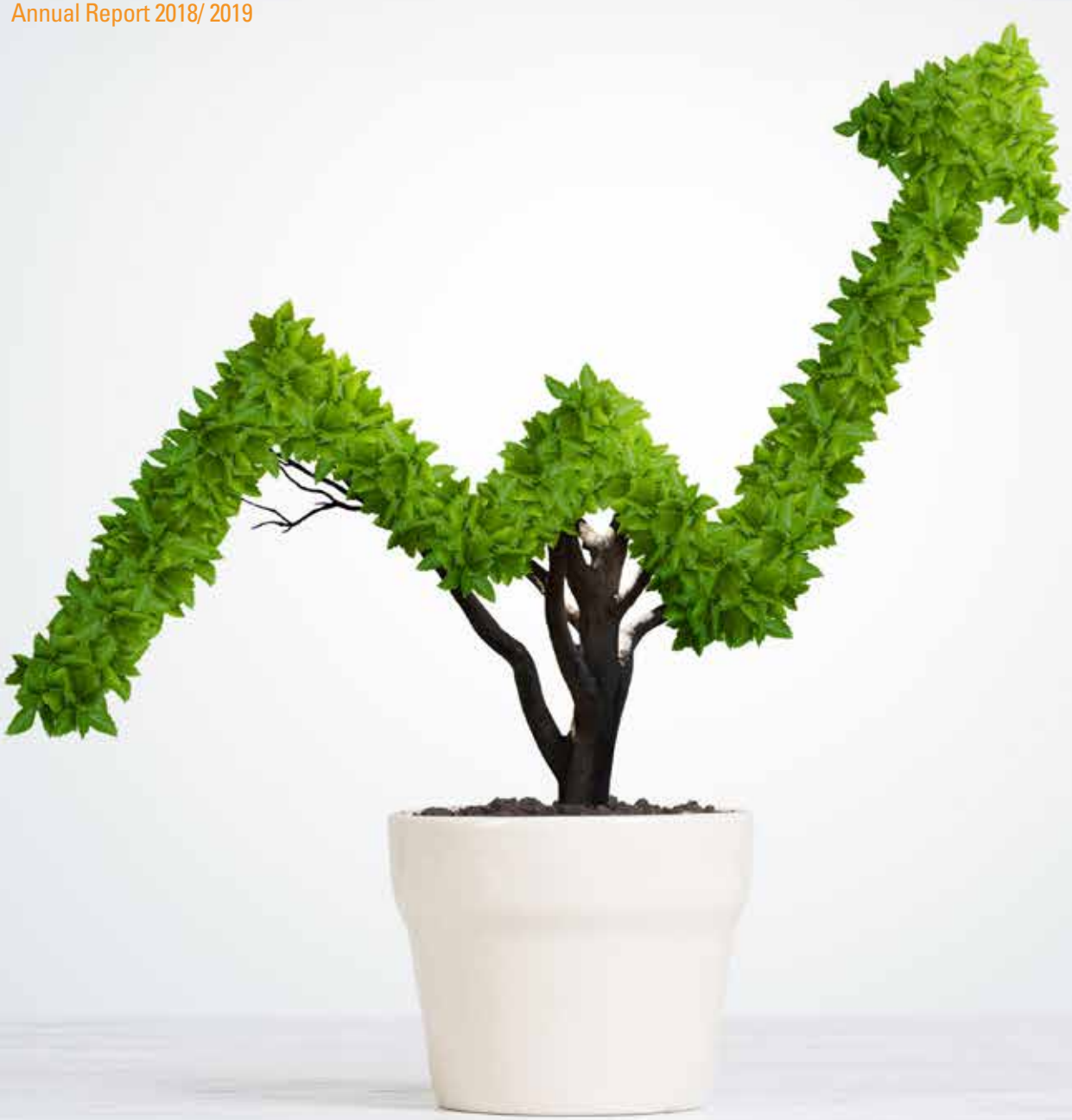
FINANCIAL STATEMENTS

Singapore Totalisator Board
Annual Report 2018/ 2019



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SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

STATEMENT BY THE SINGAPORE TOTALISATOR BOARD

In our opinion:

(a) the accompanying financial statements of the Singapore Totalisator Board (the "Board") and its subsidiaries (the "Group") as set out on pages 7 to 62 are drawn up in accordance with the provisions of Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act") and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and Board as at March 31, 2019, and the results and changes in capital and reserves of the Group and Board and cash flows of the Group for the year ended on that date;

(b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Singapore Totalisator Board Act (Chapter 305A, Revised Edition 2012) and the requirements of any other written law applicable to moneys of or managed by the Board;

(c) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise; and

(d) proper accounting records and other records of those subsidiaries incorporated in Singapore of which we are the auditors have been kept with the provisions of Singapore Companies Act, Chapter 50.

On behalf of the Board

.....
Moses Lee
Chairman

.....
Fong Yong Kian
Chief Executive

July 4, 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Singapore Totalisator Board (the "Board") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and statement of financial position of the Board as at March 31, 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in capital and reserves, the consolidated statement of cash flows of the Group and the statement of profit or loss and other comprehensive income, statement of changes in capital and reserves of the Board for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 62.

In our opinion, the accompanying consolidated financial statements of the Group and statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in capital and reserves of the Board are properly drawn up in accordance with the provisions of Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act") and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and Board as at March 31, 2019 and the results and changes in capital and reserves of the Group and of the Board and cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by The Singapore Totalisator Board, as set out on page 1, but does not include the financial statements and our auditor's report thereon.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

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

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

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Singapore Totalisator Board Act (Chapter 305A, Revised Edition 2012) and the requirements of any other written law applicable to moneys of or managed by the Board;

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

(c) proper accounting records and other records of the subsidiaries incorporated in Singapore of which we are the auditors have been kept with the provisions of Singapore Companies Act, Chapter 50.

Basis for Opinion

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

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the Singapore Totalisator Board Act (Chapter 305A, Revised Edition 2012) and the requirements of any other written law applicable to moneys of or managed by the Board. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the Singapore Totalisator Board Act (Chapter 305A, Revised Edition 2012) and the requirements of any other written law applicable to moneys of or managed by the Board.

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

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

July 4, 2019

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
March 31, 2019

	Note	Group 2019	Group 2018	Board 2019	Board 2018
		$	$	$	$
ASSETS					
Non-current assets					
Property, plant and equipment	6	481,086,608	504,362,538	306,040,247	343,717,694
Intangible assets	7	88,094,845	94,841,540	39,246	58,869
Investment in subsidiaries	8	-	-	152,569,391	152,569,391
Club memberships	9	234,400	403,250	28,800	28,800
Total non-current assets		569,415,853	599,607,328	458,677,684	496,374,754
Current assets					
Financial assets at fair value through profit or loss	10	3,418,058,343	3,436,478,511	3,418,058,343	3,436,478,511
Trade and other receivables	11	75,957,768	74,063,729	130,009,093	65,575,610
Cash and cash equivalents	12	1,329,309,126	1,244,070,642	937,238,880	952,903,225
Total current assets		4,823,325,237	4,754,612,882	4,485,306,316	4,454,957,346
Total assets		5,392,741,090	5,354,220,210	4,943,984,000	4,951,332,100
CAPITAL AND RESERVES AND LIABILITIES					
Capital and reserves					
Capital account	13	295,075,118	295,075,118	295,075,118	295,075,118
Accumulated surpluses		4,562,121,737	4,501,497,841	4,433,570,547	4,377,881,841
Total capital and reserves		4,857,196,855	4,796,572,959	4,728,645,665	4,672,956,959
Non-current liabilities					
Deferred tax liabilities	14	7,042,399	8,154,494	-	-
Deferred capital grants	15	177,941,545	188,874,977	177,941,545	188,874,977
Provision for restoration costs	16	2,899,219	4,688,542	-	4,688,542
Total non-current liabilities		187,883,163	201,718,013	177,941,545	193,563,519
Current liabilities					
Government grant received in advance	17	42,018	42,018	42,018	42,018
Trade payables		94,417,332	69,931,024	-	-
Other payables and accruals	18	233,745,525	254,157,818	25,948,651	58,290,323
Provision for restoration costs	16	3,656,354	1,867,031	-	1,867,031
Current tax payable		4,393,722	5,319,097	-	-
Provision for contribution to Consolidated Fund	19	11,406,121	24,612,250	11,406,121	24,612,250
Total current liabilities		347,661,072	355,929,238	37,396,790	84,811,622
Total liabilities		535,544,235	557,647,251	215,338,335	278,375,141
Total capital and reserves and liabilities		5,392,741,090	5,354,220,210	4,943,984,000	4,951,332,100

See accompanying notes to financial statements.

