



Financial Statements 2022/2023

**ENABLING BUSINESSES,
FOSTERING A TRUSTED ENVIRONMENT**

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

STATEMENT BY THE ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

In our opinion, the accompanying financial statements of the Accounting and Corporate Regulatory Authority (the "Authority") as set out on pages 1 to 30 are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2023, and the results, changes in equity and cash flows of the Authority for the financial year then ended.

On behalf of the Authority

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ONG CHONG TEE
Chairman

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ONG KHIAW HONG
Chief Executive

Singapore

INDEPENDENT AUDITOR'S REPORT

ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ACCOUNTING AND CORPORATE REGULATORY AUTHORITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Report on the Audit of the Financial Statements

OPINION

The financial statements of the Accounting and Corporate Regulatory Authority (the Authority), set out on pages 1 to 30, have been audited under my direction. These financial statements comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the PSG Act), the Accounting and Corporate Regulatory Authority Act 2004 (the ACRA Act) and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2023 and the results, changes in equity and cash flows of the Authority for the financial year ended on that date.

BASIS FOR OPINION

The audit was conducted in accordance with Singapore Standards on Auditing (SSAs). The responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. As the Auditor-General, I am independent of the Authority and I exercise my duties and powers in accordance with the Constitution of the Republic of Singapore and the Audit Act 1966 (the Audit Act). Ethical requirements that are relevant to the audit and in line with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) have been fulfilled. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

OTHER INFORMATION

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

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

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

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

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

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

The Authority is constituted based on the ACRA Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Authority or for the Authority to cease operations.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SSAs, professional judgement is exercised and professional scepticism is maintained throughout the audit. An audit also includes:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtaining an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I will draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

OPINION

In my opinion:

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

BASIS FOR OPINION

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

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE WITH LEGAL AND REGULATORY REQUIREMENTS

The management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the ACRA Act and the requirements of any other written law applicable to moneys of or managed by the Authority. This responsibility includes monitoring related compliance requirements relevant to the Authority, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

AUDITOR'S RESPONSIBILITIES FOR THE COMPLIANCE AUDIT

My responsibility is to express an opinion on management's compliance based on the audit of the financial statements. The compliance audit was planned and performed to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the ACRA Act and the requirements of any other written law applicable to moneys of or managed by the Authority.

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

GOH SOON POH
Auditor-General
Singapore

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	NOTE	31 MARCH 2023	31 MARCH 2022
		S\$'000	S\$'000
Capital and reserves			
Share capital	4	8,601	8,601
Accumulated surplus		219,672	211,407
		228,273	220,008
Represented by:			
Non-current assets			
Property, plant and equipment	5	27,538	29,454
Intangible assets	6	12,980	14,372
Development projects-in-progress	7	17,620	407
		58,138	44,233
Current assets			
Cash and cash equivalents	8	211,358	212,175
Trade and other receivables	9	6,898	6,107
		218,256	218,282
Current liabilities			
Trade and other payables	10	(23,005)	(16,577)
Lease liabilities	11	(2,519)	(2,432)
Provision for contribution to Government Consolidated Fund	12	(3,715)	(2,450)
Deferred income	13	-	(307)
Deposits	14	(40)	(40)
Provision for pension	15	(16)	(16)
		(29,295)	(21,822)
Net current assets		188,961	196,460
Non-current liabilities			
Lease liabilities	11	(16,871)	(19,356)
Provision for costs of dismantlement, removal or restoration	16	(583)	(583)
Provision for pension	15	(382)	(389)
Deferred capital grants	17	(990)	(357)
		228,273	220,008

