FINANCIAL REPORT
2022/2023

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Sentosa Development Corporation and its subsidiaries

Annual Financial Statements

31 March 2023

Independent auditor's report to the Member of Sentosa Development Corporation

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 statement of financial position of the Group and Corporation as at 31 March 2023, 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 material accounting policy information.

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, Act 5 of 2018 (the Public Sector (Governance) Act), 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 2023 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 and for the Group to cease operations.

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

Independent auditor's report to the Member of Sentosa Development Corporation

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.

Independent auditor's report to the Member of Sentosa Development Corporation

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
Public Accountants and
Chartered Accountants
Singapore
19 June 2023

Statements of financial position

Statements of financial position
As at 31 March 2023

	Note	Group 2023 $'000	Group 2022 $'000	Corporation 2023 $'000	Corporation 2022 $'000
Non-current assets					
Property, plant and equipment	4	723,193	710,090	675,267	660,898
Land premium	5	37,782	40,823	37,782	40,823
Right-of-use assets	6(a)	11,951	12,479	568	686
Investments in subsidiaries	7	–	–	41,108	41,108
Investments in joint venture	8	17,283	16,484	–	–
Accrued lease income	9	60,929	55,376	60,929	55,376
Deferred tax assets	10	1,065	1,183	–	–
		852,203	**836,435**	**815,654**	**798,891**
Current assets					
Inventories	11	7,442	7,263	6,818	6,708
Trade and other receivables	12	44,638	53,685	36,986	48,791
Prepayments	13	6,260	183,912	5,770	183,369
Investments	14	632,582	180,183	632,582	180,183
Financial derivatives at fair value	15	–	548	–	548
Cash and deposits	16	662,637	905,488	631,195	866,518
		1,353,559	**1,331,079**	**1,313,351**	**1,286,117**
Total assets		**2,205,762**	**2,167,514**	**2,129,005**	**2,085,008**

Statements of financial position

Statements of financial position
As at 31 March 2023 (cont'd)

	Note	Group 2023 $'000	Group 2022 $'000	Corporation 2023 $'000	Corporation 2022 $'000
Current liabilities					
Trade and other payables	20	81,189	74,966	65,496	66,065
Financial derivatives at fair value	15	–	548	–	548
Provisions	21	–	742	–	742
Deferred capital grants	22	428	470	428	470
Deferred membership fees	23(a)	6,122	6,216	6,122	6,216
Deferred lease income	23(b)	1,435	1,435	1,435	1,435
Provision for contribution to Consolidated Fund	24	1,261	–	1,261	–
Bank borrowing	25	5,000	10,000	–	–
Income tax payables		241	–	–	–
Lease liabilities	6(b)	222	214	41	40
		95,898	**94,591**	**74,783**	**75,516**
Non-current liabilities					
Other payables	20	4,992	3,746	3,677	2,771
Provisions	21	–	137	–	–
Deferred capital grants	22	8,796	9,227	8,796	9,227
Deferred membership fees	23(a)	52,540	56,571	52,540	56,571
Deferred lease income	23(b)	52,206	47,641	52,206	47,641
Lease liabilities	6(b)	12,803	13,025	544	585
		131,337	**130,347**	**117,763**	**116,795**
Total liabilities		**227,235**	**224,938**	**192,546**	**192,311**

Statements of financial position

Statements of financial position
As at 31 March 2023 (cont'd)

		Group		Corporation	
	Note	**2023**	**2022**	**2023**	**2022**
		$'000	$'000	$'000	$'000
Equity attributable to owner of the Corporation					
Capital account	17	77,233	44,729	77,233	44,729
FUNDS AND RESERVES					
Accumulated surplus					
- General fund	18(a)	1,847,162	1,849,419	1,821,270	1,815,716
- Restricted fund	18(b)	37,956	32,252	37,956	32,252
- Revaluation reserve	19	16,176	16,176	–	–
Total equity		**1,978,527**	**1,942,576**	**1,936,459**	**1,892,697**
Total equity and liabilities		**2,205,762**	**2,167,514**	**2,129,005**	**2,085,008**

Bob Tan Beng Hai
Chairman

Thien Kwee Eng
Chief Executive Officer/
Board Member

19 June 2023

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

Statement of comprehensive income

Statement of comprehensive income
For the financial year ended 31 March 2023

GROUP		General Fund		Restricted Fund		Total	
	Note	2023	2022	2023	2022	2023	2022
		$'000	$'000	$'000	$'000	$'000	$'000
Income							
Admission fees and packages	26	32,554	7,898	–	–	32,554	7,898
Rental and hiring of facilities	27	46,944	34,061	–	–	46,944	34,061
Interest income from deposits		9,713	1,912	594	94	10,307	2,006
Other income	29	67,799	52,652	11,781	11,761	79,580	64,413
		157,010	**96,523**	**12,375**	**11,855**	**169,385**	**108,378**
Expenditure							
Cost of sale for admission fees and packages		5,946	2,341	32	28	5,978	2,369
Staff costs	30	103,623	85,984	–	–	103,623	85,984
Depreciation of property, plant and equipment	4	58,671	58,709	–	–	58,671	58,709
Amortisation of land premium	5	3,041	2,074	–	–	3,041	2,074
Amortisation of right of use assets	6(a)	528	553	–	–	528	553
Repairs and maintenance		37,863	31,049	2,080	2,364	39,943	33,413
Publicity and promotion		20,065	11,519	–	–	20,065	11,519
Inventories used	11	12,344	8,325	–	–	12,344	8,325
Lease interest expense	6(b)	492	498	–	–	492	498
General and administrative expenses	31	39,102	30,836	3,917	3,512	43,019	34,348
Investment losses (net)	28	27,726	28,167	–	–	27,726	28,167
		309,401	**260,055**	**6,029**	**5,904**	**315,430**	**265,959**

