FINANCIAL REPORT
2021/2022

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Contents

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Annual Financial Statements
31 March 2022

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sentosa Development Corporation (the "Corporation") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and Corporation as at 31 March 2022, the statements of comprehensive income and statements of changes in equity of the Group and Corporation and the statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of comprehensive income, statement of financial position and the statement of changes in equity of the Corporation are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, the Sentosa Development Corporation Act 1972 (the "Act"), and Statutory Board Financial Reporting Standards ("SB-FRSs") so as to present fairly, in all material respects, the state of affairs of the Group and the Corporation as at 31 March 2022 and the results and changes in equity of the Group and the Corporation 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.

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 2018, the Act and SB-FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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.

Report on other legal and regulatory requirements

In our opinion:

a. the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Corporation during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act 2018, the Act and the requirements of any other written law applicable to moneys of or managed by the Corporation; and

b. proper accounting and other records have been kept, including records of all assets of the Corporation and of these subsidiaries incorporated in Singapore of which we are the auditors whether purchased, donated or otherwise.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Compliance Audit section of our report. We are independent of the Group 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 2018, the Act and the requirements of any other written law applicable to moneys of or managed by the Corporation. This responsibility includes monitoring related compliance requirements relevant to the Corporation, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act 2018, the Act and the requirements of any other written law applicable to moneys of or managed by the Corporation.

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 Corporation's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
7 June 2022

Statements of financial position

Statements of financial position As at 31 March 2022

	Note	Group 2022 $'000	Group 2021 $'000	Corporation 2022 $'000	Corporation 2021 $'000
Non-current assets					
Property, plant and equipment	4	710,090	726,074	660,898	665,929
Land premium	5	40,822	42,896	40,822	42,896
Right-of-use assets	6(a)	12,479	12,825	686	653
Investments in subsidiaries	7	–	–	41,108	41,108
Investments in joint venture	8	16,484	15,958	–	–
Accrued lease income	9	55,377	49,707	55,377	49,707
Deferred tax assets	10	1,183	925	–	–
		836,435	**848,385**	**798,891**	**800,293**
Current assets					
Right-of-use assets	6(a)	–	176	–	176
Inventories	11	7,263	7,868	6,708	6,807
Trade and other receivables	12	53,685	31,179	48,791	28,955
Prepayments	13	183,912	4,121	183,369	3,845
Investments	14	180,183	694,120	180,183	694,120
Financial derivatives at fair value	15	548	4,652	548	4,652
Cash and deposits	16	905,488	572,685	866,518	534,423
		1,331,079	**1,314,801**	**1,286,117**	**1,272,978**
Total assets		**2,167,514**	**2,163,186**	**2,085,008**	**2,073,271**

Statements of financial position As at 31 March 2022 (cont'd)

		Group		Corporation	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current liabilities					
Trade and other payables	20	74,966	85,509	66,065	71,043
Financial derivatives at fair value	15	548	3,403	548	3,403
Provisions	21	742	1,900	742	1,900
Deferred capital grants	22	470	526	470	470
Deferred membership fees	23(a)	6,216	7,371	6,216	7,371
Deferred lease income	23(b)	1,435	1,122	1,435	1,122
Provision for contribution to Consolidated Fund	24	–	10,366	–	10,366
Bank borrowings	25	10,000	–	–	–
Income tax payables		–	1,136	–	–
Lease liabilities	6(b)	214	195	40	39
		94,591	**111,528**	**75,516**	**95,714**
Non-current liabilities					
Other payables	20	3,746	2,758	2,771	2,259
Provisions	21	137	137	–	–
Deferred capital grants	22	9,227	9,681	9,227	9,640
Deferred membership fees	23(a)	56,571	43,279	56,571	43,279
Deferred lease income	23(b)	47,641	43,284	47,641	43,284
Lease liabilities	6(b)	13,025	13,216	585	627
		130,347	**112,355**	**116,795**	**99,089**
Total liabilities		**224,938**	**223,883**	**192,311**	**194,803**

Statements of financial position As at 31 March 2022 (cont'd)

		Group		Corporation	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Equity attributable to owner of the Corporation					
Capital account	17	44,729	32,156	44,729	32,156
Funds and Reserves					
Accumulated surplus					
- General fund	18(a)	1,849,419	1,864,565	1,815,716	1,819,906
- Restricted fund	18(b)	32,252	26,406	32,252	26,406
- Revaluation reserve	19	16,176	16,176	–	–
Total equity		**1,942,576**	**1,939,303**	**1,892,697**	**1,878,468**
Total equity and liabilities		**2,167,514**	**2,163,186**	**2,085,008**	**2,073,271**

Bob Tan Beng Hai
Chairman

Thien Kwee Eng
Chief Executive Officer/ Board Member

7 June 2022

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of comprehensive income for the financial year ended 31 March 2022

Group		General Fund		Restricted Fund		TOTAL	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Income							
Admission fees and packages	26	7,898	6,141	–	–	7,898	6,141
Rental and hiring of facilities	27	34,061	33,949	–	–	34,061	33,949
Interest income from deposits		1,912	3,468	94	218	2,006	3,686
Investment income (net)	28	(28,167)	92,260	–	–	(28,167)	92,260
Other income	29	52,652	49,135	11,761	11,467	64,413	60,602
		68,356	**184,953**	**11,855**	**11,685**	**80,211**	**196,638**
Expenditure							
Cost of sale for admission fees and packages		2,341	1,120	28	17	2,369	1,137
Staff costs	30	85,984	79,303	–	–	85,984	79,303
Depreciation of property, plant and equipment	4	58,709	56,731	–	–	58,709	56,731
Amortisation of land premium	5	2,074	1,926	–	–	2,074	1,926
Amortisation of right-of-use assets	6(a)	553	557	–	–	553	557
Repairs and maintenance		31,049	26,078	2,364	2,152	33,413	28,230
Publicity and promotion		11,519	9,021	–	–	11,519	9,021
Inventories used	11	8,325	6,218	–	2	8,325	6,220
Lease interest expense	6(b)	498	504	–	–	498	504
General and administrative expenses	31	30,836	27,751	3,512	3,436	34,348	31,187
		231,888	**209,209**	**5,904**	**5,607**	**237,792**	**214,816**

Statements of comprehensive income for the financial year ended 31 March 2022 (cont'd)

Group		General Fund		Restricted Fund		TOTAL	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(Deficit)/surplus before Government Grants from operations		(163,532)	(24,256)	5,951	6,078	(157,581)	(18,178)
Deferred capital grants amortised	22	511	526	–	–	511	526
Share of results of a joint venture, net of tax		526	270	–	–	526	270
Operating grants		138,821	58,760	–	–	138,821	58,760
(Deficit)/surplus before taxation and contribution to Consolidated Fund		(23,674)	35,300	5,951	6,078	(17,723)	41,378
Income tax credit/(expense)	32	2,334	(464)	–	–	2,334	(464)
Write-back of provision/ (contribution) to Consolidated Fund	24	6,194	(8,428)	(1,012)	(1,033)	5,182	(9,461)
(Deficit)/surplus for the year, net of taxation and contribution to Consolidated Fund		(15,146)	26,408	4,939	5,045	(10,207)	31,453
Net (deficit)/surplus for the year, representing total comprehensive income for the year		(15,146)	26,408	4,939	5,045	(10,207)	31,453

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of comprehensive income for the financial year ended 31 March 2022 (cont'd)

Corporation		General Fund		Restricted Fund		TOTAL	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Income							
Admission fees and packages	26	4,379	2,885	–	–	4,379	2,885
Rental and hiring of facilities	27	34,947	37,965	–	–	34,947	37,965
Interest income from deposits		1,784	2,986	94	218	1,878	3,204
Investment income (net)	28	(28,167)	92,260	–	–	(28,167)	92,260
Other income	29	40,411	40,855	11,761	11,467	52,172	52,322
		53,354	**176,951**	**11,855**	**11,685**	**65,209**	**188,636**
Expenditure							
Cost of sale for admission fees and packages		2,228	930	28	17	2,256	947
Staff costs	30	73,972	67,090	–	–	73,972	67,090
Depreciation of property, plant and equipment	4	51,541	49,864	–	–	51,541	49,864
Amortisation of land premium	5	2,074	1,926	–	–	2,074	1,926
Amortisation of rights-of-use assets	6(a)	143	143	–	–	143	143
Repairs and maintenance		27,812	23,424	2,364	2,152	30,176	25,576
Publicity and promotion		11,326	8,327	–	–	11,326	8,327
Inventories used	11	5,189	3,874	–	2	5,189	3,876
Lease interest expense	6(b)	9	11	–	–	9	11
General and administrative expenses	31	28,748	28,982	3,512	3,436	32,260	32,418
		203,042	**184,571**	**5,904**	**5,607**	**208,946**	**190,178**

