Council for Estate Agencies

CHARTING NEW FRONTIERS TOGETHER

ANNUAL REPORT 2018/19

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Contents

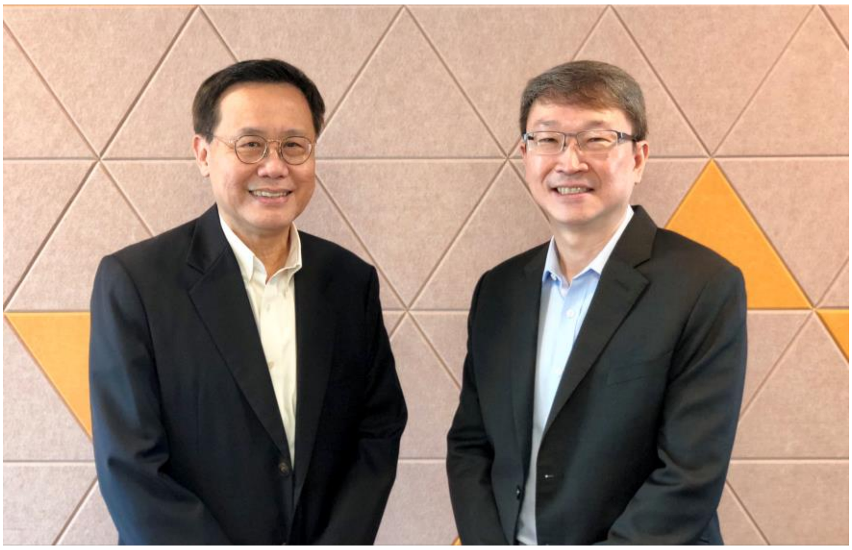
Our Vision

A professional and trusted real estate agency industry.

Our Mission

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

Joint Message



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

The year in review was another fulfilling one for the Council for Estate Agencies (CEA).

Crossing the one-year mark since the launch of the Real Estate Industry Transformation Map (ITM), we have continued to work with our partners to progressively implement key initiatives of the ITM. The aim is to increase the productivity of property agents, raise their competencies and inspire consumers' confidence in engaging agents.

Harnessing technology and setting standards

The Digitalised Property Transactions Workgroup, chaired by CEA and comprising industry stakeholders and government agencies which are involved in or support property transactions, rolled out several Real Estate ITM recommendations during the year.

It worked with several government agencies to make property-related government data more easily available through Application Programming Interfaces (APIs). This helps property agencies automate administrative processes in property transactions, freeing agents from routine, time-consuming checks. Agents can in turn devote more time and focus on providing value-added services to their clients.

To reduce potential disputes over rental contracts, the Workgroup developed contract templates for the rental of residential properties which serve as a common standard that is fair to the tenant and landlord in the lease contract. Agents using these templates benefit from spending less time negotiating contractual terms and conditions.

The Workgroup will continue its efforts to put in place enablers to streamline and digitalise the property transaction process so that the industry can eventually move towards electronic contracts, payments and documentation.

CEA’s role in upholding ethical standards goes hand-in-hand with our ongoing efforts to raise the professionalism of industry practitioners and help them improve their services to consumers.

Building consumer confidence

Since the beginning of 2019, as one of the Real Estate ITM initiatives, we have availed the records of property agents’ resale Housing & Development Board (HDB) flat transactions in our Public Register.

With greater transparency, agents can now market their experience by showing their verified records to prospective clients. Consumers can also use the information to find agents whose experience best meets their needs, and give them confidence and trust in engaging agents.

Upholding standards

CEA’s role in upholding ethical standards goes hand-in-hand with our ongoing efforts to raise the professionalism of industry practitioners and help them improve their services to consumers.

We are exploring ways to help industry practitioners better appreciate and comply with their regulatory obligations. To this end, we set up a Professional Practice Manual Workgroup comprising industry stakeholders to work with CEA to consolidate professional guidelines and practice circulars into a single manual as a one-stop reference for industry practitioners.

The inaugural CEA Estate Agency Industry Conference marked a significant highlight in CEA's continuing engagement efforts with the estate agency industry to discuss how to uplift the professionalism and client-centricity of the industry through the adoption of technology and business innovations.

First conference for Key Executive Officers and team leaders

In March 2019, we organised the inaugural CEA Estate Agency Industry Conference which was attended by some 600 agency Key Executive Officers and their team leaders, as well as our partners.

Mr Zaqy Mohamad, Minister of State, Ministry of National Development and Ministry of Manpower was the Guest-of-Honour at the conference. He outlined a vision for a fully digitalised property transaction process in the future that would benefit both agents and consumers, and encouraged the industry to work together with the Government to realise this vision.

The event marked a significant highlight in CEA's continuing engagement efforts with the estate agency industry to discuss how to uplift the professionalism and client-centricity of the industry through the adoption of technology and business innovations.

Empowering agents with new competencies for the digital age

Over the past year, CEA has been gathering input and feedback from the industry on how its Continuing Professional Development (CPD) framework could be redesigned and expanded to include new areas for training, and to equip agents with the knowledge and skillsets for the digital age.

Under the new CPD framework from 1 October 2019, agents will be required to not only attend courses to sharpen their professional competencies and knowledge in estate agency work, but also courses which develop and enhance their generic competencies such as digital literacy, leadership, communication and creative thinking skills. Such CPD courses will contribute towards the agents' overall personal development and help improve their services to consumers.

During the year, we continued to adopt a multi-channel approach to equip consumers with better knowledge on how they can liaise more effectively with their agents, and to enhance their awareness of the responsibilities of both agents and consumers.

Consumers' satisfaction with property agents remains high

We are pleased to share that in our 2018 Public Perception Survey, a high 85 per cent of respondents were satisfied with the services of property agents.

Another notable observation was that consumers whose agents used three or more digital tools during their property transactions were significantly more likely to be satisfied with the services provided by their agents. This augurs well for the industry as it showed that the agents are responding to changing consumers' expectations and needs.

To ride the transformative digital wave, property agencies are equipping their agents to embrace and harness technological innovations through in-house skills training programmes. Many agents have shared that being digitally-savvy is fast becoming a necessity for success in today's environment. Many have already taken the initiative to embark on their digital skills learning journeys, and have made technology adoption part and parcel of their daily work and interaction with clients.

Extending our reach

Our consumer outreach programme complements our regulatory approach and industry development efforts to improve property transaction experiences for consumers who have engaged agents.

During the year, we continued to adopt a multi-channel approach to equip consumers with better knowledge on how they can liaise more effectively with their agents, and to enhance their awareness of the responsibilities of both agents and consumers. This will enable consumers to be more proactive in the property transaction process, and make better decisions for themselves through a positive working relationship with their agents.

A note of appreciation

As we reflect on our achievements in the past year, we would like to express our gratitude to Mr Lee Kwong Weng who led CEA as its Executive Director over the past four years, and had retired after 37 illustrious years in the Public Service. Kwong Weng's collaborative approach was fundamental in strengthening trust and collaboration between the industry and CEA.

We also extend our appreciation to our former Council and CEA committee members who stepped down last year for their invaluable guidance and service. At the same time, we warmly welcome our new Council and committee members to the CEA family and look forward to their contributions.

Looking ahead

CEA will be celebrating our 10th anniversary in 2020. This milestone carries with it a sense of anticipation and optimism.

Our operating environment has changed markedly since the time of our establishment in 2010. It is now more complex and presents more challenges. We can rise to meet the challenges by remaining true to our fundamental purpose and what we were first set up for.

With this clear focus, CEA will continue to strive towards inspiring confidence and trust amongst our partners as a responsive regulator, an enabler of higher standards of industry professionalism, and a catalyst of more positive property transaction experiences for all.

We look forward to your continued support as we chart new frontiers for the real estate agency industry together in our next decade and beyond.

Quek See Tiat
President

Lim Chee Hwee
Executive Director

Council Members

As at 31 August 2019

President

Quek See Tiat

Members

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

Loy York Jiun
Executive Director
Consumers Association of Singapore

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

Ng Boon Yew
Executive Chairman
Raffles Campus Group

Mrs Deborah Ong
Partner (Singapore)
International Team Leader (Global Assurance Quality-Inspections Group)
PricewaterhouseCoopers LLP

Sin Lye Chong
Group Director, Land Sales & Administration Group
Urban Redevelopment Authority

Michael Tan
Executive Director &
Key Executive Officer
OrangeTee & Tie Pte Ltd

Ms Tan Pei Shan
Director, Energy Division
Ministry of Trade and Industry

Dr Tan Tee Khoon
Country Manager
PropertyGuru Group

Lim Chee Hwee
Executive Director
Council for Estate Agencies

CEA Committees

As at 31 August 2019

Audit Committee

Chairperson

Mrs Deborah Ong
Partner (Singapore)
International Team Leader (Global Assurance Quality-Inspections Group)
PricewaterhouseCoopers LLP

Members

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

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

Human Resource & Finance Committee

Chairperson

Quek See Tiat
President
Council for Estate Agencies

Members

Lim Chee Hwee
Executive Director
Council for Estate Agencies

Sin Lye Chong
Group Director, Land Sales & Administration Group
Urban Redevelopment Authority

Select Committee

Chairperson

Quek See Tiat
President
Council for Estate Agencies

Members

Lim Chee Hwee
Executive Director
Council for Estate Agencies

Loy York Jiun
Executive Director
Consumers Association of Singapore

Ng Boon Yew
Executive Chairman
Raffles Campus Group

Mrs Deborah Ong
Partner (Singapore)
International Team Leader (Global Assurance Quality-Inspections Group)
PricewaterhouseCoopers LLP