Statement of comprehensive income

Statement of comprehensive income
For the financial year ended 31 March 2023 (cont'd)

GROUP		General Fund		Restricted Fund		Total	
	Note	2023	2022	2023	2022	2023	2022
		$'000	$'000	$'000	$'000	$'000	$'000
(Deficit)/surplus before Government Grants from operations		**(152,391)**	**(163,532)**	**6,346**	**5,951**	**(146,045)**	**(157,581)**
Deferred capital grants amortised	22	473	511	–	–	473	511
Share of results of a joint venture, net of tax		799	526	–	–	799	526
Operating grants		149,403	138,821	–	–	149,403	138,821
(Deficit)/surplus before taxation and contribution to Consolidated Fund		**(1,716)**	**(23,674)**	**6,346**	**5,951**	**4,630**	**(17,723)**
Income tax (expense)/credit	32	(359)	2,334	–	–	(359)	2,334
(Contribution)/write-back of provision to Consolidated Fund	24	(182)	6,194	(1,079)	(1,012)	(1,261)	5,182
(Deficit)/surplus for the year, net of taxation and contribution to Consolidated Fund		**(2,257)**	**(15,146)**	**5,267**	**4,939**	**3,010**	**(10,207)**
Net (deficit)/surplus for the year, representing total comprehensive income for the year		**(2,257)**	**(15,146)**	**5,267**	**4,939**	**3,010**	**(10,207)**

Statement of comprehensive income

Statement of comprehensive income
For the financial year ended 31 March 2023

CORPORATION		General Fund		Restricted Fund		Total	
	Note	2023	2022	2023	2022	2023	2022
		$'000	$'000	$'000	$'000	$'000	$'000
Income							
Admission fees and packages	26	9,104	4,379	–	–	9,104	4,379
Rental and hiring of facilities	27	49,969	34,947	–	–	49,969	34,947
Interest income from deposits		9,161	1,784	594	94	9,755	1,878
Other income	29	49,124	40,411	11,781	11,761	60,905	52,172
		117,358	**81,521**	**12,375**	**11,855**	**129,733**	**93,376**
Expenditure							
Cost of sale for admission fees and packages		5,202	2,228	32	28	5,234	2,256
Staff costs	30	82,037	73,972	–	–	82,037	73,972
Depreciation of property, plant and equipment	4	51,628	51,541	–	–	51,628	51,541
Amortisation of land premium	5	3,041	2,074	–	–	3,041	2,074
Amortisation of right of use assets	6(a)	118	143	–	–	118	143
Repairs and maintenance		33,042	27,812	2,080	2,364	35,122	30,176
Publicity and promotion		19,509	11,326	–	–	19,509	11,326
Inventories used	11	5,923	5,189	–	–	5,923	5,189
Lease interest expense	6(b)	10	9	–	–	10	9
General and administrative expenses	31	33,262	28,748	3,917	3,512	37,179	32,260
Investment losses (net)	28	27,726	28,167	–	–	27,726	28,167
		261,498	**231,209**	**6,029**	**5,904**	**267,527**	**237,113**

Statement of comprehensive income

Statement of comprehensive income
For the financial year ended 31 March 2023 (cont'd)

CORPORATION		General Fund		Restricted Fund		Total	
	Note	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
		$'000	$'000	$'000	$'000	$'000	$'000
(Deficit)/surplus before Government Grants from operations		**(144,140)**	**(149,688)**	**6,346**	**5,951**	**(137,794)**	**(143,737)**
Deferred capital grants amortised	22	473	483	–	–	473	483
Operating grants		149,403	138,821	–	–	149,403	138,821
Surplus/(deficit) before contribution to Consolidated Fund		**5,736**	**(10,384)**	**6,346**	**5,951**	**12,082**	**(4,433)**
(Contribution)/write-back of provision to Consolidated Fund	24	(182)	6,194	(1,079)	(1,012)	(1,261)	5,182
Surplus/(deficit) for the year, net of contribution to Consolidated Fund		**5,554**	**(4,190)**	**5,267**	**4,939**	**10,821**	**749**
Net (deficit)/surplus for the year, representing total comprehensive income for the year		**5,554**	**(4,190)**	**5,267**	**4,939**	**10,821**	**749**

