10 years of Serving the Business Community

FINANCIAL STATEMENTS 2013/2014

ACRA
Accounting And Corporate
Regulatory Authority

Contents

STATEMENT BY THE ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

In our opinion, the accompanying financial statements of the Accounting and Corporate Regulatory Authority (the "Authority") as set out on pages 5 to 28 are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2014, and the results, changes in equity and cash flows of the Authority for the financial year then ended.

On behalf of the Authority

LIM SOO HOON
Chairman

KENNETH YAP YEW CHOH
Chief Executive

Singapore
30 June 2014

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

For the financial year ended 31 March 2014

REPORT ON THE FINANCIAL STATEMENTS

The accompanying financial statements of the Accounting and Corporate Regulatory Authority (the "Authority"), set out on pages 5 to 28, have been audited under my direction. These financial statements comprise the statement of financial position as at 31 March 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In my opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2014 and the results, changes in equity and cash flows of the Authority for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Management's Responsibility for Compliance with Legal and Regulatory Requirements
The management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditor's Responsibility
My responsibility is to express an opinion on management's compliance based on the audit of the financial statements. The audit was conducted in accordance with Singapore Standards on Auditing. Those standards require that the compliance audit be planned and performed to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

A compliance audit includes obtaining an understanding of the internal 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 entity's internal controls. Because of the inherent limitations in any accounting and internal control system, non-compliance may nevertheless occur and not be detected.

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

Opinion
In my opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the financial year are, in all material respects, in accordance with the provisions of the Act; and

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

TAN YOKE MENG WILLIE
Auditor-General
Singapore

30 June 2014

STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Note	2013/14 S$	2012/13 S$
Capital and reserves			
Share capital	4	8,601,000	8,601,000
Accumulated surplus		159,752,267	145,525,154
		168,353,267	154,126,154
Represented by:			
Non-current assets			
Property, plant and equipment	5	8,982,267	8,027,259
Intangible assets	6	360,710	713,289
Development projects-in-progress	7	8,738,307	3,995,728
		18,081,284	12,736,276
Current assets			
Inventories	8	25,721	37,907
Trade and other receivables	9	1,908,791	1,700,772
Cash and cash equivalents	10	166,477,170	153,521,783
		168,411,682	155,260,462
Current liabilities			
Trade and other payables	11	(11,566,193)	(6,638,114)
Fees received in advance		(557,622)	(542,929)
Deposits	12	(2,070,234)	(1,878,545)
Provision for pension	14	(138,285)	(2,588)
Provision for contribution to Government Consolidated Fund	15	(2,913,987)	(3,859,668)
		(17,246,321)	(12,921,844)
Net current assets		151,165,361	142,338,618
Non-current liabilities			
Provision for costs of dismantlement, removal or restoration	13	(559,000)	(559,000)
Provision for pension	14	(334,378)	(389,740)
		168,353,267	154,126,154

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

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2014

	Note	2013/14 S$	2012/13 S$
Income			
Company registration and related fees		22,570,558	20,439,931
Fines and penalties		19,349,893	17,008,830
Information service fees		12,867,182	12,067,312
Business registration and related fees		5,336,732	5,047,540
Public accountants registration and related fees		1,217,555	1,840,871
Other income	16	1,728,757	1,390,266
		63,070,677	57,794,750
Expenditure			
Staff costs	17	(18,579,910)	(15,803,293)
Services	18	(9,635,357)	(8,876,834)
Rental, maintenance and supplies	19	(5,892,673)	(4,194,086)
Depreciation of property, plant and equipment	5	(3,427,948)	(2,606,048)
Amortisation of intangible assets	6	(412,099)	(406,705)
Other expenditure	20	(7,936,075)	(3,196,629)
		(45,884,062)	(35,083,595)
Surplus before contribution to Government Consolidated Fund		17,186,615	22,711,155
Contribution to Government Consolidated Fund	15	(2,921,725)	(3,860,897)
Net surplus for the financial year		14,264,890	18,850,258
Other Comprehensive Income/(Expense)			
Items that will not be reclassified subsequently to Income or Expenditure			
Actuarial loss on pension obligations	14	(45,515)	(7,228)
Contribution to Government Consolidated Fund relating to Other Comprehensive Income/(Expense)	15	7,738	1,229
Other Comprehensive Expense for the financial year		(37,777)	(5,999)
Total Comprehensive Income for the financial year		14,227,113	18,844,259

