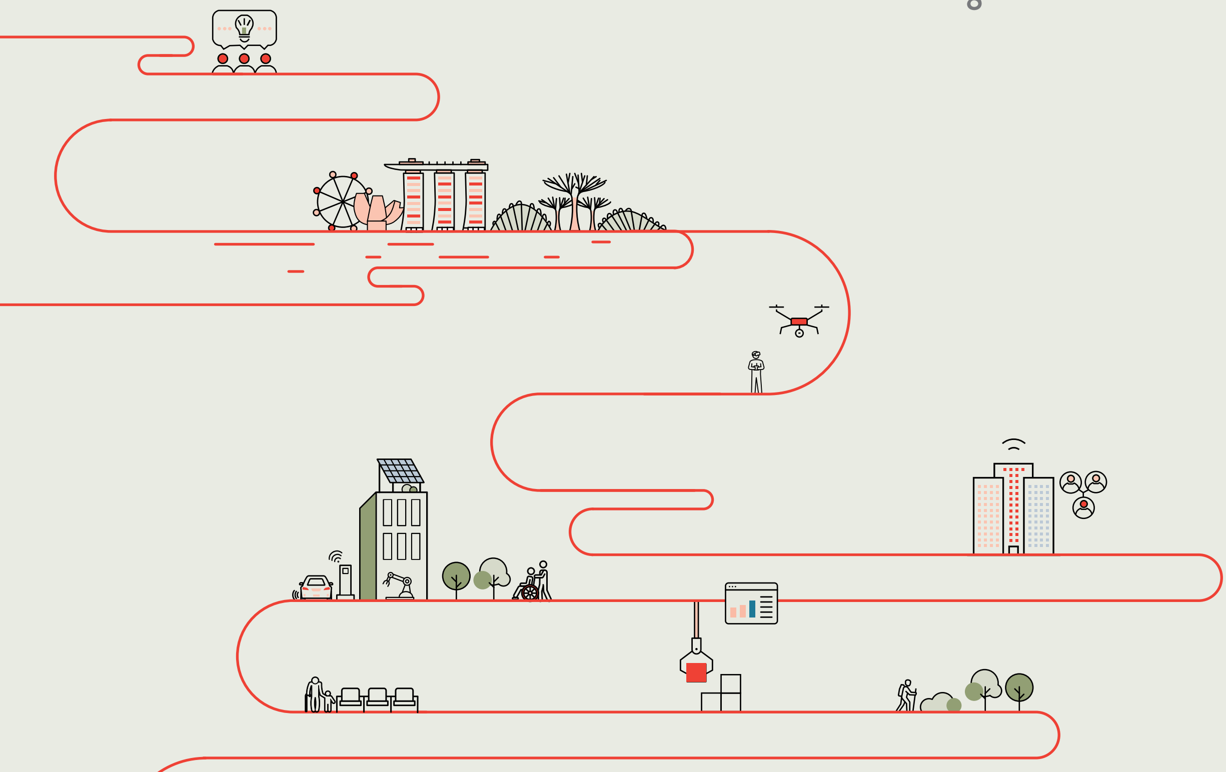
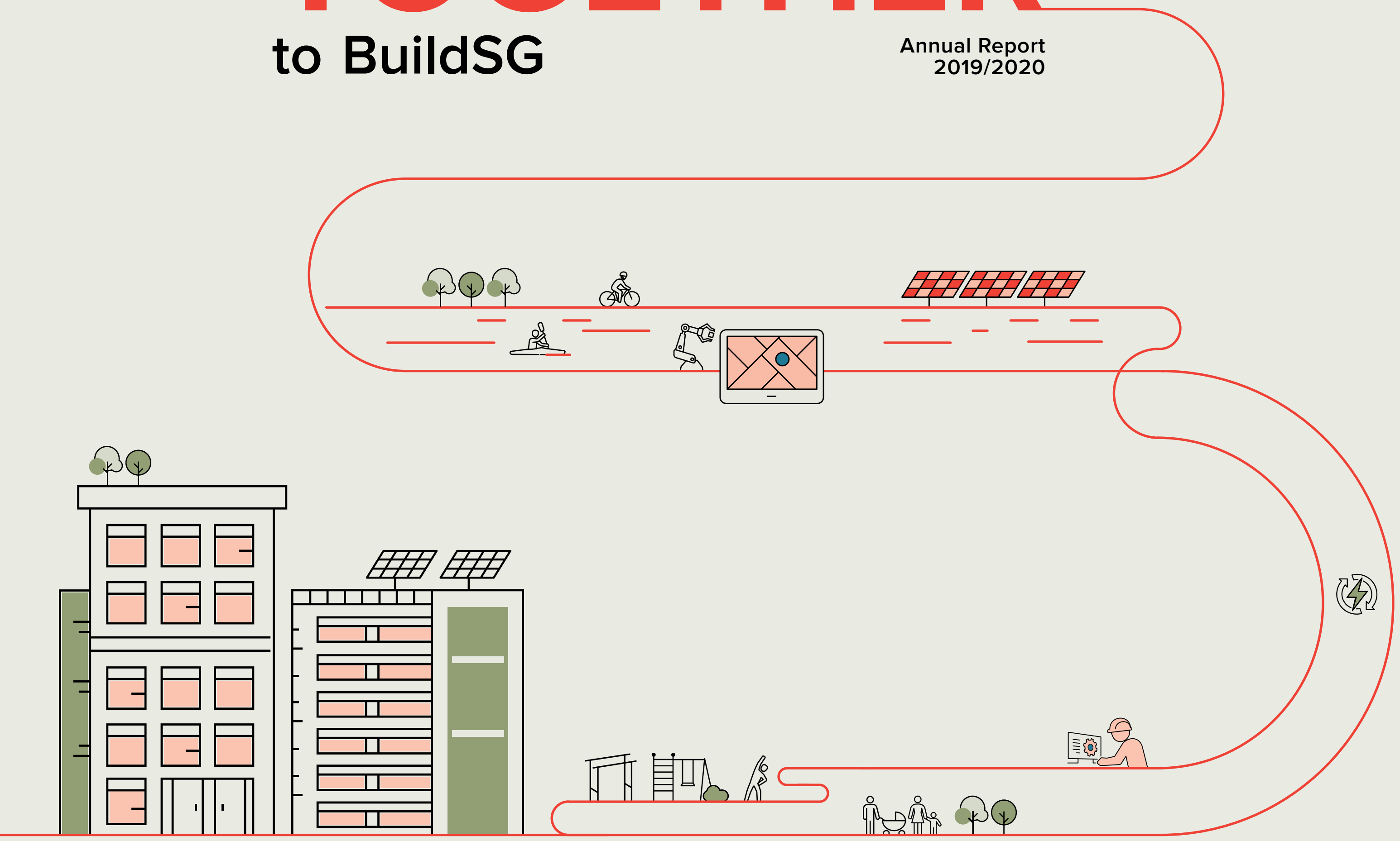
Building and Construction Authority