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

Statement of changes in equity

Statement of changes in equity
For the financial year ended 31 March 2023

GROUP	Capital account (Note 17)	General fund	Restricted funds	Accumulated surplus (Note 18)	Revaluation reserve (Note 19)	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
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 (loss)/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**
At 1 April 2022	44,729	1,849,419	32,252	1,881,671	16,176	1,942,576
(Deficit)/surplus for the year	–	(2,257)	5,267	3,010	–	3,010
Sinking fund	–	–	437	437	–	437
Total comprehensive income for the year	–	(2,257)	5,704	3,447	–	3,447
Capital contributed by the Government	32,504	–	–	–	–	32,504
At 31 March 2023	**77,233**	**1,847,162**	**37,956**	**1,885,118**	**16,176**	**1,978,527**

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

Statement of changes in equity

Statement of changes in equity
For the financial year ended 31 March 2023 (cont'd)

CORPORATION	Capital account (Note 17)	General fund	Restricted funds	Accumulated surplus (Note 18)	Total equity
	$'000	$'000	$'000	$'000	$'000
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 (loss)/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**
At 1 April 2022	44,729	1,815,716	32,252	1,847,968	1,892,697
Surplus for the year	–	5,554	5,267	10,821	10,821
Sinking fund	–	–	437	437	437
Total comprehensive income for the year	–	5,554	5,704	11,258	11,258
Capital contributed by the Government	32,504	–	–	–	32,504
At 31 March 2023	**77,233**	**1,821,270**	**37,956**	**1,859,226**	**1,936,459**

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

Statement of cash flows

Statement of cash flows
For the financial year ended 31 March 2023

GROUP	Note	2023	2022
		$'000	$'000
Cash flows from operating activities			
Surplus/(deficit) before taxation and contribution to Consolidated Fund		4,630	(17,723)
Adjustments for:			
Interest income		(10,307)	(13,806)
Dividend income	28	-	(2,695)
Depreciation of property, plant and equipment	4	58,671	58,709
Amortisation of land premium	5	3,041	2,074
Amortisation of rights of use assets	6(a)	528	553
Loss on disposal/write-off of property, plant and equipment		344	523
Provision of doubtful debts		60	79
Unrealised fair value loss/(gain) on investments	28	27,726	(183)
Amortisation of deferred membership		(9,581)	(8,688)
Amortisation of deferred lease income	23(b)	(1,435)	(1,330)
Share of results of a joint venture	8	(799)	(526)
Reversal of provision for cove infrastructure		(812)	-
Amortisation of deferred capital grants	22	(473)	(511)
Lease interest expense	6(b)	492	498
Net change in fair value loss of derivatives		-	1,249
Operating cash flows before working capital changes		**72,085**	**18,223**

Statement of cash flows

Statement of cash flows
For the financial year ended 31 March 2023 (cont'd)

GROUP

	Note	2023	2022
		$'000	$'000
Changes in working capital			
(Increase)/decrease in inventories		(179)	605
Decrease/(increase) in trade and other receivables and prepayments		7,075	(21,469)
Increase in accrued lease income		(5,553)	(5,670)
Decrease/(increase) in trade and other payables		13,469	(3,555)
Decrease in provisions		(67)	(1,158)
Cashflow from operating activities		86,830	(13,024)
Net tax refund		–	941
Contribution to Consolidated Fund	24	–	(5,184)
Membership fees received		5,456	20,825
Net decrease in cash of Sentosa Cove Residential Fund		(5,724)	(5,875)
Net cash generated from/(used in) operating activities		**86,562**	**(2,317)**
Investing activities			
Interest received		10,307	13,806
Dividends received	28	–	2,695
Purchase of property, plant and equipment	4	(72,152)	(43,305)
Prepayment for acquisition of fund investments		–	(180,000)
(Purchase of)/net proceeds from sale of investments		(300,125)	514,120
Proceeds from disposal of property, plant and equipment		35	57
Net cash (used in)/generated from investing activities		**(361,935)**	**307,373**

Statement of cash flows

Statement of cash flows
For the financial year ended 31 March 2023 (cont'd)

GROUP	Note	2023	2022
		$'000	$'000
Financing activities			
Proceeds from capital contributed by the Government		32,504	12,573
Bank (repayment)/borrowing		(5,000)	10,000
Payment of principal portion of lease liabilities	6(b)	(706)	(701)
Net cash generated from financing activities		**26,798**	**21,872**
Net (decrease)/increase in cash and cash equivalents		**(248,575)**	**326,928**
Cash and cash equivalents at the beginning of the financial year		872,371	545,443
Cash and cash equivalents at the end of the financial year	**16**	**623,796**	**872,371**

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

Notes to 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 2023 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 2022. The adoption of the standards did not have any effect on the financial performance or position of the Group.

Notes to the financial statements

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

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 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
Revised SB-FRS 1002 Impairment of Non-Cash-Generating Assets	1 January 2023
Revised SB-FRS 1002 Implementation Guidance	1 January 2023
Amendments to SB-FRS 110 and SB-FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

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.

2.4 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.

Notes to the financial statements

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

2.4 Basis of consolidation (cont'd)

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.

2.6 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

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

2.6 Property, plant and equipment (cont'd)

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.

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. Summary of significant accounting policies (cont'd)

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.

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.

Notes to the financial statements

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

2.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

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.

Notes to the financial statements

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.

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.

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.

Notes to the financial statements

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

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, and are restricted to be used for the specified purpose provided under the Act.

The income and expenditure 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.

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.