Statements of comprehensive income for the financial year ended 31 March 2022 (cont'd)

Corporation		General Fund		Restricted Fund		TOTAL	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(Deficit)/surplus before Government Grants from operations		(149,688)	(7,620)	5,951	6,078	(143,737)	(1,542)
Deferred capital grants amortised	22	483	470	–	–	483	470
Operating grants		138,821	58,760	–	–	138,821	58,760
(Deficit)/surplus before contribution to Consolidated Fund		(10,384)	51,610	5,951	6,078	(4,433)	57,688
Write-back of provision/(contribution) to Consolidated Fund	24	6,194	(8,428)	(1,012)	(1,033)	5,182	(9,461)
(Deficit)/surplus for the year, net of contribution to Consolidated Fund		(4,190)	43,182	4,939	5,045	749	48,227
Net (deficit)/surplus for the year, representing total comprehensive income for the year		(4,190)	43,182	4,939	5,045	749	48,227

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of changes in equity for the financial year ended 31 March 2022

Group	Capital account (Note 17) $'000	General fund $'000	Restricted funds $'000	Accumulated surplus (Note 18) $'000	Revaluation reserve (Note 19) $'000	Total equity $'000
At 1 April 2020	20,327	1,838,157	20,116	1,858,273	16,176	1,894,776
Surplus for the year	–	26,408	5,045	31,453	–	31,453
Sinking fund	–	–	1,245	1,245	–	1,245
Total comprehensive income for the year	–	26,408	6,290	32,698	–	32,698
Capital contributed by the Government	11,829	–	–	–	–	11,829
At 31 March 2021	**32,156**	**1,864,565**	**26,406**	**1,890,971**	**16,176**	**1,939,303**
At 1 April 2021	32,156	1,864,565	26,406	1,890,971	16,176	1,939,303
(Deficit)/surplus for the year	–	(15,146)	4,939	(10,207)	–	(10,207)
Sinking fund	–	–	907	907	–	907
Total comprehensive income for the year	–	(15,146)	5,846	(9,300)	–	(9,300)
Capital contributed by the Government	12,573	–	–	–	–	12,573
At 31 March 2022	**44,729**	**1,849,419**	**32,252**	**1,881,671**	**16,176**	**1,942,576**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of changes in equity for the financial year ended 31 March 2022 (cont'd)

Corporation	Capital account (Note 17) $'000	General fund $'000	Restricted funds $'000	Accumulated surplus (Note 18) $'000	Total equity $'000
At 1 April 2020	20,327	1,776,724	20,116	1,796,840	1,817,167
Surplus for the year	–	43,182	5,045	48,227	48,227
Sinking fund	–	–	1,245	1,245	1,245
Total comprehensive income for the year	–	43,182	6,290	49,472	49,472
Capital contributed by the Government	11,829	–	–	–	11,829
At 31 March 2021	**32,156**	**1,819,906**	**26,406**	**1,846,312**	**1,878,468**
At 1 April 2021	32,156	1,819,906	26,406	1,846,312	1,878,468
(Deficit)/surplus for the year	–	(4,190)	4,939	749	749
Sinking fund	–	–	907	907	907
Total comprehensive income for the year	–	(4,190)	5,846	1,656	1,656
Capital contributed by the Government	12,573	–	–	–	12,573
At 31 March 2022	**44,729**	**1,815,716**	**32,252**	**1,847,968**	**1,892,697**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of cash flows for the financial year ended 31 March 2022

Group	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
(Deficit)/surplus before taxation and contribution to Consolidated Fund		(17,723)	41,378
Adjustments for:			
Interest income		(13,806)	(18,250)
Dividend income	28	(2,695)	(4,096)
Depreciation of property, plant and equipment	4	58,709	56,731
Amortisation of land premium	5	2,074	1,926
Amortisation of rights-of-use assets	6(a)	553	557
Loss/(gain) on disposal/write-off of property, plant and equipment		523	(25)
Provision of doubtful debts		79	561
Unrealised fair value gain on investments	28	(183)	(41,472)
Amortisation of deferred membership		(8,688)	(8,141)
Amortisation of deferred lease income	23(b)	(1,330)	(1,122)
Share of results of a joint venture	8	(526)	(270)
Amortisation of deferred capital grants	22	(511)	(526)
Lease interest expense	6(b)	498	504
Net change in fair value loss/(gain) of derivatives		1,249	(8,606)
Operating cash flows before working capital changes		**18,223**	**19,149**

Statement of cash flows for the financial year ended 31 March 2022 (cont'd)

Group	Note	2022 $'000	2021 $'000
Changes in working capital			
Decrease in inventories		605	43
(Increase)/decrease in trade and other receivables and prepayments		(21,469)	5,747
Increase in accrued lease income		(5,670)	(5,860)
(Decrease)/increase in trade and other payables		(3,555)	7,611
Decrease in provisions		(1,158)	(4,160)
Cash (used in)/generated from operating activities		(13,024)	22,530
Net tax refund/(paid)		941	(1,249)
Contribution to Consolidated Fund	24	(5,184)	–
Membership fees received		20,825	3,363
Net increase in cash of Sentosa Cove Residential Fund		(5,875)	(6,413)
Net cash (used in)/generated from operating activities		**(2,317)**	**18,231**
Investing activities			
Interest received		13,806	18,250
Dividends received	28	2,695	4,096
Purchase of property, plant and equipment	4	(43,305)	(51,715)
Prepayment for acquisition of fund investments		(180,000)	–
Net proceeds from sale and purchase of investments		514,120	254,055
Proceeds from disposal of property, plant and equipment		57	689
Net cash generated from investing activities		**307,373**	**225,375**

Statement of cash flows for the financial year ended 31 March 2022 (cont'd)

Group	Note	2022 $'000	2021 $'000
Financing activities			
Proceeds from capital contributed by the Government		12,573	11,907
Bank borrowings		10,000	–
Payment of principal portion of lease liabilities	6(b)	(701)	(671)
Net cash generated from financing activities		**21,872**	**11,236**
Net increase in cash and cash equivalents		**326,928**	**254,842**
Cash and cash equivalents at the beginning of the financial year		545,443	290,601
Cash and cash equivalents at the end of the financial year	**16**	**872,371**	**545,443**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Domicile and activities

Sentosa Development Corporation (the "Corporation") is a statutory board established under the Sentosa Development Corporation Act 1972 (the "Act"), under the purview of the Ministry of Trade and Industry ("MTI"). As a statutory board, the Corporation is subject to the directions of the MTI and is required to implement policies and policy changes as determined by its supervisory ministry and other Government ministries such as the Ministry of Finance from time to time. The address of the Corporation's registered office and place of business is at 39 Artillery Avenue, Sentosa, Singapore 099958.

The Corporation's primary function is to control and administer Sentosa Island and encourage the development of services, facilities and amenities on the island for tourists and the public. There have been no significant changes in the nature of this function during the financial year.

The Corporation has a division, Sentosa Golf Club (the "Club"), a proprietary club registered with the Registrar of Societies under the Societies Act 1966. The proprietor of the Club is Sentosa Development Corporation. The principal activities of the Club are to provide and maintain a clubhouse and facilities for golf and other recreational activities for its members. There have been no significant changes in the nature of these activities during the financial year. Transactions of the Club are accounted for as part of the Corporation's accounts.

The financial statements of the Corporation as at and for the year ended 31 March 2022 comprise the Corporation and its subsidiaries (together referred to as the "Group") and the Group's interest in joint ventures.

2. Summary of significant accounting policies

2.1. Basis of preparation

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

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2021. The adoption of the standards did not have any effect on the financial performance or position of the Group.

<u>COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to SB-FRS 116</u>

For year ended 31 March 2021, the Group had elected to early adopted the amendment to SB-FRS 116 *Leases*: COVID-19-Related Concessions issued in June 2020, effective for annual period beginning on or after 1 June 2020. The amendment has since been extended to apply to annual reporting periods beginning on or after 1 April 2021.

2. Summary of significant accounting policies (cont'd)

2.2. Changes in accounting policies (cont'd)

The amendments to SB-FRS 116 introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to applicable leases.

2.3. Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SB-FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to SB-FRS 16: Property, Plant and Equipment – Proceeds before intended use	1 January 2022
Amendments to SB-FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual improvements to SB-FRSs 2018-2020	1 January 2022
Amendments to SB-FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SB-FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SB-FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to SB-FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2. Summary of significant accounting policies (cont'd)

2.4. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Corporation. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in income statement;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to income statement or retained earnings, as appropriate.

2.5 Functional and foreign currency

a. Functional currency

The management has determined the currency of the primary economic environment in which the Group operates i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

b. Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Group and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in income statement.