Persevering TOGETHER to BuildSG

Annual Report
2019/2020



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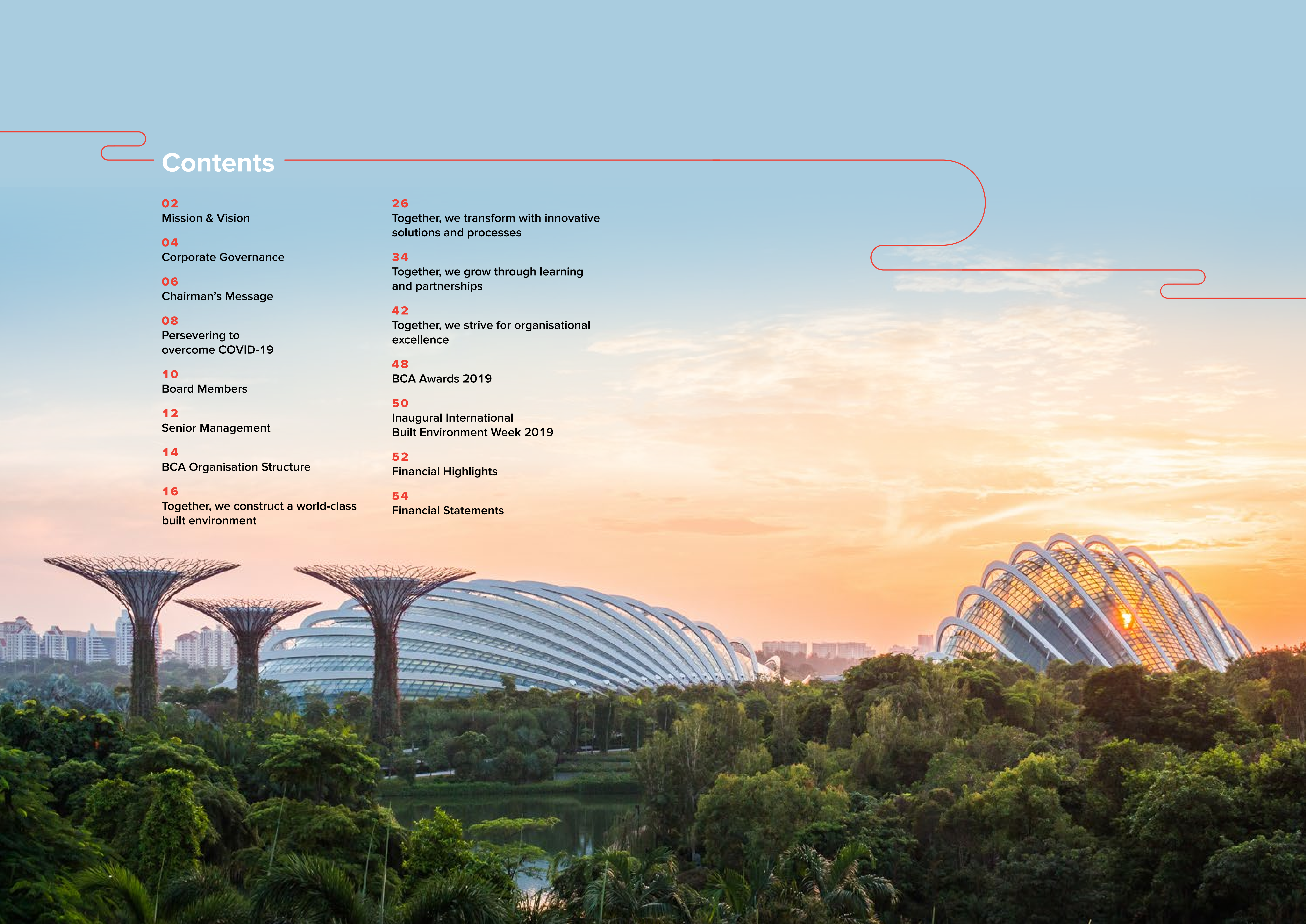
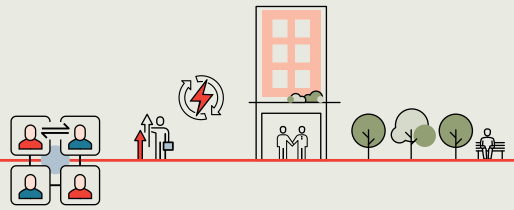