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

2.18 Deferred membership fees (cont'd)

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

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.

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

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.

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.

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

2.23 Leases (cont'd)

(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 the term of membership, which can be one year or two years;

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

(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.

Notes to the financial statements

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

2.24 Income (cont'd)

(c) Club income (cont'd)
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.

2.25 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.

Notes to the financial statements

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

2.25 Taxes (cont'd)

(a) Current income tax (cont'd)

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.

Notes to the financial statements

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

2.25 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

(c) Goods and services 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.

Notes to the financial statements

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

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.

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 (2022: 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 2023 are disclosed in Note 4 to the financial statements.

Notes to the financial statements

4. Property, plant and equipment

GROUP	Leasehold land and improvements to land	Buildings, attractions, facilities and renovations	Development projects-in-progress	Plant and machinery, operating equipment and other assets	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
As at 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 and 1 April 2022	**519,928**	**522,802**	**62,203**	**379,620**	**1,484,553**
Additions	1,973	3,685	38,947	27,547	72,152
Disposals/written off	(1,197)	(3,354)	(24)	(12,806)	(17,381)
Transfers	14	5,472	(6,181)	695	–
As at 31 March 2023	**520,718**	**528,605**	**94,945**	**395,056**	**1,539,324**

Notes to the financial statements

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

GROUP	Leasehold land and improvements to land	Buildings, attractions, facilities and renovations	Development projects-in-progress	Plant and machinery, operating equipment and other assets	Total
	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation					
As at 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 2022 and 1 April 2022	**233,759**	**276,672**	**–**	**264,032**	**774,463**
Charge for the year	11,798	13,574	–	33,299	58,671
Disposals/written off	(1,058)	(3,317)	–	(12,628)	(17,003)
As at 31 March 2023	**244,499**	**286,929**	**–**	**284,703**	**816,131**
Net book values					
As at 31 March 2023	**276,219**	**241,676**	**94,945**	**110,353**	**723,193**
As at 31 March 2022	**286,169**	**246,130**	**62,203**	**115,588**	**710,090**

Included in the cost of property, plant and equipment was an amount of $1,315,000 (2022: $975,000) related to costs for dismantling removal, and restoration of certain property, plant and equipment, which was provided for as reinstatement costs.

Notes to the financial statements

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

CORPORATION	Leasehold land and improvements to land	Buildings, attractions, facilities and renovations	Development projects-in-progress	Plant and machinery, operating equipment and other assets	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
As at 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 and 1 April 2022	**490,229**	**447,792**	**60,568**	**365,684**	**1,364,273**
Additions	1,618	3,450	34,076	27,205	66,349
Disposals/written off	(1,188)	(2,268)	(24)	(12,513)	(15,993)
Transfers	–	–	(56)	56	–
As at 31 March 2023	**490,659**	**448,974**	**94,564**	**380,432**	**1,414,629**

Notes to the financial statements

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

CORPORATION	Leasehold land and improvements to land	Buildings, attractions, facilities and renovations	Development projects-in-progress	Plant and machinery, operating equipment and other assets	Total
	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation					
As at 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 and 1 April 2022	**223,498**	**226,130**	**–**	**253,747**	**703,375**
Charge for the year	10,779	9,528	–	31,321	51,628
Disposals/written off	(1,050)	(2,246)	–	(12,345)	(15,641)
As at 31 March 2023	**233,227**	**233,412**	**–**	**272,723**	**739,362**
Net book values					
As at 31 March 2023	**257,432**	**215,562**	**94,564**	**107,709**	**675,267**
As at 31 March 2022	**266,731**	**221,662**	**60,568**	**111,937**	**660,898**

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.

Notes to the financial statements

5. Land premium

	Group and Corporation	
	2023	**2022**
	$'000	$'000
Cost		
At 1 April	68,065	68,065
Accumulated amortisation		
At 1 April	27,242	25,168
Charged to income statement	3,041	2,074
At 31 March	**30,283**	**27,242**
Net carrying amount	**37,782**	**40,823**

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 with effect from 31 December 2021 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	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Cost				
At 1 April	14,597	14,566	1,536	1,536
Additions	–	31	–	–
As at 31 March	**14,597**	**14,597**	**1,536**	**1,536**
Accumulated amortisation				
At 1 April	2,118	1,565	850	707
Charged to income statement	528	553	118	143
As at 31 March	**2,646**	**2,118**	**968**	**850**
Net carrying amount	**11,951**	**12,479**	**568**	**686**
Non-Current	11,951	12,479	568	686
At 31 March	**11,951**	**12,479**	**568**	**686**

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	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
At 1 April	13,239	13,411	625	666
Additions	-	31	-	-
Accretion of interest	492	498	10	9
Payments	(706)	(701)	(50)	(50)
At 31 March	**13,025**	**13,239**	**585**	**625**
Comprises:				
Current	222	214	41	40
Non-Current	12,803	13,025	544	585
At 31 March	**13,025**	**13,239**	**585**	**625**

The following are the amounts recognised in income and expenditure:

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Amortisation of right-of-use assets	(528)	(553)	(118)	(143)
Interest expenses on lease liabilities	(493)	(498)	(10)	(9)
Expenses relating to short-term and low value leases (included in administrative expenses)	(1,851)	(608)	-	-
Total amount recognised in income and expenditure	**(2,872)**	**(1,659)**	**(128)**	**(152)**

The Group had total cash outflows for leases of $2,558,000 (2022: $1,309,000) for the financial year ended 31 March 2023.