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended March 31, 2019

	Note	Group 2019	Group 2018	Board 2019	Board 2018
		$	$	$	$
Income from betting and gaming activities	20(a)	763,815,177	679,666,918	810,306,717	725,164,007
Other operating income	20(b)	33,820,576	35,028,777	35,851,820	36,524,593
Total operating income		797,635,753	714,695,695	846,158,537	761,688,600
Staff costs	20(c)	(133,415,201)	(139,437,377)	(54,466,856)	(68,821,477)
Racing and related expenses	20(d)	(84,706,096)	(86,957,741)	(80,341,405)	(86,957,741)
Depreciation of property, plant and equipment	6	(49,707,092)	(58,587,394)	(36,931,632)	(44,213,057)
General administrative expenses	20(e)	(61,401,663)	(55,589,503)	(23,499,122)	(27,075,960)
Office and property related expenses		(18,700,943)	(17,901,003)	(15,124,744)	(14,933,189)
Upkeep of property, plant and equipment		(23,138,107)	(24,774,392)	(15,708,261)	(17,609,119)
Information technology expenses		(20,572,239)	(16,513,497)	(13,364,603)	(15,806,864)
Amortisation of intangible assets	7	(13,729,460)	(9,936,142)	(19,623)	(19,623)
Agency fees	5(a)	-	-	(209,554,202)	(196,552,460)
Reimbursement of horse racing wagering operation	24	-	-	(23,421,754)	-
Total operating expenditure		(405,370,801)	(409,697,049)	(472,432,202)	(471,989,490)
Operating surplus		392,264,952	304,998,646	373,726,335	289,699,110
Non-operating income/(expenditure)					
Investment income	21	33,586,994	156,791,105	39,745,189	165,201,556
Casino entry levy		124,929,675	130,896,410	124,929,675	130,896,410
Reversal of impairment loss of club memberships	9	-	13,500	-	13,500
Amortisation of deferred capital grants	15	10,933,432	10,933,433	10,933,432	10,933,433
Gain/(Loss) on disposal of property, plant and equipment		23,292	(268,609)	23,292	23,392
Loss on disposal club membership	9	(41,223)	(2,700)	-	-
Gain from sale of betting outlets		-	-	-	38,890,720
Property related expenses		(4,518)	(6,469)	-	-
Rental and other income		1,914,461	1,927,834	-	-
Insurance claim proceeds		86,149	1,450	86,149	1,450
Others		-	760,140	5,755,623	760,140
Total non-operating surplus		171,428,262	301,046,094	181,473,360	346,720,601
Total surplus		563,693,214	606,044,740	555,199,695	636,419,711
Donations		(488,138,551)	(468,926,549)	(488,104,868)	(468,898,173)
Surplus before tax and contribution to Consolidated Fund		75,554,663	137,118,191	67,094,827	167,521,538
Tax expense	22	(3,524,646)	(3,780,976)	-	-
Surplus before contribution to Consolidated Fund		72,030,017	133,337,215	67,094,827	167,521,538

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended March 31, 2019

	Note	Group		Board	
		2019	2018	2019	2018
		$	$	$	$
Contribution to Consolidated Fund	19	(11,406,121)	(24,612,250)	(11,406,121)	(24,612,250)
Surplus for the year, representing total comprehensive income for the year		60,623,896	108,724,965	55,688,706	142,909,288

See accompanying notes to financial statements.

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN CAPITAL AND RESERVES
Year ended March 31, 2019

	Capital account	Accumulated surpluses	Total
	$	$	$
Group			
Balance at April 1, 2017	295,075,118	4,392,772,876	4,687,847,994
Total comprehensive income for the year	-	108,724,965	108,724,965
Balance at March 31, 2018	295,075,118	4,501,497,841	4,796,572,959
Total comprehensive income for the year	-	60,623,896	60,623,896
Balance at March 31, 2019	295,075,118	4,562,121,737	4,857,196,855
Board			
Balance at April 1, 2017	295,075,118	4,234,972,553	4,530,047,671
Total comprehensive income for the year	-	142,909,288	142,909,288
Balance at March 31, 2018	295,075,118	4,377,881,841	4,672,956,959
Total comprehensive income for the year	-	55,688,706	55,688,706
Balance at March 31, 2019	295,075,118	4,433,570,547	4,728,645,665

See accompanying notes to financial statements.

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended March 31, 2019

	Note	2019	2018
		$	$
Operating activities			
Surplus before tax and contribution to Consolidated Fund		75,554,663	137,118,191
Adjustments for:			
Reversal of impairment loss of club memberships	9	-	(13,500)
Amortisation of deferred capital grants	15	(10,933,432)	(10,933,433)
Amortisation of intangible assets	7	13,729,460	9,936,142
Depreciation of property, plant and equipment	6	49,707,092	58,587,394
Donations		488,138,551	468,926,549
Investment income		(33,586,994)	(156,791,105)
Loss on disposal of club memberships		41,223	2,700
Gain/(Loss) on disposal of property, plant and equipment, net		(23,292)	268,609
Operating profit before movements in working capital		582,627,271	507,101,547
Trade receivables		9,026,944	(17,201,215)
Deposits, prepayments and other receivables		(5,959,077)	(4,170,604)
Trade payables		24,486,308	11,733,275
Other payable and accruals		(14,269,569)	34,499,533
Cash generated from operations		595,911,877	531,962,536
Donations paid		(488,138,551)	(468,926,549)
Contribution to Consolidated Fund		(24,612,250)	-
Income taxes paid, net		(5,562,116)	(1,504,133)
Net cash from operating activities		77,598,960	61,531,854
Investing activities			
Disposal of financial assets at fair value through profit or loss, net		20,564,475	228,848,765
Acquisition of property, plant and equipment (Note A)		(34,878,146)	(29,166,922)
Proceeds from disposal of property, plant and equipment		62,412	51,398
Proceeds from disposal of club membership		127,627	26,600
Payment for club membership		-	(38,000)
Payment for intangible assets		(4,717,625)	-
Interest received (Note B)		13,983,688	11,696,844
Dividend received		8,628,788	7,350,930
Management fee rebate received (Note C)		3,868,305	3,332,554
Net cash from investing activities		7,639,524	222,102,169
Net increase in cash and cash equivalents		85,238,484	283,634,023
Cash and cash equivalents at beginning of year		1,244,070,642	960,436,619
Cash and cash equivalents at end of year	12	1,329,309,126	1,244,070,642

Note:

A. During the year, the Group acquired property, plant and equipment with an aggregate cost of $28,735,422 (2018 : $26,538,094) of which $1,042,592 (2018 : $7,185,316) relates to accruals and $Nil (2018 : $1,692,986) relates to payment for restoration costs during the year.

B. During the year, the Group recognised interest income of $19,059,365 (2018 : $11,938,117) of which $10,438,916 (2018 : $5,363,239) is not yet received and recorded as interest receivable.

C. During the year, the Group recognised management fee rebate income of $3,754,534 (2018 : $4,453,636) of which $829,765 (2018 : $943,536) is not yet received and recorded as management fee rebate receivable.