MISSION

We transform the
built environment sector
and shape a liveable and
smart built environment
for Singapore

VISION

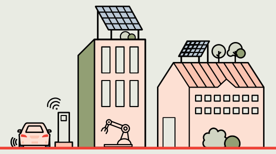
1. Most liveable &
smart built environment
2. Progressive sector with
globally successful firms
3. Technologically savvy
employer of choice
4. Competent, visionary
& respected individuals

CORE VALUES

We Care for our staff,
our customers, the community
and the environment

We Dare to be innovative
in transforming BCA and the
built environment

We Can overcome all
challenges with courage,
confidence and commitment
through teamwork



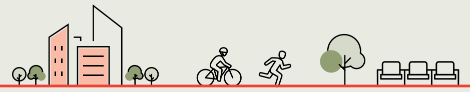
CORPORATE OBJECTIVES

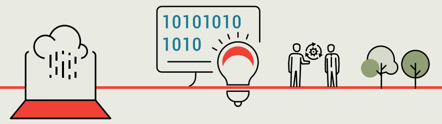
Shaping a Liveable and Smart Built Environment
a. Ensuring a safe built environment
b. Championing a high quality and sustainable built environment
c. Promoting an inclusive built environment

Transforming the Built Environment Sector
a. Achieving an advanced and integrated sector
b. Promoting progressive and collaborative firms
c. Creating good jobs for Singaporeans
d. Adopting smart facilities management
e. Leading technology adoption, development and innovation
f. Developing a competent workforce through Skills Framework
g. Supporting export-ready firms

Transforming into a Technologically Savvy Employer of Choice
a. Driving BCA's digital transformation and adopting advanced technologies
b. Enhancing organisational culture
c. Enhancing staff welfare, well-being and care

Nurturing Competent and Motivated Professionals
a. Grooming our future leaders through the Leadership Framework
b. Developing our human capital through strategic workforce planning





Corporate Governance

BCA is committed to good corporate governance. We have put in place a Code of Corporate Governance which formalises the principles and practices of governance within BCA to ensure accountability, responsibility and transparency.

BOARD MEMBERS

The Board currently comprises 14 members. All are non-executive members, except Mr Hugh Lim, who is BCA's Chief Executive Officer. There is a diverse representation from the industry, academia and ministries, which provides a wide range of experience, skills, knowledge and perspectives to enable the Board to play an active role in guiding BCA to achieve its vision and mission.

The Chairman provides strategic leadership and guidance to the Management of BCA, and ensures that discussions are fairly, objectively and independently conducted.

The Board meets at least five times a year to evaluate, approve and monitor the plans and budgets of BCA. It oversees the work and performance of the Management and assesses the financial health of BCA.

The BCA Act empowers the Board to form committees amongst its members to support the work of the Board.

FINANCE AND AUDIT

Internal Controls

The Board ensures that the Management maintains a sound system of internal controls to safeguard the interests and assets of BCA. It also ensures that reviews of BCA's key internal controls in finance, operations and compliance are conducted annually through internal and/or external audits according to the direction of the Audit Committee.

Audit Committee

The Audit Committee reviews the audited financial statements with external auditors, as well as review audit plans and observations of the external and internal auditors. It also ensures that the Management takes appropriate action for audit observations and the Audit Committee's recommendations. The Audit Committee also provides guidance for BCA's Fraud Reporting policy. All members in the Audit Committee are non-executive members.

Chairman's Message

The rapid onset of the COVID-19 pandemic is unprecedented and has severely disrupted economic activities globally.

Like the rest of the economy in Singapore, the construction sector has also taken a hard hit from this pandemic, especially with the outbreak affecting many of the migrant workers living in dormitories. While it is heartening that the industry is making good progress in restarting and resuming work, we should learn from this experience and rethink our heavy reliance on the migrant workforce, and press on with industry transformation.

BENEFITTING THE INDUSTRY THROUGH DIGITALISATION

Digitalisation will continue to play an important role in improving the industry's resilience, paving new ways of working remotely and raising productivity. For example, the industry can tap on digital solutions and equipment to better implement COVID-safe worksite requirements, on a complex worksite.

Despite COVID-19, there is progress on many of the digitalisation projects which we are working with industry on. One of them is to co-create an industry-wide common digital platform, containing national and standard specifications, to provide updated specifications and allow better coordination between the multi-disciplinary teams involved in a project. This will provide a valuable resource for our industry, both in design and in sourcing suitable solutions for projects.

Another ground-breaking project is the revamp of the CORENET e-submission portal, which will redefine the way the industry interacts with regulatory agencies, coupled with the harnessing of Building Information Modelling (BIM) technologies to transform the entire regulatory approval process into one that is more collaborative, smarter and efficient.

During this period, facilities management (FM) has also emerged as one of the critical essential services which we will be paying more attention to. We will step up the development of the FM industry by encouraging and supporting them in their smart FM journey through new grants and innovation programmes.

"Despite the uncertain economic landscape, we must continuously work together to transform our sector into an advanced and highly productive industry, which can generate good job opportunities for our people. We shall continue to persevere and forge ahead as a sector and as one Singapore, braving through this crisis together."

BCA has maintained our focus on green buildings as one of the key initiatives to mitigate climate change. (BCA Green Mark Super Low Energy Building Award winner - SMU A-South 3)

Post-COVID, BCA will accelerate the adoption of Design for Manufacturing and Assembly (DfMA) and Integrated Digital Delivery (IDD) in order to reduce industry's reliance on the migrant workforce.

