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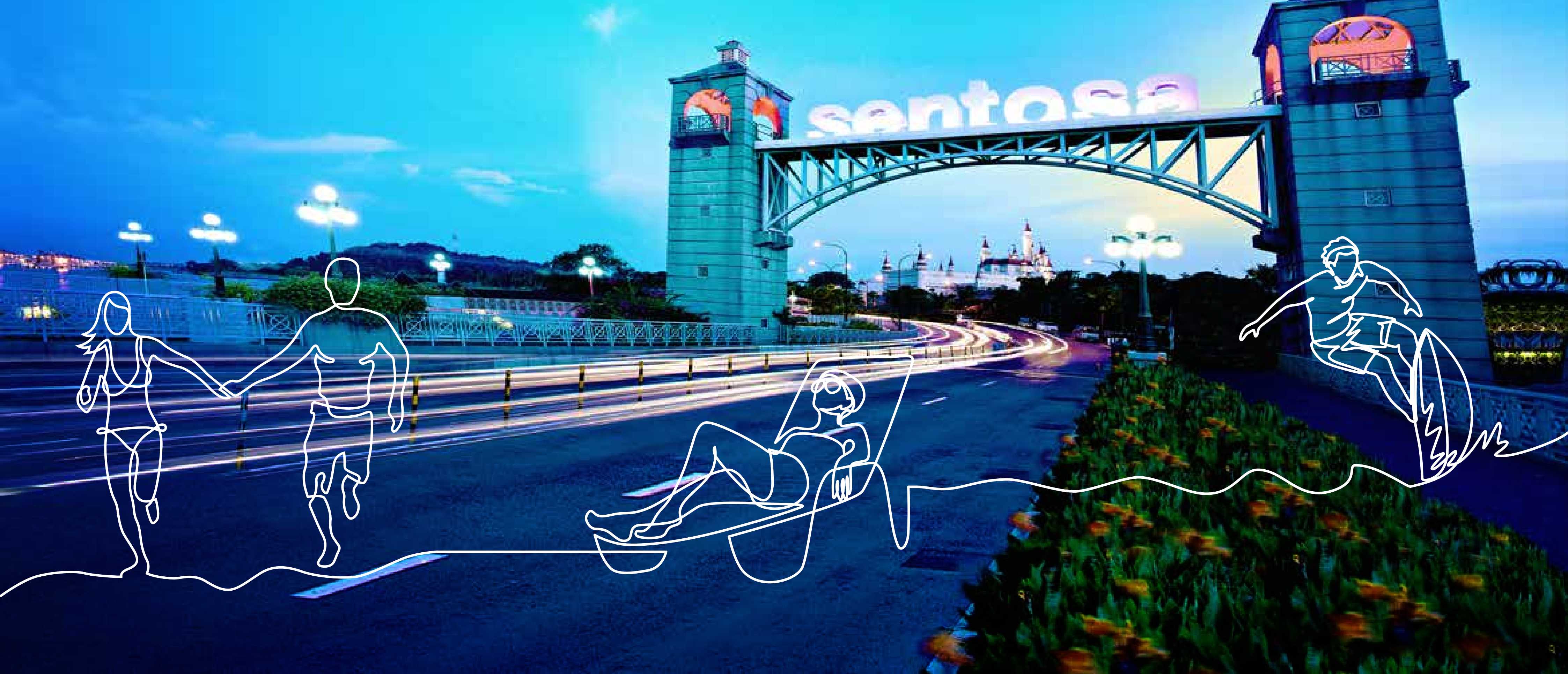
THE STATE OF FUN

Sentosa Development Corporation

FINANCIAL REPORT

2020/2021



YEAR IN REVIEW

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Annual Financial Statements
31 March 2021

Independent auditor's report
For the financial year ended 31 March 2021

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 statements of financial position of the Group and Corporation as at 31 March 2021, the statements of comprehensive income and statements of changes in equity of the Group and Corporation and the statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of comprehensive income, statement of financial position and the statement of changes in equity of the Corporation are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, the Sentosa Development Corporation Act, Chapter 291 (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 2021 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, the Act and SB-FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent auditor's report
For the financial year ended 31 March 2021

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
For the financial year ended 31 March 2021

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, 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.

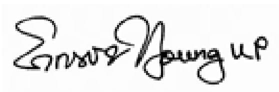
Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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, 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, 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
9 June 2021

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Statements of financial position as at 31 March 2021

		GROUP		CORPORATION	
	Note	**2021** $'000	**2020** $'000	**2021** $'000	**2020** $'000
Non-current assets					
Property, plant and equipment	4	726,074	731,754	665,929	673,657
Land premium	5	42,896	44,854	42,896	44,854
Right-of-use assets	6(a)	12,825	13,558	653	972
Investments in subsidiaries	7	-	-	41,108	41,108
Investments in joint venture	8	15,958	15,688	-	-
Accrued lease income	9	49,707	43,847	49,707	43,847
Deferred tax assets	10	925	488	-	-
		848,385	**850,189**	**800,293**	**804,438**
Current assets					
Right-of-use assets	6(a)	176	-	176	-
Inventories	11	7,868	7,911	6,807	6,305
Trade and other receivables	12	31,179	37,706	28,955	36,300
Prepayments		4,121	2,655	3,845	2,332
Investments	13	694,120	906,702	694,120	906,702
Financial derivatives at fair value	14	4,652	3,978	4,652	3,978
Cash and cash equivalents	15	572,685	311,430	534,423	257,859
		1,314,801	**1,270,382**	**1,272,978**	**1,213,476**
Total assets		**2,163,186**	**2,120,571**	**2,073,271**	**2,017,914**

Statements of financial position as at 31 March 2021

	Note	GROUP 2021 $'000	GROUP 2020 $'000	CORPORATION 2021 $'000	CORPORATION 2020 $'000
Current liabilities					
Trade and other payables	19	85,509	82,013	71,043	72,140
Financial derivatives at fair value	14	3,403	11,335	3,403	11,335
Provisions	20	1,900	4,593	1,900	4,593
Deferred capital grants	21	526	491	470	435
Deferred membership fees	22(a)	7,371	6,829	7,371	6,829
Deferred lease income	22(b)	1,122	1,119	1,122	1,119
Provision for contribution to Consolidated Fund	23	10,366	905	10,366	905
Income tax payables		1,136	1,511	-	-
Lease liabilities	6(b)	195	169	39	39
		111,528	**108,965**	**95,714**	**97,395**
Non-current liabilities					
Other payables	19	2,758	2,645	2,259	2,145
Provisions	20	137	1,604	-	1,467
Deferred capital grants	21	9,681	10,164	9,640	10,067
Deferred membership fees	22(a)	43,279	48,599	43,279	48,599
Deferred lease income	22(b)	43,284	40,409	43,284	40,409
Lease liabilities	6(b)	13,216	13,409	627	665
		112,355	**116,830**	**99,089**	**103,352**
Total liabilities		**223,883**	**225,795**	**194,803**	**200,747**

