other factors including historical lease durations and the costs and business disruption required to replace the leased assets.

#### *b. Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Council based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising beyond the control of the Council. Such changes are reflected in the assumptions when they occur.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2a. Basis of preparation (Cont'd)

### Significant accounting estimates and judgements (Cont'd)

#### b. Key sources of estimation uncertainty (Cont'd)

i. Depreciation and amortisation of right-of-use assets and intangible assets (Notes 4 and 5)

The costs of the right-of-use asset and intangible assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these non-financial assets to be ranging between 3 and 5 years. Management reviews annually the estimated useful lives of these non-financial assets based on factors that include asset utilisation, internal technical evaluation, technological changes and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

A decrease/increase in the estimated useful lives of right-of-use assets and intangible assets by 1 year would increase/decrease the depreciation expense of right-of-use assets by \$376,000 and \$188,000 (2021 - \$384,000 and \$192,000) and the amortisation charge of intangible assets by \$51,000 and \$34,000 (2021 - \$22,000 and \$15,000), respectively.

## 2b. Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Council has adopted all the new and amended standards which are relevant to the Council and are effective for annual financial periods beginning on or after 1 April 2021.

### Capitalisation of configuration and customisation costs in software as a service (“SaaS”)

The Council capitalised initial configuration and customisation costs related to SaaS arrangements as intangible assets in the statement of financial position. The International Financial Reporting Standards Interpretations Committee (“IFRIC”) has issued two final agenda decisions which impact SaaS arrangements in respect of (a) a customer’s right to receive access to the supplier’s software hosted on the cloud (March 2019); and (b) configuration or customisation costs in a cloud computing arrangement (April 2021). The adoption of the above agendas did not have a significant financial impact on the Council’s financial statements.

The adoption of these standards did not have any material effect on the financial performance or position of the Council.

## 2c. Standards issued but not yet effective

At the date of authorisation of these financial statements, the Council has not adopted the new and revised SB-FRS, INT SB-FRS and amendments to SB-FRS that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2c. Standards issued but not yet effective (Cont'd)

SB-FRS pronouncements in future periods will not have a material impact on the Council's accounting policies in the period of their initial application.

## 2d. Summary of significant accounting policies

### Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Depreciation on 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 years

Renovation: 3 years

Work-in-progress included in plant and equipment is not depreciated as these assets are not available for use.

The residual values, depreciation methods and useful lives of plant and equipment are reviewed and adjusted as appropriate at the reporting date.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of their standard of performance of the asset before that expenditure was made, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the differences between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of comprehensive income. Fully depreciated assets are retained in the books of accounts until they are no longer in use.

### Intangible assets

Intangible assets acquired, which comprise computer software are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.



# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2d. Summary of significant accounting policies (Cont'd)

### Intangible assets (Cont'd)

SaaS arrangements are service contracts providing the Council with the right to access the cloud provider's application software over the contract period. As such, the Council does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date give the Council the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits. Fees for the use of the application software and customisation costs are recognised as operating expenses over the term of the service contract while configuration costs, data conversion and migration costs, testing costs and training costs are recognised as operating expenses as the service is received.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least each reporting period.

Work-in-progress included in intangible assets is not depreciated as these assets are not available for use.

The estimated useful lives of the intangible assets are from 3 to 5 years.

### Leases

#### *The Council as a lessee*

The Council assesses whether a contract is or contains a lease at inception of the contract. The Council recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets.

For these leases, the Council recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### a. Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Council uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2d. Summary of significant accounting policies (Cont'd)

### Leases (Cont'd)

#### *The Council as a lessee (Cont'd)*

##### a. Lease liabilities (Cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Council shall recognise those lease payments in the statement of comprehensive income in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Council has elected to not separate lease and non-lease components and account these as one single lease component. The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Council remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to the statement of comprehensive income if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## Summary of significant accounting policies (Cont'd)

### Leases (Cont'd)

#### *The Council as a lessee (Cont'd)*

##### a. Lease liabilities (Cont'd)

- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

##### b. Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Office premises: Over the lease term

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Council expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Council applies SB-FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Right-of-use assets and related operating expenses are funded by government operating grants.

### **Impairment of non-financial assets**

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2d. Summary of significant accounting policies (Cont'd)

### Impairment of non-financial assets (Cont'd)

Impairment losses are recognised in statement of comprehensive income.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statement of comprehensive income.

### Financial instruments

Financial instruments carried on the statements of financial position include financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These are recognised on the Council's statement of financial position when the Council becomes a party to the contractual provisions of the instrument. Disclosures of the Council's financial risk management objectives and policies are provided in Note 21.