CONTINUING EFFORTS IN MITIGATING CLIMATE CHANGE THROUGH GREEN BUILDINGS

Meanwhile, BCA has maintained our focus on green buildings as one of the key initiatives to help mitigate climate change. We are in the process of developing the next Green Building Masterplan for Singapore, together with stakeholders from the public, private and people sectors. Under this Masterplan, BCA will be reviewing the mandatory minimum environmental sustainability standards for buildings, as well as the minimum energy performance standards for both new and existing buildings.

UPSKILLING AND TRANSFORMING THE WORKFORCE

To meet the demands and growing aspirations of a new generation of Singaporeans in the sector, a new Skills Framework for the built environment sector will be introduced to provide clear career progression pathways and suitable wage benchmarks, commensurate with skills and experience gained along the way.

We have been working with the Trade Associations and Chambers and Institutes of Higher Learning to develop the Skills Framework which is expected to be launched soon.

MANAGING A NEW COVID-19 NORM

BCA will continue to engage industry stakeholders to keep our fingers on the pulse of the industry and work even more closely together to ride through this pandemic. Let's remain vigilant, agile and flexible and forge ahead with industry transformation, to overcome the COVID-19 crisis and emerge stronger together to Build Singapore.

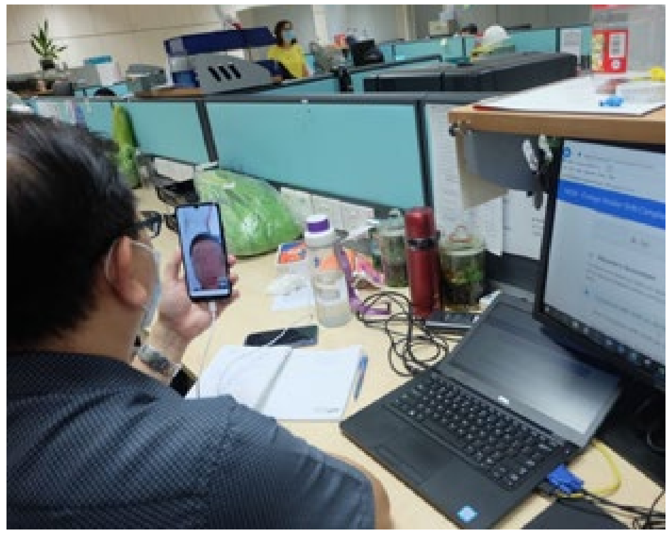
Mr Lee Fook Sun
Chairman

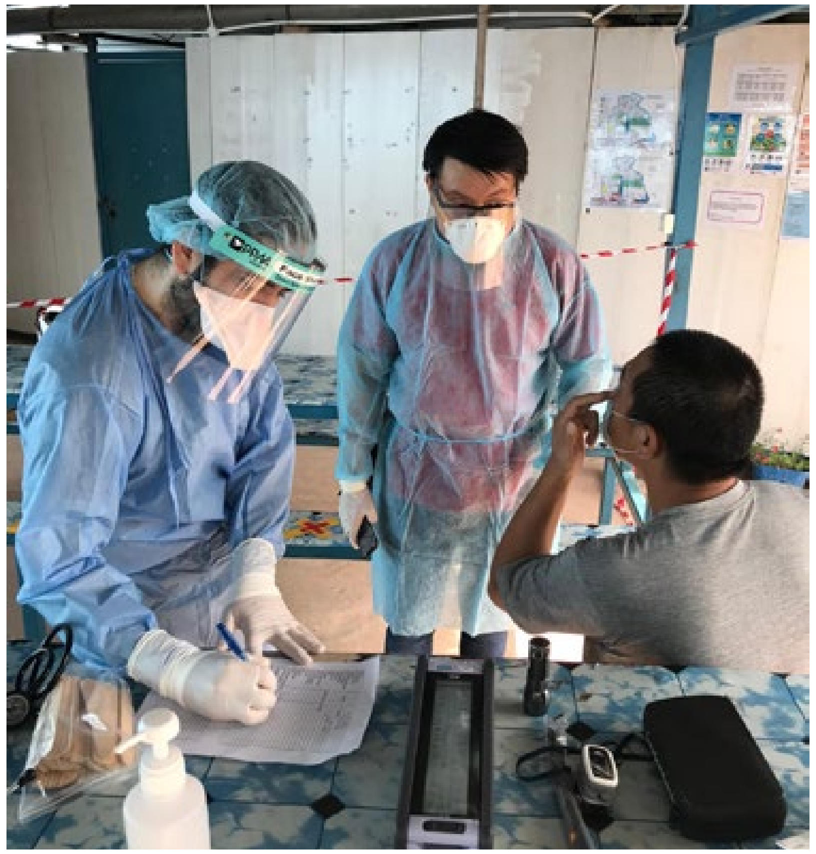
Persevering to overcome COVID-19

COVID-19 came upon us at the beginning of 2020, creating a very big challenge for the built environment sector. All construction activities came to an unprecedented stop during the two-month circuit breaker in April/May, and restarted gradually from June. Construction activities have to be performed with additional safeguards as we tread cautiously to manage the continuing risk of a resurgence of infection that could impact our workforce.

BCA took on the role as the one-stop shop to assist the built environment sector to navigate the range of new COVID-safe requirements from various government agencies after the circuit breaker was lifted. BCA also set up an extensive Restart Operations Centre at the Braddell Campus to oversee the overall coordination of restart efforts. We developed and organised training courses and webinars to ensure the industry learned quickly to adapt to the new normal together. Our partners from the public, private and people sector have been invaluable in these efforts.

It is one of the toughest crises ever experienced by this generation. But, together, we will persevere to overcome the challenges ahead, move forward, and identify new opportunities to emerge stronger.





Board Members

(AS AT 1 APRIL 2020)

Chairman
Mr Lee Fook Sun
Chairman, Ensign InfoSecurity Pte. Ltd.