See accompanying notes to financial statements.

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
March 31, 2019

1 GENERAL

Singapore Totalisator Board (the "Board") was established on January 1, 1988 in the Republic of Singapore under the Singapore Totalisator Board Act (Chapter 305A, 2012 Revised Edition). The office of the Board is located at 210 Middle Road, #06-01, Singapore 188994.

As a statutory board, the Board is subject to the directions of the Ministry of Finance (the "Ministry") and is required to implement policies and policy changes as determined by the Ministry. The principal activities of the Board are those relating to operating totalisators, lotteries and other betting and gaming activities, conducting equine research and carrying on other activities for the improvement of racing generally. These activities are carried out by the Singapore Totalisator Board's two agents, the Singapore Turf Club (proprietary club of the Board) and Singapore Pools (Private) Limited (subsidiary of the Board). On January 7, 2019, Singapore Pools (Private) Limited took over the management and operations of horse betting from Singapore Turf Club (Note 24).

The principal activities of the Board's subsidiaries are set out in Note 8.

The financial statements of the Board encompass the financial statements of the Board, Singapore Turf Club and the agency operations managed by Singapore Pools (Private) Limited.

The consolidated financial statements relate to the Board and its subsidiaries (together referred to as the "Group").

The financial statements of the Group and Board for the year ended March 31, 2019 were authorised for issue by the Board Members on July 4, 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the provisions of Public Sector (Governance) Act and the Statutory Board Financial Reporting Standards (SB-FRSs). SB-FRSs includes Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General's Department.

For the purpose of the audit of the Board's compliance with Public Sector (Governance) Act in connection with the receipts, expenditure, investment of moneys and the acquisition and disposal of assets in accordance with Audit Guidance Statement 9 ("AGS 9"), the Singapore Turf Club and the agency operations managed by Singapore Pools (Private) Limited are not within the reporting scope of AGS 9.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SB-FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in SB-FRS 36 *Impairment of Assets*.

SINGAPORE TOTALISATOR BOARD
AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
March 31, 2019

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Group has adopted all the new and revised SB-FRSs and Interpretations of FRS ("INT SB-FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2018. The adoption of these new/revised SB-FRSs and INT SB-FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

SB-FRS 109 *Financial Instruments*

SB-FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The Group applied SB-FRS 109 with an initial application date of April 1, 2018. The Group has not restated the comparative information, which continues to be reported under SB-FRS 39. Effects arising from the adoption of SB-FRS 109 have been recognised directly in retained earnings, when applicable.

The significant accounting policies for financial instruments under SB-FRS 109 is as disclosed in Note 2.

(a) Classification and measurement of financial assets and financial liabilities

The Group has applied the requirements of SB-FRS 109 to instruments that have not been derecognised as at April 1, 2018 and has not applied the requirements to instruments that have already been derecognised as at April 1, 2018. The classification of financial assets is based on two criteria: the Group's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. There are no changes in classification and measurement of the Group's financial assets and financial liabilities.

(b) Impairment of financial assets

SB-FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, SB-FRS 109 requires the Group to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at FVTOCI, ii) lease receivables, iii) contract assets and iv) loan commitments and financial guarantee contracts to which the impairment requirements of SB-FRS 109 apply.

(c) General hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in SB-FRS 39. Under SB-FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on management's assessment, the application of SB-FRS 109 on April 1, 2018 has no impact on the financial position of the Group with regards to classification and measurement of financial instruments nor does it result in any additional loss allowance to be recognised upon initial application of the expected credit loss approach.

SB-FRS 115 *Revenue from Contracts with Customers*

SB-FRS 115 supersedes SB-FRS 11 *Construction Contracts*, SB-FRS 18 *Revenue* and the related interpretations. SB-FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in SB-FRS 115 to deal with specific scenarios.

Based on management's assessment, apart from providing extensive disclosures on the Group's revenue transactions, including any significant judgement and estimation made, the application of SB-FRS 115 on April 1, 2018 does not have a material impact on financial position including the opening balance of retained earnings and/or financial performance of the Group as at the same date. The Group's significant accounting policies for its revenue streams are disclosed below.

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SB-FRS 1001 *Accounting and Disclosure for Non-Exchange Revenue*

SB-FRS 1001 is effective January 1, 2018 and is applicable to the Board from annual period beginning April 1, 2018. SB-FRS 1001 provides that when a Statutory Board receives resources and provide no or nominal consideration directly in return, these are clearly non-exchange revenue transactions. Some examples of non-exchange revenue are taxes, levies, fines and penalties, donations, etc.

An inflow of resources from a non-exchange transaction that meets the definition of asset shall be recognised as revenue when:

a) the Statutory Board obtains control of the resources or has an enforceable claim to the resources;
b) it is probable that the economic benefits associated with the asset will flow to the Statutory Board; and
c) the amount of the resources flowed in can be measured reliably.

Management assessed the recognition of casino levy under SB-FRS 1001 and determined that there are no significant changes to the accounting policies relating to casino levy receivable by the Board as the requirements under SB-FRS 1001 are substantially similar with FRS 18 Revenue Recognition.

NEW AND AMENDMENTS TO SB-FRSS IN ISSUE BUT NOT YET EFFECTIVE - At the date of authorisation of these financial statements, the following new/revised SB-FRSs, and amendments to SB-FRS that are relevant to the Group were issued but not effective:

- SB-FRS 116 *Leases* [1]

[1] Effective for annual periods beginning on or after January 1, 2019.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above SB-FRSs and amendments to SB-FRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption except for the following:

SB-FRS 116 *Leases*

SB-FRS 116 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer. SB-FRS 116 will supersede the current lease guidance including SB-FRS 17 *Leases* and the related interpretation when it becomes effective.

SB-FRS 116 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

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Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, cash flows in relation to operating lease payments are currently presented as operating cash flows. Upon adoption of SB-FRS 116, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows, respectively by the Group.

Other than certain requirements which are also applicable to lessor, SB-FRS 116 substantially carries forward the lessor accounting requirements in SB-FRS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by SB-FRS 116.

As at March 31, 2019, the Group has non-cancellable opening operating lease commitments of $35,545,636, as disclosed in Note 23(b). A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of SB-FRS 116, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases. The new requirement to recognise a right-of-use asset and related lease liability is expected to have an impact on the amounts recognised in the Group's financial statements and the management is currently assessing its potential impact. It is not practical to provide a reasonable estimate of the financial effect until the management complete the review.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Board and entities controlled by the Board (its subsidiaries). Control is achieved when the Board:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Board reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Board has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Board considers all relevant facts and circumstances in assessing whether or not the Board’s voting rights in an investee are sufficient to give it power, including:

- The size of the Board’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- Potential voting rights held by the Board, other vote holders or other parties;

- Rights arising from other contractual arrangements; and

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- Any additional facts and circumstances that indicate that the Board has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Board obtains control over the subsidiary and ceases when the Board loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Board gains control until the date when the Board ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Board and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Board and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

In the Board's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with SB-FRS 39 *Financial Instruments: Recognition and Measurement*, or SB-FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SB-FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SB-FRS 12 *Income Taxes* and SB-FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SB-FRS 102 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with SB-FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets (before April 1, 2018)

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

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Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- On initial recognition, it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and SB-FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets, at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'investment income' line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 4.

Loan and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loan and receivables". Loan and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets carried at amortised costs, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets (after April 1, 2018)

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

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Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Except for debt instruments that meet the conditions for subsequent measurement at fair value through other comprehensive income, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in investment income. Fair value is determined in the manner described in Note 4(c)(vi).

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ("12m") ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information affecting the counterparties' ability to settle the receivables.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

- the financial instrument has a low risk of default,
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collaterialised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of the liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

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Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Board and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment loss. The value of leasehold land includes the leasehold land situated at Kranji which was ascribed the same value as that of the freehold land situated at Bukit Timah given up in 1999 during a land exchange.