Ms Tan Pei Shan
Director, Energy Division
Ministry of Trade and Industry

CEA Committees

As at 31 August 2019

Disciplinary Panel

Head

Dr Tan Tee Khoon
Country Manager
PropertyGuru Group

Members

Michael S Chia
Managing Director
MSC Law Corporation

Assoc Prof Chin Tet Yung
Faculty of Law
National University of Singapore

Ms Eunice Chua
Chief Executive Officer
Financial Industry Disputes Resolution Centre Ltd

Felix Chua
Key Executive Officer
Cyberhomes Estate Agencies Pte Ltd

Ms Yashodhara Dhoraisingam
Advocate & Solicitor

Goh Heng Hoon
Key Executive Officer
Ashburton Realty

Goh Peng Thong
Director
AWP Pte Ltd

A.P.M. Ferlin Jayatissa
Associate Professor, Law Programmes
School of Law
Singapore University of Social Sciences and
Head of Litigation & Consultant
Lexcompass LLC

Peter Koh Hock Guan
Key Executive Officer
Gateway Property Consultants Pte Ltd

Er Ling Shiang Yun
Partner
Tham & Wong LLP

Lok Vi Ming, SC
Managing Director
LVM Law Chambers

Ms Monica Neo
Partner
Chan Neo LLP

B Rengarajoo, PBS
Principal
B Rengarajoo & Associates
Advocates & Solicitors

Tan Hee Jeok
Partner
Tan See Swan & Co

Ms Tan Pei Shan
Director, Energy Division
Ministry of Trade and Industry

Thomas Tan Thiam Hee
President
Singapore Estate Agents Association and
Key Executive Officer
RE Training & Consultancy Pte Ltd

Er Tan Yen Kee
Engineer
CSE Consultants

Prof Teo Keang Sood
Faculty of Law
National University of Singapore

Dennis Yeo Huang Kiat
Chief Executive
Singapore & South-East Asia
Cushman & Wakefield

CEA Committees

As at 31 August 2019

Professional Development Committee

Chairperson

Ng Boon Yew
Executive Chairman
Raffles Campus Group

Deputy Chairperson

Michael Tan
Executive Director & Key Executive Officer
OrangeTee & Tie Pte Ltd

Members

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

Ms Lee Mei Ling
Executive Vice-President & Head, Property Development
City Developments Limited

Eugene Lim
Key Executive Officer
ERA Realty Network Pte Ltd

Er Lim Peng Hong
Managing Director
PH Consulting Pte Ltd

Mrs Ong Choon Fah
Chief Executive Officer
Edmund Tie & Company (SEA) Pte Ltd

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

Dr Sky Seah Kiat Ying
Deputy Head (Academic)
National University of Singapore

Tan Hong Boon
Regional 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 &
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 agencies and agents 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 agencies and agents.

CEA works closely with the industry to raise its professionalism, expand its capabilities, and promote business excellence. It administers the mandatory examinations for property agencies and agents, 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 Committee, and Professional Development Committee.

Organisation Structure

As at 31 August 2019

Council President
Quek See Tiat

Council Members

Executive Director
Lim Chee Hwee

Deputy Executive Director
Chan Mun Kit

Director (Policy & Licensing)
Ms Chia I-Ling

- **Deputy Director (Policy & Planning)**
  Gavin Ng
- **Deputy Director (Licensing & Business Process Review Project Management Office)**
  Soh Cheng Hwee
- **Deputy Director (Continuing Professional Development & Exams)**
  Ms Soh Chor Yin

Director (Investigation & Inspection)
Chan Kwok Cheong

- **Deputy Director (Legal)**
  Timothy Kho
- **Deputy Director (Investigation)**
  Joseph Kiong
- **Deputy Director (Inspection & Compliance)**
  Desmond Yeo

Director (Corporate Communications & Public Outreach)
Ms Chye Hui Sze

Director (Corporate Development)
Ms Chew Suet Fun

Raising professionalism, catalysing transformation

The business environment for property agencies and agents today is markedly different from that when the Council for Estate Agencies (CEA) was first established in 2010.

Together with the Ministry of National Development (MND), we continued to work closely with the real estate agency industry to implement several initiatives under the Real Estate Industry Transformation Map (ITM) since it was launched in February 2018.

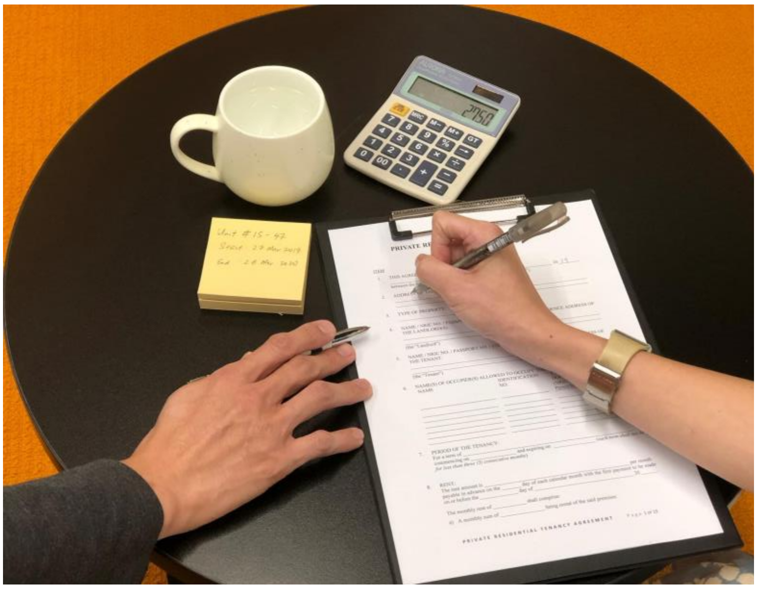
The objective of the Real Estate ITM for the property transaction services sub-sector is to have seamless, efficient and secure property transactions delivered by a professional, productive and technology-enabled workforce.

The Real Estate ITM initiatives are aimed at enabling property agencies and agents to enhance their productivity, raise their professionalism and enhance their service delivery, with the ultimate goal to build stronger agent-client relationships.

CEA chairs the Digitalised Property Transactions Workgroup comprising stakeholders from various industries and government agencies which are involved in or support property transactions.

The Workgroup aims to streamline and facilitate the digitalisation of the property transaction process, enabling the industry to move towards electronic contracts, payments and document submissions. We delivered several key Real Estate ITM initiatives in 2018/19.

Tenancy agreement templates to balance interests of tenants and landlords



To help reduce disputes over tenancy contracts, the Workgroup developed standard tenancy agreement templates for the lease of HDB flats and private residential properties.

The Workgroup drafted the templates with input from regulatory agencies, the Consumers Association of Singapore, as well as industry associations and practitioners who are experienced in the residential rental transaction process.

The templates provide a common standard that is fair to tenants and landlords, and seek to protect and balance the interests of both parties with applicable clauses which govern the rights and obligations of parties to the contract.

They contain clauses relating to the main aspects of a tenancy for parties to negotiate, and offer flexibility by allowing additional clauses to be included. There is also a checklist of action items which tenants and landlords can refer to at the end of the tenancy.

The Workgroup is currently working on developing standard contract templates for the resale of private residential properties.

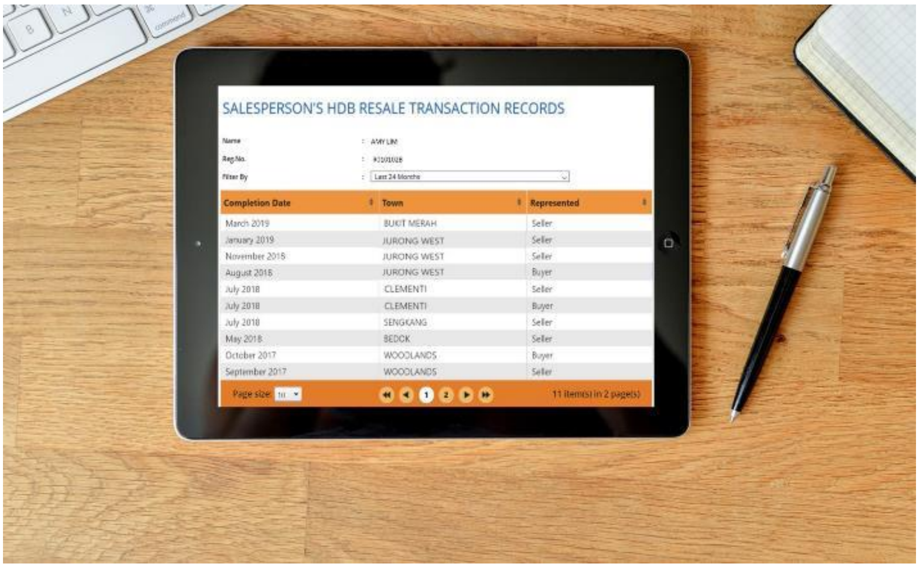
More efficient due diligence checks

The Workgroup has been working with several government agencies to make available Application Programming Interfaces (APIs) on property-related government data. This will enable the automation of time-consuming administrative tasks such as due diligence checks, freeing up time for property agents to focus on providing value-added services to consumers.

Some government agencies have made available APIs to access or submit data related to residential rental transactions.

These included: Inland Revenue Authority of Singapore (IRAS) APIs for stamp duty-related activities; Urban Redevelopment Authority (URA) API on property approved for residential purpose; Housing & Development Board (HDB) APIs on eligibility to rent and non-citizen quota for HDB flats; and the Ministry of Manpower (MOM) API on foreign tenant work pass validity checks.

Companies which are keen to digitalise the property rental transaction process can tap on these APIs to automate due diligence checks against government data. The Workgroup is working on the release of APIs for access to data for sale and purchase transactions for residential properties.