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

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	NOTE	2022/2023 S\$'000	2021/2022 S\$'000
Income			
Company incorporation and related fees	18	41,975	39,537
Information service fees	18	18,128	16,708
Agency fees	18	24,220	16,100
Business registration and related fees	18	6,846	6,229
Variable capital company incorporation and related fees	18	3,652	2,660
Public accountant registration and related fees	18	1,895	2,173
Corporate service provider registration and related fees	18	1,082	774
Other income	19	5,551	2,412
		103,349	86,593
Expenditure			
Staff costs	20	(30,671)	(29,634)
Services	21	(30,357)	(25,628)
Other expenditure	22	(6,252)	(6,230)
Depreciation of property, plant and equipment	5	(4,850)	(5,390)
Amortisation of intangible assets	6	(4,349)	(4,753)
Rental, maintenance and supplies	23	(7,806)	(2,231)
		(84,285)	(73,866)
Surplus before Government grants		19,064	12,727
Government grants	24	2,788	1,685
Surplus before contribution to Government Consolidated Fund		21,852	14,412
Contribution to Government Consolidated Fund	12	(3,715)	(2,450)
Net surplus for the financial year		18,137	11,962
Other Comprehensive Income/(Expense)			
Items that will not be reclassified subsequently to income or expenditure			
Actuarial gain on pension obligations	15	2	20
Other Comprehensive Income for the financial year		2	20
Total comprehensive income for the financial year		18,139	11,982

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

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	NOTE	SHARE CAPITAL S\$'000	ACCUMULATED SURPLUS S\$'000	TOTAL S\$'000
Balance at 1 April 2021		8,601	199,425	208,026
Net surplus for the financial year		-	11,962	11,962
Other Comprehensive Income		-	20	20
Dividends paid	25	-	-	-
Balance at 31 March 2022		8,601	211,407	220,008
Net surplus for the financial year		-	18,137	18,137
Other Comprehensive Income		-	2	2
Dividends paid	25	-	(9,874)	(9,874)
Balance at 31 March 2023		8,601	219,672	228,273

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

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	NOTE	2022/2023 S\$'000	2021/2022 S\$'000
Cash Flows From Operating Activities			
Surplus before contribution to Government Consolidated Fund		21,852	14,412
Adjustments for:			
Depreciation of property, plant and equipment	5	4,850	5,390
Amortisation of intangible assets	6	4,349	4,753
Interest expenses	11	492	445
Provision for pension	15	11	11
Interest income	19	(3,311)	(524)
Amortisation of deferred income	13	(307)	(438)
Provision/(Write back) of provision for costs of dismantlement, removal or restoration		-	186
Amortisation of deferred capital grants	17	(255)	(75)
Surplus before working capital changes		27,681	24,160
Changes in working capital:			
Decrease/(Increase) in trade and other receivables		1,611	(480)
Increase in trade and other payables and deferred income		3,711	2,299
Decrease in deposits		-	(2,016)
Cash generated from operations		33,003	23,963
Contribution paid to Government Consolidated Fund	12	(2,450)	(1,655)
Pension paid	15	(16)	(16)
Net cash from operating activities		30,537	22,292
Cash Flows From Investing Activities			
Interest received		884	560
Payment for purchase of property, plant and equipment		(2,879)	(2,571)
Payment for intangible assets		(8)	-
Payment for restoration costs		-	(593)
Payment for development projects-in-progress		(17,445)	(9,580)
Net cash used in investing activities		(19,448)	(12,184)
Cash Flows From Financing Activities			
Payment of principal portion of lease liabilities		(2,453)	(3,123)
Interest paid	11	(492)	(445)
Dividends paid	25	(9,874)	-
Capital grants received		913	189
Net cash used in financing activities		(11,906)	(3,379)
Net increase/ (decrease) in cash and cash equivalents		(817)	6,729
Cash and cash equivalents as at beginning of the financial year		212,175	205,446
Cash and cash equivalents as at end of the financial year	8	211,358	212,175

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

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

The financial statements were authorised for issuance by the members of the Board of the Authority on 26 June 2023.

1. General

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

The principal activities of the Authority are:

- (a) to administer the Accountants Act 2004, Business Names Registration Act 2014, Companies Act 1967, Limited Liability Partnerships Act 2005, Limited Partnerships Act 2008 and all Parts of the Variable Capital Companies Act 2018, other than Part 7;
- (b) to report and make recommendations to, and advise the Government on matters relating to the registration and regulation of business entities, corporate service providers and public accountants;
- (c) to establish and administer a repository of documents and information relating to business entities and public accountants and to provide access to the public to such documents and information;
- (d) to represent the Government internationally in respect of matters relating to the registration and regulation of business entities and public accountants;
- (e) to promote public awareness about new business structures, compliance requirements, corporate governance practices and any other matters under the purview of the Authority;
- (f) to provide a responsive and forward-looking regulatory environment for business entities, corporate service providers and public accountants conducive to enterprise in Singapore;
- (g) to promote, facilitate and assist in the development of the accountancy sector, including studying, reporting, making recommendations to and advising the Government on all matters relating to the development and promotion of the accountancy sector; and
- (h) to carry out such other functions as may be conferred on the Authority by the Accounting and Corporate Regulatory Authority Act 2004.