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Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Capital work-in-progress is stated at cost, which consists of construction costs incurred during the period of construction, less accumulated impairment losses. No depreciation is provided on capital work-in-progress until the construction is completed and the properties and assets are ready for use.

Depreciation is charged so as to write off the cost of property, plant and equipment, other than capital work-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land	-	20 to 99 years (over remaining lease term)
Buildings	-	11 to 74 years
Computer and betting equipment	-	3 to 5 years
Audio visual, laboratory, cooling and other equipment/systems	-	5 to 15 years
Other assets (Comprise of furniture & fittings, renovations, motor vehicles and track maintenance equipment and others)	-	3 to 10 years

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Other assets include furniture and fittings, mechanical and electrical installations, motor vehicles, livestock, tracks and renovations.

Assets costing less than $1,000 per unit are charged to profit or loss in the year of purchase.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

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GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS - Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives, on the following basis:

Capitalised software development	-	5 to 8 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Intangible assets are tested for impairment in accordance with the policy below.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

CLUB MEMBERSHIPS - Club memberships are stated at cost less accumulated impairment losses. Gain or loss on disposal of club membership is determined as the difference between the net disposal proceeds and the carrying amount of the club membership and is accounted for in profit or loss as they arise.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Where required by the lease agreements to restore the premises to its original condition, an estimate is made for the costs of dismantling and removing an asset and restoring the site which is recognised at the commencement of the lease and amortised over the period of the lease.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants for the purchase of depreciable property, plant and equipment are taken direct to the deferred capital grants account, and included in non-current liabilities in the statement of financial position.

The deferred capital grants are recognised in profit or loss as non-operating income over the periods necessary to match the depreciation and gain or loss on disposal or write-off of property, plant and equipment purchased with the related grants.

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REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured.

Before April 1, 2018

Totalisator revenue

Revenue from the totalisator is recognised upon the completion of each race.

Games and lotteries

Collections from games and lotteries are recognised as revenue by draw and by match.

Gate admission fees

Revenue is recognised upon the usage of the admission tickets.

Racing management, betting and other revenue

Revenue is recognised on an accrual basis unless collectability is in doubt.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Casino entry levy

Casino entry levy is recognised when the right to receive payment is established.

After April 1, 2018

Under SB-FRS 115, a customer is a party that has entered into a contract with the Group for betting services. Customers mainly comprise private individuals, who have placed the bet through betting counters or the online betting system. When customers wager in advances, the revenue is not recognised and deferred until the draw or match has taken place. The Group acted as agent and recognised totalisator revenue on net basis, which is wagered amounts received from bets less prizes, taxes and commissions paid.

Totalisator revenue

Revenue from the totalisator is recognised upon the completion of each race.

Games and lotteries

Revenue from lotteries are recognised as revenue at the point the draw takes places. Revenue from sports betting are recognised at the point when the match completes.

Gate admission fees

Revenue is recognised at the point of sale of the admission tickets. There is no advance sales of the admission tickets and hence revenue is recognised when control of ticket passed to customers.

Racing management, betting and other revenue

Revenue is recognised on an accrual basis unless collectability is in doubt.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised in manner described in the accounting policies for financial assets above.

Rental income

Rental income is recognised in manner described in the accounting policies for leases above.

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Casino entry levy

Casino entry levy is recognised when the Board obtains control of the resources or has an enforceable claim to the resources, it is probable that the economic benefits associated with the asset will flow to the Statutory Board and the amount of the resources flowed in can be measured reliably.

DONATIONS - Donations are taken to profit or loss when there is an obligation to disburse.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - The Singapore Totalisator Board is a tax-exempted institution under the provisions of the Income Tax Act (Chapter 134, 2014 Revised Edition). The subsidiaries of the Board are subject to local tax legislation.

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Board and its subsidiaries operate by the end of reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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The carrying amount of deferred tax assets is reviewed at end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Board are presented in Singapore Dollars ("SGD"), which is the functional currency of the Board and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

CASH AND CASH EQUIVALENTS IN STATEMENT OF CASH FLOWS - Cash and cash equivalents comprise cash at bank, cash on hand, short-term bank deposits and cash with Accountant-General's Department that are subject to an insignificant risk of changes in value and are readily convertible to a known amount of cash.

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, the Board is required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

There are no critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(i) Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment exhibit any indication of impairment. Where such indications exist, the recoverable amounts of property, plant and equipment will be determined based on value-in-use calculations. These calculations require the use of judgement and estimates. The carrying amounts of the Group's property, plant and equipment are disclosed in Note 6 to the financial statements.

(ii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill is disclosed in Note 7 to the financial statements.

(iii) Impairment and amortisation of software development expenditure

Determining whether any impairment is required on the software development expenditure which are capitalised as intangible assets requires an estimation of the recoverable amount of these intangible assets. Management has evaluated the recoverability of the software development expenditure based on current market environment and the estimated market value of the assets and is confident that no allowance for impairment is necessary.

The Group assesses the remaining useful lives of the software development expenditure to range from 5 to 8 years based on management estimations. The carrying amount of software development expenditure at the end of reporting period is disclosed in Note 7 to the financial statements.

(iv) Impairment of investment in subsidiaries

The Board has carried out a review of the recoverable amount of the investment in subsidiaries, having regard to the existing performance of the subsidiaries and the carrying value of the net assets in these subsidiaries and is confident that no allowance for impairment is necessary. The carrying amount of investments in subsidiaries at the end of reporting period is disclosed in Note 8 to the financial statements.

(v) Calculation of loss allowance

Prior to April 1, 2018, the policy on allowance for doubtful debts is based on management's evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of the receivables, including the current credit worthiness and the past collection of each customer.

In 2019, when measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of trade and other receivables is disclosed in Note 11 of the financial statements.

(vi) Taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision of taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

a) ***Categories of financial instruments***

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Financial assets				
Fair value through profit or loss (FVTPL)	3,418,058,343	3,436,478,511	3,418,058,343	3,436,478,511
Amortised costs	1,393,066,267	1,300,834,570	1,060,372,801	1,008,853,164
Financial liabilities				
Payables, at amortised cost	223,680,472	222,077,382	25,948,651	58,290,323

b) ***Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements***

The Group and Board do not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements.

c) ***Financial risk management policies and objectives***

The Group's overall financial risk management seeks to minimise potential adverse effects on the financial performance of the entity. These risks include market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

i) Foreign exchange risk management

The Group operates solely in Singapore. The Group's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies. The Group does not engage in speculative foreign exchange transactions. Accordingly, no sensitivity analysis is prepared.

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ii) Interest rate risk management

The Group's exposure to market risk for changes in interest rates relates primarily to the interest bearing debt securities, fixed deposits and cash with Accountant-General's Department ("AGD"). The interest rates for cash with AGD are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements.

The Group does not have any borrowings as at the end of the financial year.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Variable rate instruments				
Short-term bank deposits	176,100,000	172,400,000	-	-
Cash with AGD	915,724,845	890,764,475	915,724,845	890,764,475
	1,091,824,845	1,063,164,475	915,724,845	890,764,475

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables held constant, the Group's and the Board's surplus before tax at the reporting date would increase (decrease) by the amounts shown below.

	Surplus before tax and Consolidated Fund	
	100 bp increase	100 bp decrease
Group	$	$
2019		
Variable rate instruments	10,918,248	(10,918,248)
2018		
Variable rate instruments	10,631,645	(10,631,645)

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	Surplus before tax and Consolidated Fund	
	100 bp increase	100 bp decrease
	$	$
Board		
2019		
Variable rate instruments	9,157,248	(9,157,248)
2018		
Variable rate instruments	8,907,645	(8,907,645)

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss as the interest rates of its interest bearing financial instruments are fixed over the contractual period. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

iii) Price risk

Surplus funds from the Group's operations are mainly invested in unit trusts managed by professional fund managers. To manage its price risk arising from investments, the Group diversifies its portfolio. The fair value of amount invested as at March 31, 2019 was $3,418,058,343 (2018 : $3,436,478,511).