Navigating rental transactions made easier

The Workgroup has also mapped out the typical rental transaction process for HDB flats and private residential properties. This includes the checks to be conducted by landlords, tenants and property agents at various stages of the transaction, and where these checks can be conducted online at various government agency websites.

With this, both tenants and landlords will have a better understanding of the residential rental transaction process and the checks that they will need to do to protect their interests.

At the same time, property agents can use the information to ensure that the steps and checks involved are followed through as they facilitate rental transactions for their clients.

The Workgroup is separately working with the Infocomm Media Development Authority to facilitate the development of more digital business processes in property transactions, including the recognition of e-signatures for property contracts.

Increasing transparency, building confidence

Another initiative under the Real Estate ITM is the Property Agents' Transaction Records Initiative (TRI) whereby the records of residential transactions facilitated by property agents in Singapore are published in the CEA Public Register.

The aim is to make property agents' information more transparent to consumers to assist them in their selection of a property agent to help them buy, sell or rent a residential property.

Property agents will be able to showcase their experience by providing verified records of their residential transactions. This in turn will help them build consumers' confidence in engaging their services.

CEA consulted industry stakeholders including the industry associations, Key Executive Officers (KEO) of property agencies, agents and consumers in developing the initiative, before deciding on the information to be displayed, taking into consideration the feedback received from these key stakeholders.

For the first phase of the TRI that was launched in January 2019, the following information of HDB resale transactions closed by agents are shown on their profiles in the CEA Public Register:

- Transaction completion date.
- General location of the property.
- Party (i.e. buyer or seller) which the agent represented in the transaction.

For the second phase of the TRI, CEA plans to make available property agents' records of lease of HDB flat transactions as well as private residential sale/purchase and lease transactions.

Sharpening skillsets and competencies

The objective of the mandatory Continuing Professional Development (CPD) framework is to ensure that property agents have the skillsets and critical competencies to carry out their duties effectively.

Every property agent is required to undertake a minimum number of learning activities each year to obtain CPD credits. Fulfilling a minimum number of credits is a condition for the renewal of their registration with CEA.

CEA completed its review of the CPD framework to help agents better equip themselves with the necessary knowledge and skillsets to thrive in the new digital environment.

The review included a more structured approach to guide agents in achieving deeper technical knowledge and skillsets to perform duties in different segments of the property market.

Under the new framework from 1 October 2019, property agents will be required to fulfil six credits per annual CPD cycle. To promote the breadth and depth of learning for agents, four of these credits must be from courses related to professional competencies and two credits must be from courses on generic competencies.

Courses related to professional competencies offer agents opportunities to develop and deepen their knowledge in estate agency work. These are grouped into three categories - laws and regulations, property markets and other real estate knowledge.

Courses on generic competencies contribute towards agents' overall personal development and improvement of their "soft skills". These are grouped into 18 categories such as leadership, digital literacy, communication and creative thinking skills.

Preparing for a digital future

In 2018, CEA and NTUC LearningHub launched the SkillsFuture for Digital

Workplace programme tailored for real estate professionals.

The course has been designed to include elements that are directly related to property agents' day-to-day work. It covers current and emerging technology and trends in the real estate industry, and gives a flavour of some relevant digital tools to help real estate agents to be more productive and efficient. More than 500 agents have attended the programme to date.

At the company level, CEA will continue to facilitate property agencies to transform their business models and processes by tapping on government funding initiatives such as the Productivity Solutions Grant (PSG) and the Enterprise Development Grant (EDG).

The PSG supports companies keen on adopting IT solutions and equipment to enhance business processes while the EDG supports businesses as they undertake deeper transformation in business upgrading, innovation and internationalisation. Both grants are administered by Enterprise Singapore.

Strengthening capabilities

Aligned with the Real Estate ITM's vision to strengthen capabilities, CEA worked with SkillsFuture Singapore to launch the SkillsFuture Study Award for the Estate Agency Industry.

The Award provides a $5,000 sponsorship that recipients can use to advance their knowledge through an industry-related course, and supports recipients on their journey to acquire deeper skillsets to enhance their competencies and professionalism.

At the CEA Estate Agency Industry Conference on 26 March 2019, Mr Zaqy Mohamad, Minister for State, Ministry of National Development and Ministry of Manpower, presented the SkillsFuture Study Award for the Estate Agency Industry to its first recipient, Ms Mahalakshmi D/O Gopikrishna.

Ms Mahalakshmi, known as Christina to her clients, is currently an assistant manager with Jones Lang LaSalle Property Consultants Pte Ltd and co-heads a team at the firm's property asset management department. She is pursuing her Master of Science in Real Estate at the National University of Singapore.

Number of property agents and agencies

	As at 1 Jan 2018	As at 1 Jan 2019
Number of property agents	28,571	29,146
Number of property agencies	1,269	1,229

Breakdown of property agencies by size

Size of property agency	No. of property agencies as at 1 Jan	
	2018	2019
>500 agents	7	7
51-500 agents	18	18
31-50 agents	14	12
11-30 agents	64	57
1-10 agents	1,166	1,135
Total	**1,269**	**1,229**

Deepening partnerships

Strengthening our partnership with the industry has always been a key priority and will remain so, especially in the face of a more challenging environment amidst transformation.

We have established channels that enable us to gather ground feedback from industry practitioners, explain our policies and regulations to facilitate better compliance, as well as seek input on future plans and industry improvements.

We held regular dialogues with the industry associations and KEOs from agencies of different sizes. We covered ground issues such as challenges in adhering to regulatory requirements and gathered feedback on our practice guidelines and Real Estate ITM initiatives.

We also met with individual agents and CPD trainers through informal lunches and focus group sessions on the revised CPD framework and other practice-related matters.

The agents and trainers offered constructive suggestions on how CEA and the industry could work together to further raise the professionalism of agents.

In addition, we held meetings with the key management staff and trainers of our Approved Course Providers to gather feedback on the Real Estate Salesperson and Real Estate Agent courses and examinations.

Transforming the industry together

Some 600 real estate agency practitioners attended the inaugural CEA Estate Agency Industry Conference on 26 March 2019 to discuss and explore how the industry, with support from the Government, can remain productive and resilient in a changing environment.

Participants included stakeholders from the industry associations, KEOs and team leaders of property agencies, academics and course providers.


Image: MND

The conference marked a key milestone in CEA's continuing engagement efforts with the real estate agency industry.

Themed "Charting new frontiers: Keeping the estate agency industry relevant", presentations and discussions at the conference focused on how property agencies and agents can continue to succeed in the future through the adoption of technology, creation of innovative and practical solutions and the development of the necessary skillsets.

Mr Zaqy Mohamad, Minister for State, Ministry of National Development and Ministry of Manpower, was the Guest-of-Honour at the conference. He shared updates on the progress of the Real Estate ITM initiatives and provided guidance on the next steps forward for the industry to realise the Real Estate ITM's vision.

Mr Thomas Tan, President of the Singapore Estate Agents Association (SEAA), delivered a presentation on behalf of the estate agency industry associations on what agents need to do to stay relevant in the changing business environment. He also touched on how the industry, working together with CEA and with support other government agencies, can transform the real estate agency industry for the future.

During the conference, CEA shared with the participants the new CPD framework (starting from 1 October 2019), while NCS Pte Ltd presented on a possible future state of fully digitalised property transaction processes that would benefit both industry practitioners and consumers.

As a wrap-up to the event, participants put forth their questions and views to a panel comprising representatives from CEA and the four estate agency industry associations – the Institute of Estate Agents, KEO Connect, SEAA and the Singapore Institute of Surveyors and Valuers.

Topics discussed ranged from ground issues faced by the property agents to how the industry can successfully navigate the digital environment and strengthen partnerships within and beyond the industry.

Focusing on responsive regulation, upholding professional standards

CEA is constantly striving to be an effective regulator of the real estate agency industry.

For many people, buying a property could be their largest investment and financial commitment. Hence, it is important that property agencies and agents conduct their work professionally and with integrity, and above all, in the best interests of their clients.

CEA continues to ensure the relevance of our regulations and guidelines to address the evolving real estate operating landscape and industry practices.

To this end, we work closely with industry practitioners on reviewing regulations governing their duties, business activities and conduct.

Updates on new practices and processes

CEA revised the annual licence fees for property agencies with effect from 1 January 2019. The fee revision took into consideration the need for a more equitable approach to better differentiate fees according to the size of agencies.

In 2018, CEA appointed a new examination administrator, SEAMEO Regional Language Centre. We held the Real Estate Salesperson examination at Singapore EXPO for the first time in February 2019. This enabled us to consolidate the past numerous examination sites into a single venue, offering an improved experience for candidates.

Following the implementation of the paperless application process for the property agent registration in early 2018, we removed the requirement for property agencies to submit a copy of their ACRA business profile for licence renewal from October 2018 onwards.

We also moved towards online submissions of licence applications during the year. This translates into time and cost savings for property agencies.

CEA will continue to take a balanced regulatory approach. Moving ahead, we will look at ways to reduce the regulatory burden on the industry without compromising consumers' interest.

Key regulatory reviews and updates

Consolidating guidelines and promoting accountability

CEA formed a Professional Practice Manual Workgroup comprising industry stakeholders to consolidate all guidelines and circulars in a single manual.

Work on the manual is ongoing and the aim is for it to become a one-stop reference for industry practitioners on guidelines they must abide by in carrying out estate agency work.

The Workgroup is also studying ways to promote greater accountability of team leaders for their team members' work within property agencies, as CEA found that a significant number of complaints could have been averted had there been effective supervision.

The aim is to enhance supervisory practices through a new framework for property agencies so that property agents are properly guided when they conduct estate agency work.

Property agencies now manage minor advertisement infringements

CEA issued a revised practice circular that outlined the requirements for all property agencies to investigate minor advertisement infringements by their agents.