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Statements of financial position as at 31 March 2021

		GROUP		CORPORATION	
	Note	**2021** $'000	**2020** $'000	**2021** $'000	**2020** $'000
Equity attributable to owner of the Corporation					
Capital account	16	32,156	20,327	32,156	20,327
FUNDS AND RESERVES					
Accumulated surplus					
- General fund	17(a)	1,864,565	1,838,157	1,819,906	1,776,724
- Restricted fund	17(b)	26,406	20,116	26,406	20,116
- Revaluation reserve	18	16,176	16,176	-	-
Total equity		**1,939,303**	**1,894,776**	**1,878,468**	**1,817,167**
Total equity and liabilities		**2,163,186**	**2,120,571**	**2,073,271**	**2,017,914**

Bob Tan Beng Hai
Chairman

Thien Kwee Eng
Chief Executive Officer/
Board Member

9 June 2021

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

Statement of comprehensive income for the financial year ended 31 March 2021

GROUP		GENERAL FUND		RESTRICTED FUND		TOTAL	
	Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Income							
Admission fees and packages	24	6,141	91,279	-	-	6,141	91,279
Rental and hiring of facilities	25	33,949	45,152	-	-	33,949	45,152
Interest income from deposits		3,468	3,453	218	363	3,686	3,816
Investment income	26	92,260	15,585	-	-	92,260	15,585
Other income	27	49,135	63,067	11,467	10,992	60,602	74,059
		184,953	**218,536**	**11,685**	**11,355**	**196,638**	**229,891**
Expenditure							
Cost of sale for admission fees and packages		1,120	21,638	17	32	1,137	21,670
Staff costs	28	79,303	89,595	-	-	79,303	89,595
Depreciation of property, plant and equipment	4	56,731	59,885	-	-	56,731	59,885
Amortisation of land premium	5	1,926	1,926	-	-	1,926	1,926
Amortisation of rights of use assets	6(a)	557	587	-	-	557	587
Repairs and maintenance		26,078	28,852	2,152	2,063	28,230	30,915
Publicity and promotion		9,021	18,544	-	-	9,021	18,544
Inventories used	11	6,218	15,680	2	-	6,220	15,680
Lease interest expense	6(b)	504	510	-	-	504	510
General and administrative expenses	29	27,751	61,133	3,436	3,936	31,187	65,069
		209,209	**298,350**	**5,607**	**6,031**	**214,816**	**304,381**

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Statement of comprehensive income for the financial year ended 31 March 2021

GROUP		GENERAL FUND		RESTRICTED FUND		TOTAL	
	Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
(Deficit)/surplus before Government Grants from operations		(24,256)	(79,814)	6,078	5,324	(18,178)	(74,490)
Deferred capital grants amortised	21	526	491	-	-	526	491
Share of results of a joint venture, net of tax		270	866	-	-	270	866
Operating grants		58,760	55,162	-	-	58,760	55,162
Surplus/(deficit) before taxation and contribution to Consolidated Fund		35,300	(23,295)	6,078	5,324	41,378	(17,971)
Income tax expense	30	(464)	(1,162)	-	-	(464)	(1,162)
Contribution to Consolidated Fund	23	(8,428)	-	(1,033)	(905)	(9,461)	(905)
Surplus/(deficit) for the year, net of taxation and contribution to Consolidated Fund		26,408	(24,457)	5,045	4,419	31,453	(20,038)
Net surplus/(deficit) for the year, representing total comprehensive income for the year		26,408	(24,457)	5,045	4,419	31,453	(20,038)

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

Statement of comprehensive income for the financial year ended 31 March 2021

CORPORATION		GENERAL FUND		RESTRICTED FUND		TOTAL	
	Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Income							
Admission fees and packages	24	2,885	47,373	-	-	2,885	47,373
Rental and hiring of facilities	25	37,965	50,045	-	-	37,965	50,045
Interest income from deposits		2,986	2,201	218	363	3,204	2,564
Investment income	26	92,260	15,585	-	-	92,260	15,585
Other income	27	40,855	44,000	11,467	10,992	52,322	54,992
		176,951	**159,204**	**11,685**	**11,355**	**188,636**	**170,559**
Expenditure							
Cost of sale for admission fees and packages		930	14,650	17	32	947	14,682
Staff costs	28	67,090	70,123	-	-	67,090	70,123
Depreciation of property, plant and equipment	4	49,864	51,712	-	-	49,864	51,712
Amortisation of land premium	5	1,926	1,926	-	-	1,926	1,926
Amortisation of rights of use assets	6(a)	143	143	-	-	143	143
Repairs and maintenance		23,424	25,501	2,152	2,063	25,576	27,564
Publicity and promotion		8,327	16,877	-	-	8,327	16,877
Inventories used	11	3,874	8,360	2	-	3,876	8,360
Lease interest expense	6(b)	11	11	-	-	11	11
General and administrative expenses	29	28,982	53,956	3,436	3,936	32,418	57,892
		184,571	**243,259**	**5,607**	**6,031**	**190,178**	**249,290**

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Statement of comprehensive income for the financial year ended 31 March 2021

CORPORATION		GENERAL FUND		RESTRICTED FUND		TOTAL	
	Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
(Deficit)/surplus before Government Grants from operations		(7,620)	(84,055)	6,078	5,324	(1,542)	(78,731)
Deferred capital grants amortised	21	470	435	-	-	470	435
Operating grants		58,760	55,162	-	-	58,760	55,162
Surplus/(deficit) before contribution to Consolidated Fund		51,610	(28,458)	6,078	5,324	57,688	(23,134)
Contribution to Consolidated Fund	23	(8,428)	-	(1,033)	(905)	(9,461)	(905)
Surplus/(deficit) for the year, net of contribution to Consolidated Fund		43,182	(28,458)	5,045	4,419	48,227	(24,039)
Net surplus/(deficit) for the year, representing total comprehensive income for the year		43,182	(28,458)	5,045	4,419	48,227	(24,039)