The price of the unit trust funds are based on indirect observable inputs in an active market. The market risk associated with these investments is the potential loss in fair value resulting from the decrease in the net asset value of unit trusts.

The Group's investment strategies and policies are determined by the Board's Investment Committee and approved by the Board.

Price risk sensitivity

The sensitivity analyses below have been determined based on the exposure to price risks at the end of the reporting period.

In respect of unquoted unit trusts investments, if the underlying prices had been 5% higher or lower while all other variables were held constant, the surplus before tax would increase (decrease) by the following amount:

	2019	2018
Group and Board	$	$
Surplus before tax and Consolidated Fund	170,902,917	171,823,926

iv) Credit risk management

Credit risk is defined as the potential loss arising from failure by counterparties to fulfil their obligations as and when they fall due. The Group has policies in place to only deal with counterparties who meet certain credit requirements, and where considered necessary, requires collateral to reduce its risk.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are unit trusts managed by professional fund managers, bank deposits and trade receivables. The Group limits its credit risk exposure in respect of investments by placing its funds only with professional fund managers recommended by an investment consultant or awarded by AGD under the Demand Aggregation II Scheme. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral, where appropriate, to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Before adoption of FRS 109 starting from April 1, 2018

In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The trade receivables which were neither past due nor impaired are assessed to be recoverable as there had not been a significant change in credit quality. The Group did not hold any collateral over these balances.

The carrying amount of financial assets as at March 31, 2018 was:

	Group	Board
	2018	2018
	$	$
Recognised financial assets -		
Loan and receivables (Note 11)	56,763,928	55,949,939

Except for trade receivables, the maximum exposure to credit risk for each class of financial assets was the carrying amount of that class of financial assets presented in the statement of financial position.

The aging of financial assets that were not impaired at March 31, 2018 was:

	Group	Board
	2018	2018
	$	$
Not past due	54,130,001	55,755,086
Past due less than 3 months	2,602,669	163,796
Past due over 3 months	31,258	31,057
Loans and receivables	56,763,928	55,949,939

In 2018, based on historical default rates, the Group believed that no impairment allowance is necessary in respect of loans and receivables. These receivables were mainly due from customers that had a good payment record with the Group.

After adoption of FRS 109 starting from April 1, 2018

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

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

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	There is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

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The table below details the credit quality of the Group's and Board's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

Group	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			$	$	$
2019					
Trade receivables	(a)	Lifetime ECL (Simplified approach)	19,376,806	-	19,376,806
Casino levy entry receivable	Performing	12-month ECL	10,967,900	-	10,967,900
Other receivables	Performing	12-month ECL	33,412,435	-	33,412,435
				-	

Board	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			$	$	$
2019					
Trade receivables	(a)	Lifetime ECL (Simplified approach)	-	-	-
Amount due from a subsidiary	Performing	12-month ECL	97,895,082	-	97,895,082
Casino levy entry receivable	Performing	12-month ECL	10,967,900	-	10,967,900
Other receivables	Performing	12-month ECL	14,270,939	-	14,270,939
				-	

(a) The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. Trade and other receivables that are neither past due nor impaired have been assessed to be creditworthy based on the credit evaluation process performed by management. The Group only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

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As at the end of the financial year, there is no significant concentration of credit risk on the trade receivables and advances to retailers of the Group.

The maximum exposure to credit risk for trade receivables and advances to retailers at the reporting date by type of counterparty was:

	Group	
	2019	2018
By types of customer	$	$
Distributors	432,041	2,389,606
Retailers	22,448,896	19,591,109
Others	12,873,019	11,338,385
	35,753,956	33,319,100

In order to manage the Group's credit risk for trade receivables and advances to retailers, the Group obtains bankers' guarantees issued by their customers' banks for most of the customers. These bankers' guarantees are used as a form of security against the outstanding trade receivables. As at the end of the reporting period, the bankers' guarantees amounted to $23,535,000 (2018 : $24,353,000).

Cash and fixed deposits are placed in banks and financial institutions which are regulated. The cash with AGD under Centralised Liquidity Management are placed with regulated financial institutions.

The Group limits its credit risk exposure in respect of investments by only investing in liquid funds that are regulated by the respective regulators of the jurisdictions in which the funds are domiciled.

The Group does not hold any collateral in respect of its financial assets.

v) Liquidity risk management

Liquidity risk is the risk that the Group and Board are unable to meet its obligations as and when they fall due. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

All financial assets and financial liabilities are repayable on demand or due within 1 year from the end of the reporting period.

vi) Fair value of financial assets and financial liabilities

The Group and Board determine fair values of various financial assets and financial liabilities in the following manner:

Fair value of the Group and Board's financial assets that are measured at fair value on recurring basis

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Some of the Group's and the Board's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at ($)				Fair value hierarchy	Valuation technique(s) and key input(s)
	2019		2018			
	Assets	Liabilities	Assets	Liabilities		
Financial assets at fair value through profit or loss (see Note 10)						
Unit trusts funds at fair value	3,418,058,343		3,436,478,511	-	Level 2	The fair value based on bid prices provided by brokers or valuation provided by professional fund managers.

The Board considers that the carrying amounts of cash and cash equivalents, trade and other receivables, trade payables, other payables and accruals approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

There were no transfers between the different levels of the fair value hierarchy in 2019 and 2018.

d) ***Capital management policies and objectives***

The capital structure of the Group comprises capital and accumulated surplus. The Group has a strong capital base and does not need to borrow.

The Group's overall strategy remains unchanged from prior year. The Group is not subject to externally imposed capital requirement.
The Board proactively manages its capital structure to achieve efficiency in its cost of capital. The quantum of minimum and maximum cash reserve, taking into account working capital needs and long-term commitments, is reviewed and approved annually by the Board Members.

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5 RELATED COMPANY AND PARTY TRANSACTIONS

a) Related company transaction

Agency arrangement with subsidiary

The Board incurs an agency fee expense in return for the agency services rendered by the subsidiary.

On July 23, 2015, the Board entered into a revised agency arrangement with the subsidiary which take effect from April 1, 2015. Under the revised agency arrangement, the subsidiary collects revenue and pays betting duties relating to the gaming and lotteries business for and on behalf of the Board. Operating expenses (including depreciation and amortisation) are borne by the subsidiary and brought directly to the subsidiary's financial statements.

Under the previous agency arrangement, the subsidiary collected revenue and paid expenses relating to the gaming and lotteries business for and on behalf of the Board. All such income and expenses (including depreciation and amortisation) were borne by the Board and brought directly to the Board's financial statements.

Consequent to the change in the agency arrangement, agency fee is computed based on a revised rate and composition as agreed by the parties concerned.

b) Related party transactions

The Board is a statutory board established under the Singapore Totalisator Board Act (Chapter 305A, 2012 Revised Edition). As a statutory board, all government ministries, other statutory boards including their companies are deemed related parties to the Group.