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

	Share capital S$	Accumulated surplus S$	Total S$
Balance as at 1 April 2012	8,601,000	126,680,895	135,281,895
Net Surplus for the financial year	-	18,850,258	18,850,258
Other Comprehensive Expense	-	(5,999)	(5,999)
Balance as at 31 March 2013	8,601,000	145,525,154	154,126,154
Net Surplus for the financial year	-	14,264,890	14,264,890
Other Comprehensive Expense	-	(37,777)	(37,777)
Balance as at 31 March 2014	8,601,000	159,752,267	168,353,267

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	Note	2013/14 S$	2012/13 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
Total Comprehensive Income before contribution to Government Consolidated Fund		17,141,100	22,703,927
Adjustments for:			
Depreciation of property, plant and equipment	5	3,427,948	2,606,048
Amortisation of intangible assets	6	412,099	406,705
(Gain)/Loss on disposal of property, plant and equipment	20	1,813	(6,935)
Write-back of provision	15	-	(36,711)
Development projects expensed off	7	63,949	43,028
Provision for pension	14	82,923	87,233
Interest income	16	(654,653)	(510,687)
Surplus before working capital changes		20,475,179	25,292,608
Changes in working capital:			
Decrease in inventories		12,186	10,269
Increase in trade and other receivables		(108,521)	(402,770)
Increase in trade and other payables		160,836	280,707
Increase in fees received in advance		14,693	9,989
Increase in deposits		191,689	38,372
Cash generated from operations		20,746,062	25,229,175
Pension paid	14	(2,588)	(390,733)
Contribution to Government Consolidated Fund	15	(3,859,668)	(3,366,594)
Net cash from operating activities		16,883,806	21,471,848

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

	Note	2013/14 S$	2012/13 S$
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		555,155	554,611
Payment for purchase of property, plant and equipment		(60,689)	(136,609)
Proceeds from disposal of property, plant and equipment		-	2,134
Payment for development projects		(4,422,885)	(4,895,532)
Net cash used in investing activities		(3,928,419)	(4,475,396)
Net increase in cash and cash equivalents		12,955,387	16,996,452
Cash and cash equivalents as at beginning of financial year	10	153,521,783	136,525,331
Cash and cash equivalents as at end of financial year	10	166,477,170	153,521,783

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

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

The financial statements were approved by the members of the Board of the Authority on 30 June 2014.

1. GENERAL

The Accounting and Corporate Regulatory Authority ("the Authority") was established on 1 April 2004 under the Accounting and Corporate Regulatory Authority Act (Chapter 2A, 2005 Revised Edition) and is under the purview of the Ministry of Finance. As a statutory board, the Authority is subject to the directions of the Ministry of Finance and is required to implement policies and policy changes as determined by the Ministry of Finance and other Government Ministries such as the Prime Minister's Office from time to time.

The principal activities of the Authority are:

a) to administer the Accountants Act (Chapter 2, 2005 Revised Edition), Business Registration Act (Chapter 32, 2004 Revised Edition), Companies Act (Chapter 50, 2006 Revised Edition), Limited Liability Partnerships Act (Chapter 163A, 2006 Revised Edition) and Limited Partnerships Act (Chapter 163B, 2010 Revised Edition);

b) to report and make recommendations to, and advise the Government on matters relating to the registration and regulation of business entities and public accountants;

c) to establish and administer a repository of documents and information relating to business entities and public accountants and to provide access to the public to such documents and information;

d) to represent the Government internationally in respect of matters relating to the registration and regulation of business entities and public accountants;

e) to promote public awareness about new business structures, compliance requirements, corporate governance practices and any other matters under the purview of the Authority;

f) to provide a responsive and forward-looking regulatory environment for business entities and public accountants conducive to enterprise in Singapore;

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 (Chapter 2A, 2005 Revised Edition).