Since June 2013, CEA has allowed the larger property agencies to manage minor advertisement infringements, so that they can play a larger role in managing and supervising their agents.

Over the years, we observed that the larger agencies have been effective in managing minor advertisement infringements, reducing the number of such complaints by about 70 per cent.

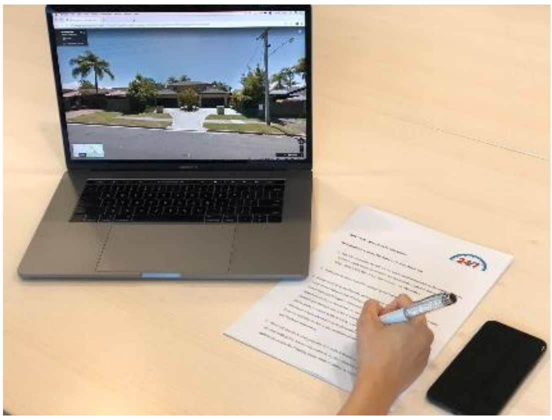
Hence, we decided to expand the management of minor advertisement infringements to involve all property agencies from 1 November 2018.

Agencies are required to complete their investigations, take action against the agents, and submit investigation reports to CEA within four weeks.

CEA will then assess whether the property agency has taken appropriate action against its agent, and if not, CEA will investigate further and take appropriate action against the agent.

In addition, if an agent is found to have received repeated complaints on minor advertisement infringements, CEA will investigate the case instead of referring it to his property agency.

Revised guidelines on marketing of foreign properties



Following a review, CEA revised the practice guidelines that property agencies and agents are required to comply with when marketing foreign properties in Singapore.

By incorporating the learning points from past cases involving the marketing of foreign properties, the aim of the review was to ensure that the guidelines continue to remain relevant and practical.

From 1 December 2018, property agencies are required to conduct checks if there is adverse publicity of the property or its developer. If property agencies assess that there could be some valid basis for the adverse reports, they must inform consumers in writing through a document called the "Important Notice to Purchasers".

This notice also includes an advisory message to consumers that there are risks involved in purchasing overseas properties, and that consumers should also conduct their own due diligence.

Property agencies are required to obtain a written acknowledgement from buyers that they are aware of the contents of the notice before proceeding with the transaction.

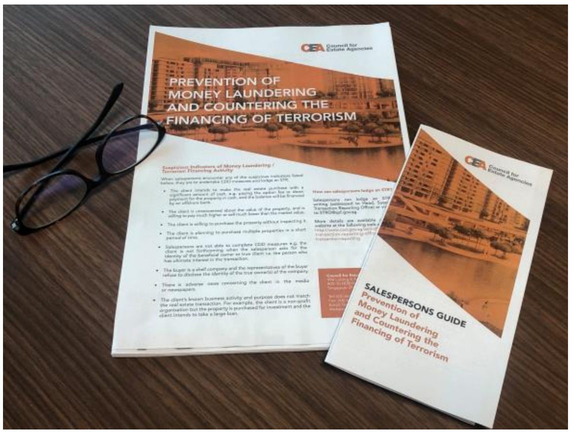
Ensuring compliance with anti-money laundering and countering terrorism financing measures

As a member of the Financial Action Task Force (FATF), Singapore has the obligation to implement measures to counter money laundering and terrorism financing.

Being one of the sectors identified by the FATF as an important gatekeeper to counter these threats, the real estate agency industry must therefore abide by these measures.

During our inspections on property agencies to check if they have complied with measures to combat money laundering and terrorism financing, we noticed several areas such as identification and documentation of risks, and compliance management that the industry could improve on.

To help the agencies understand and meet the compliance requirements, we guided them on the appropriate measures to take, while explaining the reasons for doing so.



Taking firm and fair action

CEA has established a system to look into complaints against property agencies and agents in their conduct of estate agency work.

During the year, we successfully investigated and took action against errant agents and agencies.

Appropriate sentences and/or penalties in substantiated cases were meted out accordingly.

The following are three noteworthy cases that were concluded in 2018.

Conducting unregistered estate agency work

Former property agent Raymond Chng Leimeng was charged in court for holding himself out to the public as being a property agent without being registered with CEA after his services were terminated by his former property agency.

Chng faced multiple charges for being involved in closing a lease transaction and posting online advertisements for the sale of HDB and private properties.

The Court sentenced Chng to a total fine of $71,500 (in default 25 weeks' imprisonment) for eight proceeded charges of holding himself out to the public as being a registered property agent. The Court also took into consideration 26 other similar charges.

Failing to conduct due diligence

A property agent misled her tenant-client into thinking that the monthly rent of a property was $5,000 when she had negotiated and reduced the monthly rent payable for the lease to $4,500. She did so in an attempt to pocket the difference.

Instead of informing her client about the lower rental, the agent got him to sign a false tenancy agreement that stated the monthly rent as $5,000, forged her client's signature on the original tenancy agreement that stated a monthly rent of $4,500, and gave the hard copy of the forged tenancy agreement to the landlord's agent.

During CEA's investigations, the agent was found to have engaged in multiple acts of dishonesty, including forgery on paperwork.

The CEA Disciplinary Committee found the agent liable for breaches of paragraph 6 of CEA's Code of Ethics and Professional Client Care (CEPCC) and imposed on her a financial penalty of $14,000 and a suspension of six months.

Failure to check identities of prospective tenant and occupants

The CEA Disciplinary Committee imposed a financial penalty of $10,000 on a property agent for a breach of paragraph 5 of the CEPCC for failing to conduct her work with due diligence, despatch and care.

The agent had facilitated a rental transaction to a group of foreigners whom she understood to be work permit holders.

She was acting for the purported tenant, and was to inspect the original work permits of the tenant and occupants of the leased flat, cross check their work permits and passport details, and conduct verification checks to ensure that the tenant and occupants were not immigration offenders.

However, the agent did not conduct the required verification checks. It was subsequently discovered that none of the individuals who appeared in the photographs of the work permits and the work permit application had actually rented or occupied the flat.

The purported tenant was never identified and turned out to be not the tenant named in the tenancy agreement.

Nature of complaints	Number of complaints as at 31 Dec	
	2017	2018
Advertisement/Flyer	217	262
Service related case *(e.g. service-related lapses such as punctuality issues; no-show at appointments; poor communication)*	294	390
Not acting in client's interests *(e.g. dual representation; failing to declare conflict of interest; failing to convey offer, counter-offer, or expression of interests)*	42	39
Not acting ethically and fairly to other persons (other than clients) *(e.g. overstating or misrepresenting facts; conveying false information)*	43	26
Non-compliance with rules and procedures of property transactions *(e.g. conducting estate agency work as an unregistered agent; failing to conduct business with due diligence and care; holding of transaction monies)*	209	142
Other breaches *(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)*	52	35
Total	**857**	**894**

Categories	Investigation outcome	Number of complaints as at 31 Dec	
		2017	2018
Substantiated	**Letter of Advice/Warning served**	213	223
	Disciplinary action#	16	17
	Prosecution#	18	5
Unsubstantiated *(Refers to cases with insufficient evidence to substantiate claims, assessed to have no wrongdoing on the part of the property agent, baseless/ frivolous complaints)*		255	238
Others *(Refers to cases with insufficient evidence for investigations, and non-CEA regulated complaints that are referred to other government agencies/organisations or property agencies for resolution)*		394	491
Total		**896**	**974**

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

Promoting awareness, creating positive experiences

Buying or selling a property is a critical decision and major milestone for many individuals in their lifetime.

While one of CEA's key functions is to protect consumers' interests in their property transactions involving property agents, it is equally important for consumers to appreciate that they too have a role to play in achieving a smooth property transaction.

CEA's consumer outreach efforts aim to equip consumers with better knowledge on how they can liaise more effectively with their property agents, and to enhance their awareness of the responsibilities of both property agents and consumers.

This would help minimise potential conflicts and misunderstanding between consumers and property agents.

Ultimately, we want consumers to have a positive experience for their property transactions based on trust with their agents, and to achieve the best outcomes for all parties.

Encouraging personal responsibility

In 2018/19, we continued to emphasise that while property agents are experts in their field, consumers should also be proactive and familiarise themselves with the relevant property rules and transaction procedures.

Our consumer outreach campaign focused on four key messages:

- Check CEA's Public Register to ensure the property agent is registered with CEA.
- Negotiate and agree on the commission with the agent before he starts work.
- An agent should only represent one party in a property transaction.
- Consumers should handle their own money related to the transaction.

Maximising our reach

We mounted a sustained year-long presence online and tapped on various platforms to share our messages with different audiences.

To reach out to property consumers, we placed banner advertisements on online property platforms including PropertyGuru and 99.co.

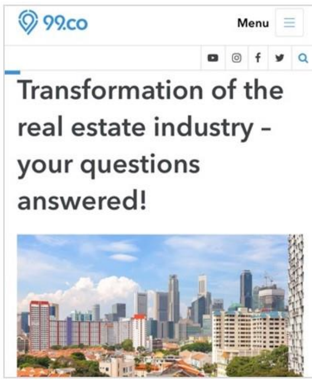
Having explored more touchpoints with good reach to widen our audience base, we placed advertorials and videos with different treatments and styles on various channels.

These include finance and investment portals like MoneySmart and DollarsandSense, as well as lifestyle and news portals such as Coconuts, SGAG and theAsianparent.

To further extend our outreach efforts, we ran online banner advertisements on the Google Display Network and video advertisements on YouTube. These were complemented by CEA's Happy Consumer campaign microsite with our key messages explained in greater detail.

Consumers' awareness of their responsibilities and the roles of agents increased due to our publicity efforts.