Deputy Chairman
Mr Norman Ip

Board Member
Mr Hugh Lim
Chief Executive Officer, Building and Construction Authority

Board Member
Mr Johnny Lim
Executive Director, Teambuild Engineering & Construction Pte. Ltd.

Board Member
Ms Kala Anandarajah
Partner, Rajah & Tann LLP

Board Member
Mr Frankie Chia
Managing Partner, BDO LLP

Board Member
Mr Sherman Kwek
Group Chief Executive Officer, City Developments Limited

Board Member
Prof Tan Thiam Soon
President, Singapore Institute of Technology

Board Member
Mr Kenneth Loo
Executive Director and Chief Operating Officer, Straits Construction Group Pte. Ltd.

Board Member
Mr Lim Sim Seng
Group Head, Consumer Banking & Wealth Management, DBS Bank Ltd.

Board Member
Mr Mohamad Saiful Saroni
Partner, PricewaterhouseCoopers LLP

Board Member
Ar. Tang Kok Thye
Associate Partner, ADDP Architects LLP

Board Member
Mr Terence Ho
Associate Professor (Practice), Lee Kwan Yew School of Public Policy, NUS

Board Member
Mr Wong Heang Fine
Group Chief Executive Officer, Surbana Jurong Private Limited

Senior Management

(AS AT 27 JULY 2020)

Mr Hugh Lim
Chief Executive Officer

Mr Kelvin Wong Wee Siong
Chief Executive Officer-Designate

Mr Chin Chi Leong
Deputy Chief Executive Officer,
Building Control (Commissioner
of Buildings and Commissioner of
Amusement Rides Safety)

Er. Chew Keat Chuan
Group Director, Building
Engineering (Commissioner
of Building Control)

Er. Clement Tseng
Group Director, Building Plan
& Management

Mr Teo Orh Hai
Group Director, Electrical and
Mechanical Engineering

Er. Thanabal Kaliannan
Group Director, Building Resilience

Mr Teo Jing Siong
Group Director, Strategic Planning
and Transformation Office

Mr Cheng Tai Fatt
Managing Director, Built Environment
Research and Innovation Institute

Ar. Leong-Kok Su-Ming
Managing Director, BCA Academy

Mr Ng Kok Wan
Managing Director, Built Environment
Technology Alliance

Mr Neo Choon Keong
Deputy Chief
Executive Officer,
Industry Development

Ar. Tai Lee Siang
Executive Director, BuildSG

Mr Choo Whatt Bin
Executive Director, Services

Mr Tan Chee Kiat
Group Director, Business Development

Mr Ang Lian Aik
Group Director, Construction
Productivity & Quality

Mr Ang Kian Seng
Group Director,
Environmental Sustainability

Er. Grace Mui
Centre Director, iBuildSG &
Group Director, Manpower Strategy
and Planning

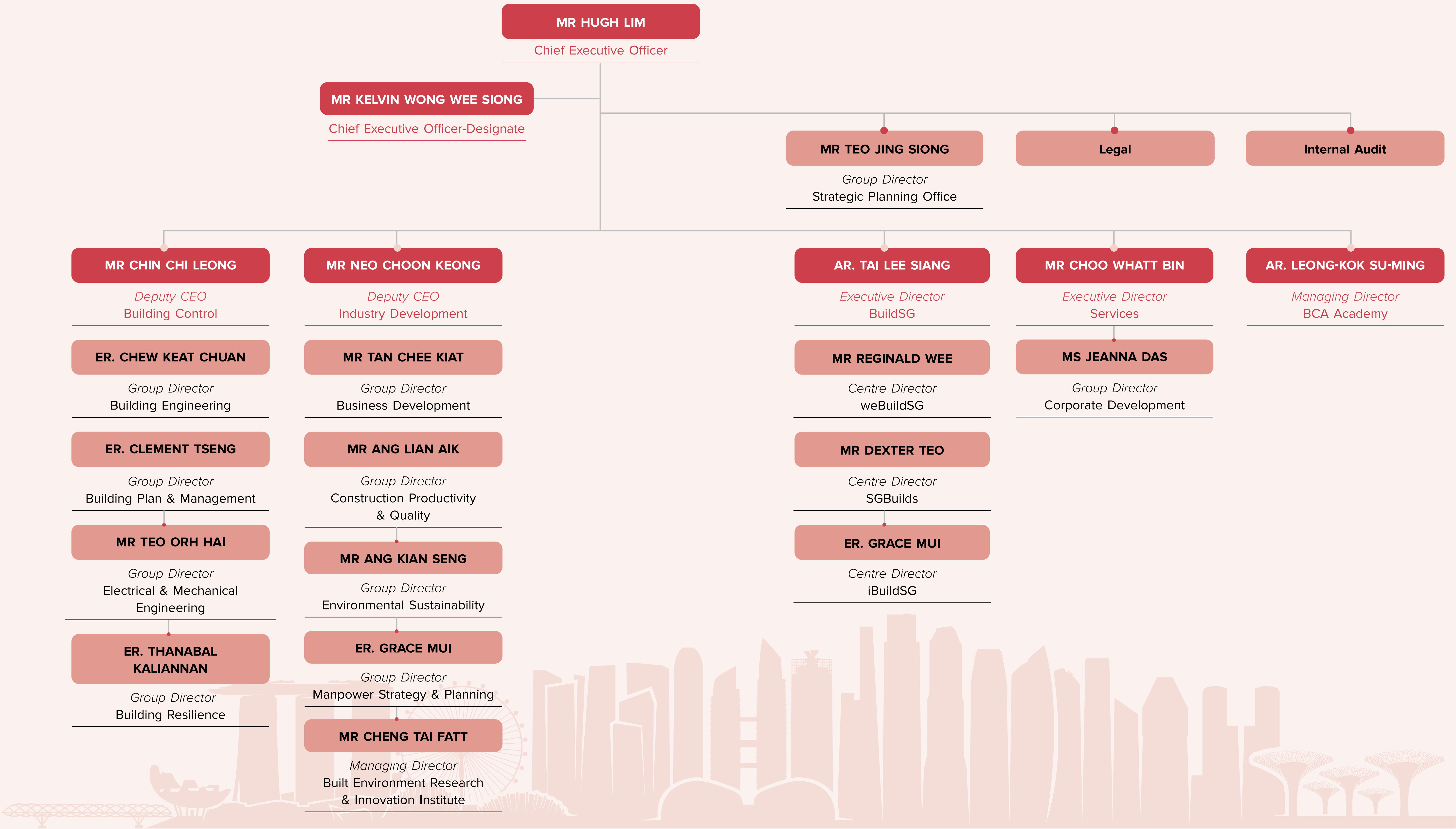
Mr Reginald Wee
Centre Director, weBuildSG