Financial assets and finance liabilities are offset and the net amount presented on the statement of financial position when, and only when, the Council currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Financial assets

Financial assets are recognised when, and only when the Council becomes a party to the contractual provisions of the financial statements.

#### *At initial recognition*

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

Trade receivables are measured at the amount of consideration to which the Council expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of related party, if the trade receivables do not contain a significant financing component at initial recognition.

#### *At derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2d. Summary of significant accounting policies (Cont'd)

### Financial assets (Cont'd)

#### *At derecognition (Cont'd)*

statement of comprehensive income.

#### ***Impairment of financial assets***

The Council assesses on a forward-looking basis, the expected credit losses (“ECL”) associated with its financial assets carried at amortised cost. For trade receivables, the Council applies the simplified approach permitted by SB-FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Council applies the general approach of 12-month ECL at initial recognition for all other financial assets. At each reporting date, the Council assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrow or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Council on terms that the Council would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

### Financial liabilities

#### ***Initial recognition and measurement***

The Council determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss (“FVTPL”), directly attributable transaction costs.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of comprehensive income.

#### ***Derecognition***

The Council derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Council also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2d. Summary of significant accounting policies (Cont'd)

### Financial liabilities (Cont'd)

#### *Derecognition (Cont'd)*

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of comprehensive income.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

### Share capital

Under the Minister for Finance's Capital Management Framework for Statutory Boards (Finance Circular Minutes No. M26/2008), proceeds received from Ministry of Finance are capital injections recognised as share capital in equity.

### Provisions

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

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

#### *Provision for reinstatement cost*

The Council recognised a liability and capitalises an expense in plant and equipment if the Council has a present legal or constructive obligation to reinstate the leased premises to their original state upon expiry of the lease. The provision is made based on management's best estimate of the expected costs to be incurred to reinstate the leased premises to their original state. The capitalised provision for reinstatement cost in plant and equipment is depreciated over the period of lease.

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants to meet the current period's operating expenses are recognised as income in the financial period in which the operating expenses are incurred.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2d. Summary of significant accounting policies (Cont'd)

### **Government grants (Cont'd)**

Grants received from the Ministry of National Development for capital expenditure are taken to the deferred capital grants account upon the utilisation of the grants for purchase of plant and equipment and intangible assets, which are capitalised, or to income or expenditure for purchase of plant and equipment and intangible assets which are written off in the year of purchase.

Deferred capital grants are recognised as income over the periods necessary to match the depreciation, amortisation, write-off and/or impairment loss of the plant and equipment and intangible assets purchased with the related grants. Upon the amortisation or disposal of plant and equipment and intangible assets, the balance of the related deferred capital grants is recognised as income to match the carrying amount of the plant and equipment and intangible assets disposed of.

### **Employee benefits**

#### ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Council has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

#### ***Defined contribution plans***

Defined contribution plans are post-employment benefit plans under which the Council pays fixed contributions into separate entities such as the Central Provident Fund (“CPF”) on a mandatory, contractual or voluntary basis. The Council has no further payment obligations once the contributions have been paid.

#### ***Employee leave entitlements***

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting year.

### **Goods and services tax (“GST”)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as an expense in the income or expenditure as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2d. Summary of significant accounting policies (Cont'd)

### Related parties

The Council is established as a statutory board and is an entity related to the Government of Singapore. The Council's related parties refer to Government-related entities including Ministries, Organs of State and other Statutory Boards. The Council applies the exemption in Paragraph 25 of SB-FRS 24 *Related Party Disclosures* such that required disclosures are limited to the following information to enable users of the Council's financial statements to understand the effect of related party transactions on the financial statements:

- a. the nature and amount of each individually significant transaction with Ministries, Organs of State and other Statutory Boards; and
- b. for other transactions with Ministries, Organs of State and other Statutory Boards that are collectively but not individually significant, a qualitative or quantitative indication of their extent.

### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Executive Director, Deputy Executive Director and directors are considered key management personnel.

### Contingencies

A contingent liability is:

- i. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- ii. a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

Contingent liabilities and assets are not recognised on the statement of financial position of the Council, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

### Revenue recognition

Revenue is measured based on the consideration to which the Council expects to be entitled



# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 2d. Summary of significant accounting policies (Cont'd)

### **Revenue Recognition (Cont'd)**

in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Council satisfies a performance obligation by transferring a promised goods or services 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.

The following specific recognition criteria must also be met before revenue is recognised:

#### ***Licence and registration fees***

Licence and registration fees received from estate agents and salespersons respectively are recognised on a straight-line basis over the period for which the licence is granted.