During the financial year, the Board engaged in various transactions including donations in the ordinary course of its operations with entities related to the Board at prevailing prices or on customary terms and conditions. These transactions could have been replaced with other parties on similar terms and conditions except for the following:

	Group	
	2019	2018
Government-linked companies	$	$
Police and security services fee expenses	1,140,515	1,498,993

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Compensation of Board Members, directors and key management personnel

The remuneration of Members of the Board, directors of a subsidiary and other members of key management are as follows:

	Group	
	2019	2018
	$	$
Short-term benefits	9,141,021	8,071,466
Post-employment benefits - contribution to CPF	325,846	290,429
	9,466,867	8,361,895

Included in key management personnel compensation are compensation for:

	Group	
	2019	2018
	$	$
Members of the Board	177,205	177,205
Directors of a subsidiary	1,415,131	1,310,971
	1,592,336	1,488,176

6 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Buildings	Computer and betting equipment	Audio visual, laboratory, cooling and other equipment/ systems	Other assets	Capital work-in-progress	Total
	$	$	$	$	$	$	$
Group							
Cost:							
At April 1, 2017	123,546,569	537,479,652	127,262,257	156,421,539	360,523,912	8,127,689	1,313,361,618
Additions	-	-	3,911,193	875,262	2,514,015	19,237,624	26,538,094
Disposals	-	-	(8,083,364)	(2,257,862)	(1,878,463)	-	(12,219,689)
Transfers to intangible assets (Note 7)	-	-	-	-	-	(5,074,200)	(5,074,200)
Reclassifications	-	2,320,037	4,266,899	3,354,653	4,312,136	(14,253,725)	-
At March 31, 2018	123,546,569	539,799,689	127,356,985	158,393,592	365,471,600	8,037,388	1,322,605,823
Additions	-	2,096	4,187,402	1,269,286	2,352,915	20,923,723	28,735,422
Disposals	-	(4,520)	(24,745,320)	(13,409,241)	(2,311,221)	-	(40,470,302)
Transfers to intangible assets (Note 7)	-	-	-	-	-	(2,265,140)	(2,265,140)
Reclassifications	-	201,773	478,330	5,778,419	1,861,053	(8,319,575)	-
At March 31, 2019	123,546,569	539,999,038	107,277,397	152,032,056	367,374,347	18,376,396	1,308,605,803

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6 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Buildings	Computer and betting equipment	Audio visual, laboratory, cooling and other equipment/ systems	Other assets	Capital work-in-progress	Total
	$	$	$	$	$	$	$
Group							
Accumulated depreciation:							
At April 1, 2017	10,430,170	217,824,280	102,962,961	126,805,008	313,533,154	-	771,555,573
Depreciation for the year	1,455,688	16,393,865	11,732,851	12,488,042	16,516,948	-	58,587,394
Disposals	-	-	(8,082,827)	(2,228,036)	(1,588,819)	-	(11,899,682)
At March 31, 2018	11,885,858	234,218,145	106,612,985	137,065,014	328,461,283	-	818,243,285
Depreciation for the year	1,455,689	16,420,726	10,643,492	8,912,251	12,274,934	-	49,707,092
Disposals	-	(1,266)	(24,742,891)	(13,406,086)	(2,280,939)	-	(40,431,182)
At March 31, 2019	13,341,547	250,637,605	92,513,586	132,571,179	338,455,278	-	827,519,195
Carrying amount:							
At March 31, 2018	111,660,711	305,581,544	20,744,000	21,328,578	37,010,317	8,037,388	504,362,538
At March 31, 2019	110,205,022	289,361,433	14,763,811	19,460,877	28,919,069	18,376,396	481,086,608

As at March 31, 2019, capital work-in-progress includes $11,547,080 (2018 : $3,738,107) of work-in-progress that will be transferred to intangible assets upon becoming ready for use.

	Leasehold land	Buildings	Computer and betting equipment	Audio visual, laboratory, cooling and other equipment/ systems	Other assets	Capital work-in-progress	Total
	$	$	$	$	$	$	$
Board							
Cost:							
At April 1, 2017	2,629,701	496,111,139	72,845,704	156,421,539	300,084,882	6,222,673	1,034,315,638
Additions	-	-	643,470	875,262	1,820,263	8,661,292	12,000,287
Disposals	-	-	(945,072)	(2,257,862)	(943,555)	-	(4,146,489)
Reclassifications	-	2,320,037	3,381,160	3,354,653	4,193,514	(13,249,364)	-
At March 31, 2018	2,629,701	498,431,176	75,925,262	158,393,592	305,155,104	1,634,601	1,042,169,436
Additions	-	2,096	156,674	1,269,286	362,118	7,484,107	9,274,281
Disposals	-	(4,520)	(23,262,372)	(13,409,241)	(1,966,496)	-	(38,642,629)
Transfers (Note 24)	-	(182,493)	(35,722,964)	(15,813,980)	(33,099,120)	-	(84,818,557)
Reclassifications	-	201,773	249,355	5,778,419	1,598,473	(7,828,020)	-
At March 31, 2019	2,629,701	498,448,032	17,345,955	136,218,076	272,050,079	1,290,688	927,982,531
Accumulated depreciation:							
At April 1, 2017	1,315,915	199,861,136	59,991,518	126,805,008	270,357,891	-	658,331,468
Depreciation for the year	16,170	15,265,839	6,142,647	12,488,042	10,300,359	-	44,213,057
Disposals	-	-	(945,072)	(2,228,036)	(919,675)	-	(4,092,783)
At March 31, 2018	1,332,085	215,126,975	65,189,093	137,065,014	279,738,575	-	698,451,742
Depreciation for the year	16,170	15,301,634	4,290,481	8,912,251	8,411,096	-	36,931,632
Disposals	-	(1,266)	(23,262,272)	(13,406,086)	(1,958,218)	-	(38,627,842)
Transfers (Note 24)	-	(19,154)	(29,275,538)	(13,745,136)	(31,773,420)	-	(74,813,248)
At March 31, 2019	1,348,255	230,408,189	16,941,764	118,826,043	254,418,033	-	621,942,284
Carrying amount:							
At March 31, 2018	1,297,616	283,304,201	10,736,169	21,328,578	25,416,529	1,634,601	343,717,694
At March 31, 2019	1,281,446	268,039,843	404,191	17,392,033	17,632,046	1,290,688	306,040,247

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7 INTANGIBLE ASSETS

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Software development expenditure	30,525,454	37,272,149	39,246	58,869
Goodwill arising on consolidation	57,569,391	57,569,391	-	-
	88,094,845	94,841,540	39,246	58,869
Software development expenditure				
Cost				
At April 1	85,803,856	80,729,656	101,535	101,535
Additions during the year	4,717,625	-	-	-
Transfer from capital work-in-progress (Note 6)	2,265,140	5,074,200	-	-
At March 31	92,786,621	85,803,856	101,535	101,535
Accumulated amortisation				
At April 1	48,531,707	38,595,565	42,666	23,043
Amortisation charged during the year	13,729,460	9,936,142	19,623	19,623
At March 31	62,261,167	48,531,707	62,289	42,666
Carrying amount				
At April 1	37,272,149	42,134,091	58,869	78,492
At March 31	30,525,454	37,272,149	39,246	58,869

SINGAPORE TOTALISATOR BOARD
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The intangible assets are amortised on a straight-line basis over the estimated useful life of a range of 5 to 8 years.

Goodwill arising on consolidation

Goodwill arises from the excess of purchase consideration over the fair values of attributable net assets of Singapore Pools (Private) Limited, a wholly-owned subsidiary which is considered as a separate cash-generating unit (CGU).

Impairment testing of goodwill

The recoverable amounts of the CGU are determined based on value-in-use calculations. The following describes the key assumptions on which management has based its cash flow projection:

- Budgeted gross margins of 7% (2018 : 7%)
- Pre-tax discount rate of 7% (2018 : 7%).
- The cash flow projections are based on actual operating results and management's 3-year financial projection of the operations for the years 2020 to 2022. The financial projection is based on management's past experience and future expectations.

The pre-tax discount rate applied reflects specific risks relating to the relevant business activities.

The recoverable amount is determined to be in excess of the CGU's operating assets carrying value as at March 31, 2019. Management believes that any reasonable possible change in the above key assumptions is not likely to cause the recoverable amount to be materially lower than its carrying amount.

No impairment loss has been recognised for the financial years ended March 31, 2019 and 2018.