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

Statement of changes in equity for the financial year ended 31 March 2021

GROUP	Capital account (Note 16) $'000	General fund $'000	Restricted funds $'000	Accumulated surplus (Note 17) $'000	Revaluation reserve (Note 18) $'000	Total equity $'000
At 1 April 2019	16,135	1,862,614	14,664	1,877,278	16,176	1,909,589
(Deficit)/surplus for the year	-	(24,457)	4,419	(20,038)	-	(20,038)
Sinking fund	-	-	1,033	1,033	-	1,033
Total comprehensive income for the year	-	(24,457)	5,452	(19,005)	-	(19,005)
Capital contributed by the Government	4,192	-	-	-	-	4,192
At 31 March 2020	20,327	1,838,157	20,116	1,858,273	16,176	1,894,776
At 1 April 2020	20,327	1,838,157	20,116	1,858,273	16,176	1,894,776
Surplus for the year	-	26,408	5,045	31,453	-	31,453
Sinking fund	-	-	1,245	1,245	-	1,245
Total comprehensive income for the year	-	26,408	6,290	32,698	-	32,698
Capital contributed by the Government	11,829	-	-	-	-	11,829
At 31 March 2021	32,156	1,864,565	26,406	1,890,971	16,176	1,939,303

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

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Statement of changes in equity for the financial year ended 31 March 2021

CORPORATION	Capital account (Note 16) $'000	General fund $'000	Restricted funds $'000	Accumulated surplus (Note 17) $'000	Total equity $'000
At 1 April 2019	16,135	1,805,182	14,664	1,819,846	1,835,981
(Deficit)/surplus for the year	-	(28,458)	4,419	(24,039)	(24,039)
Sinking fund	-	-	1,033	1,033	1,033
Total comprehensive income for the year	-	(28,458)	5,452	(23,006)	(23,006)
Capital contributed by the Government	4,192	-	-	-	4,192
At 31 March 2020	20,327	1,776,724	20,116	1,796,840	1,817,167
At 1 April 2020	20,327	1,776,724	20,116	1,796,840	1,817,167
Surplus for the year	-	43,182	5,045	48,227	48,227
Sinking fund	-	-	1,245	1,245	1,245
Total comprehensive income for the year	-	43,182	6,290	49,472	49,472
Capital contributed by the Government	11,829	-	-	-	11,829
At 31 March 2021	32,156	1,819,906	26,406	1,846,312	1,878,468

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

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Statement of cash flows for the financial year ended 31 March 2021

GROUP	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Surplus/(deficit) before taxation and contribution to Consolidated Fund		41,378	(17,971)
Adjustments for:			
Interest income		(18,250)	(25,843)
Dividend income	26	(4,096)	(5,909)
Depreciation of property, plant and equipment	4	56,731	59,885
Amortisation of land premium	5	1,926	1,926
Amortisation of rights of use assets	6(a)	557	587
(Gain)/loss on disposal/write-off of property, plant and equipment		(25)	19,544
Provision of doubtful debts		561	193
Impairment on property, plant and equipment	4	-	14,026
Unrealised fair value (gain)/loss on investments	26	(41,472)	14,872
Amortisation of deferred membership	22(a)	(8,141)	(8,728)
Amortisation of deferred lease income	22(b)	(1,122)	(1,119)
Share of results of a joint venture	8	(270)	(866)
Amortisation of deferred capital grants	21	(526)	(491)
Lease interest expense	6(b)	504	510
Net change in fair value (gain)/loss of derivatives		(8,606)	7,238
Operating cash flows before working capital changes		**19,149**	**57,854**
Changes in working capital			
Decrease in inventories		43	253
Decrease in trade and other receivables and prepayments		5,747	9,960
Increase in accrued lease income		(5,860)	(5,704)
Increase/(decrease) in trade and other payables		7,611	(12,483)
Decrease in provisions		(4,160)	(3,894)
Cash generated from operating activities		22,530	45,986
Net tax paid		(1,249)	(2,504)
Contribution to Consolidated Fund		-	(16,289)
Membership fees received	22(a)	3,363	3,875
Net increase in cash of Sentosa Cove Residential Fund		(6,413)	(4,768)
Net cash generated from operating activities		**18,231**	**26,300**

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Statement of cash flows for the financial year ended 31 March 2021

GROUP	Note	2021 $'000	2020 $'000
Investing activities			
Interest received		18,250	25,843
Dividends received	26	4,096	5,909
Purchase of property, plant and equipment	4	(51,715)	(50,191)
Net proceeds from sale and purchase of investments		254,055	98,012
Proceeds from disposal of property, plant and equipment		689	880
Net cash generated from investing activities		225,375	80,453
Financing activities			
Proceeds from capital contributed by the Government		11,907	4,192
Payment of principal portion of lease liabilities	6(b)	(671)	(704)
Net cash generated from financing activities		11,236	3,488
Net increase in cash and cash equivalents		254,842	110,241
Cash and cash equivalents at the beginning of the financial year		290,601	180,360
Cash and cash equivalents at the end of the financial year	15	545,443	290,601

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

1. Domicile and activities

Sentosa Development Corporation (the "Corporation") is a statutory board established under the Sentosa Development Corporation Act, Chapter 291 (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 (Chapter 311). 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 2021 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, 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 2020. The adoption of the standards did not have any effect on the financial performance or position of the Group.

<u>Early adoption of amendment to SB-FRS 116 Leases: COVID-19-Related Rent Concessions</u>

The Group has elected to early adopt the amendment to SB-FRS 116 Leases: COVID-19-Related Rent Concessions issued in June 2020, effective for annual period beginning on or after 1 June 2020. The amendments to SB-FRS 116 introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

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

2.2 Changes in accounting policies (cont'd)

- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to applicable leases.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SB-FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to SB-FRS 16: Property, Plant and Equipment – Proceeds before intended use	1 January 2022
Amendments to SB-FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual improvements to SB-FRSs 2018-2020	1 January 2022
Amendments to SB-FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023

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.

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;

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

2.4 Basis of consolidation (cont'd)

- 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

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. Summary of significant accounting policies (cont'd)

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.

2.9 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.

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

2.10 Joint ventures (cont'd)

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.

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.

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

2.11 Financial instruments (cont'd)

De-recognition

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

2.12 Impairment of financial assets

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

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

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

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

2.13 Cash and cash equivalents

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

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

2.14 Inventories

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

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

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

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

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

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

2.17 Provision for contribution to Consolidated Fund

The Corporation is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. 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.

The benefits associated with the deficits are recognised as deferred income tax asset to the extent that realisation of the related benefits through future surplus are probable.

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. The lease term of the land occupied by the Club is 30 years (the "Existing Lease").

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

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

2.18 Deferred membership fees (cont'd)

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

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

2.19 Deferred lease income

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

2.20 Government grants

Capital grant

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

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

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

Operating grant

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

2.21 Capital

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

2.22 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.

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

2.24 Income

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

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

(a) Admission fees and packages

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

(b) Rental and hiring of facilities

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

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

(c) Club income

Membership income comprises the following:

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

(ii) Term membership fees are amortised over a year;

(iii) Transfer fees on club membership that 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.