Specifically, more consumers were aware that they should check the Public Register and only engage agents registered with CEA; that commissions rates are negotiable and the agreed amounts should be documented before an agent starts work; and that dual representation is not allowed.



Thumbs up for property agents' services

From May to July 2018, CEA conducted our three-yearly Public Perception Survey to gauge consumers' perception towards the services rendered by property agencies and agents.

Of the 1,500 respondents, 85 per cent were satisfied with the services of property agents. The level of consumers' satisfaction with the services offered by property agents continued to remain high, when compared with the findings in the 2012 and 2015 surveys.

A notable finding was that consumers whose agents used three or more digital tools during their property transactions were significantly more likely to be satisfied with the services provided by their agents.

Overall, the higher consumer satisfaction with their property agents' services is an indication that the industry has made steady progress in raising its professionalism and ethical standards, and improving services to its clients.

The findings provide useful insights as CEA continues to support the industry's efforts to better serve its clients.

Specifically, as we roll out the various initiatives under the Real Estate ITM, we will continue to support property agencies and agents in enhancing their knowledge and competencies, and encourage them to leverage technology for innovation, productivity and service quality enhancement.

The survey also revealed higher consumer awareness of 12 key industry practices and regulations related to property transactions involving an agent.

Consumer awareness has increased to an average score of 77 per cent, or nine out of 12 areas, from 73 per cent in 2015 and 72 per cent in 2012.

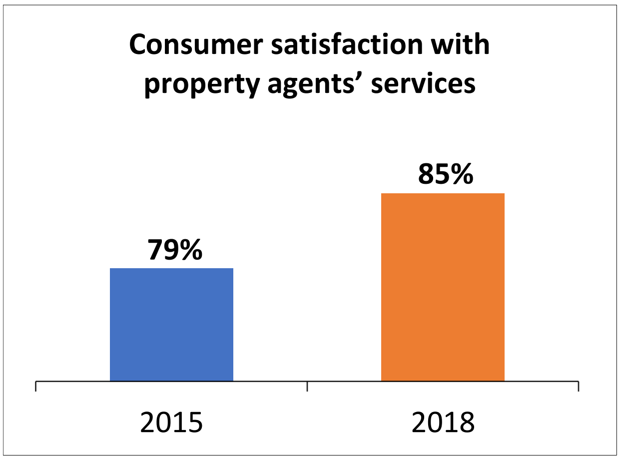
In this regard, the survey findings will also guide CEA as we plan more initiatives to further promote consumer awareness on working effectively with property agents to achieve the best outcomes when they buy, sell or rent properties.

Key findings from the Public Perception Survey on the real estate agency industry

Higher consumer satisfaction

85 per cent of respondents in 2018 were satisfied with the services provided by their property agents. This is an increase from 79 per cent in 2015.

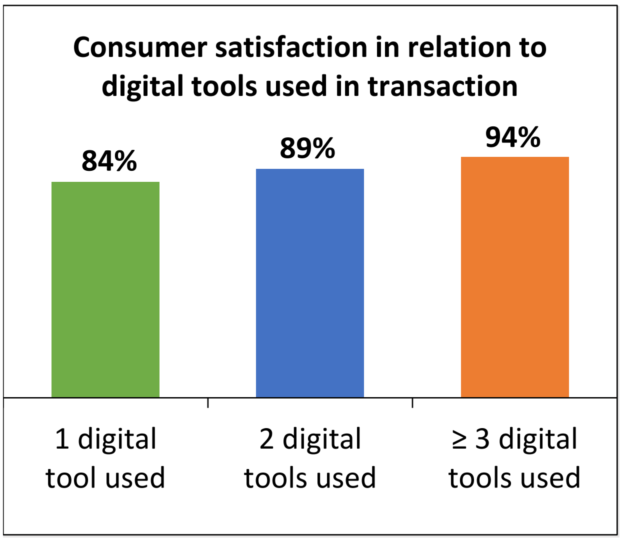
Respondents were most satisfied with their property agents in the area of Service Excellence, followed by Ethics/Conduct, and Knowledge/Expertise. The survey also found that property agents' knowledge remained the most important dimension to consumers.



Greater use of digital tools linked to higher satisfaction levels

Seven in 10 respondents shared that their agents used at least one digital tool while facilitating the transaction. These tools included property apps with pricing calculators, information on property trends and property details, and electronic forms.

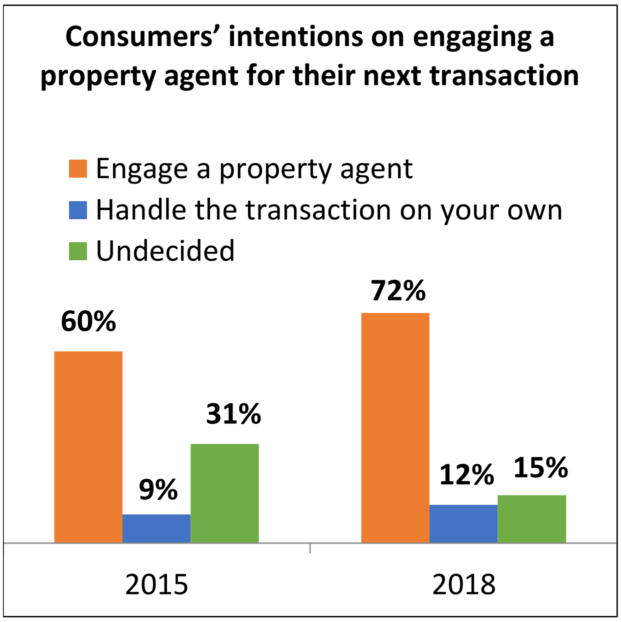
Respondents whose agents used three or more digital tools during their property transaction were significantly more likely to be satisfied with the services provided by their agents

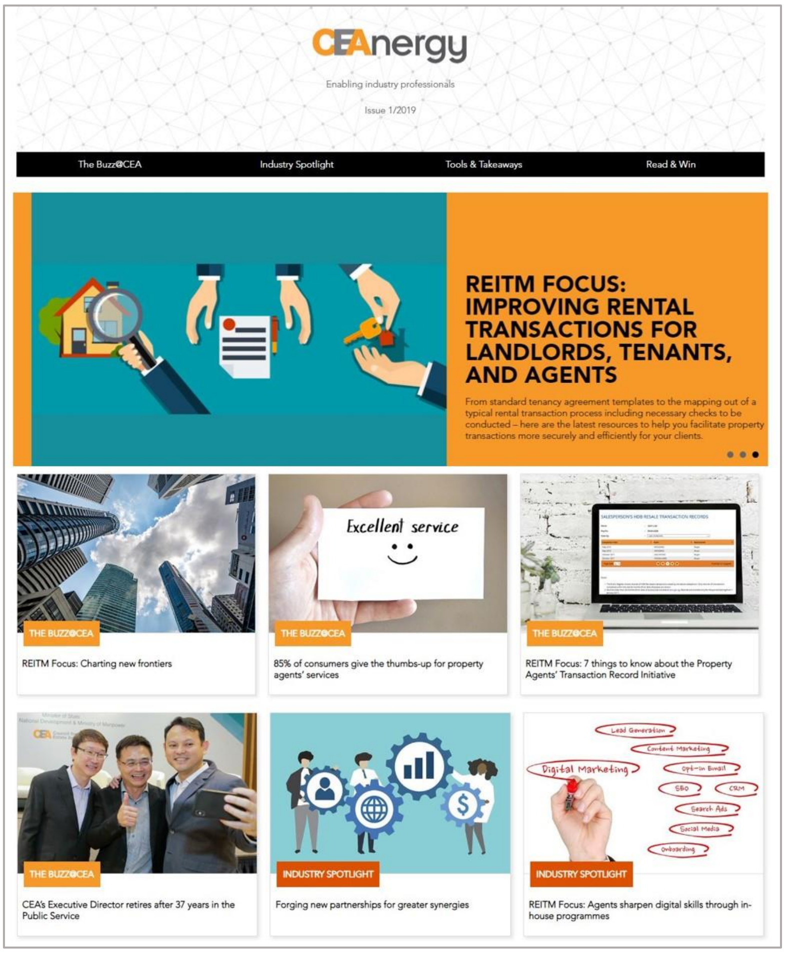


More consumers likely to engage a property agent for their next transaction or handle it on their own

Consumers' intentions with respect to future transactions were strongly related to their satisfaction with the service provided by their property agents. 72 per cent of respondents indicated that they would engage property agents for their future transactions, compared to 60 per cent in 2015.

Our survey also showed that 12 per cent of respondents indicated that they would likely handle property transactions on their own, compared to 9 per cent in 2015.





Tapping synergies

CEA continued to team up with government agencies to reach out to targeted segments of the population, ranging from first-time home buyers and tenants to those looking at investing in another property.

We collaborated with HDB to deliver presentations to consumers looking to sell or buy resale HDB flats, or those intending to rent out HDB flats or rooms. We also spoke at talks organised by the Central Provident Fund Board (CPFB) aimed at consumers wanting to buy their next home.