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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

The financial statements are presented in Singapore dollars (S$) which is also the functional currency. They are presented on the historical cost basis except for certain financial assets and liabilities as disclosed in the accounting policies below.

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

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

Interpretations and amendments to published standards effective in 2013

The new or amended SB-FRS and Interpretations to SB-FRS mandatory for application did not have any material impact on the Authority's financial statements except for the following:

From 1 April 2013, as a result of the amendments to SB-FRS 1 *Presentation of Financial Statements*, the Authority has modified the presentation of items of other comprehensive income or expense in its Statement of Comprehensive Income, to present separately items that will not be reclassified subsequently to Income or Expenditure in the future. Comparative figures have also been adjusted accordingly.

New or revised accounting standards and interpretations not yet effective

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Authority's accounting periods beginning on or after 1 January 2014 or later periods and which the Authority has not early adopted. The Authority anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the Authority's financial statements.

b) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Projected 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 charged to the Statement of Comprehensive Income during the financial year in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Assets costing less than S$2,000 per item are charged to the Statement of Comprehensive Income in the year of purchase.

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

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

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

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

c) Intangible assets and amortisation

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

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

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

d) Development projects-in-progress

Development projects-in-progress relate to projects on computer systems. No depreciation or amortisation is provided for development projects-in-progress until they are transferred to property, plant and equipment or intangible assets.

e) Impairment of non-financial assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

f) Trade and other receivables

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

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

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

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

g) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances 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 reporting period approximate their fair values and are not expected to be significantly different from the values that would eventually be settled.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i) Provisions

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

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

j) Income recognition

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

Income from fines and penalties is recognised at the point of collection of the settlements.

Information service fees are recognised when information is provided.

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

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

k) Employee benefits

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

(ii) Employees' leave entitlements
Employees' entitlements to annual leave are recognised when they accrue to the employees. A provision is made for leave earned by the employees as a result of services rendered up to the end of the reporting period.

(iii) Pension benefits
Provision for pension is made for the payment of pension benefits to pensionable officers under the provisions of the Pensions Act (Chapter 225, 2004 Revised Edition). The cost of pension benefits due to pensionable officers is determined based on the discounted present value of expected payouts to be made by the Authority in respect of services provided by these pensionable officers up to the end of the reporting period. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the tenure of the related pension obligation. Any actuarial gain or loss arising from the valuation of pension provision is immediately recognised as other comprehensive income or expense not reclassified subsequently to Income or Expenditure.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

l) Operating leases

Leases of rental of office premises and computer equipment where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are taken to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

m) Inventories

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

a) Estimated impairment of non-financial assets

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

b) Impairment of trade and other receivables

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

In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

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

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

4. SHARE CAPITAL

The 8,601,000 shares are fully paid and held by the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act (Chapter 183, 2014 Revised Edition). The shares have no par value.

5. PROPERTY, PLANT AND EQUIPMENT

2013/14	Furniture and fittings S$	Micrographic equipment S$	Audio visual equipment S$	Office equipment S$	Computer hardware and system S$	Total S$
Cost						
As at 1 April 2013	2,226,242	139,111	107,036	715,131	17,259,973	20,447,493
Additions	4,817	-	-	32,911	22,961	60,689
Transferred from Development projects-in-progress	-	-	-	-	4,324,080	4,324,080
Disposals	(6,658)	(26,304)	(1,900)	(581)	(548,095)	(583,538)
As at 31 March 2014	2,224,401	112,807	105,136	747,461	21,058,919	24,248,724
Accumulated Depreciation As at 1 April 2013	796,024	66,861	84,512	479,414	10,993,423	12,420,234
Depreciation for the financial year	274,187	13,532	9,957	115,134	3,015,138	3,427,948
Disposals	(4,845)	(26,304)	(1,900)	(581)	(548,095)	(581,725)
As at 31 March 2014	1,065,366	54,089	92,569	593,967	13,460,466	15,266,457
Net Book Value As at 31 March 2014	1,159,035	58,718	12,567	153,494	7,598,453	8,982,267