The registered office and principal place of operation of the Authority is 55 Newton Road, Revenue House, #03-02, Singapore 307987.

2. Significant Accounting Policies

(A) BASIS OF PREPARATION

The financial statements of the Authority have been prepared in accordance with the provisions of the Public Sector (Governance) Act 2018, the Accounting and Corporate Regulatory Authority Act 2004 and the Statutory Board Financial Reporting Standards ("SB-FRS").

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

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

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

New or revised accounting standards effective in 2022

The new or revised SB-FRS mandatory for application did not have any material impact on the Authority's financial statements.

New or revised accounting standards not yet effective

The Authority has not early adopted the following standards which are applicable to the Authority but not yet effective:

		EFFECTIVE DATE (ANNUAL PERIODS BEGINNING ON OR AFTER)
Various	Amendments to SB-FRS 1 and SB-FRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
SB-FRS 8	Definition of Accounting Estimates	1 January 2023
SB-FRS 1002	Revised SB-FRS 1002 Impairment of Non-Cash-Generating Asset and Guidance on Implementing Impairment of Non-Cash-Generating Assets	1 January 2023
SB-FRS Guidance Note 11	Accounting for Grants Administered by Statutory Boards	1 January 2023
SB-FRS 1	Amendments to SB-FRS 1: Classification of Liabilities as Current or Non-current; and Amendments to SB-FRS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2024

The Authority expects that the adoption of the above standards will have no material impact on the financial statements in the year of initial application.

(B) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

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

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

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

Furniture and fittings	8 years
Office equipment	5 to 8 years
Computer hardware and system	3 to 5 years
Leased premises	over lease period of 9 years

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

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

(C) INTANGIBLE ASSETS AND AMORTISATION

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

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

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

(D) DEVELOPMENT PROJECTS-IN-PROGRESS

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

(E) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

(F) TRADE AND OTHER RECEIVABLES

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

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

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

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

(G) CASH AND CASH EQUIVALENTS

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

(H) TRADE AND OTHER PAYABLES

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

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

(I) PROVISIONS

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

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

(J) INCOME RECOGNITION

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

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

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

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

Interest income is recognised using the effective interest method.

(K) EMPLOYEE BENEFITS

(i) Defined contribution plans

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

(ii) Employees' leave entitlements

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

(iii) Pension benefits

Provision for pension is made for the payment of pension benefits to pensionable officers under the provisions of the Pensions Act 1956. The cost of pension benefits due to pensionable officers is determined based on the discounted present value of expected payouts to be made by the Authority in respect of services provided by these pensionable officers up to the end of the financial year. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the tenure of the related pension obligation. Any actuarial gain or loss arising from the valuation of pension provision is immediately recognised as other comprehensive income or expense not reclassified subsequently to income or expenditure.

(L) LEASES

The Authority applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Authority recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Authority's right-of-use assets are presented within property, plant and equipment (Note 5).

Lease liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments.

In calculating the present value of lease payments, the Authority uses the incremental borrowing rate which is the cost of equity as defined under the cost of capital framework by the Ministry of Finance at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. change to future payments resulting from a change in the rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying assets.

The Authority's lease liabilities are disclosed in Note 11.

Leases of low-value assets

The Authority applies the lease of low-value assets recognition exemption to leases of computer equipment and office equipment that are considered to be low value and payments made under such operating leases are taken to income or expenditure on a straight-line basis over the period of the lease.

(M) GOVERNMENT GRANTS

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

3. Critical Accounting Estimates, Assumptions and Judgements

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

ESTIMATED IMPAIRMENT OF NON-FINANCIAL ASSETS

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

Provision for expected credit losses of trade receivables

The Authority uses a provision matrix to calculate expected credit losses (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 Authority's historical observed default rates. At every reporting date, historical default rates are updated.