#### ***Application fees***

Application fees collected for licence and registration renewal are recognised upon the receipt of fees.

#### ***Examination fees***

Fees from candidates who signed up for the examinations are recognised as and when the examinations are taken.

#### ***Interest income***

Interest is recognised using the effective interest method.

### **Foreign currency**

#### ***Functional and presentation currency***

Items included in the financial statements of the Council are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Singapore Dollar, which is the Council's functional currency.

#### ***Transactions and balances***

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

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

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 3 Plant and equipment

	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Work-in- progress \$'000	Total \$'000
<b>Cost</b>					
At 1 April 2020	66	445	698	18	1,227
Additions	-	7	39	-	46
Transfer	-	18	-	(18)	-
At 31 March 2021	66	470	737	-	1,273
Additions (Note 10)	-	-	42	-	42
<b>At 31 March 2022</b>	<b>66</b>	<b>470</b>	<b>779</b>	<b>-</b>	<b>1,315</b>
<b>Accumulated depreciation</b>					
At 1 April 2020	17	343	529	-	889
Depreciation for the year	8	64	173	-	245
At 31 March 2021	25	407	702	-	1,134
Depreciation for the year	9	39	32	-	80
<b>At 31 March 2022</b>	<b>34</b>	<b>446</b>	<b>734</b>	<b>-</b>	<b>1,214</b>
<b>Carrying amount</b>					
<b>At 31 March 2022</b>	<b>32</b>	<b>24</b>	<b>45</b>	<b>-</b>	<b>101</b>
At 31 March 2021	41	63	35	-	139

Included within the cost of renovation is a provision for premises reinstatement costs of \$204,000 (2021 - \$162,000) (Note 10)

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

	Office premises \$'000
<b>4 Right-of-use asset</b>	
<b>Carrying amount</b>	
At 1 April 2020	517
Additions	2,254
Depreciation	(768)
<hr/>	
At 31 March 2021	2,003
Depreciation	(751)
<hr/>	
<b>At 31 March 2022</b>	<b>1,252</b>

The Council has a lease contract for office premises from Housing & Development Board with lease term of 3 years. The Council's obligations under these leases are secured by the lessor's title to the leased asset.

## Amounts recognised in statement of comprehensive income

	2022 \$'000	2021 \$'000
Depreciation of right-of-use asset	751	768
Interest expense on lease liability	89	49
Expense relating to leases of low value assets and short-term leases	100	100
<hr/>		
Total amount recognised in statement of comprehensive income	940	917

## Total cash outflow

The Council had total cash outflow for leases of \$814,000 (2021 - \$831,000)  
(See Note 19)

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 5 Intangible assets

	Computer software \$'000	Work-in-progress \$'000	Total \$'000
<b>Cost</b>			
At 1 April 2020	1,065	253	1,318
Additions	149	-	149
At 31 March 2021	1,214	253	1,467
Additions	483	498	981
Write-off	(640)	-	(640)
Transfer	126	(126)	-
<b>At 31 March 2022</b>	<b>1,183</b>	<b>625</b>	<b>1,808</b>
<b>Accumulated amortisation</b>			
At 1 April 2020	696	-	696
Amortisation for the year	88	-	88
At 31 March 2021	784	-	784
Write-off	(640)	-	(640)
Amortisation for the year	206	-	206
<b>At 31 March 2022</b>	<b>350</b>	<b>-</b>	<b>350</b>
<b>Carrying amount</b>			
<b>At 31 March 2022</b>	<b>833</b>	<b>625</b>	<b>1,458</b>
At 31 March 2021	430	253	683

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 6 Other receivables

	2022 \$'000	2021 \$'000
Other receivables	26	24
GST receivables	177	123
	<b>203</b>	<b>147</b>

Other receivables are denominated in Singapore Dollar.

## 7 Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash and cash equivalents	<b>14,614</b>	14,965

Cash and cash equivalents comprise cash which includes bank balances held by Accountant-General's Department ("AGD") under the Government's Centralised Liquidity Management Framework for Statutory Boards. Cash and cash equivalents are denominated in Singapore Dollar.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 8 Share capital

	2022	2021	2022	2021
No. of ordinary shares		\$'000	\$'000	\$'000
<b>Issued and fully paid with no par value</b>				
Balance at beginning of year	3,274	3,125	3,274	3,125
Equity injection	981	149	981	149
Balance at end of year	4,255	3,274	4,255	3,274

Injection of capital is part of the Capital Management Framework for Statutory Boards under Finance Circular Minute M26/2008. The shares have been fully paid and are held by the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183). The holder of these shares, which has no par value, is entitled to receive dividends.