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.

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

2.24 Income (cont'd)

(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 (Chapter 134). The subsidiaries of the Corporation are subject to local tax legislation.

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

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

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

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

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

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

2.25 Taxes (cont'd)

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

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

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

(c) Goods and service tax ("GST")
Income, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

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

3. Significant accounting judgements and estimates

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

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

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

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

3.2 Key sources of estimation uncertainty (cont'd)

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.

(a) Useful life of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 103 years (2020: 3 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 2021 are disclosed in Note 4 to the financial statements.

(b) Provision for expected credit losses of trade receivables

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.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 34.

The carrying amount of the Group's trade receivables at the end of the reporting period is disclosed in Note 12 to the financial statements.

(c) Provision for Cove infrastructure

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

In determining the provision, assumptions and estimates are made in relation to the expected cost for incurring the infrastructure expenditure. This includes assessing the scope of the projects to be performed. The provision amount for the projects is estimated based on the latest available information from awarded tender prices and quotations. Past bids for similar projects are used as a basis for determining the provision for projects which have not commenced. In the past financial year, management has performed a detailed review of the Cove infrastructure requirements. The carrying amount of the provision as the end of the reporting period is disclosed in Note 20 to the financial statements.

SENTOSA DEVELOPMENT CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements
For the financial year ended 31 March 2021

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 2019	530,454	565,252	33,423	332,258	1,461,387
Additions	4,684	1,647	21,611	22,249	50,191
Disposals/written off	(9,574)	(29,361)	(668)	(18,338)	(57,941)
Transfers	9,195	913	(19,438)	9,330	-
Impairment	(62)	(12,117)	(124)	(1,723)	(14,026)
As at 31 March 2020 and 1 April 2020	534,697	526,334	34,804	343,776	1,439,611
Additions	5,900	821	33,110	11,884	51,715
Disposals/written off	(28,489)	(5,471)	(370)	(7,565)	(41,895)
Transfers	4,279	(2,338)	(7,796)	5,855	-
As at 31 March 2021	516,387	519,346	59,748	353,950	1,449,431

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 2019	230,644	252,220	-	202,623	685,487
Charge for the year	12,322	18,330	-	29,233	59,885
Disposals/written-off	(4,365)	(16,341)	-	(16,809)	(37,515)
As at 31 March 2020 and 1 April 2020	238,601	254,209	-	215,047	707,857
Charge for the year	12,151	15,267	-	29,313	56,731
Disposals/written-off/adjustments	(29,283)	(5,061)	-	(6,887)	(41,231)
As at 31 March 2021	221,469	264,415	-	237,473	723,357
Net book values					
As at 31 March 2021	294,918	254,931	59,748	116,477	726,074
As at 31 March 2020	296,096	272,125	34,804	128,729	731,754

Included in the cost of property, plant and equipment was an amount of $500,000 (2020: $500,000) related to costs for dismantling removal, and restoration of certain property, plant and equipment, which was provided for as reinstatement costs.

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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 2019	502,641	494,218	31,347	324,147	1,352,353
Additions	4,210	1,412	14,495	21,099	41,216
Disposals/written off	(9,322)	(29,122)	(668)	(17,964)	(57,076)
Transfers	8,094	110	(16,490)	8,286	-
Impairment	(62)	(12,117)	(124)	(1,723)	(14,026)
As at 31 March 2020 and 1 April 2020	505,561	454,501	28,560	333,845	1,322,467
Additions	5,500	666	24,901	11,154	42,221
Disposals/written off	(27,964)	(4,790)	119	(7,102)	(39,737)
Transfers	4,169	(2,781)	(5,642)	4,254	-
As at 31 March 2021	487,266	447,596	47,938	342,151	1,324,951

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 2019	222,281	212,620	-	198,859	633,760
Charge for the year	11,366	12,888	-	27,458	51,712
Disposals/written-off	(4,117)	(16,108)	-	(16,437)	(36,662)
As at 31 March 2020 and 1 April 2020	229,530	209,400	-	209,880	648,810
Charge for the year	11,280	11,642	-	26,942	49,864
Disposals/written-off/adjustments	(28,812)	(4,384)	-	(6,456)	(39,652)
As at 31 March 2021	211,998	216,658	-	230,366	659,022
Net book values					
As at 31 March 2021	275,268	230,938	47,938	111,785	665,929
As at 31 March 2020	276,031	245,101	28,560	123,965	673,657

5. Land premium

	GROUP AND CORPORATION	
	2021	2020
	$'000	$'000
Cost		
At 1 April and 31 March	68,064	68,096
Accumulated amortisation		
At 1 April	23,242	21,316
Charged to income statement	1,926	1,926
At 31 March	25,168	23,242
Net carrying amount	42,896	44,854

The cost of land premium for Sentosa Golf Club is capitalised in accordance with accounting policy in Note 2.7 and represents the amounts paid to Singapore Land Authority for the current and renewed lease term of the golf course land.

In 2015, the Club extended its land lease period of the Tanjong Golf Course and Serapong Golf Course for 19 years and 9 years respectively for $41,613,000. Amortisation of the additional land premium for the lease extension will commence from calendar year 2022 upon commencement of the lease renewal period.

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	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
Cost				
At 1 April and 31 March	14,566	14,566	1,536	1,536
Accumulated amortisation				
At 1 April	1,008	421	564	421
Charged to income statement	557	587	143	143
At 31 March	1,565	1,008	707	564
Net carrying amount	13,001	13,558	829	972
Comprises:				
Current	176	–	176	–
Non-Current	12,825	13,558	653	972
At 31 March	13,001	13,558	829	972

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	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
At 1 April	13,578	13,772	704	742
Accretion of interest	504	510	11	11
Payments	(671)	(704)	(49)	(49)
At 31 March	13,411	13,578	666	704
Comprises:				
Current	195	169	39	39
Non-Current	13,216	13,409	627	665
At 31 March	13,411	13,578	666	704

The following are the amounts recognised in income and expenditure:

	GROUP		CORPORATION	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
Amortisation of rights-of-use assets	(557)	(587)	(143)	(143)
Interest expenses on lease liabilities	(504)	(510)	(11)	(11)
Expenses relating to short-term leases (included in administrative expenses)	(537)	(242)	–	–
Total amount recognised in income and expenditure	(1,598)	(1,339)	(154)	(154)

The Group had total cash outflows for leases of $671,000 (2020: $704,000) for the financial year ended 31 March 2021.