The Authority's historical credit loss experience may also not be representative of its debtor's actual default in the future. The information about the ECLs on the Authority's trade receivables is disclosed in Note 9.

Determination of lease term of contracts with extension options

The Authority determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised.

Where the lease contract for office premises provides an extension option, the Authority applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Authority reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend. The Authority will include the extension option in the lease term for leases of office premises because of the significant costs that would arise to replace the assets.

4. Share Capital

The 8,601,000 (2021/2022: 8,601,000) shares are fully paid and held by the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act 1959. The shares have no par value.

5. Property, Plant and Equipment

	LEASED PREMISES	FURNITURE AND FITTINGS	OFFICE EQUIPMENT	COMPUTER HARDWARE AND SYSTEM	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost					
As at 1 April 2021	5,484	2,586	1,030	16,373	25,473
Right-of-use assets (Note 11)	24,021	-	-	-	24,021
Purchase of property, plant and equipment	-	751	394	1,426	2,571
Disposal	(5,484)	(2,584)	(981)	(4,310)	(13,359)
As at 31 March 2022	24,021	753	443	13,489	38,706
Right-of-use assets (Note 11)	55	-	-	-	55
Purchase of property, plant and equipment	-	-	-	2,879	2,879
Disposal	-	-	(36)	-	(36)
As at 31 March 2023	24,076	753	407	16,368	41,604
Accumulated depreciation					
As at 1 April 2021	4,017	2,586	1,028	9,590	17,221
Depreciation for the financial year	3,593	47	41	1,709	5,390
Disposal	(5,484)	(2,584)	(981)	(4,310)	(13,359)
As at 31 March 2022	2,126	49	88	6,989	9,252
Depreciation for the financial year	2,688	93	79	1,990	4,850
Disposal	-	-	(36)	-	(36)
As at 31 March 2023	4,814	142	131	8,979	14,066
Net book value					
As at 31 March 2022	21,895	704	355	6,500	29,454
As at 31 March 2023	19,262	611	276	7,389	27,538

6. Intangible Assets

	2022/2023	2021/2022
	S\$'000	S\$'000
Cost		
As at 1 April	43,769	44,634
Transferred from development projects-in-progress (Note 7)	2,949	59
Purchase of intangible assets	8	-
Disposal	-	(924)
As at 31 March	46,726	43,769
Accumulated amortisation		
As at 1 April	29,397	25,568
Amortisation for the financial year	4,349	4,753
Disposal	-	(924)
As at 31 March	33,746	29,397
Net book value as at 31 March	12,980	14,372

Intangible assets consist mainly of internally-developed applications relating to the operations of the Authority and with a remaining amortisation period ranging from 1 to 5 years (2021/2022: 1 to 5 years).

7. Development Projects-In-Progress

	2022/2023	2021/2022
	S\$'000	S\$'000
Cost		
As at 1 April	407	91
Expenditure incurred	20,162	375
Transferred to intangible assets (Note 6)	(2,949)	(59)
As at 31 March	17,620	407

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

8. Cash And Cash Equivalents

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

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

	AS AT 31 MARCH 2023	AS AT 31 MARCH 2022
	S\$'000	S\$'000
Deposits with AGD under CLM	205,878	174,636
Deposits with AGD under SB Approved Funds Scheme	-	30,000
Deposits with AGD	4,564	6,829
Cash at banks	916	710
	211,358	212,175

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

The effective interest rate of deposits placed with AGD under CLM is 1.61% (2021/2022: 0.31%) per annum.

The deposits maintained with AGD under SB Approved Funds Scheme is made up of funds for Next Wave Digital Services to leverage on information technology to raise productivity and reduce compliance costs for businesses, accounting firms and corporate service providers in the next phase of the Authority's digital service development. Subsequent to 31 March 2022, the deposits placed under the SB Approved Funds Scheme were transferred to deposits with AGD under CLM on 13 May 2022.