2. Summary of significant accounting policies (cont'd)

2.6. Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment that is directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land and improvements to land - 10 to 103 years or over remaining lease terms ranging from 48 to 61 years

Buildings, attractions, facilities and renovations - 3 to 50 years

Plant and machinery, operating equipment and other assets, comprising:
i. Plant and machinery (including cable car system) - 3 to 50 years
ii. Transportation assets - 4 to 50 years
iii.Furniture and fittings - 1 to 27 years
iv.Computer equipment - 3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2.7. Land premium

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

Land premium for land use rights is stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the income statement on a straight-line basis over the lease term.

2.8. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in income statement.

2. Summary of significant accounting policies (cont'd)

2.8. Impairment of non-financial assets (cont'd)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9. Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Corporation's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

2.10. Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost which includes transaction costs.

The consolidated financial statements include the Group's share of the income statement and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

An impairment loss in respect of joint venture is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in income statement. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

2.11. Financial instruments

a. Financial assets

Initial recognition and measurement

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in income statement.

2. Summary of significant accounting policies (cont'd)

2.11. Financial instruments (cont'd)

a. Financial assets (cont'd)

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

i. Amortised cost

Trade and other receivables and cash and cash equivalents are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income statement when the assets are derecognised or impaired, and through amortisation process.

ii. Fair value through profit or loss

Investments in fixed income, equities, fund investments and derivatives are measured at fair value through profit or loss. Changes in fair value at the end of each reporting period are recognised in income statement. Interest income from fixed income and dividends from equities are to be recognised in income statement when the Group's right to receive payments is established.

De-recognition

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

b. Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in income statement.

2. Summary of significant accounting policies (cont'd)

2.12. Impairment of financial assets

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

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

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

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

2.13. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash held with banks and Accountant General's Department ("AGD"), and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of cash and cash equivalents held on behalf of the Government-related specific funds, which form an integral part of the Group's cash management.

2.14. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Merchandise: cost is determined on a weighted average basis

- Food and beverage and consumables and spare parts: cost is determined based on a first-in first-out basis

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2. Summary of significant accounting policies (cont'd)

2.14. Inventories (cont'd)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.15. 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 an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16. Restricted fund

The Sentosa Development Corporation Act (the "Act") provides that the Corporation shall establish a maintenance fund and levy a maintenance fee on the Sentosa Cove owners, for the purposes of managing and maintaining the Sentosa Cove resort area and of providing and maintaining the infrastructure and other facilities and services for the use of persons living and working in the resort area. The amounts in the Sentosa Cove Residential Fund relate to maintenance contribution received from the Sentosa Cove residents less the expenditure incurred for the residential precinct to date, are restricted to be used for the specified purpose provided under the Act.

The income and expenditure relating to these that are subject to legal stipulation are accounted for under Restricted Fund in the Group's and Corporation's statement of comprehensive income.

2.17. Provision for contribution to Consolidated Fund

The Corporation is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act 1989. The provision is based on guidelines specified by the Ministry of Finance. It is computed based on a percentage pegged at the prevailing corporate tax rate for the year of assessment on the net surplus of the Corporation and after deducting prior years' accumulated deficits. Contribution is provided for on an accrual basis.

The Corporation is allowed to carry forward its deficits to offset against its future surplus. The deficits have no expiry date.

2.18. Deferred membership fees

Deferred membership fee comprises club membership fee and term membership fee. These fees are the contract liabilities which relates to the Group's obligation to provide utilisation of the Club to its members for which the Club has received the membership fees in advance.

2. Summary of significant accounting policies (cont'd)

2.18. Deferred membership fees (cont'd)

Deferred membership fee comprises club membership fee and term membership fee. These fees are the contract liabilities which relates to the Group's obligation to provide utilisation of the Club to its members for which the Club has received the membership fees in advance.

Club membership fee refers to the lump sum payment made by members for the ordinary membership which is amortised and recognised as income on a straight-line basis over the lease term of the land occupied by the Club. The lease term of the land occupied by the Club is 30 years (the "Existing Lease").

In 2015, the lease term of the land occupied by the Club for Tanjong Golf Course and Serapong Golf Course was extended to 2040 and 2030 respectively (the "Extended Lease").

Additional club membership fee collected for the Extended Lease will commence amortisation upon expiry of the Existing Lease and will be amortised on a straight-line basis over the Extended Lease period.

Term membership fee refers to the yearly membership fee paid by members in advance and it is amortised and recognised as income on a straight-line basis over a year.

2.19. Deferred lease income

Deferred lease income is service income and development fee in respect of long-term leases, which is amortised and recognised as income on the basis so as to match the related costs.

2.20. Government grants

Capital grant

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in income statement as other income on a systematic basis over the useful life of the asset.

Government grants for the establishment of the Corporation are taken to the capital account.

Government grants and contributions for the purchase of depreciable property, plant and equipment are taken to the deferred capital grants account. The deferred capital grants are recognised in the income statement over the periods necessary to match the depreciation and gain or loss on disposal of the property, plant and equipment purchased with the grants.

Operating grant

Government grant shall be recognised in income statement on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

2.21. Capital

Capital contributed by the Government is recognised in the capital account. Incremental costs directly attributable to the capital are recognised as a deduction from the capital, net of any tax effects.

2. Summary of significant accounting policies (cont'd)

2.22. Employee benefits

a. Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.23. Leases

a. As lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. This assessment involved the exercise of judgement about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset.

The Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short-term leases of 12 months or less which are expensed in the income statement on a straight-line basis over the lease term.

Right-of-use assets

The ROU assets are subsequently depreciated using the straight-line basis over the earlier of the end of the lease term or the estimated useful lives of the ROU asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The ROU assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

Lease liabilities

The initial measurement of lease liability is measured at the present value of lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

Lease liability shall be remeasured when there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies (cont'd)

2.23. Leases (cont'd)

The Group has early adopted the amendment to SB-FRS 116 Leases: Covid-19-Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

b. As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.24(b). Contingent rents are recognised as income in the period in which they are earned.

2.24. Income

Income is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

a. Admission fees and packages

Income from admission fees and packages is recognised on sale and presentation of admission tickets and packages, net of discount.

b. Rental and hiring of facilities

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

Lease income from operating leases is recognised on a straight-line basis over the lease terms on ongoing leases. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease terms on a straight-line basis.

c. Club income

Membership income comprises the following:

i. Amortisation of the club membership fee and recognised on a straight-line basis over the remaining lease term of the land occupied by the Club;

ii. Term membership fees are amortised over a year;

iii. Transfer fees on club membership are recognised on approval of transfer;

2.Summary of significant accounting policies (cont'd)

2.24. Income (cont'd)

c. Club income (cont'd)

iv. Upon sale of a corporate membership, nominee registration fees for two nominees are recognised on acceptance of the first nominee by the General Committee of the Club or upon the expiration of three months from admission of the Club Member, whichever is earlier;

v. Upon a change of corporate nominee, nominee fees are recognised on approval of admission of the corporate nominee by the General Committee; and

vi. Members' subscription income from subscription fees is recognised on an accrual basis.

Golfing income comprises income from green fees and fees from other social facilities provided by the Club that are recognised when services have been rendered, and accepted by customers.

d. Sales of merchandise

Income from sales of merchandise is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer, net of trade discounts. Income is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

e. Service, development, project management fees and headquarter support cost recovery

Service, development, project management fees and headquarter support cost recovery are recognised as income when services are rendered, and accepted by customers or related parties.

f. Food and beverage

Income from sales of food and beverage is recognised upon sales made to customers, net of discounts.

g. Interest income

Interest income is recognised using the effective interest method.

h. Sponsorship income

Sponsorship income is recognised at fair value as income as and when it is reasonably certain that they will be received and conditions for receipt have been met.

i. Maintenance fund contributions

Maintenance fund contributions are recognised on an accrual basis.

j. Dividend income

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

k. Consent fee income

Consent fee income is recognised for the transfer of ownership for lease for which agreements have been concluded.

2. Summary of significant accounting policies (cont'd)

2.25. Taxes

Sentosa Development Corporation is a tax-exempted institution under the provisions of the Income Tax Act 1947. The subsidiaries of the Corporation are subject to local tax legislation.

a. Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax law used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in income statement except to the extent that the tax relates to items recognised outside income statement, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside income statement is recognised outside income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (cont'd)

2.25. Taxes (cont'd)

c. Goods and service tax ("GST")

Income, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

2.26. Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3.Significant accounting judgements and estimates

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

3.1. Judgement made in applying accounting policies

There are no areas of critical judgement in applying accounting policies and that have the most significant effect on the amounts recognised in the financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2. Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The preparation of the financial statements in conformity with SB-FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

3.Significant accounting judgements and estimates (cont'd)

3.2. Key sources of estimation uncertainty (cont'd)

a. Useful life of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 103 years (2020: 2 to 103 years). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amounts of the Group's and the Corporation's property, plant and equipment as at 31 March 2022 are disclosed in Note 4 to the financial statements.

b. Provision for Cove infrastructure

There is a present, legal and constructive obligation for the provision of infrastructure and amenities to purchasers of the Sentosa Cove's land, for which management expects to incur the expenditure.