Mr Dexter Teo
Centre Director, SGBuilds

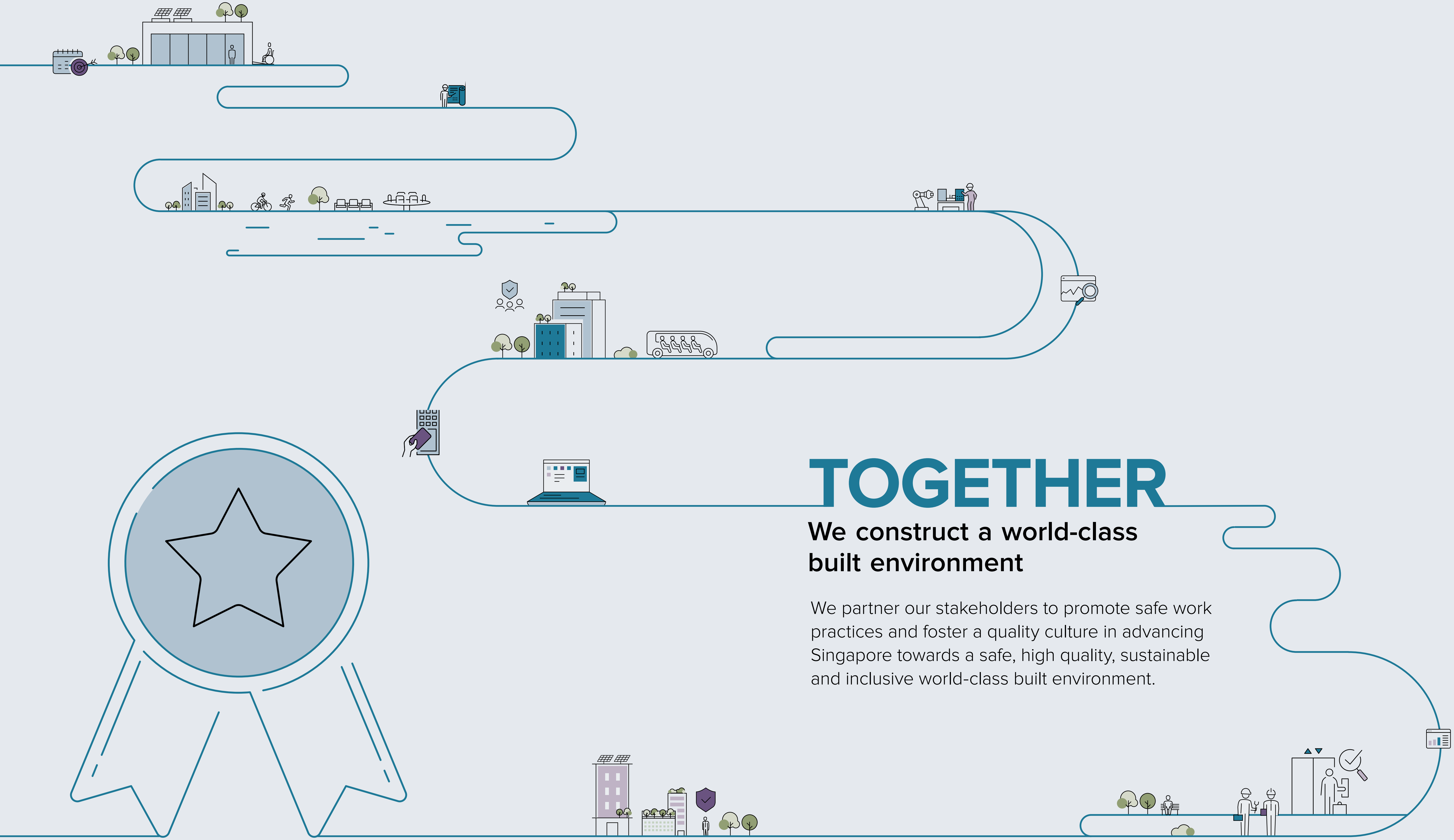
Ms Jeanna Das
Group Director,
Corporate Development

BCA Organisation Structure

(AS AT 27 JULY 2020)