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

9. Trade and Other Receivables

	AS AT 31 MARCH 2023	AS AT 31 MARCH 2022
	S\$'000	S\$'000
Trade receivables	3,347	3,389
Loss allowance	(31)	(37)
Trade receivables, net	<u>3,316</u>	<u>3,352</u>
Other receivables	726	1,632
Prepayment	100	794
Interest income receivable	<u>2,756</u>	<u>329</u>
	<u>6,898</u>	<u>6,107</u>

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

The interest income receivable mainly pertains to interest receivable on deposits maintained with the Accountant-General's Department (AGD) of the Ministry of Finance under the Whole-of-Government Centralised Liquidity Management (CLM).

The movement in allowance for expected credit losses (ECL) of trade receivables computed based on lifetime ECL is as follows:

	2022/2023	2021/2022
	S\$'000	S\$'000
As at 1 April	37	50
Amount reversed during the financial year	(6)	(13)
As at 31 March	<u>31</u>	<u>37</u>

10. Trade And Other Payables

	AS AT 31 MARCH 2023	AS AT 31 MARCH 2022
	S\$'000	S\$'000
Trade payables	17,310	11,357
Other payables	4,627	3,804
Provision for unconsumed leave	1,068	1,416
	23,005	16,577

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

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

The movement in provision for unconsumed leave is as follows:

	2022/2023	2021/2022
	S\$'000	S\$'000
As at 1 April	1,416	1,447
Net amount (utilised)/provided during the financial year	(348)	(31)
As at 31 March	1,068	1,416

11. Leases

The Authority has lease contracts for office premises, booth and kiosk spaces.

The Authority also has certain leases of computer equipment and office equipment with low value. The Authority applies the 'lease of low-value assets' recognition exemption for these leases.

(A) NET BOOK VALUE OF RIGHT-OF-USE ASSETS CLASSIFIED WITHIN PROPERTY, PLANT AND EQUIPMENT

	2022/2023	2021/2022
	S\$'000	S\$'000
As at 1 April	21,895	1,467
Additions (Note 5)	55	24,021
Depreciation (Note 5)	(2,688)	(3,593)
As at 31 March	19,262	21,895

(B) LEASE LIABILITIES

The carrying amounts of lease liabilities and the movements during the year are disclosed as follows:

	2022/2023	2021/2022
	S\$'000	S\$'000
As at 1 April	21,788	1,473
Additions	55	23,438
Interest expenses on lease liabilities (Note 22)	492	445
Payment of lease liabilities	(2,945)	(3,568)
As at 31 March	19,390	21,788
Amount payable within one year	2,519	2,432
Amount payable after one year	16,871	19,356

The additions to lease liabilities in 2022/2023 pertain to the contract with the Inland Revenue Authority of Singapore for lease of booth and kiosk spaces.

(C) AMOUNTS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME

	2022/2023	2021/2022
	S\$'000	S\$'000
Depreciation of right-of-use assets	2,688	3,593
Interest expenses on lease liabilities (Note 22)	492	445
Expense relating to leases of low-value assets	256	231
Total amount recognised in Statement of Comprehensive Income	3,436	4,269

(D) TOTAL CASH OUTFLOW

The Authority had total cash outflows for leases of S\$3,200,593 in 2022/2023 (2021/2022: S\$3,798,823).

(E) MATURITY ANALYSIS OF LEASE LIABILITIES

The following are the remaining maturities of lease liabilities based on contractual undiscounted cash flows:

	2022/2023	2021/2022
	S\$'000	S\$'000
Within one year	2,951	2,922
Between one and five years	11,694	11,688
More than five years	6,445	9,367
Total	21,090	23,977

12. Contribution to Government Consolidated Fund

The contribution to the Government Consolidated Fund is made in accordance with section 3 of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989. Under this Act, the Minister for Finance has the authority to prescribe the contributions to be made by the statutory boards in respect of their annual accounting surplus as well as their past accumulated surplus in lieu of income tax.

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

	2022/2023	2021/2022
	S\$'000	S\$'000
As at 1 April	2,450	1,655
Amount provided during the financial year:		
Contribution at 17% of the surplus (2021/2022: 17%)	3,715	2,450
Amount paid during the financial year	(2,450)	(1,655)
As at 31 March	3,715	2,450

13. Deferred Income

	2022/2023	2021/2022
	S\$'000	S\$'000
As at 1 April	307	-
Deferred income received during the financial year	-	745
Amortisation of deferred income (Note 19)	(307)	(438)
As at 31 March	-	307

Deferred income pertains to fees received in advance for services to be rendered to the Singapore Accountancy Commission.