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

Group as a lessee (cont'd)

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

On adoption of SB-FRS 116 on 1 April 2019, the Group had non-cash additions to right-of-use assets and lease liabilities of $13,772,000 and $13,772,000 respectively. There are no such additions in the financial year ended 31 March 2021.

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

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

	1 April 2019, adoption of SB-FRS 116	Cash flows	Accretion of interest	Non-cash change	31 March 2020
	$'000	$'000	$'000	$'000	$'000
Lease liabilities					
- Current	194	(704)	510	169	169
- Non-current	13,578	–	–	(169)	13,409
	13,772	(704)	510	–	13,578

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

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7. Investments in subsidiaries

	CORPORATION	
	2021 $'000	**2020** $'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 2021 %	2020 %
Held by the Corporation				
Mount Faber Leisure Group Pte Ltd *	Operation of the cable car system and attractions, wholesaler and retailer of merchandise and food and beverage services	Singapore	100	100
Sentosa Leisure Management Pte Ltd *	An agent of Sentosa Development Corporation in fulfilling the Corporation's economic and social roles, which include functions such as corporate services (IT, HR, Finance)	Singapore	100	100
Sentosa Cove Resort Management Pte Ltd *	Estate and community management, including property and facility management of common properties within Sentosa Cove	Singapore	100	100

* Audited by Ernst & Young LLP, Singapore

8. Investments in joint venture

	GROUP	
	2021	2020
	$'000	$'000
Unquoted shares, at cost	6,340	6,340
Share of post-acquisition profits (net of tax)	9,618	9,348
	15,958	15,688

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

In 2021 and 2020, 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 2021 %	2020 %
Held by subsidiary				
DCP (Sentosa) Pte Ltd *	Construction, development and operation of a district cooling plant supplying chilled water for air-conditioning needs 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:

	2021 $'000	2020 $'000
Income	13,350	20,368
Expenses	(11,999)	(16,038)
Total profit	1,351	4,330
Current assets	39,649	36,325
Non-current assets	66,930	70,190
Current liabilities	(3,916)	(4,625)
Non-current liabilities	(22,900)	(23,478)
Net assets	79,763	78,412
Group's interest in net assets of joint venture at beginning of year	15,688	14,822
Share of total profit	270	866
Carrying amount of interest in joint venture at end of the year	15,958	15,688

9. Accrued lease income

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

10. Deferred tax assets/(liabilities)

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

GROUP	At 1 April 2019 $'000	Recognised in profit or loss $'000	At 31 March 2020 and 1 April 2020 $'000	Recognised in profit or loss $'000	At 31 March 2021 $'000
Deferred tax assets/(liabilities)					
Property, plant and equipment	(551)	173	(378)	(167)	(545)
Provision for unutilised leave	191	41	232	110	342
Provision for non-contractual bonus	–	634	634	494	1,128
Total	(360)	848	488	437	925

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

GROUP	2021 $'000	2020 $'000
Unutilised tax losses	14,942	599
Unutilised capital allowances	4,968	–

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

These unutilised tax losses and capital allowances relating to certain subsidiaries are subject to agreement by the tax authorities and compliance with the relevant provisions of Singapore Income Tax Act.

11. Inventories

	GROUP		CORPORATION	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Consumables and spare parts	6,694	6,361	6,694	6,135
Merchandise	1,136	1,235	–	–
Food and beverage products	299	348	98	122
Attraction tickets	16	48	15	48
Less: Allowance for inventories obsolescence	(277)	(81)	–	–
	7,868	7,911	6,807	6,305
Statement of comprehensive income:				
Inventories recognised as an expense in cost of sales	1,137	21,670	947	14,682
Inventories recognised as part of inventories used	6,220	15,680	3,876	8,360

12. Trade and other receivables

	GROUP		CORPORATION	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Current				
Trade receivables	14,682	16,991	11,208	13,100
Other receivables	7,192	9,868	5,009	8,535
Investment receivables	7,667	9,783	7,497	9,257
Deposits	1,638	1,064	105	236
Amounts due from subsidiaries (non-trade)	–	–	5,136	5,172
Total trade and other receivables	31,179	37,706	28,955	36,300
Add: Cash and cash equivalents (Note 15)	572,685	311,430	534,423	257,859
Less: GST receivables	(645)	(674)	(1,232)	(1,570)
Total financial assets at amortised cost	603,219	348,462	562,146	292,589

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

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

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

Receivables that are past due but not impaired
The Group has trade receivables amounting to $546,000 (2020: $1,246,000) that are past due at the end of the reporting period but not impaired.

The Corporation has trade receivables amounting to $432,000 (2020: $559,000) that are past due at the end of the reporting period but not impaired.

12. Trade and other receivables (cont'd)

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

	2021 $'000	**2020** $'000
Group		
Past due less than 30 days	146	811
Past due 30-60 days	90	53
Past due 61-90 days	18	178
Past due more than 90 days	292	204
	546	1,246
Corporation		
Past due less than 30 days	132	306
Past due 30-60 days	73	25
Past due 61-90 days	15	100
Past due more than 90 days	212	128
	432	559

12. Trade and other receivables (cont'd)

Receivables that are impaired

The Group's and Corporation's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows. For financial year ended 31 March 2021, the movement in allowance for expected credit losses of trade receivables has been computed based on lifetime expected credit losses (ECL):

	GROUP		CORPORATION	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
Trade receivables – nominal amounts	690	378	651	337
Less: allowance for expected credit loss	(690)	(378)	(651)	(337)
	-	-	-	-
Movement in allowance for expected credit loss accounts:				
At 1 April	378	3,147	337	3,062
Provided during the year	626	261	587	220
Reversal during the year	(65)	(67)	(26)	(1)
Utilised during the year	(249)	(2,963)	(247)	(2,944)
At 31 March	690	378	651	337

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.

12. Trade and other receivables (cont'd)

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

	GROUP AND CORPORATION	
	2021	**2020**
	$'000	$'000
United States Dollars	4,091	6,457
Euros	214	139
British Pounds	180	40
Japanese Yen	87	223
Others	2,925	615

13. Investments

	GROUP AND CORPORATION	
	2021	**2020**
	$'000	$'000
Quoted investments		
At fair value through profit or loss		
Singapore government bonds	114,349	144,418
Other government bonds	84,821	133,305
Corporate bonds	243,986	303,272
Equity securities	142,457	198,473
Fund Investments	108,507	127,234
	694,120	906,702

These investments are managed by external investment managers appointed by the Corporation and are held with an appointed external custodian.

The fair values of Singapore government bonds, other government bonds, corporate bonds, equity securities and fund investments are based on the last closing bid market prices on the last market day of the financial year.