In determining the provision, assumptions and estimates are made in relation to the expected cost for incurring the infrastructure expenditure. This includes assessing the scope of the projects to be performed. The provision amount for the projects is estimated based on the latest available information from awarded tender prices and quotations. Past bids for similar projects are used as a basis for determining the provision for projects which have not commenced. In the past financial year, management has performed a detailed review of the Cove infrastructure requirements. The carrying amount of the provision as the end of the reporting period is disclosed in Note 21 to the financial statements.

4. Property, plant and equipment

Group	Leasehold land and improvements to land $'000	Buildings, attractions, facilities and renovations $'000	Development projects-in-progress $'000	Plant and machinery, operating equipment and other assets $'000	Total $'000
Cost					
As at 1 April 2020	534,697	526,334	34,804	343,776	1,439,611
Additions	5,900	821	33,110	11,884	51,715
Disposals/written off	(28,489)	(5,471)	(370)	(7,565)	(41,895)
Transfers	4,279	(2,338)	(7,796)	5,855	-
As at 31 March 2021 and 1 April 2021	**516,387**	**519,346**	**59,748**	**353,950**	**1,449,431**
Additions	1,054	1,094	29,893	11,264	43,305
Disposals/written off	(170)	(1,193)	–	(6,820)	(8,183)
Transfers	2,657	3,555	(27,438)	21,226	-
As at 31 March 2022	**519,928**	**522,802**	**62,203**	**379,620**	**1,484,553**

4. Property, plant and equipment (cont'd)

Group	Leasehold land and improvements to land $'000	Buildings, attractions, facilities and renovations $'000	Development projects-in-progress $'000	Plant and machinery, operating equipment and other assets $'000	Total $'000
Accumulated depreciation					
As at 1 April 2020	238,601	254,209	–	215,047	707,857
Charge for the year	12,151	15,267	–	29,313	56,731
Disposals/written-off/adjustments	(29,283)	(5,061)	–	(6,887)	(41,231)
As at 31 March 2021 and 1 April 2021	221,469	264,415	–	237,473	723,357
Charge for the year	12,390	13,465	–	32,854	58,709
Disposals/written-off	(100)	(1,208)	–	(6,295)	(7,603)
As at 31 March 2021	**233,759**	**276,672**	**–**	**264,032**	**774,463**
Net book values					
As at 31 March 2022	286,169	246,130	62,203	115,588	710,090
As at 31 March 2021	294,918	254,931	59,748	116,477	726,074

Included in the cost of property, plant and equipment was an amount of $975,000 (2021: $500,000) related to costs for dismantling removal, and restoration of certain property, plant and equipment, which was provided for as reinstatement costs.

4. Property, plant and equipment (cont'd)

Corporation	Leasehold land and improvements to land $'000	Buildings, attractions, facilities and renovations $'000	Development projects-in-progress $'000	Plant and machinery, operating equipment and other assets $'000	Total $'000
Cost					
As at 1 April 2020	505,561	454,501	28,560	333,845	1,322,467
Additions	5,500	666	24,901	11,154	42,221
Disposals/written-off	(27,964)	(4,790)	119	(7,102)	(39,737)
Transfers	4,169	(2,781)	(5,642)	4,254	–
As at 31 March 2021 and 1 April 2021	**487,266**	**447,596**	**47,938**	**342,151**	**1,324,951**
Additions	576	596	21,630	24,141	46,943
Disposals/written-off	(49)	(1,082)	–	(6,490)	(7,621)
Transfers	2,436	682	(9,000)	5,882	–
As at 31 March 2022	490,229	447,792	60,568	365,684	1,364,273

4. Property, plant and equipment (cont'd)

Corporation	Leasehold land and improvements to land $'000	Buildings, attractions, facilities and renovations $'000	Development projects-in-progress $'000	Plant and machinery, operating equipment and other assets $'000	Total $'000
Accumulated depreciation					
At 1 April 2020	229,530	209,400	–	209,880	648,810
Charge for the year	11,280	11,642	–	26,942	49,864
Disposals/written-off/adjustments	(28,812)	(4,384)	–	(6,456)	(39,652)
As at 31 March 2021 and 1 April 2021	211,998	216,658	–	230,366	659,022
Charge for the year	11,537	10,629	–	29,375	51,541
Disposals/written-off	(37)	(1,157)	–	(5,994)	(7,188)
As at 31 March 2022	223,498	226,130	–	253,747	703,375
Net book values					
As at 31 March 2022	266,731	221,662	60,568	111,937	660,898
As at 31 March 2021	275,268	230,938	47,938	111,785	665,929

On 1 October 2021, the property, plant and equipment amounting to $13,195,000 was transferred from Sentosa Leisure Management Pte Ltd to Sentosa Development Corporation at net book value.

5. Land premium

	Group and Corporation	
	2022 $'000	**2021** $'000
Cost		
At 1 April and 31 March	68,064	68,064
Accumulated amortisation		
At 1 April	25,168	23,242
Charged to income statement	2,074	1,926
At 31 March	27,242	25,168
Net carrying amount	**40,822**	**42,896**

The cost of land premium for Sentosa Golf Club is capitalised in accordance with accounting policy in Note 2.7 and represents the amounts paid to Singapore Land Authority for the current and renewed lease term of the golf course land. In 2015, the Club extended its land lease period of the Tanjong Golf Course and Serapong Golf Course for 19 years and 9 years respectively for $41,613,000.

6. Right-of-use assets and lease liabilities

Group as a lessee

The Group has lease contracts for properties used in its operations with lease terms of 20 years on average. These leases are recognised as right-of-use assets. The Group also has leases of low-value assets. The Group applies the 'lease of low-value assets' recognition exemptions for these leases.

a. Carrying amounts of right-of-use assets recognised and the movements during the year:

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Cost				
At 1 April and 31 March	14,566	14,566	1,536	1,536
Additions	31	–	–	–
As at 31 March	**14,597**	**14,566**	**1,536**	**1,536**
Accumulated amortisation				
At 1 April	1,565	1,008	707	564
Charged to income statement	553	557	143	143
As at 31 March	**2,118**	**1,565**	**850**	**707**
Net carrying amount	**12,479**	**13,001**	**686**	**829**
Current	–	176	–	176
Non-Current	12,479	12,825	686	653
At 31 March	**12,479**	**13,001**	**686**	**829**

6. Right-of-use assets and lease liabilities (cont'd)

Group as a lessee (cont'd)

b. Carrying amounts of lease liabilities and the movements during the year:

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
At 1 April	13,411	13,578	666	704
Additions	31	–	–	–
Accretion of interest	498	504	9	11
Payments	(701)	(671)	(50)	(49)
At 31 March	**13,239**	**13,411**	**625**	**666**
Comprises:				
Current	214	195	40	39
Non-Current	13,025	13,216	585	627
At 31 March	**13,239**	**13,411**	**625**	**666**

The following are the amounts recognised in income and expenditure:

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Amortisation of right-of-use assets	(553)	(557)	(143)	(143)
Interest expenses on lease liabilities	(498)	(504)	(9)	(11)
Expenses relating to short-term and low value leases (included in administrative expenses)	(608)	(537)	–	–
Total amount recognised in income and expenditure	**(1,659)**	**(1,598)**	**(152)**	**(154)**

The Group had total cash outflows for leases of $1,309,000 (2021: $1,208,000) for the financial year ended 31 March 2022.

6. Right-of-use assets and lease liabilities (cont'd)

Group as a lessee (cont'd)

The Group has applied the practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of $nil (2021: $139,000) was recognised as negative variable lease payments (i.e. reduction in the rental expenses) in the profit or loss during the year.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	1 April 2021 $'000	Cash flows $'000	Additions $'000	Accretion of interest $'000	Non-cash change $'000	31 March 2022 $'000
Lease liabilities						
- Current	195	(701)	31	498	191	214
- Non-current	13,216	–	–	–	(191)	13,025
Borrowing						
- Current	–	10,000	–	–	–	10,000
	13,411	**9,299**	**31**	**498**	**-**	**23,239**

	1 April 2020 $'000	Cash flows $'000	Accretion of interest $'000	Non-cash change $'000	31 March 2021 $'000
Lease liabilities					
- Current	169	(671)	504	193	195
- Non-current	13,409	–	–	(193)	13,216
	13,578	**(671)**	**504**	**-**	**13,411**

The 'non-cash change' column relates to reclassification of non-current portion of lease liabilities due to passage of time.