In 2022, the Council received additional \$981,372 (2021 - \$149,121) equity financing from Ministry of Finance.

## 9 Deferred capital grant

	2022	2021
	\$'000	\$'000
Balance at beginning of year	224	308
Transferred from government grant during the year (Note 14)	-	25
Grant recognised in income and expenditure for the year	(84)	(109)
Balance at end of year	140	224

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 10 Provision

Provision was made for the estimated cost of reinstating the Council's rented premises to the original condition upon termination of the lease:

	2022 \$'000	2021 \$'000
Balance at beginning of year	162	123
Additions (Note 3)	42	39
<hr/>		
Balance at end of year	204	162

## 11 Lease liabilities

	2022 \$'000	2021 \$'000
Undiscounted lease payments due:		
- Later than one year and not later than five years	543	1,357
- Not later than one year	814	814
<hr/>		
	1,357	2,171
Less: Unearned interest costs	(61)	(150)
<hr/>		
	1,296	2,021
<hr/>		
<b>Represented by:</b>		
Non-current	532	1,296
Current	764	725
<hr/>		
	1,296	2,021

The Council has lease liabilities arising from lease contract for office premise from Housing & Development Board with lease term of 3 years (Note 4).

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 12 Trade and other payables

	2022 \$'000	2021 \$'000
Trade payables	-	16
Other payables	57	11
Accrued expenses	1,580	1,819
Provision for unutilised leave	579	542
	<hr/> 2,216	<hr/> 2,388

Trade payables are non-interest bearing and are normally settled on 30 to 60 days' terms.

Trade and other payables are denominated in the Singapore Dollar.

## 13 Deferred revenue

	2022 \$'000	2021 \$'000
Within 1 year	6,143	5,714

Deferred revenue relate to annual licence and registration fees received upon registration or renewal of licence from estate agents and salespersons. The revenue is recognised in accordance with the revenue recognition policy of the Council.



# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 14 Government grant received in advance

	2022 \$'000	2021 \$'000
Balance at beginning of year	4,291	1,518
Grant received	8,024	10,515
Grant recognised in income and expenditure for the year	(8,667)	(7,527)
Transferred to deferred capital grant during the year (Note 9)	-	(25)
Depreciation of capital injection assets funded by operating grant	(170)	(190)
Balance at end of year	3,478	4,291
Government grant representing: Grant received in advance	3,478	4,291

## 15 Revenue

	2022 \$'000	2021 \$'000
<b>Type of services</b>		
Licence, registration and application fees	8,837	9,352
Examination fees and others	3,467	2,303
	12,304	11,655
<b>Timing of transfer of services</b>		
At a point in time	4,237	3,756
Over a period of time	8,067	7,899
	12,304	11,655

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 16 Fees and charges

	2022 \$'000	2021 \$'000
Housing & Development Board Consultancy and support services (Note 19)	350	398
Criminal Investigation Department Screening of salespersons and estate agents (Note 19)	960	656
Government Technology Agency Support services (Note 19)	953	952
Hardware and software development and maintenance	2,425	2,040
Others	685	616
	<b>5,373</b>	<b>4,662</b>

## 17 Expenditure on manpower

### (a) Key management personnel

	2022 \$'000	2021 \$'000
Salaries and bonuses	1,854	1,873
Central Provident Fund contributions	96	99
	<b>1,950</b>	<b>1,972</b>

### (b) Other than key management personnel

	2022 \$'000	2021 \$'000
Salaries and bonuses	8,719	8,421
Central Provident Fund contributions	1,116	846
	<b>9,835</b>	<b>9,267</b>
	<b>11,785</b>	<b>11,239</b>

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Council.

The Council has included the Executive Director, Deputy Executive Director and directors of the Council as key management personnel.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 18 Administrative and other expenses

	2022 \$'000	2021 \$'000
Council members' fees	118	112
Goods and services tax expenses	767	879
Public outreach	255	260
Others	110	128
	<b>1,250</b>	<b>1,379</b>

## 19 Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Council if the Council has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Council and the party are subject to common control or common significant influence.

Related parties may be individuals or other entities. Under SB-FRS 24, the parent Ministry and other state-controlled entities are deemed as related parties.

Other than disclosed elsewhere in the financial statements, the transactions with related parties based on agreed terms are as follows:

	Note	2022 \$'000	2021 \$'000
<b>Housing &amp; Development Board</b>			
Lease liability and interest payments	4	814	831
Consultancy and support services	16	350	398
<b>Criminal Investigation Department</b>			
Screening of salespersons and estate agents	16	960	656
<b>Government Technology Agency</b>			
Support Services	16	953	952

The Council also transacts with other government agencies in its normal day-to-day operations, where the amounts are individually and collectively not significant.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 20 Statutory contribution to consolidated fund

Under Section 13(1)(e) and the First Schedule of the Singapore Income Tax Act, Chapter 134, the income of the Council is exempt from income tax. In lieu of income tax, the Council is required to make contribution to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) and in accordance with the Finance Circular Minutes No M5/2005. The amount to be contributed is based on 17% of the net surplus of the Council.

