

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

36

Statement by the Council

37

Independent Auditor's Report

41

Statement of Financial Position

42

Statement of Comprehensive Income

43

Statement of Changes in Equity

44

Statement of Cash Flows

45

Notes to the Financial Statements

Statement by the Council

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

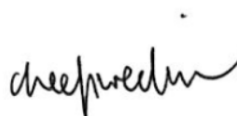
In our opinion,

- 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
ASSETS			
Non-Current			
Plant and equipment	3	101	139
Right-of-use asset	4	1,252	2,003
Intangible assets	5	1,458	683
		2,811	2,825
Current			
Other receivables	6	203	147
Prepayments		104	137
Cash and cash equivalents	7	14,614	14,965
		14,921	15,249
Total assets		17,732	18,074
EQUITY			
Share capital	8	4,255	3,274
LIABILITIES			
Non-Current			
Deferred capital grant	9	140	224
Provision	10	204	162
Lease liability	11	532	1,296
		876	1,682
Current			
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
		12,601	13,118
Total liabilities		13,477	14,800
Total equity and liabilities		17,732	18,074

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
Revenue	15	12,304	11,655
Less: Expenditure			
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		21,225	19,481
Operating deficit before government grant		(8,921)	(7,826)
Grants			
Deferred capital grant amortised	9	84	109
Operating grants	14	8,667	7,527
Grants received in advance amortised	14	170	190
		8,921	7,826
Surplus for the financial year before statutory contribution to Consolidated Fund		-	-
Statutory contribution to Consolidated Fund		-	-
Total comprehensive income for the year		-	-

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	3,274
Total capital injection for the year (Note 8)	981
Balance at 31 March 2022	4,255

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
Cash Flows from Operating Activities			
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
Operating deficit before working capital changes		(7,834)	(6,755)
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)
Cash flows from Investing Activities			
Purchase of plant and equipment	3	-	(7)
Purchase of intangible assets	5	(981)	(149)
Net cash used in investing activities		(981)	(156)
Cash flows from Financing Activities			
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
Net cash generated from financing activities		8,191	9,833
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
Lease liability (Note 11)			
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
At the end of year		1,296	2,021

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
Cost					
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
At 31 March 2022	66	470	779	-	1,315
Accumulated depreciation					
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
At 31 March 2022	34	446	734	-	1,214
Carrying amount					
At 31 March 2022	32	24	45	-	101
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

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

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
Cost			
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)	-
At 31 March 2022	1,183	625	1,808
Accumulated amortisation			
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
At 31 March 2022	350	-	350
Carrying amount			
At 31 March 2022	833	625	1,458
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
	203	147

Other receivables are denominated in Singapore Dollar.

7 Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash and cash equivalents	14,614	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
Issued and fully paid with no par value				
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/>		
Represented by:		
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
	2,216	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
Type of services		
Licence, registration and application fees	8,837	9,352
Examination fees and others	3,467	2,303
	12,304	11,655
Timing of transfer of services		
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
	5,373	4,662

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
	1,950	1,972

(b) Other than key management personnel

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

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
	1,250	1,379

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
Housing & Development Board			
Lease liability and interest payments	4	814	831
Consultancy and support services	16	350	398
Criminal Investigation Department			
Screening of salespersons and estate agents	16	960	656
Government Technology Agency			
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
Financial assets measured at amortised cost			
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
Financial liabilities measured at amortised cost			
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