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

	GROUP AND CORPORATION	
	2021	**2020**
	$'000	$'000
United States Dollars	212,232	304,136
Euros	20,048	29,133
Hong Kong Dollars	39,612	35,701
British Pounds	5,418	6,481
Japanese Yen	29,288	57,795
Others	68,961	73,033

14. Financial derivatives at fair value

	GROUP AND CORPORATION					
	2021			2020		
	Notional amount $'000	Assets $'000	Liabilities $'000	Notional amount $'000	Assets $'000	Liabilities $'000
Futures	56,180	508	(268)	87,080	1,913	(722)
Forward foreign exchange contracts	544,330	2,185	(2,213)	609,971	721	(8,003)
Options	–	–	–	21	–	(84)
Swaps	73,385	1,959	(922)	108,323	1,344	(2,526)
	673,895	4,652	(3,403)	805,395	3,978	(11,335)

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

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

	GROUP AND CORPORATION	
	2021 $'000	2020 $'000
United States dollars	3,155	(102)
Others	(20)	(804)

15. Cash and cash equivalents

	GROUP		CORPORATION	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Cash at bank and on hand	11,059	9,599	10,713	9,332
Cash placed with custodian	21,671	24,659	21,671	24,659
Deposits placed with Accountant-General's Department ("AGD")	539,955	277,172	502,039	223,868
	572,685	311,430	534,423	257,859
Less: Cash held under Sentosa Cove Residential Fund	(27,242)	(20,829)	(27,242)	(20,829)
	545,443	290,601	507,181	237,030

Deposits placed with the AGD mature in varying periods of between 1 day to 2 years (2020: 1 day to 2 years), depending on the immediate cash requirements of the Corporation and the Group, and earn interest income based on AGD's Central Liquidity Management (CLM) yield rates.

The weighted average effective interest rate of cash and cash equivalents held by the Group and Corporation is 0.79% (2020: 1.93%) per annum.

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

	GROUP		CORPORATION	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Japanese Yen	9,416	8,744	9,416	8,744
United States Dollar	11,060	21,244	11,060	21,244
Others	194	808	194	808

16. Capital account

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

	GROUP AND CORPORATION	
	2021	**2020**
	$'000	$'000
At 1 April	20,327	16,135
Capital contributed by the Government	11,829	4,192
At 31 March	32,156	20,327

17. 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.

17. Accumulated surplus (cont'd)

(b) Restricted Fund (cont'd)

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

	GROUP AND CORPORATION	
	2021	**2020**
	$'000	$'000
Trade and other receivables	1,205	1,435
Prepayments	40	5
Cash and cash equivalents	27,242	20,829
	28,487	22,269
Trade and other payables	1,048	1,248
Provision for contribution to Consolidated Fund	1,033	905
	2,081	2,153
Net assets	26,406	20,116

18. 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.

19. Trade and other payables

	GROUP		CORPORATION	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
Current				
Trade payables	4,137	7,034	3,498	6,020
Accrued operating expenses	41,128	34,003	21,693	20,860
Deposits	4,202	4,762	3,908	4,531
Advance receipts	18,728	16,360	12,966	11,944
Liability for short-term compensating absences	5,105	3,066	2,338	1,395
Other payables	4,088	9,084	1,902	7,878
Investment payables	8,121	7,704	8,121	7,704
Amounts due to subsidiaries (non-trade)	–	–	16,617	11,808
	85,509	82,013	71,043	72,140
Non-current				
Other payables	2,758	2,645	2,259	2,145
Total	88,267	84,658	73,302	74,285
Less: Other payables	(500)	(500)	–	–
Advance receipts	(18,728)	(16,360)	(12,966)	(11,944)
Total financial liabilities carried at amortised cost	69,039	67,798	60,336	62,341

Investment payables
Investment payables include management fees payable to the fund managers and the outstanding amounts for the fixed income and equities purchased at year end.

19. Trade and other payables (cont'd)

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

	GROUP AND CORPORATION	
	2021	2020
	$'000	$'000
United States Dollars	3,797	5,681
Others	4,325	2,023

Amounts due to subsidiaries (non-trade)

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

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20. Provisions

	GROUP		CORPORATION	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
At 1 April	6,197	10,091	6,060	9,954
Provision arose during the financial year	–	491	–	491
Provision utilised during the year	(4,160)	(4,385)	(4,160)	(4,385)
At 31 March	2,037	6,197	1,900	6,060
Comprises:				
Current	1,900	4,593	1,900	4,593
Non-current	137	1,604	–	1,467
Total	2,037	6,197	1,900	6,060

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

21. Deferred capital grants

	GROUP		CORPORATION	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At 1 April	10,655	11,146	10,502	10,937
Amounts received	78	–	78	–
Credited to income statement	(526)	(491)	(470)	(435)
At 31 March	10,207	10,655	10,110	10,502
Comprises:				
Current	526	491	470	435
Non-current	9,681	10,164	9,640	10,067
Total	10,207	10,655	10,110	10,502
Total capital grants received since establishment	511,146	511,068	510,868	510,790

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

22(a). Deferred membership fee

Club membership fee

	GROUP AND CORPORATION	
	2021	**2020**
	$'000	$'000
At 1 April and 31 March	53,675	58,964
Credited to income statement	(5,289)	(5,289)
At 31 March	48,386	53,675

Term membership fee

	GROUP AND CORPORATION	
	2021	**2020**
	$'000	$'000
At 1 April	1,753	1,317
Additions	3,363	3,875
	5,116	5,192
Credited to income statement	(2,852)	(3,439)
At 31 March	2,264	1,753
Deferred membership fee comprises:		
Current	7,371	6,829
Non-current	43,279	48,599
Total	50,650	55,428

22(b). Deferred lease income

	GROUP AND CORPORATION	
	2021	**2020**
	$'000	$'000
Deferred lease income		
At 1 April	41,528	42,647
Addition	4,000	–
Credited to income statement:		
- Lease income amortised (Note 25)	(1,122)	(1,119)
At 31 March	44,406	41,528
Comprises:		
Current	1,122	1,119
Non-current	43,284	40,409
Total	44,406	41,528

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

23. 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 (Chapter 319A).

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 $2,029,000 (2020: $2,029,000) resulting from the amortisation of deferred membership fee is not subject to contribution to Consolidated Fund.