- **MR HUGH LIM** – *Chief Executive Officer*
  - **MR KELVIN WONG WEE SIONG** – *Chief Executive Officer-Designate*
  - **MR TEO JING SIONG** – *Group Director*, Strategic Planning Office
  - **Legal**
  - **Internal Audit**
  - **MR CHIN CHI LEONG** – *Deputy CEO*, Building Control
    - **ER. CHEW KEAT CHUAN** – *Group Director*, Building Engineering
    - **ER. CLEMENT TSENG** – *Group Director*, Building Plan & Management
    - **MR TEO ORH HAI** – *Group Director*, Electrical & Mechanical Engineering
    - **ER. THANABAL KALIANNAN** – *Group Director*, Building Resilience
  - **MR NEO CHOON KEONG** – *Deputy CEO*, Industry Development
    - **MR TAN CHEE KIAT** – *Group Director*, Business Development
    - **MR ANG LIAN AIK** – *Group Director*, Construction Productivity & Quality
    - **MR ANG KIAN SENG** – *Group Director*, Environmental Sustainability
    - **ER. GRACE MUI** – *Group Director*, Manpower Strategy & Planning
    - **MR CHENG TAI FATT** – *Managing Director*, Built Environment Research & Innovation Institute
  - **AR. TAI LEE SIANG** – *Executive Director*, BuildSG
    - **MR REGINALD WEE** – *Centre Director*, weBuildSG
    - **MR DEXTER TEO** – *Centre Director*, SGBuilds
    - **ER. GRACE MUI** – *Centre Director*, iBuildSG
  - **MR CHOO WHATT BIN** – *Executive Director*, Services
    - **MS JEANNA DAS** – *Group Director*, Corporate Development
  - **AR. LEONG-KOK SU-MING** – *Managing Director*, BCA Academy



TOGETHER

We construct a world-class built environment

We partner our stakeholders to promote safe work practices and foster a quality culture in advancing Singapore towards a safe, high quality, sustainable and inclusive world-class built environment.

Inculcating a
strong safety and quality culture

ENHANCING THE BUILDING CONTROL ACT

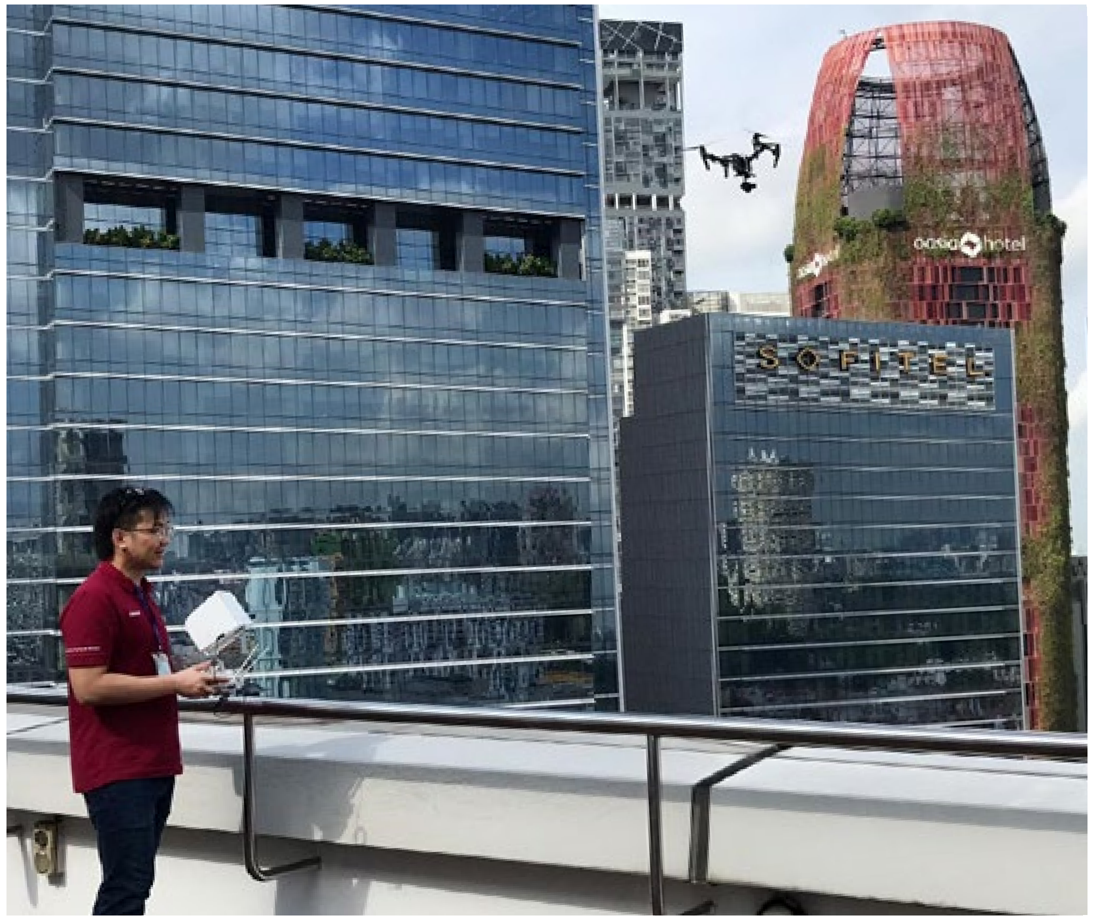
The Building Control Act was amended on 6 March 2020 to enhance safety and improve accessibility in the built environment. BCA had consulted industry stakeholders who were supportive of these changes. The new requirements will take effect from the second half of 2021 when the necessary regulations have been put in place.

IMPROVING FAÇADE SAFETY THROUGH A NEW INSPECTION REGIME

The new Periodic Facade Inspection (PFI) Regime will require buildings to undergo periodic facade inspection once every seven years. This will facilitate the early detection of facade deterioration and allow defects to be rectified in a timely manner. An average of more than 4,000 buildings will be inspected each year. BCA will also introduce inspection guidelines and strengthen R&D efforts to look into more effective and productive ways to carry out facade inspections.