14. Deposits

Deposits comprise security deposits placed by information service providers.

	AS AT	AS AT
	31 MARCH 2023	31 MARCH 2022
	S\$'000	S\$'000
Security deposits	40	40
	40	40

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

15. Provision for Pension

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

	2022/2023	2021/2022
	S\$'000	S\$'000
As at 1 April	405	430
Amount recognised in the Statement of Comprehensive Income	9	(9)
Amount paid during the financial year	(16)	(16)
As at 31 March	398	405
Amount payable within one year	16	16
Amount payable after one year	382	389

There are no pensionable employees in service. Pension obligation is calculated based on the monthly pension allowance to retired pensionable employees and life expectancy of 86 years (2021/2022: 86 years). The discount rates used in determining the present value of pension obligations as at 31 March 2023 ranges from 2.56% to 2.83% depending on the tenure of the obligation (2021/2022: 2.54% to 2.60%).

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

	2022/2023	2021/2022
	S\$'000	S\$'000
Staff cost		
Interest cost	11	11
Other comprehensive income	(2)	(20)
Actuarial gain due to changes in financial assumptions	9	(9)

16. Provision for Costs of Dismantlement, Removal or Restoration

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

	2022/2023	2021/2022
	S\$'000	S\$'000
As at 1 April	583	407
Amount provided during the financial year	-	769
Amount used during the financial year	-	(593)
As at 31 March	583	583
Amount payable within one year	-	-
Amount payable after one year	583	583

17. Deferred Capital Grants

	2022/2023	2021/2022
	S\$'000	S\$'000
As at 1 April	357	432
Capital grants	888	-
Amortisation of deferred capital grants (Note 24)	(255)	(75)
As at 31 March	990	357

The deferred capital grants pertain to assets received from the Monetary Authority of Singapore.

As at 31 March 2023, capital grants related to assets amounting to S\$144,727 were receivable from the Monetary Authority of Singapore (31 March 2022: S\$169,884).

18. Income

(A) DISAGGREGATION OF REVENUE

	TIMING OF RECOGNITION					
	AT A POINT IN TIME	OVER TIME	TOTAL	AT A POINT IN TIME	OVER TIME	TOTAL
	2022/23	2022/23	2022/23	2021/22	2021/22	2021/22
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company incorporation and related fees	41,975	-	41,975	39,537	-	39,537
Information service fees	7,195	10,933	18,128	6,820	9,888	16,708
Agency Fees	-	24,220	24,220	-	16,100	16,100
Business registration and related fees	6,846	-	6,846	6,229	-	6,229
Variable capital company incorporation and related fees	3,652	-	3,652	2,660	-	2,660
Public accountant registration and related fees	1,258	637	1,895	1,253	920	2,173
Corporate service provider registration and related fees	1,082	-	1,082	774	-	774
Total	62,008	35,790	97,798	57,273	26,908	84,181

(B) AGENCY FEES

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

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

The collection of the above sums during the financial year amounting to S\$16,812,480 (2021/2022: S\$13,442,223) was not reported as part of the Authority's income. In return, the Authority received Agency Fee of S\$20,700,000 (2021/2022: S\$14,000,000) from the Ministry of Finance (MOF) for being an agent of the Government in the collection of composition sums and penalties. Agency fees receivable from MOF as at 31 March 2023 were S\$1,725,000 (31 March 2022: S\$1,166,663).

The Authority received an Agency Fee of S\$3,520,000 (2021/2022: S\$2,100,000) from the Prime Minister's Office (PMO) for sharing data with Government Agencies during the financial year. Agency fees receivable from PMO as at 31 March 2023 were NIL (31 March 2022: S\$350,000).

19. Other Income

	2022/2023	2021/2022
	S\$'000	S\$'000
Interest income	3,311	524
Amortisation of deferred income (Note 13)	307	438
Training fees	112	80
Others	1,821	1,370
	5,551	2,412

The interest income mainly pertains to interest earned on deposits under the Whole-of-Government Centralised Liquidity Management (CLM) maintained with the Accountant-General's Department (AGD) of the Ministry of Finance.