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

Group as a lessee (cont'd)

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

	1 April 2022	Cash flows	Additions	Accretion of interest	Non-cash change	31 March 2023
	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities						
Current	214	(706)	–	492	222	222
Non-current	13,025	–	–	–	(222)	12,803
Borrowing						
Current	10,000	(5,000)	–	–	–	5,000
	23,239	**(5,706)**	**-**	**492**	**-**	**18,025**

	1 April 2021	Cash flows	Additions	Accretion of interest	Non-cash change	31 March 2022
	$'000	$'000	$'000	$'000	$'000	$'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**

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

Notes to the financial statements

7. Investments in subsidiaries

	Corporation 2023 $'000	Corporation 2022 $'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 2023 %	Percentage of ownership held by the Group 2022 %
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

Notes to the financial statements

8. Investments in joint venture

	Group	
	2023	**2022**
	$'000	$'000
Unquoted shares, at cost	6,340	6,340
Share of post-acquisition profits (net of tax)	10,943	10,144
	17,283	**16,484**

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

In 2023 and 2022, 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	
			2023	**2022**
			%	%
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:

	2023	2022
	$'000	$'000
Income	25,494	23,853
Expenses	(21,499)	(21,222)
Total profit	**3,995**	**2,631**
Current assets	49,493	45,616
Non-current assets	62,167	62,829
Current liabilities	(3,733)	(3,712)
Non-current liabilities	(21,538)	(22,338)
Net assets	**86,389**	**82,395**
Group's interest in net assets of joint venture at beginning of year	**16,484**	**15,958**
Share of total profit	799	526
Carrying amount of interest in joint venture at end of the year	**17,283**	**16,484**

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 income on these leases is recognised on a straight-line basis.

Notes to the financial statements

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:

GROUP	At 1 April 2021	Recognised in profit or loss	At 31 March 2022 and 1 April 2022	Recognised in profit or loss	At 31 March 2023
	$'000	$'000	$'000	$'000	$'000
Deferred tax assets/(liabilities)					
Property, plant and equipment	(545)	545	–	–	–
Provision for unutilised leave	342	(181)	161	(16)	145
Provision for non-contractual bonus	1,128	(175)	953	(33)	920
Unutilised capital allowances	–	69	69	(69)	–
Total	**925**	**258**	**1,183**	**(118)**	**1,065**

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

GROUP	2023	2022
	$'000	$'000
Unutilised tax losses	24,730	23,987
Unutilised capital allowances	14,466	9,882

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.

Notes to the financial statements

11. Inventories

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Consumables and spare parts	6,708	6,599	6,708	6,599
Merchandise	540	868	–	–
Food and beverage products	474	274	110	93
Attraction tickets	–	16	–	16
Less: Allowance for inventories obsolescence	(280)	(494)	–	–
	7,442	**7,263**	**6,818**	**6,708**
Statement of comprehensive income:				
Inventories recognised as an expense in cost of sales	6,009	2,369	5,265	2,256
Inventories recognised as part of inventories used	12,344	8,325	5,923	5,189

12. Trade and other receivables

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Current				
Trade receivables	15,009	41,687	11,437	38,142
Other receivables	27,006	10,187	22,847	8,935
Investment receivables	–	398	–	272
Deposits	2,623	1,413	964	76
Amounts due from subsidiaries (non-trade)	–	–	1,738	1,366
Total trade and other receivables	44,638	53,685	36,986	48,791
Add: Cash and deposits (Note 16)	662,637	905,488	631,195	866,518
Prepayment for acquisition of investments	–	180,000	–	180,000
Less: GST receivables	(966)	(77)	(966)	(15)
Total financial assets at amortised cost	**706,309**	**1,139,096**	**667,215**	**1,095,294**

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.

Expected credit losses

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

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 2023, the movement in allowance for expected credit losses of trade receivables has been computed based on lifetime expected credit losses (ECL):

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Movement in allowance for expected credit loss accounts:				
At 1 April	768	690	727	651
Provided during the year	110	255	105	228
Reversal during the year	(50)	(176)	(44)	(151)
Utilised during the year	–	(1)	–	(1)
At 31 March	**828**	**768**	**788**	**727**

12. Trade and other receivables (cont'd)

Expected credit losses (cont'd)

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	
	2023	**2022**
	$'000	$'000
United States Dollars	–	70
Euros	–	–
British Pounds	–	24
Japanese Yen	–	26
Others	–	152

13. Prepayments

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Prepayment for acquisition of fund investments	–	180,000	–	180,000
Others	6,260	3,912	5,770	3,369
	6,260	**183,912**	**5,770**	**183,369**

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.

Notes to the financial statements

14. Investments

	Group and Corporation	
	2023	**2022**
	$'000	$'000
At fair value through profit or loss		
Unquoted investments		
Fund investments	632,582	180,183
	632,582	180,183

The fund investments comprise investments in unit trusts that are managed by professional fund managers awarded by Accountant-General's Department ("AGD") under the Demand Aggregation IV Scheme.