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

2012/13	Furniture and fittings S$	Micrographic equipment S$	Audio visual equipment S$	Office equipment S$	Computer hardware and system S$	Total S$
Cost						
As at 1 April 2012	1,942,210	87,251	99,786	656,732	17,236,312	20,022,291
Projected costs of dismantlement, removal or restoration	26,000	-	-	-	-	26,000
Additions	-	51,860	-	21,299	63,450	136,609
Adjustment	30,680	-	-	-	-	30,680
Transferred from Development projects-in-progress	227,352	-	7,250	43,600	2,280	280,482
Disposals	-	-	-	(6,500)	(42,069)	(48,569)
As at 31 March 2013	2,226,242	139,111	107,036	715,131	17,259,973	20,447,493
Accumulated Depreciation						
As at 1 April 2012	460,487	59,271	75,306	385,243	8,856,569	9,836,876
Depreciation for the financial year	298,222	7,590	9,575	108,469	2,182,192	2,606,048
Adjustment	37,315	-	(369)	(7,798)	(3,269)	25,879
Disposals	-	-	-	(6,500)	(42,069)	(48,569)
As at 31 March 2013	796,024	66,861	84,512	479,414	10,993,423	12,420,234
Net Book Value						
As at 31 March 2013	1,430,218	72,250	22,524	235,717	6,266,550	8,027,259

6. INTANGIBLE ASSETS

	2013/14 S$	2012/13 S$
Cost		
As at 1 April	6,230,039	6,217,829
Transferred from Development projects-in-progress	59,520	12,210
As at 31 March	6,289,559	6,230,039
Accumulated amortisation		
As at 1 April	5,516,750	5,110,045
Amortisation for the financial year	412,099	406,705
As at 31 March	5,928,849	5,516,750
Net book value as at 31 March	360,710	713,289

All intangible assets are internally-developed applications relating to the operations of the Authority and with a remaining amortisation period ranging from 1 to 5 years (2012/13: 1 to 2 years).

7. DEVELOPMENT PROJECTS-IN-PROGRESS

	2013/14 S$	2012/13 S$
Cost		
As at 1 April	3,995,728	246,755
Expenditure incurred	9,190,128	4,084,693
Development projects expensed off	(63,949)	(43,028)
Transferred to Intangible assets	(59,520)	(12,210)
Transferred to Property, plant and equipment	(4,324,080)	(280,482)
As at 31 March	8,738,307	3,995,728

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

8. INVENTORIES

	2013/14 S$	2012/13 S$
Guidebooks	25,721	37,907

The cost of inventories sold is recognised as an expense and included in the expenditure on Services amounting to S$12,186 (2012/13: S$10,269).

9. TRADE AND OTHER RECEIVABLES

	2013/14 S$	2012/13 S$
Trade receivables	1,500,850	1,393,226
Prepayment	58,025	57,128
Interest income receivable	349,916	250,418
As at 31 March	1,908,791	1,700,772

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

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and at banks 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 Whole-of-Government Centralised Liquidity Management (CLM) and Statutory Board Approved Funds Scheme. The effective interest rate of deposits placed with AGD under CLM is 0.68% (2012/13: 0.66%) per annum. There is no interest earned on deposits of S$59,573,710 (2012/13: S$65,537,446) placed under Statutory Board 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

10. CASH AND CASH EQUIVALENTS (Cont'd)

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

	2013/14 S$	2012/13 S$
Cash on hand and at banks	246,765	456,145
Deposits maintained with AGD	166,230,405	153,065,638
As at 31 March	166,477,170	153,521,783

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

Under the deposits maintained with AGD are 4 funds set up under the Statutory Board Approved Funds Scheme set aside from the Authority's accumulated surplus. The balances and the purposes of the funds are as follows:

	2013/14 S$	2012/13 S$
IT - Capability Development Fund	24,844,178	27,537,446
Accountancy Development Fund	11,833,608	15,000,000
ACRA XBRL Facilitation Fund	14,901,521	15,000,000
Business Competency Development Fund	7,994,403	8,000,000
	59,573,710	65,537,446