20. Staff Costs

	2022/2023	2021/2022
	S\$'000	S\$'000
Salaries and other costs	27,480	26,514
CPF contributions	3,191	3,120
	30,671	29,634

21. Services

Included in services are the following:

	2022/2023	2021/2022
	S\$'000	S\$'000
Computer service charges	19,591	16,653
Professional and consultancy fees	6,277	4,691
Statutory audit fees	307	285

22. Other Expenditure

Included in other expenditure are the following:

	2022/2023	2021/2022
	S\$'000	S\$'000
Non-recoverable GST expenses	2,379	1,840
Remittance in relation to Monetary Authority of Singapore's funding	1,938	1,125
Commission and related fees	809	707
Interest expenses on lease liabilities (Note 11)	492	445
Postage and other related expenses	140	153
Renovation Costs expensed off	7	1,384

23. Rental, Maintenance and Supplies

	2022/2023	2021/2022
	S\$'000	S\$'000
Maintenance	7,687	2,065
Utilities and office supplies	110	137
Rental	9	29
	7,806	2,231

24. Government Grants

	2022/2023	2021/2022
	S\$'000	S\$'000
Operating grants	2,533	1,610
Amortisation of deferred capital grants (Note 17)	255	75
	2,788	1,685

25. Dividends Paid

	2022/2023	2021/2022
	S\$'000	S\$'000
Dividend paid in respect of the previous financial year	9,874	-

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

26. Commitments

(A) CAPITAL COMMITMENTS

Capital commitments for development projects which have been approved and contracted but not provided for in the financial statements as at 31 March 2023 were S\$66,857,091 (31 March 2022: S\$3,019,854).

(B) OPERATING LEASE COMMITMENTS AS LESSEE

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

	2022/2023	2021/2022
	S\$'000	S\$'000
Not later than one year	98	21
Between one and three years	167	5
As at 31 March	<u>265</u>	<u>26</u>

27. Related Party Transactions

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

	2022/2023	2021/2022
	S\$'000	S\$'000
(a) Purchases of goods and services from Government Technology Agency	12,936	8,018
(b) Lease and other payments to Inland Revenue Authority of Singapore	3,594	3,114
(c) Services to Singapore Accountancy Commission	1,336	1,247
(d) Government grants from Prime Minister's Office	2,228	1,195

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

	2022/2023	2021/2022
	S\$'000	S\$'000
(e) Composition sums and penalties due to Ministry of Finance	2,105	1,094

27.3 Compensation of key management personnel:

	2022/2023	2021/2022
	S\$'000	S\$'000
(f) Salaries and other short-term employee benefits	4,565	4,175
(g) CPF contributions	191	197
(h) Board members' allowances	171	172

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

28. FINANCIAL RISK MANAGEMENT

(A) CREDIT RISK

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

(B) LIQUIDITY RISK

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

(C) INTEREST RATE RISK

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

(D) CURRENCY RISK

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

(E) CAPITAL RISK

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

29. Subsequent Events

With the passing of the Accountancy Functions (Consolidation) Act 2022, the Authority (ACRA), the Singapore Accountancy Commission (SAC) and the Accounting Standards Council (ASC) merged under one entity with effect from 1 April 2023. The merged entity took on the name of the Authority.

All the business and undertakings and all rights and obligations of the SAC and ASC were transferred and vested in the Authority on 1 April 2023. The assets and liabilities will be transferred at their net book value, with a corresponding amount credited to the Authority's other reserve account.

30. Comparative Figures

30.1 Certain comparative figures have been reclassified to conform to current year presentation.

30.2 With effect from 1 September 2021, monies can no longer be placed by the secretarial, law and accounting firms with the Authority for transactions. As such monies placed have to be refunded to the firms, the deposits have been reclassified to Trade and Other Payables to better represent the nature of the payables.

	AS RESTATED	AS PREVIOUSLY
	AS AT	DISCLOSED
	31 MARCH 2022	AS AT
	S\$'000	31 MARCH 2022
	S\$'000	S\$'000
Deposits		
Monies placed with the Authority	-	78
Trade and Other Payables		
Trade payables	78	-