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

	CORPORATION	
	2021	**2020**
	$'000	$'000
Surplus/(deficit) of the Corporation before contribution to Consolidated Fund	57,688	(23,134)
Deferred membership fee on membership entrance	(2,029)	(2,029)
Surplus/(deficit) subject to contribution to Consolidated Fund	55,659	(25,163)

Movement in Contribution to Consolidated Fund:

At 1 April	905	–
Contribution for the year	9,461	905
At 31 March	10,366	905

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

24. Income

Disaggregation of income

	GROUP		CORPORATION	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
Major product or service lines				
Admission fees and packages	6,141	91,279	2,885	47,373
Club income	22,402	29,120	22,402	29,120
Sales of merchandise, net of discounts	1,326	8,532	–	–
Food and beverage	8,642	17,228	2,582	4,942
Headquarter support cost recovery	–	–	813	1,208
Sponsorship income	331	745	292	526
Maintenance fund contributions	12,643	12,111	12,642	12,111
	51,485	159,015	41,616	95,280
Primary geographical markets				
Singapore	51,485	159,015	41,616	95,280
Timing of transfer of goods or services				
At a point in time	19,239	113,136	9,370	48,192
Over time	32,246	45,879	32,246	47,088
	51,485	159,015	41,616	95,280

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25. Rental and hiring of facilities

	GROUP		CORPORATION	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Rental income	32,827	44,033	36,843	48,926
Lease income amortised ((Note 22(b))	1,122	1,119	1,122	1,119
	33,949	45,152	37,965	50,045

26. Investment income

	GROUP AND CORPORATION	
	2021	**2020**
	$'000	$'000
Dividend income	4,096	5,909
Interest income	14,564	22,027
Realised fair value gain on investment	34,502	3,306
Unrealised fair value gain/(loss) on investment	41,472	(14,872)
Net foreign currency exchange loss	(2,593)	(470)
Others	219	(315)
	92,260	15,585

27. Other income

	GROUP		CORPORATION	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
Club income	22,402	29,120	22,402	29,120
Sales of merchandise, net of discounts	1,326	8,532	–	–
Headquarter support cost recovery	–	–	813	1,208
Sponsorship income	331	745	292	526
Food and beverage	8,642	17,228	2,582	4,942
Maintenance fund contributions	12,643	12,111	12,643	12,111
Property tax rebates	5,138	1,144	4,656	1,144
Others	10,120	5,179	8,934	5,941
	60,602	74,059	52,322	54,992

28. Employee benefits expenses

	GROUP		CORPORATION	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
Wages and salaries	63,119	74,908	58,831	62,767
CPF contributions	16,184	14,687	8,259	7,356
	79,303	89,595	67,090	70,123

During the year, Job Support Scheme (JSS) grants of approximately $17,380,000 are recognised as a credit to the Group's wages and salaries expense. JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

29. General and administrative expenses

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

	GROUP		CORPORATION	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Property tax	5,761	6,270	5,061	5,719
Utilities	3,118	4,962	2,465	3,837
Investment related expenses	3,132	3,404	3,132	3,404
Professional and consultancy fees	3,706	2,822	2,328	2,406
Printing and stationery	155	964	87	768
Travelling and transport	1,701	2,063	1,624	1,713
Exchange gain	(235)	(1,408)	(259)	(1,411)
Provision of impairment of property, plant and equipment	–	14,026	–	14,026
(Gain)/loss on disposal of property, plant and equipment	(25)	19,544	(25)	19,544
Rental reliefs to tenants	2,686	364	5,710	364

30. Income tax expense

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

	GROUP	
	2021	**2020**
	$'000	$'000
Current tax expense		
Current year	497	1,587
Under-provision in respect of prior years	404	423
	901	2,010
Deferred tax credit		
Current year	(386)	(425)
Over-provision in respect of prior years	(51)	(423)
	(437)	(848)
Total income tax expense	464	1,162
Relationship between tax expense and surplus/(deficit)		
Surplus/(deficit) before income tax	41,378	(17,971)
Tax using Singapore tax rate at 17%	7,034	(3,143)
(Surplus)/deficit not subject to tax	(9,806)	3,933
Non-deductible expenses	263	590
Income not subject to tax	(1,485)	(180)
Effect of partial tax exemption and tax relief	(36)	(58)
Deferred tax assets not recognised	3,783	–
Under-provision in respect of prior years	353	–
Others	358	20
	464	1,162

31. 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	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Capital commitments in respect of property, plant and equipment	121,104	109,838	107,299	107,178

(b) Lease commitments - as lessor

The Group leases land to certain hotels and tenants for 3 to 92 (2020: 3 to 92) years under operating leases. There are no restrictions placed upon the Group and the Corporation by entering into these leases. Lease income is based on a fixed lump sum payment, which is amortised over the lease period, a fixed monthly rental, and a variable rental payment based on a percentage of the tenant's income derived from using the leased land.

Lease income recognised in the income statement of the Group and the Corporation during the financial year amounted to $35,185,000 (2020: $45,363,000) and $36,177,000 (2020: $50,256,000) respectively, of which $6,516,000 (2020: $14,097,000) was related to the variable rental income received during the financial year.

At 31 March, the Group has commitments for future minimum lease receipts under noncancellable operating leases as follows:

	GROUP		CORPORATION	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Within 1 year	21,884	20,114	21,884	19,981
Within 2 to 5 years	61,195	53,689	61,195	53,628
After 5 years	1,067,165	910,334	1,067,165	910,334
	1,150,244	984,137	1,150,244	983,943

32. 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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Short-term employee benefits	8,197	7,708	6,308	5,391
CPF contributions	477	397	351	238
Board members' fees	170	163	131	125
	8,844	8,268	6,790	5,754

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32. 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	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Ministries and Statutory Boards				
Purchases and services paid to other ministries	–	121	–	113
Purchases and services paid to other statutory boards	2,740	5,768	2,667	5,669
Services rendered to other ministries	1,420	379	869	34
Services rendered to other statutory boards	485	576	72	453
Subsidiaries				
Admission fee income from subsidiaries	–	–	–	2,027
Rental income from subsidiaries	–	–	1,331	5,148
Headquarter support fee income from subsidiaries	–	–	813	1,304
Purchase of goods from subsidiaries	–	–	406	14,766
Management fee expense paid to subsidiaries	–	–	34,533	39,826
Joint ventures				
Rental income from joint venture	689	689	689	689
Other related parties				
Services rendered by related parties	459	158	451	–
Services rendered to related parties	11	345	11	–

33. 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** $'000	**Level 2** $'000	**Total** $'000
2021			
Financial assets:			
Singapore government bonds	114,349	–	114,349
Other government bonds	84,821	–	84,821
Corporate bonds	243,986	–	243,986
Equity securities	142,457	–	142,457
Fund investments	–	108,507	108,507
Sub-Total	585,613	108,507	694,120