## 21 Financial risk management

Risk management is integral to the whole activities of the Council. The Council has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Council continually monitors its risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council's activities.

### Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Council does not hold any quoted or marketable financial instrument, and hence, is not exposed to any movement in market prices.

### Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rate. At the end of the reporting period, the Council has limited exposure to interest rate risk.

### Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Council's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Council does not have any formal policy for hedging against currency risk. The Council ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

At the end of the reporting period, the Council does not have any significant foreign currency risk.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Council.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## Financial risk management (Cont'd)

### Credit risk (Cont'd)

The Council's exposure to credit risk arises primarily attributable to its cash and cash equivalents and interest receivables. The Council places all its cash and cash equivalents with AGD where the deposits are placed with high credit quality financial institutions under the CLM Scheme and are available upon requests. The Council has no significant concentration of credit risk as there are policies that limit the amount of exposure.

The maximum credit risk that the Council is exposed to is represented by the carrying amount of its financial assets as disclosed in the statement of financial position from trade and other receivables. For other financial assets (including cash and cash equivalents held by AGD), the Council minimises credit risk by dealing exclusively with high credit rating counterparties.

### Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Council's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Council receives its funds from the Government of Singapore and generates cash from its operating activities to meet its funding requirements. The Council monitors and maintains sufficient cash and cash equivalents to finance its operations.

All financial assets and liabilities (excluding the provision for reinstatement costs of rented premises) are repayable on demand or due within 1 year from the end of the reporting period, except for lease liabilities amounted to \$532,000 (2021 - \$1,296,000) which are due within 2 to 5 years from the end of the reporting period (Note 11).

## 22 Commitments

Capital expenditure contracted for as at the end of reporting period but not recognised in the financial statements is as follows:

	2022 \$'000	2021 \$'000
Estimated amounts approved and not contracted for in respect of future capital expenditure but not provided for	3,766	4,204

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 23 Fair value measurement

### **Assets and liabilities not measured at fair value**

#### ***Other receivables, cash and cash equivalents and other payables***

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

#### ***Trade receivables and trade payables***

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

#### ***Lease liabilities***

The carrying amounts of lease liabilities approximate their fair value as they are subject to interest rates close to market rate of interest for similar arrangements with financial institutions.

## 24 Capital management

The Council's objectives when managing capital are:

- a. To safeguard the Council's ability to continue as a going concern;
- b. To support the Council's stability and growth;
- c. To provide capital for the purpose of strengthening the Council's risk management capability; and
- d. To provide an adequate return to the Council.

The Council regularly reviews and manages its capital structure to ensure optimal capital management taking into consideration the future capital requirements of the Council and capital efficiency, prevailing and projected profitability, projected operating cash flows and projected capital expenditures.

The Council is not subject to externally imposed capital requirements.

# Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

## 25 Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	Note	2022 \$'000	2021 \$'000
<b>Financial assets measured at amortised cost</b>			
Other receivables (exclude GST receivables)	6	26	24
Cash and cash equivalents	7	14,614	14,965
Total financial assets measured at amortised cost		14,640	14,989
<b>Financial liabilities measured at amortised cost</b>			
Lease liabilities	11	1,296	2,021
Trade and other payables	12	2,216	2,388
Total financial liabilities measured at amortised cost		3,512	4,409

# General Information

## Registered Office

480 Lorong 6 Toa Payoh  
#13-01 HDB Hub East Wing  
Singapore 310480

## Council Members

Mr Quek See Tiat (President)  
Mr Mike Chan Hein Wah  
Ms Koh Choon Fah  
Ms Lee Siow Hwee  
Mr Lok Vi Ming  
Mr Mohamed Abdul Akbar Bin Mohamed Abdul Kader  
Mr Ng Boon Yew  
Mrs Deborah Ong  
Mr Sin Lye Chong (term ended on 31 March 2022)  
Ms Tan Pei Shan  
Dr Tan Tee Khoon  
Mr Thomas Tan  
Mr Lim Chee Hwee

## Banker

Overseas-Chinese Banking Corporation Limited

## Independent Auditor

Foo Kon Tan LLP  
Public Accountants and Chartered Accountants  
24 Raffles Place #07-03  
Clifford Centre  
Singapore 048621