8 INVESTMENT IN SUBSIDIARIES

	Board	
	2019	2018
	$	$
Unquoted shares, at cost	152,569,391	152,569,391
Movement in investment of subsidiaries		
Balance at beginning and end of year	152,569,391	152,569,391

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Details of the Board's subsidiaries as at the end of the reporting periods were as follows:

Name of subsidiaries	Place of incorporation and business	Effective equity held by the Board 2019 %	Effective equity held by the Board 2018 %	Principal activity
Held by the Board				
Singapore Pools (Private) Limited [1]	Singapore	100	100	To operate lotteries and sports betting as an agent on behalf of the Board
Held by Singapore Pools (Private) Limited				
Selegie Management Pte Ltd [1]	Singapore	100	100	To provide services to manage and operate the Livewire operations at the Integrated Resorts premises

Notes on auditors

[1] Audited by Deloitte & Touche LLP, Singapore.

9 CLUB MEMBERSHIPS

	Group 2019 $	Group 2018 $	Board 2019 $	Board 2018 $
At cost:				
At beginning of year	1,518,000	1,630,000	540,000	540,000
Additions	-	38,000	-	-
Disposals	(185,000)	(150,000)	-	-
At end of year	1,333,000	1,518,000	540,000	540,000
Less: Allowance for impairment losses	(1,098,600)	(1,114,750)	(511,200)	(511,200)
	234,400	403,250	28,800	28,800

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Movements in the allowance for impairment losses:

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
At April 1	1,114,750	1,248,950	511,200	524,700
Reversal of impairment loss	-	(13,500)	-	(13,500)
Disposals	(16,150)	(120,700)	-	-
At March 31	1,098,600	1,114,750	511,200	511,200

In 2018, as a result of the increase in the market value of the club memberships, a reversal of impairment loss on the Group's and the Board's club memberships amounting to $13,500 was recognised in non-operating income in statement of profit or loss and other comprehensive income.

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Board	
	2019	2018
	$	$
Unquoted unit trusts at fair value	3,418,058,343	3,436,478,511

The fair values of financial assets are based on valuation provided by professional fund managers. The unit trusts are in diversified portfolios of various asset classes managed by professional fund managers recommended by the Board's investment consultant or awarded by Accountant-General's Department under the Demand Aggregation II Scheme.

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11 TRADE AND OTHER RECEIVABLES

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Trade receivables	19,376,806	28,403,750	-	606,787
Amounts due from a subsidiary	-	-	97,895,082	34,262,348
Deposits	1,688,750	1,593,968	281,552	282,948
Dividend receivable	2,807	2,807	2,807	2,807
Interest receivable	10,438,916	5,363,239	10,350,279	5,296,919
Staff loans	52,000	46,000	52,000	46,000
Casino entry levy receivable	10,967,900	11,657,650	10,967,900	11,657,650
Advances to retailers	16,377,150	4,915,350	-	-
Management fee rebate receivable	829,765	943,536	829,765	943,536
Other receivables	4,023,047	3,837,628	2,754,536	2,850,944
	63,757,141	56,763,928	123,133,921	55,949,939
GST receivable	5,905,141	7,661,014	5,905,141	7,661,014
Prepayments	6,295,486	9,638,787	970,031	1,964,657
	75,957,768	74,063,729	130,009,093	65,575,610

Trade and other receivables are principally denominated in Singapore dollar.

The amounts due from a subsidiary, Singapore Pools (Private) Limited, relate to transactions arising from the lottery and betting business on behalf of the Board. The amounts are unsecured, interest-free and denominated in Singapore dollar. There is no allowance for doubtful debt arising from these amounts and their carrying amounts approximate their fair values.

The Group's and the Board's exposure to credit risks and impairment loss related to trade and other receivables before and after the adoption of SB-FRS 109 are disclosed in Note 4.

Loss allowance for trade receivables has been measured at an amount equal to ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate. A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no prospect of recovery.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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12 CASH AND CASH EQUIVALENTS

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Short-term bank deposits	176,100,000	172,400,000	-	-
Cash at bank and in hand	237,484,281	180,906,167	21,514,035	62,138,750
Cash with AGD	915,724,845	890,764,475	915,724,845	890,764,475
	1,329,309,126	1,244,070,642	937,238,880	952,903,225

Cash with the Accountant-General's Department ("AGD") refers to cash that are managed by AGD under Centralised Liquidity Management as set out in the Accountant-General's Circular No. 4/2009 Centralised Liquidity Management for Statutory Boards and Ministries.

Cash and cash equivalents are principally denominated in Singapore dollar and the carrying amounts approximate their fair values.

Short-term bank deposits at the statement of financial position date have an average maturity of 0.5 month (2018 : 0.5 month) from the end of the financial year with the weighted average effective annual interest rates of 1.69% (2018 : 1.09%) per annum.

The interest rate of cash with AGD, defined as the ratio of the interest earned to the average cash balance, ranged from 1.44% to 1.98% (2018 : 1.21% to 1.28%) per annum.

The Group's and the Board's exposure to interest rate risk for financial assets and liabilities are disclosed in Note 4.

13 CAPITAL ACCOUNT

The capital account consists of the value of net assets transferred from the former Singapore Turf Club on the establishment of the Board on January 1, 1988 and a Government grant of $500,000.

SINGAPORE TOTALISATOR BOARD
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NOTES TO FINANCIAL STATEMENTS
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14 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities (prior to offsetting of balances) during the year are as follows:

	Accelerated tax depreciation on property, plant and equipment
	$
Group	
Balance at April 1, 2017	9,799,822
Credit to profit or loss (Note 22)	(1,645,328)
Balance at March 31, 2018	8,154,494
Credit to profit or loss (Note 22)	(1,112,095)
Balance at March 31, 2019	7,042,399

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

15 DEFERRED CAPITAL GRANTS

	Group and Board	
	2019	2018
	$	$
At April 1	188,874,977	199,808,410
Amortisation for the year	(10,933,432)	(10,933,433)
At March 31	177,941,545	188,874,977

16 PROVISIONS

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
At beginning of year	6,555,573	4,862,587	6,555,573	4,862,587
Provisions made during the year	-	1,692,986	-	1,692,986
Write back of provisions (Note 24)	-	-	(6,555,573)	-
At end of year	6,555,573	6,555,573	-	6,555,573
Analysed as:				
Non-current	2,899,219	4,688,542	-	4,688,542
Current	3,656,354	1,867,031	-	1,867,031
	6,555,573	6,555,573	-	6,555,573

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17 GOVERNMENT GRANT RECEIVED IN ADVANCE

Government grants were received for the development of the Kranji race course and the amount as at March 31, 2019 and 2018 represent the unutilised portion of the grant.

18 OTHER PAYABLES AND ACCRUALS

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Accrued operating expenses	218,534,018	199,616,433	23,736,764	27,401,807
Advance sales	12,999,620	27,807,753	-	-
Other payables	2,211,887	26,733,632	2,211,887	30,888,516
	233,745,525	254,157,818	25,948,651	58,290,323

Advance sales relate to collections for draws and matches that are held subsequent to the year end.

Other payables and accruals are primary denominated in Singapore dollar and their carrying amounts approximate their fair values.

19 PROVISION FOR CONTRIBUTION TO CONSOLIDATED FUND

The Board contributes to the Consolidated Fund in accordance with Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A, 2004 Revised Edition). The contribution is based on the Board's net surplus for the financial year, after netting off any prior years' accounting deficit, at the applicable corporation tax rate of 17% (2018 : 17%). The Board is allowed to carry forward the prior year's accounting deficit to offset against accounting surplus for the year. The Board utilised the remaining carried forward accounting loss of $22,743,599 to offset against net surplus for the year ended March 31, 2018. As of March 31, 2019, the Board has no accounting loss to be carried forward.

Under Section 13 (1) (e) and the First Schedule of the Singapore Income Tax Act (Chapter 134, 2014 Revised Edition), the income of the Board is exempt from income tax.