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

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

GROUP AND CORPORATION	Level 1 $'000	Level 2 $'000	Total $'000
Derivative financial instruments			
Futures	508	–	508
Forward foreign exchange contracts	–	2,185	2,185
Swaps	–	1,959	1,959
Sub-Total	508	4,144	4,652
Total	586,121	112,651	698,772
Financial liabilities:			
Derivative financial instruments			
Futures	(268)	–	(268)
Forward foreign exchange contracts	–	(2,213)	(2,213)
Swaps	–	(922)	(922)
Total	(268)	(3,135)	(3,403)
2020			
Financial assets:			
Singapore government bonds	144,418	–	144,418
Other government bonds	133,305	–	133,305
Corporate bonds	303,272	–	303,272
Equity securities	198,473	–	198,473
Fund investments	–	127,234	127,234
Sub-Total	779,468	127,234	906,702

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

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

GROUP AND CORPORATION	Level 1 $'000	Level 2 $'000	Total $'000
Derivative financial instruments			
Futures	1,913	–	1,913
Forward foreign exchange contracts	–	721	721
Swaps	–	1,344	1,344
Sub-Total	1,913	2,065	3,978
Total	781,381	129,299	910,680
Financial liabilities:			
Derivative financial instruments			
Futures	(722)	–	(722)
Forward foreign exchange contracts	–	(8,003)	(8,003)
Options	(84)	–	(84)
Swaps	–	(2,526)	(2,526)
Total	(806)	(10,529)	(11,335)

(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 fund managers at the last market day of the financial year.

Derivatives

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

34. 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 limits its credit risk exposure in respect of investments and financial instruments by investing in fixed income securities rated at least Investment Grade and specifying maximum exposure that can transacted with any one counterparty.

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.

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) and Note 3.2(b) (Provision for expected credit losses of trade receivables).

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

(a) Credit risk (cont'd)

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

31 March 2021	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	13,524	139	112	839	14,614
Loss allowance provision	(69)	(46)	(45)	(530)	(690)

31 March 2020	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	8,290	56	178	473	8,997
Loss allowance provision	–	(4)	(1)	(373)	(378)

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 24% (2020: 24%) of the Group's trade receivables were due from 5 (2020: 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).

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

(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.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the expected contractual undiscounted cash outflows of financial liabilities, including interest payments.

	2021			2020		
GROUP	One year or less $'000	One to five years $'000	Total $'000	One year or less $'000	One to five years $'000	Total $'000
Financial liabilities:						
Trade and other payables	66,781	2,258	69,039	65,653	2,145	67,798
Lease liabilities	195	13,216	13,411	169	13,409	13,578
Total undiscounted financial liabilities	66,976	15,474	82,450	65,822	15,554	81,376

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

(b) Liquidity risk (cont'd)

CORPORATION	2021 One year or less $'000	2021 One to five years $'000	2021 Total $'000	2020 One year or less $'000	2020 One to five years $'000	2020 Total $'000
Financial liabilities:						
Trade and other payables	58,077	2,259	60,336	60,196	2,145	62,341
Lease liabilities	39	627	666	39	665	704
Total undiscounted financial liabilities	58,116	2,886	61,002	60,235	2,810	63,045

(c) Interest rate risk

(i) Investments

Interest rate risk is the risk that the fair value or future cash flows of the Group's investments and financial instruments will fluctuate because of changes in market interest rates. The Group is subjected to interest rate risk as it invests in Singapore government bonds, other government bonds and corporate bonds.

The Group manages its interest rate risk through having a diversified portfolio and limits the allowable deviations for duration, thus monitoring and controlling exposure risk. The performance of the externally managed funds is regularly reviewed by the Internal Investment Team.

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

In respect of the floating rate bonds, a +/- 1% (2020: +/- 1%) change in interest rate as at March 2020 will result in a +/- $588,000 (2020: +/- $868,000) increase/decrease in interest income for the Group and Corporation. This analysis was performed assuming all other variables remain constant.

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

(c) Interest rate risk (cont'd)

(ii) Other Financial Assets and Financial Liabilities

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

At reporting date, if interest rates had been 25 (2020: 25) basis points higher/lower with all other variables held constant, the Group's and the Corporation's surplus/(deficit) before contribution to Consolidated Fund would have been higher/lower by the amounts shown below.

	2021		2020	
GROUP	**25 basis point increase** $'000	**25 basis point decrease** $'000	**25 basis point increase** $'000	**25 basis point decrease** $'000
Deposits placed with Accountant-General's Department (Note 15)	1,350	(1,350)	693	(693)
CORPORATION				
Deposits placed with Accountant-General's Department (Note 15)	1,255	(1,255)	560	(560)

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

(d) Foreign currency risk

(i) Investments

The Group's investments and financial instruments are held in various foreign currencies, including United States Dollars, Hong Kong Dollars and Japanese Yen, and therefore exposed to foreign exchange risk. The Group manages its foreign currency exposure by hedging through currency forward contracts as stipulated in the Group's foreign currency hedging policy.

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

	GROUP		CORPORATION	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
United States Dollars	212,232	46,756	212,232	46,756
Hong Kong Dollars	39,612	35,701	39,612	35,701
Japanese Yen	29,288	(3,562)	29,288	(3,562)
Others	94,427	29,086	94,427	29,086

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

		2021	**2020**
		$'000	$'000
SGD/USD	- strengthened 1%	2,122	468
	- weakened 1%	(2,122)	(468)
SGD/HKD	- strengthened 1%	396	357
	- weakened 1%	(396)	(357)
SGD/JPY	- strengthened 1%	293	(36)
	- weakened 1%	(293)	36

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

(d) Foreign currency risk (cont'd)

(ii) Other Financial Assets and Financial Liabilities

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

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

GROUP

	Assets		Liabilities	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
United States Dollars	19,064	30,297	4,556	8,379
Japanese Yen	9,506	9,001	160	411
Others	718	2,776	1,499	2,044

CORPORATION

	Assets		Liabilities	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
United States Dollars	19,064	30,297	4,556	8,379
Japanese Yen	9,506	9,001	160	411
Others	718	2,776	1,499	2,044

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

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

(d) Foreign currency risk (cont'd)

(ii) Other Financial Assets and Financial Liabilities (cont'd)

		2021 $'000	2020 $'000
SGD/USD	- strengthened 1%	145	219
	- weakened 1%	(145)	(219)
SGD/JPY	- strengthened 1%	93	86
	- weakened 1%	(93)	(86)

(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 in quoted equity securities, bonds and fund investments. The Group manages its price risk through having a diversified portfolio and target weights, 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% (2020: +/- 2%) change in investment value as at 31 March 2021 will result in a +/- $13,882,000 (2020: +/- $18,134,000) increase/decrease in net deficit for the Group and Corporation. This analysis has been performed with all other variables constant.

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

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35. 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 2020.

36. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 9 June 2021.

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SENTOSA DEVELOPMENT CORPORATION
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