7. Investments in subsidiaries

	Corporation 2022 $'000	Corporation 2021 $'000
Unquoted equity shares, at cost	41,108	41,108

Details of the subsidiaries are as follows:

Name	Principal activities	Country of incorporation/ place of business	Percentage of ownership held by the Group 2022 %	Percentage of ownership held by the Group 2021 %
Held by the Corporation				
Mount Faber Leisure Group Pte Ltd*	Operation of the cable car system and attractions, wholesaler and retailer of merchandise and food and beverage services	Singapore	100	100
Sentosa Leisure Management Pte Ltd*	An agent of Sentosa Development Corporation in fulfilling the Corporation's economic and social roles, which include functions such as corporate services (IT, HR, Finance)	Singapore	100	100
Sentosa Cove Resort Management Pte Ltd*	Estate and community management, including property and facility management of common properties within Sentosa Cove	Singapore	100	100

* Audited by Ernst & Young LLP, Singapore

8. Investments in joint venture

	Group	
	2022 $'000	**2021** $'000
Unquoted shares, at cost	6,340	6,340
Share of post-acquisition profits (net of tax)	10,144	9,618
	16,484	**15,958**

There are no contingent liabilities relating to the Group's interest in its joint venture.

In 2022 and 2021, the Group did not receive any dividend from its investments in joint venture.

Details of the joint venture are as follows:

Name	Principal activities	Country of incorporation/ place of business	Percentage of ownership held by the Group	
			2022 %	**2021** %
Held by subsidiary				
DCP (Sentosa) Pte Ltd *	Generation and sale of chilled water at Sentosa	Singapore	20	20

* Audited by PricewaterhouseCoopers LLP, Singapore

Resort World Singapore ("RWS") and the Group's subsidiary, Sentosa Leisure Management Pte Ltd ("SLM"), has 80% and 20% share respectively in DCP (Sentosa) Pte Ltd ("DCP").

Based on the joint venture agreement, the quorum of shareholders and directors meeting can only be achieved with the presence of at least one director/representative each from SLM and RWS. Furthermore, SLM and RWS have equal rights in determining DCP's business and its conduct. Accordingly, DCP is accounted for as a joint venture.

8. Investments in joint venture (cont'd)

The following table summarises the financial information of the joint venture and reconciliation of the investment in the consolidated financial statements are as follow:

	2022 $'000	2021 $'000
Income	23,853	13,350
Expenses	(21,222)	(11,999)
Total profit	**2,631**	**1,351**
Current assets	45,616	39,649
Non-current assets	62,829	66,930
Current liabilities	(3,712)	(3,916)
Non-current liabilities	(22,338)	(22,900)
Net assets	**82,395**	**79,763**
Group's interest in net assets of joint venture at beginning of year	**15,958**	**15,688**
Share of total profit	526	270
Carrying amount of interest in joint venture at end of the year	**16,484**	**15,958**

9. Accrued lease income

Accrued lease income relates to recognition of guaranteed annual payments which are expected to be received in subsequent periods from lessees on long term leases. The revenue on these leases is recognised on a straight-line basis.

10. Deferred tax assets/(liabilities)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	At 1 April 2020 $'000	Recognised in profit or loss $'000	At 31 March 2021 and 1 April 2021 $'000	Recognised in profit or loss $'000	At 31 March 2022 $'000
Group					
Deferred tax assets/(liabilities)					
Property, plant and equipment	(378)	(167)	(545)	545	–
Provision for unutilised leave	232	110	342	(181)	161
Provision for non-contractual bonus	634	494	1,128	(175)	953
Unutilised capital allowances	–	–	–	69	69
Total	**488**	**437**	**925**	**258**	**1,183**

Deferred tax assets have not been recognised in respect of the following items:

	2022 $'000	2021 $'000
Group		
Unutilised tax losses	23,987	14,942
Unutilised capital allowances	9,882	4,968

At the reporting date, the Group has not recognised deferred tax assets arising from unutilised tax losses and unutilised capital allowances that relate to certain subsidiaries. These are available for offset against future taxable profits. No deferred tax asset is recognised, as it is not probable that taxable profits will be available against which the deferred tax assets can be utilised.

These unutilised tax losses and capital allowances relating to certain subsidiaries are subject to agreement by the tax authorities and compliance with the relevant provisions of Singapore Income Tax Act. The tax losses and capital allowances have no expiry date.

11. Inventories

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Consumables and spare parts	6,599	6,694	6,599	6,694
Merchandise	868	1,136	–	–
Food and beverage products	274	299	93	98
Attraction tickets	16	16	16	15
Less: Allowance for inventories obsolescence	(494)	(277)	–	–
	7,263	**7,868**	**6,708**	**6,807**
Statement of comprehensive income:				
Inventories recognised as an expense in cost of sales	2,369	1,137	2,256	947
Inventories recognised as part of inventories used	8,325	6,220	5,189	3,876

12. Trade and other receivables

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Current				
Trade receivables	41,687	14,682	38,142	11,208
Other receivables	10,187	7,192	8,935	5,009
Investment receivables	398	7,667	272	7,497
Deposits	1,413	1,638	76	105
Amounts due from subsidiaries (non-trade)	–	–	1,366	5,136
Total trade and other receivables	53,685	31,179	48,791	28,955
Add: Cash and deposits (Note 16)	905,488	572,685	866,518	534,423
Prepayment for acquisition of investments	180,000	–	180,000	–
Less: GST receivables	(77)	(645)	(15)	(1,232)
Total financial assets at amortised cost	**1,139,096**	**603,219**	**1,095,294**	**562,146**

12. Trade and other receivables (cont'd)

Trade receivables
Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Investment receivables
Investment receivables include interests and dividends receivables from the investments in fixed income and equities and the outstanding amounts for the fixed income and equities sold at year end.

Amounts due from subsidiaries (non-trade)
Amounts due from subsidiaries are unsecured, repayable on demand and are to be settled in cash.

Receivables that are past due but not impaired
The Group has trade receivables amounting to $866,000 (2021: $546,000) that are past due at the end of the reporting period but not impaired.

The Corporation has trade receivables amounting to $708,000 (2021: $432,000) that are past due at the end of the reporting period but not impaired.

These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2022 $'000	2021 $'000
Group		
Past due less than 30 days	612	146
Past due 30-60 days	114	90
Past due 61-90 days	26	18
Past due more than 90 days	114	292
	866	**546**
Corporation		
Past due less than 30 days	539	132
Past due 30-60 days	88	73
Past due 61-90 days	25	15
Past due more than 90 days	56	212
	708	**432**

12. Trade and other receivables (cont'd)

Receivables that are impaired

The Group's and Corporation's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows. For financial year ended 31 March 2022, the movement in allowance for expected credit losses of trade receivables has been computed based on lifetime expected credit losses (ECL):

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Movement in allowance for expected credit loss accounts:				
At 1 April	690	378	651	337
Provided during the year	255	626	228	587
Reversal during the year	(176)	(65)	(151)	(26)
Utilised during the year	(1)	(249)	(1)	(247)
At 31 March	**768**	**690**	**727**	**651**

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Investment receivables denominated in foreign currencies at 31 March are as follows:

	Group and Corporation	
	2022 $'000	**2021** $'000
United States Dollars	70	4,091
Euros	–	214
British Pounds	24	180
Japanese Yen	26	87
Others	152	2,925

13. Prepayments

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Prepayment for acquisition of fund investments	180,000	–	180,000	–
Others	3,912	4,121	3,369	3,845
	183,912	**4,121**	**183,369**	**3,845**

Prepayment for acquisition of fund investments pertains to payments made before the year end for which units in the fund were only issued on 1 April 2022. Upon obtaining title to the investments, the amount had been reclassified to investments subsequent to the financial year end.

14. Investments

	Group and Corporation	
	2022 $'000	**2021** $'000
At fair value through profit or loss		
Quoted investments		
Singapore government bonds	–	114,349
Other government bonds	–	84,821
Corporate bonds	–	243,986
Equity securities	–	142,457
Fund investments	–	108,507
Unquoted investments		
Fund investments	180,183	–
	180,183	**694,120**

The investments in 2022 are made through AGD Demand Aggregation Scheme which consists of fund placement with one fund manager under the AGD panel of approved fund managers while in 2021, the investments were managed by external investment managers appointed by the Corporation and were held with an appointed external custodian.

As at 31 March 2022, the fair values of the fund investments are determined based on the net asset values provided by the fund manager at the last market day of the financial year. In the prior year, the fair values of Singapore government bonds, other government bonds, corporate bonds, equity securities and fund investments were based on the last closing bid market prices on the last market day of the financial year provided by the external investment managers.