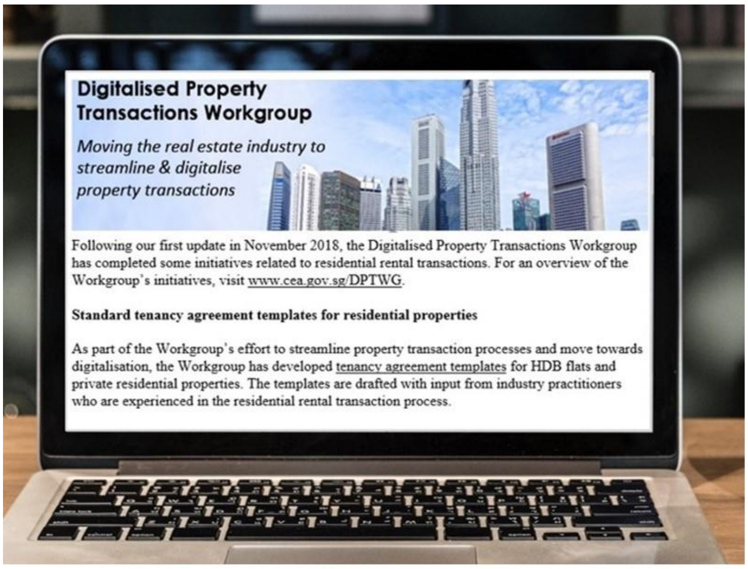
During these sessions, we shared on the roles and responsibilities of property agents and consumers in a property transaction, and explained how consumers can make the best decisions for themselves while working harmoniously with their agents.

Our partners, including HDB, CPFB and the Consumers Association of Singapore helped us to share our consumer education articles via their social media channels, enabling us to reach members of the public who may be transacting in properties.

Improving industry communications

Our quarterly industry e-newsletter - *CEAnergy*, has been enhanced after feedback and comments from our readers.

Starting from the first issue of 2019, we introduced more visual elements on the landing page of *CEAnergy* to improve its readability and aesthetic appeal.



CEAnergy adopted a fully industry-oriented editorial approach to feature more perspectives and expert views from industry practitioners and professionals on CEA's initiatives, plus industry trends and developments.

There are now more practical tips on regulatory and compliance matters, plus stories on tools for agents to apply to their daily work.

To broaden agents' knowledge in other property-related matters apart from estate agency work, *CEAnergy* now profiles more news and updates on the work of other government agencies which are relevant for our readers.

Besides *CEAnergy*, we launched a new Tip of the Month e-bulletin for property agents. These tips focus on practice-related content for application, answers to common questions that agents have regarding CEA's regulations and guidelines, and current happenings beyond the real estate agency industry which have a bearing on agents' services to their clients.

We also initiated a series of electronic direct mailers on the latest initiatives rolled out by the Digitalised Property Transactions Workgroup, which aim to increase agents' productivity while creating more seamless and secure transactions.

In addition, we created a short animated video on the new CPD framework to enable agents to have a quick understanding of the new framework.

Driving organisation excellence, developing a dynamic team

Achieving greater organisation efficiency and effectiveness to better serve our stakeholders has always been a priority for CEA.

We continued to optimise and invest in our IT resources to enable us to respond more nimbly to new business challenges during the year.

By integrating new processes into the Estate Agencies System and enhancing the CPD microsite, we are on track to raising staff productivity and improving our operational efficiency so as to ultimately offer better service and greater convenience to our customers.

At the same time, we endeavour to create an environment where our staff can contribute to their full potential.

Augmenting accountability

To address the risks and challenges facing CEA in our ever-changing environment, we increased organisation-wide awareness on the need for good corporate governance and internal controls at all times.

We further enhanced our finance processes in preparation to switch to a new financial system that will be implemented for the recording and reporting of financial transactions in the second half of 2019.

We continued to strengthen our procurement processes through a new requirement specification checklist for quotations and tenders, as well as a mandatory e-learning programme for all our staff. In addition, we performed a self-audit exercise on our payroll and staff claims.

We have put in place a business continuity plan for records management and IT. The plan covers a set of measures for the proper protection and retrieval of CEA's vital records and data from damage and loss, and will enable us to resume critical customer-related business functions in the shortest possible time.

Ms Kelly Ng received the MND EDGE postgraduate scholarship while Mr Cedric Peeris received the Long Service Award in 2018. (Images: MND)

Our people-centred practices

During the year, we worked towards enhancing our staff management and development policies and practices to attract, nurture and retain a workforce of competent and committed individuals.

We standardised our recruitment approach by implementing recruitment tools to attract and recruit individuals whose personal and professional aspirations are aligned with CEA's core values and organisational objectives.

We invested in our staff by giving every officer access to a host of learning opportunities to grow professionally and personally.

These included structured external courses, e-learning courses, in-house training workshops and sharing sessions, as well as attachments at government regulatory agencies.

Excelling as one

Our staff are the pride of our organisation. Collectively, we celebrated our colleagues who kept the CEA flag flying high in the year.

Three colleagues were recognised for their contributions to the nation at the National Day Awards 2018.

- Public Administration Medal (Silver):
  Mr Chan Mun Kit, CEA's Deputy Executive Director

- Public Administration Medal (Bronze):
  Mr Soh Cheng Hwee, Deputy Director (Licensing) and Deputy Director (Business Process Reengineering)

- Long Service Medal:
  Mr Cedric Peeris, Licensing Division

Ms Kelly Ng from the Policy & Planning Division received the MND Executive Development and Growth Exchange (EDGE) postgraduate scholarship in 2018 to pursue a Masters of Business Administration degree at the Nanyang Technological University.

She is the fourth CEA staff to receive this scholarship which seeks to nurture talent within the MND family.

Image: MND

A multi-agency team from MND, CEA and the Building and Construction Authority (BCA) won the Minister for National Development Team Award 2018 for developing the Real Estate ITM.

This Award, conferred annually by MND, recognises significant and innovative team-based projects that have contributed to MND's vision of transforming Singapore into an endearing home and a distinctive global city.

Creating a winning workplace culture

At CEA, we place a priority on cultivating a positive and supportive organisational culture because we believe that a conducive workplace motivates staff members to give their best.

In between our planning, operational and regulatory duties, we organised several "getaways" from the office to places including a hydroponics vegetable farm, a roti prata kitchen (where we had hands-on experience in flipping prata) and a traditional coffee-roasting factory.

These rejuvenating breaks not only allowed our staff to bond with one another, but also to pick up nuggets of information on interesting aspects of life and culture in Singapore.

Our staff also donned their sporting gear and participated in several invigorating events such as cycling at East Coast Park, bowling and futsal games. These activities injected more fun and created stronger bonds within a close-knit CEA family.

Lending our helping hands

At CEA, we have always believed that we can have a positive social impact on the community, even in our small ways.

In 2018, we partnered TOUCH Home Care for the second time in its Meals-on-Wheels programme to deliver dinner sets to elderly persons in living in the Ang Mo Kio and Toa Payoh neighbourhoods with no caregiver support. Our staff felt thankful that we could make a small difference by bringing warm meals to these seniors.

We are also grateful to KEO Connect and the Singapore Estate Agents Association for inviting us to join them for a heart-warming afternoon of community service at the Sarah Seniors Activity Centre at Jalan Bukit Merah.

Together with volunteers from the two real estate agency industry associations, we packed goody bags filled with daily essentials for the seniors, gave them a lunch treat, and organised a sing-a-long and games session with them.

In addition, we supported the President's Challenge as part of the MND Family by generously donating towards the Heart Bus Charity Drive in 2018.

The funds raised from the Challenge went towards supporting 59 beneficiary organisations.

First row images: KEO Connect and SEAA

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Financial Statements

(For the financial year ended 31 March 2019)

STATEMENT BY THE COUNCIL

For the financial year ended 31 March 2018

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 42 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 2019 and of 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 year have been, in all material respects, in accordance with the provisions of 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

Singapore

Date: 11 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COUNCIL FOR ESTATE AGENCIES

For the financial year ended 31 March 2019

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 2019**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In 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 2019** 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.

Other Information

Management is responsible for other information. The other information comprises the Statement by the Council of the Council for Estate Agencies set out on page 1.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

- 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

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 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

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

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COUNCIL FOR ESTATE AGENCIES

For the financial year ended 31 March 2019

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

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 Act.

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

Assurance Partners LLP

Public Accountants and Chartered Accountants

Singapore

Date: 11 July 2019

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	**2019** **S$'000**	2018 S$'000
Revenue	(4)	**11,898**	10,835
Less: Expenditure			
Real estate examinations related costs		**1,574**	1,419
Depreciation and amortisation		**347**	117
Fees and charges	(5)	**4,963**	4,546
Rental of premises	(18)	**913**	1,229
Expenditure on manpower	(6)	**11,704**	11,600
Administrative and other expenses	(7)	**1,710**	1,942
Total operating expenses		**21,211**	20,853
Operating deficit before government grant		**(9,313)**	(10,018)
Grants			
Operating grants	(11)	**9,012**	9,924
Deferred capital grant amortised	(15)	**78**	76
Grants received in advance amortised	(11)	**223**	18
		9,313	10,018
Surplus for the financial year before statutory contribution to Consolidated Fund		-	-
Statutory contribution to Consolidated Fund		-	-
Total comprehensive income for the financial year		-	-

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	**2019**	2018
		S$'000	S$'000
Non-current assets			
Plant and equipment	(8)	**664**	1,009
Intangible assets	(9)	**115**	-
		779	1,009
Current assets			
Trade and other receivables	(10)	**361**	314
Prepayments		**106**	45
Cash and cash equivalents	(12)	**12,099**	10,534
		12,566	10,893
Less:			
Current liabilities			
Trade and other payables	(13)	**2,922**	2,766
Deferred revenue	(14)	**5,547**	5,441
Government grant received in advance	(11)	**1,778**	652
		10,247	8,859
Net current assets		**2,319**	2,034
Non-current liabilities			
Deferred capital grant	(15)	**169**	247
Provision	(16)	**123**	216
		292	463
NET ASSETS		**2,806**	2,580
EQUITY			
Share capital	(17)	**2,806**	2,580

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	Note	Share Capital S$'000
2019		
Balance as at 1 April 2018		**2,580**
Total capital injection for the year		**226**
Balance as at 31 March 2019	(17)	**2,806**
2018		
Balance as at 1 April 2017		1,719
Total capital injection for the year		861
Balance as at 31 March 2018	(17)	2,580