IT - Capability Development Fund *caters to the development of IT infrastructure and capabilities to provide a trusted regulatory environment for the business community.*

Accountancy Development Fun*d supports areas relating to the Singapore Qualification Programme as well as promoting high quality financial reporting, audit quality and corporate governance.*

ACRA XBRL Facilitation Fund *supports the use of technology to facilitate submission of eXtensible Business Reporting Language ("XBRL") financial statements and XBRL data exchanges with a view to provide value-added business information as a service offering to the business community.*

Business Competency Development Fund *aims to boost the regulatory knowledge base and competency of the business community and raise the level of corporate compliance in Singapore.*

11. TRADE AND OTHER PAYABLES

	2013/14 S$	2012/13 S$
Trade payables	10,314,423	5,069,914
Other payables	609,339	1,052,237
Provision for unconsumed leave	642,431	515,963
As at 31 March	11,566,193	6,638,114

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 reporting period.

The movement in provision for unconsumed leave is as follows:

	2013/14 S$	2012/13 S$
As at 1 April	515,963	518,769
Net amount provided/(utilised) during the financial year	126,468	(2,806)
As at 31 March	642,431	515,963

12. DEPOSITS

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

	2013/14 S$	2012/13 S$
Security deposits	30,643	17,475
Deposits placed with the Authority	2,039,591	1,861,070
As at 31 March	2,070,234	1,878,545

13. 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.

	2013/14 S$	2012/13 S$
As at 1 April	559,000	533,000
Amount provided during the financial year	-	26,000
As at 31 March	559,000	559,000

14. PROVISION FOR PENSION

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

	2013/14 S$	2012/13 S$
As at 1 April	392,328	695,828
Amount provided during the financial year	82,923	87,233
Amount paid during the financial year	(2,588)	(390,733)
As at 31 March	472,663	392,328
Amount payable within one year	138,285	2,588
Amount payable after one year	334,378	389,740

The pension obligation is calculated based on the last drawn salary and the number of years of service. The discount rate used in determining the present value of pension obligations as at 31 March 2014 is 2.61% (2012/13: 1.87%) per annum for obligations with tenure longer than 3 years and 0.39% (2012/13: 0.22%) per annum for obligations with tenure shorter than 3 years.

14. PROVISION FOR PENSION (Cont'd)

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

	2013/14 S$	2012/13 S$
Staff Cost		
Interest cost	5,240	5,852
Current service cost	32,168	74,153
Other Comprehensive Expense		
Actuarial loss	45,515	7,228
	82,923	87,233

15. PROVISION FOR CONTRIBUTION TO GOVERNMENT CONSOLIDATED FUND

The provision comprises contribution to the Government Consolidated Fund made in accordance with section 3 of the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A, 2004 Revised Edition) which is based on 17% (2012/13: 17%) of the surplus for the financial year.

	2013/14 S$	2012/13 S$
As at 1 April	3,859,668	3,403,305
Amount provided during the financial year	2,913,987	3,859,668
Write-back of provision	-	(36,711)
Amount paid during the financial year	(3,859,668)	(3,366,594)
As at 31 March	2,913,987	3,859,668

16. OTHER INCOME

Other income includes interest income of S$654,653 (2012/13: S$510,687).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

17. STAFF COSTS

	2013/14 S$	2012/13 S$
Salaries and other costs	16,759,736	14,272,166
CPF contributions	1,820,174	1,531,127
	18,579,910	15,803,293

18. SERVICES

Included in the expenditure on Services are the following:

	2013/14 S$	2012/13 S$
Computer service charges	7,414,381	6,636,987
Consultancy fees	1,601,425	1,675,914
Audit fees	363,540	352,950

19. RENTAL, MAINTENANCE AND SUPPLIES

	2013/14 S$	2012/13 S$
Maintenance	3,434,527	1,854,438
Rental	2,015,229	1,990,892
Utilities and office supplies	442,917	348,756
	5,892,673	4,194,086

20. OTHER EXPENDITURE

Included in Other Expenditure are the following:

	2013/14 S$	2012/13 S$
Expenses incurred under Accountancy Development Fund	3,858,313	-
Non-recoverable GST expenses	1,236,248	963,438
Commission and related fees	704,766	638,363
Postage and other related expenses	434,231	531,784
Conference and other related expenses	384,129	279,896
Overseas travelling expenses	281,776	206,121
Expenses incurred under ACRA XBRL Facilitation Fund	100,566	-
Loss/(Gain) on disposal of property, plant and equipment	1,813	(6,935)

21. COMMITMENTS

a) Capital commitments

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

	2013/14 S$	2012/13 S$
Property, plant and equipment	17,487,762	25,076,032
Intangible assets	-	59,869
As at 31 March	17,487,762	25,135,901

21. COMMITMENTS (Cont'd)

b) Operating lease commitments

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

	2013/14 S$	2012/13 S$
Amount due within one year	1,473,781	2,264,181
Amount due within two to three years	-	1,698,136
As at 31 March	1,473,781	3,962,317

In 2012/13, these included S$523,495 arising from a lease agreement previously entered into by the Authority on behalf of the Singapore Accountancy Commission ("SAC").

Following the establishment of SAC on 1 April 2013, a novation agreement was signed on 16 May 2013 to transfer the obligation from the Authority to SAC.

22. RELATED PARTY TRANSACTIONS

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

	2013/14 S$	2012/13 S$
a) Purchases of goods and services from Infocomm Development Authority of Singapore	3,793,573	2,523,828
b) Expenses incurred on behalf of Singapore Accountancy Commission and recovered from Ministry of Finance	-	4,037,685
c) Funding support to Singapore Accountancy Commission under Accountancy Development Fund	3,858,313	-

d) On 14 February 2013, the Authority undertook to provide S$10 million funding to the Singapore Accountancy Commission via the Accountancy Development Fund [Note 10] over 3 years with effect from 2013/14. At the end of the reporting period, the outstanding commitment is S$6,141,687 (2012/13: S$10 million).

22. RELATED PARTY TRANSACTIONS (Cont'd)

	2013/14 S$	2012/13 S$
e) Compensation of key management personnel		
Salaries and other short-term employee benefits	2,363,039	2,161,334
CPF contributions	100,880	85,735
Board mem bers' allowances	157,364	164,625

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.

23. CONTINGENT ASSET

The Authority is claiming liquidated damages against a vendor under an IT contract. It is not possible to reasonably determine the extent and timing of possible inflow of economic benefits.

This claim is not recognised in the financial statements.

24. FINANCIAL RISK MANAGEMENT

a) Credit Risk

The Authority's exposure to credit risk arises from customers and financial institutions. Concentration of credit risk relating to trade receivables is limited due to its varied customers. Cash and deposits are placed with Accountant-General's Department under Whole-of-Government Centralised Liquidity Management and Statutory Board Approved Funds Scheme as well as high credit quality financial institutions. Credit risk is thus minimised. The maximum exposure at the end of the financial year, in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the statement of financial position.

b) Liquidity Risk

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

24. FINANCIAL RISK MANAGEMENT (Cont'd)

c) Interest Rate Risk

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

d) Currency Risk

The Authority is not subject to any foreign exchange exposure.

e) Capital Risk

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

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

25. SUBSEQUENT EVENT

The Accounting and Corporate Regulatory Authority (Amendment) Bill 2014 was passed in Parliament on 14 April 2014. The Bill stipulated that monies which are collected by the Authority from penalties and composition sums are to be paid into the Government Consolidated Fund.

Following the passing of the Bill, the Authority may be required by the Minister to channel part of its fines revenue collected in the past to the Government Consolidated Fund. Under Section 3 of the Statutory Corporation (Contribution to Consolidated Fund) Act, the Minister may, by notice in writing, require any specified statutory corporation to pay into the Consolidated Fund within the period specified in the notice the whole or part of the amount in the funds of that statutory corporation which, in the opinion of the Minister, is not required for performing its functions and duties. The estimated amount to be paid into the Consolidated Fund is S$28 million.

26. COMPARATIVES

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

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

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