14. Investments (cont'd)

Investments at fair value through income or expenditure denominated in foreign currencies at 31 March are as follows:

	Group and Corporation	
	2022 $'000	**2021** $'000
United States Dollars	–	212,232
Euros	–	20,048
Hong Kong Dollars	–	39,612
British Pounds	–	5,418
Japanese Yen	–	29,288
Others	–	68,961

15. Financial derivatives at fair value

	Group and Corporation					
	2021			**2022**		
	Notional amount $'000	**Assets** $'000	**Liabilities** $'000	**Notional amount** $'000	**Assets** $'000	**Liabilities** $'000
Futures	–	–	–	56,180	508	(268)
Forward foreign exchange contracts	314,952	548	(548)	544,330	2,185	(2,213)
Swaps	–	–	–	73,385	1,959	(922)
	314,952	**548**	**(548)**	**673,895**	**4,652**	**(3,403)**

Futures and options are entered into for efficient portfolio management of the investment portfolio. Foreign exchange forward contracts are entered into for hedging purposes to manage currency risk of the investment portfolio. Swap contracts are entered into for managing interest rate risk of fixed income portfolios. The notional amount is the value of the underlying futures and foreign exchange forward contracts.

Financial derivatives denominated in foreign currencies as at 31 March are as follows:

	Group and Corporation	
	2022 $'000	**2021** $'000
United States Dollars	(372)	3,155
Others	8	(20)

16. Cash and deposits

	Group		Corporation	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash at bank and on hand	26,911	11,059	26,612	10,713
Cash placed with custodian	45,507	21,671	45,506	21,671
Deposits placed with Accountant-General's Department ("AGD")	833,070	539,955	794,400	502,039
	905,488	**572,685**	**866,518**	**534,423**
Less: Cash held under Sentosa Cove Residential Fund	(33,117)	(27,242)	(33,117)	(27,242)
Cash and cash equivalents	**872,371**	**545,443**	**833,401**	**507,181**

Deposits placed with the AGD mature in varying periods of between 1 day to 2 years (2021: 1 day to 2 years), depending on the immediate cash requirements of the Corporation and the Group, and earn interest income based on AGD's Central Liquidity Management (CLM) yield rates.

The weighted average effective interest rate of cash and cash equivalents held by the Group and Corporation is 0.30% (2021: 0.79%) per annum.

Cash and cash equivalent denominated in foreign currencies as at 31 March are as follows:

	Group		Corporation	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Japanese Yen	26,356	9,416	26,356	9,416
United States Dollar	179	11,060	179	11,060
Others	–	194	–	194

17. Capital account

The capital account represents government grants given to the Corporation for its establishment, and capital contributed by the Government.

	Group and Corporation	
	2022 $'000	**2021** $'000
At 1 April	32,156	20,327
Capital contributed by the Government	12,573	11,829
At 31 March	**44,729**	**32,156**

18. Accumulated surplus

a. General Fund

Income and expenditure of the Group are generally accounted for under the General Fund in the income statement.

b. Restricted Fund

The restricted fund refers to the net funds held in the Sentosa Cove Residential Fund. The accounting policy for the Restricted Fund is disclosed in Note 2.16.

The assets and liabilities of the restricted fund are as follows:

	Group and Corporation	
	2022 $'000	**2021** $'000
Trade and other receivables	1,085	1,205
Prepayments	18	40
Cash and cash equivalents	33,117	27,242
	34,220	**28,487**
Trade and other payables	956	1,048
Provision for contribution to Consolidated Fund	1,012	1,033
	1,968	**2,081**
Net assets	**32,252**	**26,406**

19. Revaluation reserve

Revaluation reserve represents the impact of fair value adjustment on the land and buildings acquired in respect of the acquisition of a subsidiary in prior years.

20. Trade and other payables

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Current				
Trade payables	5,516	4,137	3,583	3,498
Accrued operating expenses	38,215	41,128	23,644	21,693
Deposits	4,162	4,202	3,971	3,908
Advance receipts	19,071	18,728	13,462	12,966
Liability for short-term compensating absences	2,832	5,105	1,075	2,338
Other payables	4,877	4,088	3,294	1,902
Investment payables	293	8,121	293	8,121
Amounts due to subsidiaries (non-trade)	–	–	16,743	16,617
	74,966	**85,509**	**66,065**	**71,043**
Non-current				
Other payables	3,746	2,758	2,771	2,259
Total	78,712	88,267	68,836	73,302
Add: Bank borrowings (Note 25)	10,000	–	–	–
Less: Other payables	(975)	(500)	–	–
GST payables	(584)	–	(559)	–
Advance receipts	(19,071)	(18,728)	(13,462)	(12,966)
Total financial liabilities carried at amortised cost	**68,082**	**69,039**	**54,815**	**60,336**

20. Trade and other payables (cont'd)

Investment payables
Investment payables include management fees payable to the fund managers and the outstanding amounts for the fixed income and equities purchased at year end.
Investment payables denominated in foreign currencies at 31 March are as follows:

	Group and Corporation	
	2022 $'000	**2021** $'000
United States Dollars	–	3,797
Others	–	4,325

Amounts due to subsidiaries (non-trade)
These amounts are unsecured, repayable on demand and are to be settled in cash.

21. Provisions

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
At 1 April	2,037	6,197	1,900	6,060
Provision utilised during the year	(1,158)	(4,160)	(1,158)	(4,160)
At 31 March	**879**	**2,037**	**742**	**1,900**
Comprises:				
Current	742	1,900	742	1,900
Non-current	137	137	–	–
Total	**879**	**2,037**	**742**	**1,900**

Provision represents legal and constructive obligation for the provision of certain infrastructure and amenities to purchasers of Sentosa Cove's land, for which management expects to incur expenditure and provision for impairment on property, plant and equipment.

22. Deferred capital grants

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
At 1 April	10,207	10,655	10,110	10,502
Amounts received	1	78	70	78
Credited to income statement	(511)	(526)	(483)	(470)
At 31 March	**9,697**	**10,207**	**9,697**	**10,110**
Comprises:				
Current	470	526	470	470
Non-current	9,227	9,681	9,227	9,640
Total	**9,697**	**10,207**	**9,697**	**10,110**
Total capital grants received since establishment	**511,147**	**511,146**	**510,938**	**510,868**

Deferred capital grants relate to grants received from the Government for the purchase of certain property, plant and equipment.

23(a). Deferred membership fee

Club membership fee

	Group and Corporation	
	2022 $'000	**2021** $'000
At 1 April and 31 March	48,386	53,675
Additions	16,710	–
	65,096	**53,675**
Credited to income statement	(4,635)	(5,289)
At 31 March	**60,461**	**48,386**

Term membership fee

	Group and Corporation	
	2022 $'000	**2021** $'000
At 1 April	2,264	1,753
Additions	4,115	3,363
	6,379	**5,116**
Credited to income statement	(4,053)	(2,852)
At 31 March	**2,326**	**2,264**
Deferred membership fee comprises:		
Current	6,216	7,371
Non-current	56,571	43,279
Total	**62,787**	**50,650**

23(b). Deferred lease income

	Group and Corporation	
	2022 $'000	**2021** $'000
Deferred lease income		
At 1 April	44,406	41,528
Addition	6,000	4,000
Credited to income statement:		
- Lease income amortised (Note 27)	(1,330)	(1,122)
At 31 March	**49,076**	**44,406**
Comprises:		
Current	1,435	1,122
Non-current	47,641	43,284
Total	**49,076**	**44,406**

Deferred lease income mainly comprises lease, service and development fees, and upfront premium received in respect of long-term leases.

24. Provision for contribution to Consolidated Fund

The Corporation is required to contribute to the Consolidated Fund in accordance with the Statutory Corporations (Contribution to Consolidated Fund) Act 1989.

The Club has obtained written consent from the Ministry of Finance, that membership entrance fees recognised as income upfront prior to 1 April 1999 under the previous income recognition policy would not be subject to contribution, when these fees are deferred and recognised as income over the remaining lease term of the land under the current accounting policy. Hence, the membership entrance fee income of $230,000 (2021: $2,029,000) resulting from the amortisation of deferred membership fee is not subject to contribution to Consolidated Fund.

	Corporation	
	2022 $'000	**2021** $'000
(Deficit)/surplus of the Corporation before contribution to Consolidated Fund	(4,433)	57,688
Deferred membership fee on membership entrance	(230)	(2,029)
(Deficit)/surplus subject to contribution to Consolidated Fund	**(4,663)**	**55,659**
Movement in Contribution to Consolidated Fund:		
At 1 April	10,366	905
Contribution for the year	–	9,461
Paid during the year	(5,184)	–
Write-back of provision	(5,182)	–
At 31 March	**-**	**10,366**

The contribution for the financial year under review is based on 17% of the surplus, if any, of the Corporation.

As at end of the reporting period, the Corporation has unutilised deficits of $4,663,000 (2021: $25,163,000) that are available for offset against future operating surpluses.

25. Bank borrowings

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Bank borrowings (unsecured)	10,000	–	–	–

The bank borrowing is denominated in Singapore dollars, with tenure of 3 months and bear interest at 1.97% per annum.