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Note	**2019**	2018
		S$'000	S$'000
Cash flows from operating activities			
Operating deficit before government grant		**(9,313)**	(10,018)
Adjustments for:			
Amortisation of deferred revenue	(4)	**(7,874)**	(7,970)
Depreciation of plant and equipment	(8)	**345**	117
Amortisation of intangible assets	(9)	**2**	-
Interest income		**(116)**	(175)
Write-off of plant and equipment		**-**	21
Operating deficit before working capital changes		**(16,956)**	(18,025)
Change in operating assets and liabilities			
Trade and other receivables		**(47)**	(69)
Prepayments		**(61)**	150
Trade and other payables		**156**	(563)
Provision		**(93)**	(107)
Cash flows used in operation		**(17,001)**	(18,614)
Deferred revenue received		**7,980**	8,032
Interest received		**116**	175
Net cash used in operating activities		**(8,905)**	(10,407)
Cash flows from investing activities			
Purchase of plant and equipment	(A)	**-**	(809)
Purchase of intangible asset	(9)	**(117)**	-
Net cash used in investing activities		**(117)**	(809)
Cash flows from financing activities			
Government operating grants received	(11)	**10,361**	9,716
Government capital injection received	(17)	**226**	861
Net cash generated from financing activities		**10,587**	10,577
Net (decrease)/increase in cash and cash equivalents		**1,565**	(639)
Cash and cash equivalents at beginning of the year		**10,534**	11,173
Cash and cash equivalents at end of the year	(12)	**12,099**	10,534

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

Note to the statement of cash flows

A. Purchase of plant and equipment

	2019	2018
	S$'000	S$'000
Aggregate cost of plant and equipment capitalised	**-**	932
Provision for reinstatement costs (Note 16)	**-**	(123)
Purchase of plant and equipment	**-**	809

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

1. General

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.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the Act and Statutory Board Singapore 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 "$") and rounded to the nearest thousand ("$'000"), unless otherwise stated.

2. Summary of significant accounting policies (continued)

(b) Adoption of new and amended standards and interpretations

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 January 2018. Except for the adoption of SB-FRS 109 *Financial Instruments* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Council.

SB-FRS 109 *Financial Instruments*

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

The Council applied SB-FRS 109 retrospectively, with an initial application date of 1 April 2018. The Council has not restated comparative information which continues to be reported under SB-FRS 39 and the disclosure requirements of SB-FRS 107 Financial Instruments: Disclosures relating to items within the scope of SB-FRS 39.

(i) Classification and measurement

Under SB-FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Council's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Council's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of SB-FRS 109 did not have a significant impact to the Council. The following are the changes in the classification and measurement of the Council's financial assets:

- Trade and other receivables are classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

2. Summary of significant accounting policies (continued)

(b) Adoption of new and amended standards and interpretations (continued)

SB-FRS 109 *Financial Instruments* (continued)

(i) Classification and measurement (continued)

The Council has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Council's financial liabilities.

In summary, upon the adoption of SB-FRS 109, the Council had the following required or elected reclassification as at 1 April 2018:

		SB-FRS 109 measurement category		
SB-FRS 39 measurement category		**FVPL**	**FVOCI**	**Amortised cost**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Loans and receivables				
Trade and other receivables (exclude GST receivables)	137	-	-	137
Cash and cash equivalents	10,534	-	-	10,534
	10,671	-	-	10,671

(ii) Impairment

The adoption of SB-FRS 109 has fundamentally changed the Council's accounting for impairment losses for financial assets by replacing SB-FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. SB-FRS 109 requires the Council to recognise an allowance for ECLs for all debt instruments not held at FVPL.

Upon adoption of SB-FRS 109, the Council did not recognise additional impairment on the Council's trade and other receivables as at 1 April 2018.

2. Summary of significant accounting policies (continued)

(c) Standard issued but not yet effective

The Council has not adopted the following standards applicable to the Council that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
SB-FRS 116 *Leases*	1 January 2019

The nature of the impending changes in accounting policy on adoption of SB-FRS 116 are described below.

<u>SB-FRS 116 *Leases*</u>

SB-FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SB-FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Council plans to adopt SB-FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the government grant received in advance at the date of initial application, 1 April 2019.

On the adoption of SB-FRS 116, the Council expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if SB-FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 April 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

2. Summary of significant accounting policies (continued)

(c) Standard issued but not yet effective (continued)

SB-FRS 116 *Leases* (continued)

In addition, the Council plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SB-FRS 116 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Council has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Council adopts SB-FRS 116 in 2019.

On the adoption of SB-FRS 116, the Council expects to recognise right-of-use assets of S$1,293,475.46 and lease liabilities of S$1,338,494.04 for its leases previously classified as operating leases, with a corresponding decrease in the government grant received in advance of S$45,018.58 as of 1 April 2019.

(d) Revenue recognition

Revenue is measured based on the 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 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:

(i) 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.

2. Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

(ii) Application fees

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

(iii) Examination fees

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

(iv) Interest income

Interest is recognised using the effective interest method.

(e) 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.

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.

2. Summary of significant accounting policies (continued)

(f) Foreign currency

(i) 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.

(ii) 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.

(g) Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 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 plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Furniture and fittings	8 years
Office equipment	5 years
Renovation	1 - 3 years

2. Summary of significant accounting policies (continued)

(g) Plant and equipment (continued)

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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

(h) Intangible assets

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

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.

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

(i) 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.

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.

2. Summary of significant accounting policies (continued)

(j) Financial instruments

These accounting policies are applied on and after the initial application date of SB-FRS 109, 1 April 2018:

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Council measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in 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 third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

- Investment in debts instruments

  Subsequent measurement of debt instruments depends on the Council's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Council only has debt instruments at amortised cost.

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

2. Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

(i) Financial assets (continued)

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 and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in statement of comprehensive income.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Council becomes a party to the contractual provisions of the financial instrument. 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 FVPL, directly attributable transaction costs.

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of comprehensive income.

2. Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

(iii) Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

(a) currently has a legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

<u>These accounting policies are applied before the initial application date of SB-FRS 109, 1 April 2018:</u>

(i) Financial assets

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVPL, directly attributable transaction costs.

Subsequent measurement

- Loans and receivables

  Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process. Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Derecognition

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

2. Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Council becomes a party to the contractual provisions of the financial instrument. 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 FVPL, directly attributable transaction costs.

Subsequent measurement

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

Such financial liabilities comprise trade and other payables.

Derecognition

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

(k) Impairment of financial assets

<u>These accounting policies are applied on and after the initial application date of SB-FRS 109, 1 April 2018:</u>

The Council recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Council expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. Summary of significant accounting policies (continued)

(k) Impairment of financial assets (continued)

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

For trade receivables, the Council applies a simplified approach in calculating ECLs. Therefore, the Council does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Council has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Council considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Council may also consider a financial asset to be in default when internal or external information indicates that the Council is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Council. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

<u>These accounting policies are applied before the initial application date of SB-FRS 109, 1 April 2018:</u>

The Council assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Council first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Council determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Summary of significant accounting policies (continued)

(k) Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in statement of comprehensive income.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Council considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in statement of comprehensive income.

(l) 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.

(m) 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.

2. Summary of significant accounting policies (continued)

(n) Employee benefits

(i) 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.

(ii) 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.

(o) Leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the income or expenditure on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(p) 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.

2. Summary of significant accounting policies (continued)

(q) Related parties

A related party is defined as follows:

A. A person or a close member of that person's family is related to the Council if that person:

(i) has control or joint control of the Council;

(ii) has significant influence over the Council; or

(iii) is a member of the key management personnel of the Council or of a parent of the Council.

B. An entity is related to the Council if any of the following conditions applies:

(i) the entity and the Council are members of the same group (which means that each member is related to the others);

(ii) the entity is a post-employment benefit plan for the benefit of the employees of either the Council or an entity related to the Council. If the Council is itself such a plan, the sponsoring employers are also related to the Council;

(iii) the entity is controlled or jointly controlled by a person identified in (A);

(iv) a person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity;

(v) the entity provides key management personnel services to the Council.

(r) Share capital

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

2. Summary of significant accounting policies (continued)

(s) 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.

3. Significant accounting judgements and estimates

The preparation of the Council's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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 developments, 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.

(a) Provision for expected credit losses (ECLs) of trade and other receivables

Trade receivables

The Council uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Council's historical observed default rates. The Council will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Council's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Council's trade receivables is disclosed in Note 22(a) to the financial statements.

The carrying amount of the Council's trade receivables is disclosed in Note 10 to the financial statements.

Other receivables

The Council uses a probability of default method to calculate ECLs for other receivables. The probability of default is based on probability of default events that are possible within the next 12-months (a 12-month ECL) for other receivables which there has not been a significant increase in credit risk since initial recognition or probability of default events that are possible over the remaining life of the exposure (a lifetime ECL) for other receivables which there has been a significant increase in credit risk since initial recognition.

The probability of default is initially based on the Council historical observed default rates. The Council will calibrate the probability to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

(a) Provision for expected credit losses (ECLs) of trade receivables and other receivables (continued)

Other receivables (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Council's historical credit loss experience and forecast of economic conditions may also not be representative of debtor's actual default in the future. The information about the ECLs on the Council's other receivables is disclosed in Note 22(a) to the financial statements.

The carrying amount of the Council's other receivables is disclosed in Note 10 to the financial statements.

(b) Impairment of plant and equipment

Plant and equipment is reviewed for impairment whenever there is an indication that these assets may be impaired. The Council considers the guidance of SB-FRS 36 in assessing whether there is any indication that an item of the above assets may be impaired. This assessment requires significant judgement.