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

15. Financial derivatives at fair value

	Group and Corporation					
	2023			2022		
	Notional amount	**Assets**	**Liabilities**	**Notional amount**	**Assets**	**Liabilities**
	$'000	$'000	$'000	$'000	$'000	$'000
Forward foreign exchange contracts	–	–	–	314,952	548	(548)
	–	**–**	**–**	**314,952**	**548**	**(548)**

In the current year, there are no derivatives because the fund investments held (Note 14) are in unit trusts denominated in Singapore Dollars.

15. Financial derivatives at fair value (cont'd)

The foreign exchange forward contracts positions as at 31 March 2022 were entered into for hedging purpose to manage currency risk of the securities in the investment portfolio that was liquidated in the last financial year. These foreign exchange forward contracts positions were unwound in April 2022.

The notional amount represented the value of the underlying foreign exchange forward contracts.

16. Cash and deposits

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Cash at bank and on hand	16,846	26,911	16,682	26,612
Cash placed with custodian	–	45,507	–	45,506
Deposits placed with Accountant-General's Department ("AGD")	645,791	833,070	614,513	794,400
	662,637	**905,488**	**631,195**	**866,518**
Less: Cash held under Sentosa Cove Residential Fund	(38,841)	(33,117)	(38,841)	(33,117)
Cash and cash equivalents	**623,796**	**872,371**	**592,354**	**833,401**

Deposits are placed with Accountant-General's Department under the Whole-of-Government Centralised Liquidity Management.

The weighted average effective interest rate of cash and cash equivalents held by the Group and Corporation is 1.56% (2022: 0.30%) per annum.

16. Cash and deposits (cont'd)

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

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Japanese Yen	15,441	26,356	15,441	26,356
United States Dollar	–	179	–	179

17. Capital account

The capital account represents government grants of $3,490,000 given to the Corporation for its establishment, and subsequent capital contributions by the Government.

	Group and Corporation	
	2023	**2022**
	$'000	$'000
At 1 April	44,729	32,156
Capital contributed by the Government	32,504	12,573
At 31 March	77,233	44,729

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	
	2023	**2022**
	$'000	$'000
Trade and other receivables	1,761	1,085
Prepayments	17	18
Cash and cash equivalents	38,841	33,117
	40,619	**34,220**
Trade and other payables	1,584	956
Provision for contribution to Consolidated Fund	1,078	1,012
	2,662	**1,968**
Net assets	**37,957**	**32,252**

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.

Notes to the financial statements

20. Trade and other payables

	Group		Corporation	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Trade payables	6,889	5,516	5,027	3,583
Accrued operating expenses	42,821	38,215	27,493	23,644
Deposits	3,887	4,162	3,679	3,971
Advance receipts	19,360	19,071	13,164	13,462
Liability for short-term compensating absences	2,495	2,832	961	1,075
Other payables	5,737	4,877	3,152	3,294
Investment payables	–	293	–	293
Amounts due to subsidiaries (non-trade)	–	–	12,019	16,743
	81,189	**74,966**	**65,495**	**66,065**
Non-current				
Other payables	4,992	3,746	3,677	2,771
Total	**86,181**	**78,712**	**69,172**	**68,836**
Add: Bank borrowing (Note 25)	5,000	10,000	–	–
Less: Other payables	(1,315)	(975)	–	–
GST payables	(987)	(584)	(524)	(559)
Advance receipts	(19,360)	(19,071)	(13,164)	(13,462)
Total financial liabilities carried at amortised cost	**69,519**	**68,082**	**55,484**	**54,815**

Amounts due to subsidiaries (non-trade)

These amounts are unsecured, repayable on demand and are to be settled in cash.

Notes to the financial statements

21. Provisions

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
At 1 April	879	2,037	742	1,900
Provision utilised during the year	(67)	(1,158)	(67)	(1,158)
Write back of provision	(812)	–	(675)	–
At 31 March	**–**	**879**	**–**	**742**
Comprises:				
Current	–	742	–	742
Non-current	–	137	–	–
Total	**–**	**879**	**–**	**742**

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

Notes to the financial statements

22. Deferred capital grants

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
At 1 April	9,697	10,207	9,697	10,110
Amounts received	-	1	-	70
Credited to income statement	(473)	(511)	(473)	(483)
At 31 March	**9,224**	**9,697**	**9,224**	**9,697**
Comprises:				
Current	428	470	428	470
Non-current	8,796	9,227	8,796	9,227
Total	**9,224**	**9,697**	**9,224**	**9,697**
Total deferred capital grants received since establishment	**511,147**	**511,147**	**510,938**	**510,938**

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

Notes to the financial statements

23(a). Deferred membership fee

Club membership fee

	Group and Corporation	
	2023	**2022**
	$'000	$'000
At 1 April	60,461	48,386
Additions	–	16,710
	60,461	**65,096**
Credited to income statement	(3,961)	(4,635)
At 31 March	**56,500**	**60,461**