26. Income

Disaggregation of income

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Major product or service lines				
Admission fees and packages	7,898	6,141	4,379	2,885
Club income	32,172	22,402	32,172	22,402
Sales of merchandise, net of discounts	1,544	1,326	–	–
Food and beverage	12,202	8,642	4,136	2,582
Headquarter support cost recovery	–	–	–	813
Sponsorship income	307	331	296	292
Maintenance fund contributions	12,972	12,643	12,972	12,642
	67,095	**51,485**	**53,955**	**41,616**
Primary geographical markets				
Singapore	67,095	51,485	53,955	41,616
Timing of transfer of goods or services				
At a point in time	33,717	19,239	20,480	9,370
Over time	33,378	32,246	33,475	32,246
	67,095	**51,485**	**53,955**	**41,616**

27. Rental and hiring of facilities

	Group		Corporation	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Rental income	32,731	32,827	33,617	36,843
Lease income amortised (Note 23(b))	1,330	1,122	1,330	1,122
	34,061	**33,949**	**34,947**	**37,965**

28. Investment income (net)

	Group and Corporation	
	2022	**2021**
	$'000	$'000
Dividend income	2,695	4,096
Interest income	11,800	14,564
Realised fair value (loss)/gain on investment	(38,786)	34,502
Unrealised fair value gain on investments	183	41,472
Net foreign currency exchange loss	(371)	(2,593)
Others	(3,688)	219
	(28,167)	**92,260**

29. Other income

	Group		Corporation	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Club income	32,172	22,402	32,172	22,402
Sales of merchandise, net of discounts	1,544	1,326	–	–
Headquarter support cost recovery	–	–	–	813
Sponsorship income	307	331	296	292
Food and beverage	12,202	8,642	4,136	2,582
Maintenance fund contributions	12,972	12,643	12,972	12,643
Property tax rebates	–	5,138	–	4,656
Others	5,216	10,120	2,596	8,934
	64,413	**60,602**	**52,172**	**52,322**

30. Staff costs

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Wages and salaries	70,365	63,119	65,590	58,831
CPF contributions	15,619	16,184	8,382	8,259
	85,984	**79,303**	**73,972**	**67,090**

During the year, Job Support Scheme (JSS) grants of approximately $5,558,000 (2021: $17,380,000) are recognised as a credit to the Group's wages and salaries expense.

31. General and administrative expenses

The following items have been included in arriving at general and administrative expenses:

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Property tax	4,965	5,761	4,724	5,061
Utilities	5,147	3,118	3,525	2,465
Investment related expenses	2,178	3,132	2,178	3,132
Professional and consultancy fees	2,714	3,706	1,977	2,328
Printing and stationery	125	155	88	87
Travelling and transport	1,994	1,701	1,866	1,624
Exchange loss/(gain)	581	(235)	575	(259)
Loss/(gain) on disposal of property, plant and equipment	523	(25)	377	(25)
Rental reliefs to tenants	–	2,686	–	5,710

32. Income tax (credit)/expense

The Corporation is a tax exempt institution under the provision of the Income Tax Act 1947. The subsidiaries of the Corporation are subject to tax under Singapore income tax legislation.

	Group	
	2022 $'000	**2021** $'000
Current tax (credit)/expense		
Current year	–	497
(Over)/under-provision in respect of prior years	(1,468)	404
	(1,468)	**901**
Deferred tax credit		
Current year	144	(386)
Over-provision in respect of prior years	(1,010)	(51)
	(866)	**(437)**
Total income tax (credit)/expense	**(2,334)**	**464**

	Group	
	2022 $'000	**2021** $'000
Relationship between tax expense and (deficit)/surplus		
(Deficit)/surplus before income tax	(17,723)	41,378
Tax using Singapore tax rate at 17%	(3,013)	7,034
Deficit/(surplus) not subject to tax	754	(9,806)
Non-deductible expenses	987	263
Income not subject to tax	(872)	(1,485)
Effect of partial tax exemption and tax relief	–	(36)
Deferred tax assets not recognised	2,378	3,783
(Over)/under-provision in respect of prior years	(2,478)	353
Others	(90)	358
	(2,334)	**464**

33. Commitments

a. Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements is as follows:

	Group		Corporation	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Capital commitments in respect of property, plant and equipment	136,916	121,104	133,185	107,299

b. Lease commitments - as lessor

The Group leases land to certain hotels and tenants for 3 to 92 (2021: 3 to 92) years under operating leases. There are no restrictions placed upon the Group and the Corporation by entering into these leases. Lease income is based on a fixed lump sum payment, which is amortised over the lease period, a fixed monthly rental, and a variable rental payment based on a percentage of the tenant's income derived from using the leased land.

Lease income recognised in the income statement of the Group and the Corporation during the financial year amounted to $32,731,000 (2021: $32,827,000) and $33,617,000 (2021: $36,843,000) respectively, of which $8,695,000 (2021: $6,516,000) and $9,166,000 (2021:$6,959,000) was related to the variable rental income received during the financial year respectively.

34. Significant related party transactions

a. Compensation of key management personnel

Key management personnel of the Group and the Corporation are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Corporation.

Key management personnel compensation comprises:

	Group		Corporation	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Short-term employee benefits	8,637	8,197	7,169	6,308
CPF contributions	431	477	336	351
Board members' fees	163	170	123	131
	9,231	**8,844**	**7,628**	**6,790**

34. Significant related party transactions (cont'd)

b. Other significant related party transactions

During the financial year, other than those disclosed elsewhere in the financial statements, the following significant transactions were carried out by the Group and Corporation with its related parties in the normal course of business on terms agreed between the parties.

	Group		Corporation	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Ministries and Statutory Boards				
Purchases and services paid to other ministries	5,717	–	5,710	–
Purchases and services paid to other statutory boards	3,373	2,740	3,332	2,667
Services rendered to other ministries	4,210	1,420	3,988	869
Services rendered to other statutory boards	2,364	485	232	72
Subsidiaries				
Admission fee income from subsidiaries	–	–	–	–
Rental income from subsidiaries	–	–	1,198	1,331
Headquarter support fee recovery from subsidiaries	–	–	(147)	813
Purchase of goods from subsidiaries	–	–	1,204	406
Management fee expense paid to subsidiaries	–	–	37,319	34,533
Joint ventures				
Rental income from joint venture	689	689	689	689
Other related parties				
Services rendered by related parties	286	459	284	451
Services rendered to related parties	20	11	16	11

35. Fair value of assets and liabilities

a. Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:
- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

b. Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of reporting period:

Group and Corporation	Level 1 S$'000	Level 2 S$'000	Total S$'000
2022			
Financial assets:			
Singapore government bonds	–	–	–
Other government bonds	–	–	–
Corporate bonds	–	–	–
Equity securities	–	–	–
Fund investments	–	180,193	180,193
Sub-Total	**-**	**180,193**	**180,193**
Derivative financial instruments			
Futures	–	–	–
Forward foreign exchange contracts	–	548	548
Swaps			
Sub-Total	**-**	**548**	**548**
Total	**-**	**180,741**	**180,741**
Financial liabilities:			
Derivative financial instruments			
Futures	–	–	–
Forward foreign exchange contracts	–	(548)	(548)
Swaps			
Total	**-**	**(548)**	**(548)**

35. Fair value of assets and liabilities (cont'd)

b. Assets and liabilities measured at fair value (cont'd)

Group and Corporation	Level 1 S$'000	Level 2 S$'000	Total S$'000
2021			
Financial assets:			
Singapore government bonds	114,349	–	114,349
Other government bonds	84,821	–	84,821
Corporate bonds	243,986	–	243,986
Equity securities	142,457	–	142,457
Fund investments	–	108,507	108,507
Sub-Total	**585,613**	**108,507**	**694,120**
Derivative financial instruments			
Futures	508	–	508
Forward foreign exchange contracts	–	2,185	2,185
Swaps	–	1,959	1,959
Sub-Total	**508**	**4,144**	**4,652**
Total	**586,121**	**112,651**	**698,772**
Financial liabilities:			
Derivative financial instruments			
Futures	(268)	–	(268)
Forward foreign exchange contracts	–	(2,213)	(2,213)
Swaps	–	(922)	(922)
Total	**(268)**	**(3,135)**	**(3,403)**

c. Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Fund investments

The fair values of the fund investments are determined based on the fund net asset values provided by the external investment managers at the last market day of the financial year.

Derivatives

Forward currency and swaps contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

35. Fair value of assets and liabilities (cont'd)

d. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables (Note 12), prepayment for acquisition of fund investments (Note 13), cash and deposits (Note 16) and trade and other payables (Note 20)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, due to their short-term nature.