If any such indication exists, the recoverable amount of the assets is estimated to ascertain the amount of impairment loss. The recoverable amount is defined as the higher of the fair value less cost to sell and value-in-use.

In determining the value-in-use of assets, the Council applies a discounted cash flow model where the future cash flows derived from such assets are discounted at an appropriate rate. Forecasts of future cash flow are estimated based on financial budgets and forecasts approved by the management.

The carrying amount of the Council's plant and equipment is disclosed in Note 8 to the financial statements.

(c) Estimated useful lives and residual value of plant and equipment

The cost of plant and equipment less residual value is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. The estimated useful life and residual value reflects the Council's estimate of the periods that the Council intends to derive future economic benefits from the use of the plant and equipment and residual value that the Council's estimated to recover at the end of the useful life.

The carrying amount of the Council's plant and equipment is disclosed in Note 8 to the financial statements.

4. Revenue

	2019 S$'000	2018 S$'000
Type of services		
Licence, registration and application fees	**9,212**	8,920
Examination fees and others	**2,686**	1,915
	11,898	10,835
Timing of transfer of services		
At a point in time	**4,024**	2,865
Over a period of time	**7,874**	7,970
	11,898	10,835

5. Fees and charges

	2019 S$'000	2018 S$'000
Housing and Development Board Consultancy and support services	**438**	463
Criminal Investigation Department Screening of salespersons and estate agents	**599**	347
Government Technology Agency Support services	**812**	659
Hardware and software development and maintenance	**2,357**	2,447
Others	**757**	630
	4,963	4,546

6. Expenditure on manpower

(a) Key management personnel

	2019 S$'000	2018 S$'000
Salaries and bonuses	**1,794**	1,769
Central Provident Fund contributions	**91**	83
	1,885	1,852

6. Expenditure on manpower (continued)

(b) Other than key management personnel

	2019	2018
	S$'000	S$'000
Salaries and bonuses	**8,687**	8,653
Central Provident Fund contributions	**1,132**	1,095
	9,819	9,748
	11,704	11,600

The Council reimbursed the Housing and Development Board for the manpower costs paid on its behalf.

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.

7. Administrative and other expenses

	2019	2018
	S$'000	S$'000
Council members' fees	**108**	112
Goods and services tax expenses	**943**	1,014
Plant and equipment expensed off	**25**	194
Public outreach	**464**	511
Others	**170**	111
	1,710	1,942

8. Plant and equipment

	Furniture and fittings S$'000	Office equipmentt S$'000	Renovation S$'000	Total S$'000
Cost				
As at 1 April 2017	147	406	1,204	1,757
Additions	66	168	698	932
Written off	(147)	(116)	(1,111)	(1,374)
As at 31 March 2018	66	458	791	1,315
Written off	**-**	**(13)**	**(93)**	**(106)**
As at 31 March 2019	**66**	**445**	**698**	**1,209**
Accumulated depreciation				
As at 1 April 2017	108	231	1,203	1,542
Depreciation for the year	18	76	23	117
Written off	(126)	(116)	(1,111)	(1,353)
As at 31 March 2018	-	191	115	306
Depreciation for the year	**9**	**83**	**253**	**345**
Written off	**-**	**(13)**	**(93)**	**(106)**
As at 31 March 2019	**9**	**261**	**275**	**545**
Carrying amount				
As at 31 March 2019	**57**	**184**	**423**	**664**
As at 31 March 2018	66	267	676	1,009

Included within the cost of renovation is a provision for premises reinstatement costs of S$123,000 (2018: S$216,000) (Note 16).

9. Intangible assets

	Computer software S$'000
Cost	
As at 1 April 2017	670
Additions	-
As at 31 March 2018	670
Additions	**117**
As at 31 March 2019	**787**
Accumulated amortisation	
As at 1 April 2017	670
Amortisation for the year	-
As at 31 March 2018	670
Amortisation for the year	**2**
As at 31 March 2019	**672**
Carrying amount	
As at 31 March 2019	**115**
As at 31 March 2018	**-**

10. Trade and other receivables

	2019 S$'000	2018 S$'000
Trade receivables	**1**	6
Other receivables	**205**	131
GST receivables	**155**	177
	361	314

Trade receivables are non-interest bearing and are generally on 30 days' terms.

At the end of the reporting period, the Council has no trade receivables that is past due or impaired.

Trade and other receivables are denominated in Singapore Dollar.

11. Government grant received in advance

	2019	2018
	S$'000	S$'000
At the beginning of the financial year	**652**	1,028
Grant received	**10,361**	9,716
Grant recognised in income and expenditure for the financial year (Note 2e)	**(9,012)**	(9,924)
Transferred to deferred capital grant during the financial year (Note 15)	**-**	(150)
Depreciation of capital injection assets funded by operating grant	**(223)**	(18)
At the end of the financial year	**1,778**	652
Government grant representing:		
Grant received in advance	**1,778**	652

12. Cash and cash equivalents

	2019	2018
	S$'000	S$'000
Cash and cash equivalents	**12,099**	10,534

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.

13. Trade and other payables

	2019	2018
	S$'000	S$'000
Trade payables	**749**	582
Accrued expenses	**1,814**	1,738
Provision for unutilised leave	**359**	446
	2,922	2,766

13. Trade and other payables (continued)

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.

14. Deferred revenue

	2019	2018
	S$'000	S$'000
Within 1 year	**5,547**	5,441

Deferred revenue related 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 (Note 2d).

15. Deferred capital grant

	2019	2018
	S$'000	S$'000
At the beginning of the financial year	**247**	173
Transferred from government grant during the financial year (Note 11)	**-**	150
Grant recognised in income and expenditure for the financial year (Note 2e)	**(78)**	(76)
At end of the financial year	**169**	247

16. Provision

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

	2019	2018
	S$'000	S$'000
At the beginning of the financial year	**216**	200
Additions	**-**	123
Utilised	**(93)**	(107)
At the end of the financial year	**123**	216

17. Share capital

	2019	2018	**2019**	2018
	Number of shares ‘000		**S$’000**	S$’000
Issued and fully paid up:				
At the beginning of the financial year	**2,580**	1,719	**2,580**	1,719
Equity injection	**226**	861	**226**	861
At the end of the financial year	**2,806**	2,580	**2,806**	2,580

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 2019, the Council received additional S$226,273.84 (2018: S$861,360.84) equity financing from Ministry of Finance.

18. 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:

	2019	2018
	S$’000	S$’000
Housing and Development Board		
Rental of premises	**913**	1,229
Consultancy and support services	**438**	463
	1,351	1,692
Criminal Investigation Department		
Screening of salespersons and estate agents	**599**	347
Government Technology Agency		
Support Services	**812**	659

18. Related party transactions (continued)

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

19. Commitments

The Council has entered into lease agreement for its office premises and office equipment. These non-cancellable leases have lease terms of more than one year.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting year are as follows:

	2019	2018
	S$'000	S$'000
Not later than one year	**918**	1,072
Later than one year and not later than five years	**564**	1,482
	1,482	2,554

The leases on the Council's premises on which rentals are payable will expire on 30 November 2020.

The above commitments are inclusive of lease commitments pertaining to rented premises from Housing & Development Board as follows:

	2019	2018
	S$'000	S$'000
Not later than one year	**841**	913
Later than one year and not later than five years	**560**	1,401
	1,401	2,314

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. Fair value of assets and liabilities

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.

22. 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.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Council. The Council's exposure to credit risk arises primarily 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.

The Council has adopted a policy of only dealing with creditworthy counterparties. The Council performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Council considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

22. Financial risk management (continued)

(a) Credit risk (continued)

The Council has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for

The Council takes into consideration of the economic conditions during the period over which the historical debts has been collected, current conditions and the Council's view of the economic conditions over the expected lives of the debtor in assessing the credit risk rating of the debtor.

The Council's current credit risk grading framework comprises the following categories:

Category	**Definition of category**	**Basis for recognising expected credit loss (ECL)**
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is > 90 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is > 120 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

22. Financial risk management (continued)

(a) Credit risk (continued)

The table below details the credit quality of the Council's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
31 March 2019						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	1	-	1
Other receivables	10	I	12-month ECL	205	-	205
					-	
1 April 2018						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	6	-	6
Other receivables	10	I	12-month ECL	131	-	131
					-	

Trade receivables (Note 1)

For trade receivables, the Council has applied the simplified approach in SB-FRS 109 to measure the loss allowance at lifetime ECL. The Council determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors over last three financial years, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Based on the above, the Council concluded that the expected credit loss for trade receivables is close to zero. All trade receivables are not past due at the end of the reporting period.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Council's performance to developments affecting a particular industry.

22. Financial risk management (continued)

(a) Credit risk (continued)

Trade receivables (Note 1) (continued)

Exposure to credit risk

The Council has no significant concentration of credit risk. The Council has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables

The Council assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Council measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(b) Liquidity risk

Liquidity risk refers to the risk that the Council will encounter difficulties in meeting its short-term obligations due to shortage of funds. 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.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Council's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Council's financial instruments will fluctuate because of changes in market interest rates.

At the end of the reporting period, the Council has limited exposure to interest rate risk.

22. Financial risk management (continued)

(c) Market risk (continued)

(ii) Foreign currency risk

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.

23. 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	2019 S$'000	2018 S$'000
Financial assets measured at amortised cost			
Trade and other receivables (exclude GST receivables)	10	**206**	137
Cash and cash equivalents	12	**12,099**	10,534
Total financial assets measured at amortised cost		**12,305**	10,671
Financial liabilities measured at amortised cost			
Trade and other payables	13	**2,922**	2,766
Total financial liabilities measured at amortised cost		**2,922**	2,766

24. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Council Members on 11 July 2019.

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