SINGAPORE TOTALISATOR BOARD
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NOTES TO FINANCIAL STATEMENTS
March 31, 2019

20 OPERATING SURPLUS

a) Income from betting and gaming activities

	Totalisator	Lotteries and Sports betting	Total
	$	$	$
Group			
2019			
Turnover^	1,058,435,234	8,098,327,178	9,156,762,412
Dividends or prizes paid	(838,585,845)	(5,571,285,788)	(6,409,871,633)
Betting tax	(57,710,855)	(1,877,620,240)	(1,935,331,095)
Commission	-	(47,744,507)	(47,744,507)
Dividends, prizes and other expenses	(896,296,700)	(7,496,650,535)	(8,392,947,235)
Income from betting and gaming activities	162,138,534	601,676,643	763,815,177
2018			
Turnover^	1,134,185,858	7,402,293,163	8,536,479,021
Dividends or prizes paid	(898,720,765)	(5,032,150,715)	(5,930,871,480)
Betting tax	(62,583,837)	(1,816,253,957)	(1,878,837,794)
Commission	-	(47,102,829)	(47,102,829)
Dividends, prizes and other expenses	(961,304,602)	(6,895,507,501)	(7,856,812,103)
Income from betting and gaming activities	172,881,256	506,785,662	679,666,918

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

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	Totalisator	Lotteries and Sports betting	Total
	$	$	$
Board			
2019			
Turnover^	1,058,435,234	8,098,327,178	9,156,762,412
Dividends or prizes paid	(838,585,845)	(5,571,285,788)	(6,409,871,633)
Betting tax	(57,710,855)	(1,877,620,240)	(1,935,331,095)
Commission	(1,252,967)	-	(1,252,967)
Dividends, prizes and other expenses	(897,549,667)	(7,448,906,028)	(8,346,455,695)
Income from betting and gaming activities	160,885,567	649,421,150	810,306,717
2018			
Turnover^	1,134,185,858	7,402,293,163	8,536,479,021
Dividends or prizes paid	(898,720,765)	(5,032,150,715)	(5,930,871,480)
Betting tax	(62,583,837)	(1,816,253,957)	(1,878,837,794)
Commission	(1,605,740)	-	(1,605,740)
Dividends, prizes and other expenses	(962,910,342)	(6,848,404,672)	(7,811,315,014)
Income from betting and gaming activities	171,275,516	553,888,491	725,164,007

^ Turnover represents wagered amounts received in respect of bets placed by customers during the financial year.

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b) Other operating income

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Gate admission fees	11,118,147	11,822,412	9,448,550	11,822,412
Racing management and other revenue	15,618,368	14,801,827	17,284,161	14,796,827
Rental income	1,810,126	2,101,664	1,810,126	2,173,291
Members' subscription and entrance fees	1,285,275	1,347,832	1,285,275	1,347,832
Government grant – Special Employment/Wage Credit	1,480,612	2,258,197	703,806	1,112,340
Maternity and childcare leave	141,358	272,176	93,323	85,496
Sundry income	2,270,690	2,424,669	3,768,868	5,186,395
Others	96,000	-	1,457,711	-
	33,820,576	35,028,777	35,851,820	36,524,593

Racing management, betting and other revenue includes royalty fees collected for the sale of broadcasting rights of Singapore races, equine hospital charges and miscellaneous revenue.

c) Staff costs

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Wages and salaries	114,296,158	120,210,798	47,126,024	59,975,443
Contributions to defined contribution scheme	14,144,185	14,716,077	5,360,007	6,503,870
Others	4,974,858	4,510,502	1,980,825	2,342,164
	133,415,201	139,437,377	54,466,856	68,821,477

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d) Racing and related expenses

Of the $84.7 million (2018 : $87 million), $55.1 million (2018 : $61.4 million) or 65.1% (2018 : 70.6%) pertained to prize money paid to horse owners, trainers and jockeys of the winning horses.

e) General administrative expenses

General administrative expenses include the following expenses:

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Operating lease expenses	19,499,837	20,369,739	7,934,040	10,633,000

21 INVESTMENT INCOME

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Changes in carrying values of financial assets at fair value through profit and loss	2,285,334	133,146,190	2,285,334	133,146,190
Management fee rebate	3,754,534	4,453,636	3,754,534	4,453,636
Interest income	19,059,365	11,938,117	18,805,867	11,872,903
Dividend income derived from				
- Subsidiary	-	-	6,365,033	8,467,460
- Third parties	8,628,788	7,350,930	8,628,788	7,350,930
Investment expenses	-	(15,508)	-	(15,508)
Exchange loss	(141,027)	(82,260)	(94,367)	(74,055)
	33,586,994	156,791,105	39,745,189	165,201,556

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22 TAX EXPENSE

The Board is a tax exempt institution under the provision of the Income Tax Act (Chapter 134, 2014 Revised Edition). The subsidiaries of the Board are subject to tax under Singapore income tax legislation.

	Group	
	2019	2018
	$	$
Current tax expense:		
Current year	4,380,305	5,319,097
Underprovision in prior years	210,123	107,207
Withholding tax	46,313	-
Deferred tax expense:		
Reversal and origination of temporary differences	(1,112,095)	(1,645,328)
Tax expense	3,524,646	3,780,976

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2019	2018
	$	$
Surplus before tax	75,554,663	137,118,191
Tax using Singapore tax rate of 17% (2018 : 17%)	12,844,293	23,310,092
Surplus of the Board exempted from tax	(9,914,811)	(20,503,215)
Non-deductible expenses	367,514	902,904
Tax exempt income	(28,786)	(36,012)
Underprovision in prior years	210,123	107,207
Withholding tax	46,313	-
Tax expense	3,524,646	3,780,976

23 COMMITMENT

a) Future capital commitments

As at March 31, the capital expenditures approved and contracted but not provided for in the financial statements are as follows:

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Property, plant and equipment	21,313,593	31,628,110	1,763,732	7,189,698

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b) *Operating lease commitments - where the Group is a lessee*

As at March 31, the commitments for future minimum lease payments in respect of non-cancellable operating leases are as follows:

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Within 1 year	13,961,180	17,088,300	-	11,059,399
After 1 year but within 5 years	21,584,456	10,621,230	-	5,076,023
	35,545,636	27,709,530	-	16,135,422

The Group has various leases for betting outlets and off-course betting centres. These leases typically run for a period of 1 to 10 years with an option to renew the lease after that date. The leases do not include any contingent rentals.

c) *Operating lease commitments - where the Group is a lessor*

As at March 31, the commitments for future minimum lease payments in respect of non-cancellable operating leases are as follows:

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Within 1 year	2,566,533	3,591,283	855,685	1,167,173
After 1 year but within 5 years	2,013,376	1,716,466	150,348	692,372
	4,579,909	5,307,749	1,006,033	1,859,545

d) *Donations approved and committed but not disbursed*

The following donations have not been provided for in the financial statements:

	Group		Board	
	2019	2018	2019	2018
	$	$	$	$
Approved, but not recognised in the financial statements	2,668,716,478	2,458,401,173	2,668,707,583	2,458,082,673

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24 TRANSFER OF HORSE RACING WAGERING OPERATIONS

On January 7, 2019, Singapore Pools (Private) Limited took over the management and operations of horse betting from Singapore Turf Club, the proprietary club of the Board. This includes the taking over of the betting outlets at the Singapore Racecourse in Kranji, all Off-Course Betting centres and iTote, the remote horse betting application service.

The consolidation of betting operations into Singapore Pools (Private) Limited is part of a regular review of business operations to achieve synergies and improve cost efficiencies. The transfer within the Group has no impact to the Group's financial statements for the current and prior years.

During the year, the operating expenses incurred by Singapore Pools (Private) Limited in respect of the horse racing wagering operations of $23,421,754 (2018 : $Nil) are fully reimbursed by the Board.

25 CONTINGENT LIABILITIES

There is an unsecured contingent liability in respect of amounts to be paid to certain categories of employees or their dependents in the event of the employee's death or permanent disability. The maximum amount to be paid is approximately $384,912 (2018 : $227,700) for Singapore Turf Club.

CONTACT INFORMATION

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