36. Financial risk management objectives and policies

Overview

The Group is exposed to financial risks arising from its operations, investments and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. It has always been the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

a. Credit risk

Credit risk is the risk of loss that may arise from outstanding financial instruments, trade and other receivables should a counterparty default on its obligations. The major classes of financial assets of the Group are investments managed by professional fund managers, bank deposits, trade and other receivables.

The Group has financial assets invested through AGD Demand Aggregation (DA) Scheme which consists of funds placements under the AGD panel of approved fund managers. The underlying financial assets of these funds include fixed income instruments, equities and commodities, of which the fixed income securities are of high credit ratings as determined by recognised rating agencies. The Group mitigates its credit risk exposure through regular monitoring of the fund and recoverability of the financial assets.

For trade and other receivables, the Group's objective is to seek continual income growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Hence, the Group does not expect to incur material credit losses.

Cash is placed with government and reputable and regulated financial institutions. For other financial assets, the Group minimises credit risk by dealing mainly with high credit rating counterparties.

36. Financial risk management objectives and policies (cont'd)

a. Credit risk (cont'd)

The Group consider trade and other receivables as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments.

Trade and other receivables are written off when there is no reasonable expectation of recovery, with the case by case assessment performed based on indicators such as insolvency or demise. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due where applicable. Where recoveries are made, these are recognised in income statement.

The credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for trade and other receivables can be found in Note 2.12 (Impairment of financial assets).

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

31 March 2022	Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	Total $'000
Gross carrying amount	32,261	112	49	840	33,262
Loss allowance provision	(41)	(25)	(22)	(682)	(770)

31 March 2021	Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	Total $'000
Gross carrying amount	13,524	139	112	839	14,614
Loss allowance provision	(69)	(46)	(45)	(530)	(690)

<u>Exposure to credit risk</u>

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

At the reporting date, approximately 1% (2021: 37%) of the Group's trade receivables were due from 5 (2021: 5) major customers located in Singapore.

36. Financial risk management objectives and policies (cont'd)

a. Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12 (Trade and other receivables).

b. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of non-investment financial assets and liabilities. In addition, the Group is also exposed to risk of insufficient liquidity in the market for its investments and financial instruments that may limit its ability to liquidate these investments at a reasonable fair value.

As part of its overall liquidity management, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. SDC also limits exposure to only investments and financial instruments with sufficient market liquidity.

36. Financial risk management objectives and policies (cont'd)

b. Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities
The table below summaries the expected contractual undiscounted cash outflows of financial liabilities, including interest payments.

Group	2022 $'000			2021 $'000		
	One year or less	More than one year	Total	One year or less	More than one year	Total
Financial liabilities:						
Trade and other payables	55,311	2,771	58,082	66,781	2,258	69,039
Lease liabilities	706	21,103	21,809	693	21,783	22,476
Bank borrowings	10,049	–	10,049	–	–	–
Total undiscounted financial liabilities	**66,066**	**23,874**	**89,940**	**67,474**	**24,041**	**91,515**

Corporation	2022 $'000			2021 $'000		
	One year or less	One to five years	Total	One year or less	One to five years	Total
Financial liabilities:						
Trade and other payables	52,044	2,771	54,815	58,077	2,259	60,336
Lease liabilities	50	650	700	50	650	700
Total undiscounted financial liabilities	**52,094**	**3,421**	**55,515**	**58,127**	**2,909**	**61,036**

36. Financial risk management objectives and policies (cont'd)

c. Interest rate risk

i. Investments

Interest rate risk is the risk that the fair value or future cash flows of the Group's investments and financial instruments will fluctuate because of changes in market interest rates. The Group is subjected to interest rate risk as it invests in fixed income instruments through the fund placement with AGD DA scheme.

The Group manages its interest rate risk by ensuring the fund has a diversified portfolio, manages duration as part of price risk and is limited by the fund's risk tolerance, thus monitoring and controlling exposure risk. The performance of the externally managed funds is regularly reviewed by the Internal Investment Team.

The sensitivity analysis below has been determined based on exposures to interest rate risks at the reporting date.

In respect of the floating rate bonds, a +/- 1% (2021: +/- 1%) change in interest rate as at March 2022 will result in a +/- $nil (2021: +/- $588,000) increase/decrease in interest income for the Group and Corporation. This analysis was performed assuming all other variables remain constant.

ii. Other Financial Assets and Financial Liabilities

Interest rate risk is the risk that the fair value or future cash flows of the Group's non-investment financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its deposits with the Accountant-General's Department. The Group's policy is to obtain the most favourable interest rates available without increasing its interest rate exposure.

At reporting date, if interest rates had been 25 (2021: 25) basis points higher/lower with all other variables held constant, the Group's and the Corporation's (deficit)/surplus before contribution to Consolidated Fund would have been higher/lower by the amounts shown below.

	2022		2021	
	25 basis point increase $'000	**25 basis point decrease** $'000	**25 basis point increase** $'000	**25 basis point decrease** $'000
Group				
Deposits placed with Accountant-General's Department (Note 16)	2,083	(2,083)	1,350	(1,350)
Corporation				

36. Financial risk management objectives and policies (cont'd)

d. Foreign currency risk

i. Investments

The Group's investments through the fund placement with AGD DA scheme is not subject to foreign currency risk. The investments in 2021 were held in various foreign currencies, including United States Dollars, Hong Kong Dollars and Japanese Yen, and therefore exposed to foreign exchange risk. The Group managed its foreign currency exposure by hedging through currency forward contracts as stipulated in the investment guidelines.

The Group's foreign currency exposure for investments and financial instruments as at end of each reporting period are as follows:

	Group		Corporation	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
United States Dollars	–	212,232	–	212,232
Hong Kong Dollars	–	39,612	–	39,612
Japanese Yen	–	29,288	–	29,288
Others	–	94,427	–	94,427

The following table demonstrates the sensitivity of the Group's surplus to a reasonably possible change in the United State Dollars, Hong Kong Dollars and Japanese Yen exchange rates against SGD with all other variables held constant.

		2022 $'000	2021 $'000
SGD/USD	- strengthened 1%	–	2,122
	- weakened 1%	–	(2,122)
SGD/HKD	- strengthened 1%	–	396
	- weakened 1%	–	(396)
SGD/JPY	- strengthened 1%	–	293
	- weakened 1%	–	(293)

36. Financial risk management objectives and policies (cont'd)

d. Foreign currency risk (cont'd)

ii. Other Financial Assets and Financial Liabilities

The Group's operation is not exposed to significant foreign exchange risk as most of its transactions are transacted in Singapore dollars.

At the end of each reporting period, the carrying amounts of non-investment financial assets and liabilities denominated in foreign currencies at 31 March are mainly in United States Dollars and Japanese Yen are as follows:

	Group				Corporation			
	Assets		Liabilities		Assets		Liabilities	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
United States Dollars	422	19,064	545	4,556	422	19,064	545	4,556
Japanese Yen	26,382	9,506	–	160	26,382	9,506	–	160
Others	181	718	3	1,499	181	718	3	1,499

The following table demonstrates the sensitivity of the Group's (deficit)/surplus to a reasonably possible change in the United State Dollars and Japanese Yen exchange rates against SGD with all other variables held constant.

		2022 $'000	2021 $'000
SGD/USD	- strengthened 1%	(1)	145
	- weakened 1%	1	(145)
SGD/JPY	- strengthened 1%	264	93
	- weakened 1%	(264)	(93)

36. Financial risk management objectives and policies (cont'd)

e. Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group is exposed to market price risk arising from its investments through the fund placement with AGD DA scheme by ensuring the fund maintains a diversified portfolio based on its investment guidelines, thus monitoring and controlling exposure risk. The performance of the externally managed funds is regularly monitored by the Internal Investment Team and reported to the Management and the Board of Directors.

In respect of these investments, a +/- 2% (2021: +/- 2%) change in investment value as at 31 March 2022 will result in a +/- $7,204,000 (2021: +/- $13,882,000) increase/decrease in net deficit for the Group and Corporation. This analysis has been performed with all other variables constant.

All the above sensitivity disclosures in this note has been disclosed in accordance with the requirements of SB-FRS 107. In Management's opinion, the sensitivity analysis is not fully representative of the risk considerations for its investments. The Group's investments are regularly assessed with a larger spectrum of risk considerations included in the long term asset allocation policy.

37. Capital management

The Group manages its capital in accordance with the Capital Management Framework formulated by the Ministry of Finance. Under this Framework, the Group is required to draw on its accumulated surpluses, existing equity, debt or additional equity contribution from the Government.

The Group defines capital as capital contributed by government and accumulated surplus. The Group's approach to capital management remains unchanged from the financial year ended 31 March 2021.

38. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 7 June 2022.

sentosa™

SENTOSA DEVELOPMENT CORPORATION

39 ARTILLERY AVENUE, SENTOSA SINGAPORE 099958

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