Term membership fee

	Group and Corporation	
	2023	**2022**
	$'000	$'000
At 1 April	2,326	2,264
Additions	5,456	4,115
	7,782	**6,379**
Credited to income statement	(5,620)	(4,053)
At 31 March	**2,162**	**2,326**
Deferred membership fee comprises:		
Current	6,122	6,216
Non-current	52,540	56,571
Total	**58,662**	**62,787**

23(b). Deferred lease income

	Group and Corporation	
	2023	2022
	$'000	$'000
Deferred lease income		
At 1 April	49,076	44,406
Additions	6,000	6,000
Credited to income statement:		
Lease income amortised (Note 27)	(1,435)	(1,330)
At 31 March	**53,641**	**49,076**
Comprises:		
Current	1,435	1,435
Non-current	52,206	47,641
Total	**53,641**	**49,076**

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 $nil (2022: $230,000) resulting from the amortisation of deferred membership fee is not subject to contribution to Consolidated Fund.

24. Provision for contribution to Consolidated Fund (cont'd)

	Corporation	
	2023	**2022**
	$'000	$'000
Surplus/(deficit) of the Corporation before contribution to Consolidated Fund	12,082	(4,433)
Deferred membership fee on membership entrance	–	(230)
Less: Unutilised Deficit Brought Forward	(4,663)	–
Surplus/(deficit) subject to contribution to Consolidated Fund	**7,419**	**(4,663)**
Contribution to Consolidated Fund @ 17%	**1,261**	**–**
Movement in Contribution to Consolidated Fund:		
At 1 April	–	10,366
Contribution for the year	1,261	–
Paid during the year	–	(5,184)
Write-back of provision	–	(5,182)
At 31 March	**1,261**	**–**

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 $nil (2022: $4,663,000) that are available for offset against future operating surpluses.

25. Bank borrowing

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Bank borrowing (unsecured)	5,000	10,000	–	–

25. Bank borrowing (cont'd)

The bank borrowing by a wholly-owned subsidiary is denominated in Singapore dollars, with tenure of 1 month (2022: 3 months) and bear interest at 5.37% per annum (2022: 1.97% per annum).

A wholly-owned subsidiary of the Group has obtained a committed revolving credit facility of $20 million in April 2023.

26. Income

Disaggregation of income

	Group		Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Major product or service lines				
Admission fees and packages	32,554	7,898	9,104	4,379
Club income	36,456	32,172	36,456	32,172
Sales of merchandise, net of discounts	4,070	1,544	–	–
Food and beverage	19,841	12,202	6,270	4,136
Sponsorship income	894	307	920	296
Maintenance fund contributions	13,100	12,972	13,100	12,972
	106,915	**67,095**	**65,850**	**53,955**
Primary geographical markets				
Singapore	106,915	67,095	65,850	53,955
Timing of transfer of goods or services				
At a point in time	70,839	33,717	29,787	20,480
Over time	36,076	33,378	36,063	33,475
	106,915	**67,095**	**65,850**	**53,955**

Notes to the financial statements

27. Rental and hiring of facilities

	Group		Corporation	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Rental income	45,509	32,731	48,534	33,617
Lease income amortised (Note 23(b))	1,435	1,330	1,435	1,330
	46,944	**34,061**	**49,969**	**34,947**

28. Investment losses (net)

	Group and Corporation	
	2023	2022
	$'000	$'000
Dividend income	–	2,695
Interest income	–	11,800
Realised fair value loss on investment	–	(38,786)
Unrealised fair value (loss)/gain on investments	(27,726)	183
Net foreign currency exchange loss	–	(371)
Others	–	(3,688)
	(27,726)	**(28,167)**

29. Other income

	Group		Corporation	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Club income	36,456	32,172	36,456	32,172
Sales of merchandise, net of discounts	4,070	1,544	–	–
Sponsorship income	894	307	920	296
Food and beverage	19,841	12,202	6,270	4,136
Maintenance fund contributions	13,100	12,972	13,100	12,972
Others	5,219	5,216	4,159	2,596
	79,580	**64,413**	**60,905**	**52,172**

30. Staff costs

	Group		Corporation	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Wages and salaries	87,921	70,365	73,980	65,590
CPF contributions	15,702	15,619	8,057	8,382
	103,623	**85,984**	**82,037**	**73,972**

During the year, Job Support Scheme (JSS) grants of approximately $686,000 (2022: $5,558,000) 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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Property tax	5,484	4,965	5,036	4,724
Utilities	7,672	5,147	5,725	3,525
Investment related expenses	94	2,178	94	2,178
Professional and consultancy fees	3,776	2,714	2,780	1,977
Printing and stationery	558	125	399	88
Travelling and transport	2,709	1,994	2,323	1,866
Exchange loss	2,526	581	2,527	575
Loss on disposal of property, plant and equipment	320	523	292	377

32. Income tax expense/(credit)

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	
	2023	**2022**
	$'000	$'000
Current tax expense/(credit)		
Current year	241	–
Over-provision in respect of prior years	–	(1,468)
	–	**(1,468)**
Deferred tax expense/(credit)		
Current year	123	144
Over-provision in respect of prior years	(5)	(1,010)
	118	**(866)**
Total income tax expense/(credit)	**359**	**(2,334)**

	Group	
	2023	**2022**
	$'000	$'000
Relationship between tax expense and deficit		
Surplus/(deficit) before income tax	4,630	(17,723)
Tax using Singapore tax rate at 17%	787	(3,013)
(Deficit)/surplus not subject to tax	(2,053)	754
Non-deductible expenses	845	987
Income not subject to tax	(51)	(872)
Effect of partial tax exemption and tax relief	(17)	-
Deferred tax assets not recognised	1,085	2,378
Over-provision in respect of prior years	(5)	(2,478)
Others	(232)	(90)
	359	**(2,334)**

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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Capital commitments in respect of property, plant and equipment	82,812	136,916	79,093	133,185

(b) Lease commitments — as lessor

The Group leases land to certain hotels and tenants for 3 to 85 (2022: 3 to 85) 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 $45,509,000 (2022: $32,731,000) and $48,533,000 (2022: $33,617,000) respectively, of which $16,906,000 (2022: $8,695,000) and $18,479,000 (2022: $9,166,000) 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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Short-term employee benefits	9,685	8,637	7,548	7,169
CPF contributions	545	431	377	336
Board members' fees	154	163	124	123
	10,384	**9,231**	**8,049**	**7,628**

Notes to the financial statements

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	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Ministries and Statutory Boards				
Purchases and services paid to other ministries	239	5,717	232	5,710
Purchases and services paid to other statutory boards	8,690	3,373	8,568	3,332
Services rendered to other ministries	507	4,210	270	3,988
Services rendered to other statutory boards	1,092	2,364	716	232
Subsidiaries				
Rental income from subsidiaries	–	–	3,447	1,198
Headquarter support fee recovery from subsidiaries	–	–	13	(147)
Purchase of goods from subsidiaries	–	–	2,034	1,204
Management fee expense paid to subsidiaries	–	–	41,440	37,319
Joint ventures				
Rental income from joint venture	689	689	689	689
Other related parties				
Services rendered by related parties	16	286	14	284
Services rendered to related parties	–	20	–	16

Notes to the financial statements

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	Level 2	Total
	$'000	$'000	$'000
2023			
Financial assets:			
Fund investments	–	632,582	632,582
Total	**–**	**632,582**	**632,582**

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

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

GROUP AND CORPORATION	Level 1	Level 2	Total
	$'000	$'000	$'000
2022			
Financial assets:			
Fund investments	–	180,193	180,193
Sub-Total	**-**	**180,193**	**180,193**
Derivative financial instruments			
Forward foreign exchange contracts	–	548	548
Sub-Total	**-**	**548**	**548**
Total	**-**	**180,741**	**180,741**
Financial liabilities:			
Derivative financial instruments			
Forward foreign exchange contracts	–	(548)	(548)
Total	**-**	**(548)**	**(548)**

(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 were valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporated 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 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	$'000	$'000	$'000	$'000	$'000
Gross carrying amount	6,993	123	86	869	8,071
Loss allowance provision	(16)	(13)	(10)	(789)	(828)

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

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

(a) Credit risk (cont'd)

Exposure to credit risk

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 4% (2022: 1%) of the Group's trade receivables were due from 5 (2022: 5) major customers located in Singapore.

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.

Notes to the financial statements

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	2023			2022		
	One year or less	More than one year	Total	One year or less	More than one year	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities:						
Trade and other payables	61,999	3,677	65,676	55,311	2,771	58,082
Lease liabilities	706	20,397	21,103	706	21,103	21,809
Bank borrowing	5,022	–	5,022	10,049	–	10,049
Total undiscounted financial liabilities	**67,727**	**24,074**	**91,801**	**66,066**	**23,874**	**89,940**

CORPORATION	2023			2022		
	One year or less	One to five years	Total	One year or less	One to five years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities:						
Trade and other payables	53,979	3,677	57,656	52,044	2,771	54,815
Lease liabilities	50	600	650	50	650	700
Total undiscounted financial liabilities	**54,029**	**4,277**	**58,306**	**52,094**	**3,421**	**55,515**

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

(c) Interest rate risk

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 (2022: 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 lower/higher by the amounts shown below.

GROUP	2023		2022	
	25 basis point increase	25 basis point decrease	25 basis point increase	25 basis point decrease
	$'000	$'000	$'000	$'000
Deposits placed with Accountant-General's Department (Note 16)	1,614	(1,614)	2,083	(2,083)

CORPORATION	2023		2022	
	25 basis point increase	25 basis point decrease	25 basis point increase	25 basis point decrease
	$'000	$'000	$'000	$'000
Deposits placed with Accountant-General's Department (Note 16)	1,536	(1,536)	1,986	(1,986)

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

(d) Foreign currency risk

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 Japanese Yen as follows:

	Group				Corporation			
	Assets		Liabilities		Assets		Liabilities	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
United States Dollars	–	422	–	545	–	422	–	545
Japanese Yen	15,441	26,382	–	–	15,441	26,382	–	–
Others	–	181	–	3	–	181	–	3

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 (Note 14). The Group manages its market price risk 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% (2022: +/- 2%) change in investment fair value as at 31 March 2023 will result in a +/- $12,652,000 (2022: +/- $7,204,000) 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 have 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 2022.

38. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 19 June 2023.

sentosa™

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