STRENGTHENING REGULATORY OVERSIGHT UPSTREAM FOR LIFTS AND ESCALATORS

New requirements for the design and installation of lifts and escalators will be introduced, such as requiring plans to be submitted and approval obtained, before installation can take place. This will help to reduce the likelihood of deficiencies in design or installation that may lead to downstream safety incidents. As part of the approval process, we will require lift models and their key safety components to be product-tested and certified by independent certification bodies.



Under the new Periodic Facade Inspection Regime, technologies such as drones may be used to make inspection more efficient

Older buildings will be required to provide basic accessibility features when they undergo additions and alteration (A&A) works

ACCELERATING ACCESSIBILITY UPGRADING FOR OLDER BUILDINGS

To quicken the pace of accessibility upgrading in older buildings, BCA will require buildings without basic accessibility features to provide these when they undertake A&A works that require plan submissions, regardless of where such works are carried out in the building. The new requirement will apply to commercial and institutional buildings with Gross Floor Area (GFA) of more than 500m^2.

IMPROVING INTER-AGENCY COORDINATION

STREAMLINING REGULATORY PROCESSES AND RESOLVING ISSUES

The Inter-Agency Coordinating Committee (IACC) continued its systematic review of rules and processes with the aim to reduce regulatory approval time and cost. Using mined data from over 13,000 projects, IACC conducted deep-dive studies to identify areas where regulators could streamline their approval processes. As a result, cases of project parties having long outstanding submissions and/or multiple written directions were escalated to IACC and 19 were resolved in 2019. The average time taken for resolution of conflicting requirements was reduced by 40%.

Inculcating a
strong safety and quality culture

IMPROVING DESIGN STANDARDS

DESIGN FOR MAINTAINABILITY (DfM)

A set of enhanced DfM guides was launched in May 2019 to aid architects and facilities management professionals in applying best design practices in different building typologies. To further raise DfM capability and mindshare, BCA has included DfM requirements in the tender conditions for six Government Land Sales sites. The DfM Guides were also conferred the MND Municipal Services Awards 2019 for promoting maintainable design for public infrastructure and facilities. The Maintainable Design Appraisal System (MiDAS) prototype was completed in July 2019 and is in its pilot phase.

REVIEW OF CODE ON ACCESSIBILITY

The Code Review Committee, led by BCA, launched the Code on Accessibility 2019 on 5 July 2019. The primary focus of this round of revision was on the needs of the elderly and persons with disabilities. Some of the key changes included accessible changing rooms for older children and adults with multiple disabilities, larger accessible toilets to cater to motorised wheelchairs and scooters and provision of lactation room in more building types.

The provision for accessible changing rooms will benefit caregivers of older children and adults with disabilities as well as the elderly

KEY HIGHLIGHTS

18,855
Structural Plans processed

1,194
Temporary Occupation Permits issued

3,306
Site inspections conducted

7,177
Building Plans processed

IMPROVING SAFETY AT CONSTRUCTION SITES

GUIDEBOOK FOR SITE SUPERVISION PLAN

The Guidebook for Site Supervision Plan was implemented to improve site supervision standards. BCA had worked with Association of Consulting Engineers Singapore (ACES) and Institution of Engineers Singapore (IES) to jointly publish the Guidebook to properly define acceptable standards of practice for the industry and set out principles, requirements and operation of a site supervision plan.

RISK-BASED RULES METHOD FOR EARTH RETAINING STRUCTURAL SYSTEM

The Observational Method (OM) in the Design and Construction of Earth Retaining Structural System (ERSS) work and Ground Water Control System for Deep Excavation was developed together with key stakeholders to promote productivity in ERSS works while ensuring safety. The guidelines which adopt the principle of risk-based rules were successfully piloted for the Deep Tunnel Sewerage System's deep shaft construction and a commercial building with a basement and underground pedestrian network.

GUIDELINES ON REUSE OF EXISTING PILES

BCA - together with the IES, ACES and the Geotechnical Society of Singapore (GeoSS) - developed a set of guidelines on the reuse of existing piles which could apply to en-bloc redevelopments in Singapore.

The design for the temporary Earth Retaining Stabilising Structure (ERSS) was based on the Framework on Observation Method launched by BCA in September 2019

Inculcating a strong safety and quality culture

ENHANCING DESIGN FOR TRANSIT SHELTERS AND HOUSEHOLD SHELTERS

ENHANCED REQUIREMENTS AND SPECIFICATIONS FOR CIVIL DEFENCE SHELTERS

BCA completed the testing and commissioning of Woodlands Station under Thomson-East Coast MRT line in 2019. The Civil Defence Technical requirements and Material and Workmanship Specification for S10 to S29 Public Shelters were enhanced for better performance and productivity.

OPTIMISED STAIRCASE STOREY SHELTER DESIGN

BCA completed the review of the Technical Requirements for Storey Shelters, which included allowing for more optimised usage of space within the storey shelter. Our engineers also worked with SCDF to innovatively adapt the staircase storey shelter concept as safe spaces in the community centres.

Top: BCA was awarded the Strategic Partner Award by SCDF on 23 November 2019 for providing valuable engineering and regulatory contributions to the design, construction, commissioning of Civil Defence shelters

Bottom: BCA completed the review of the Technical Requirements for Storey Shelters, which included allowing for more optimised usage of space within the storey shelter

ENSURING SAFETY OF AMUSEMENT RIDES

ENHANCED REGIME FOR AMUSEMENT RIDE SAFETY

To prepare for new and novel amusement rides that ride operators are looking to bring into Singapore, BCA had enhanced the safety requirements in the existing amusement rides legislation for four new types of rides – play nets, free fall jump devices, funiculars, and roller gliders.

KEY HIGHLIGHTS

226
regular inspections conducted

125
incidents investigated

86
operating permits processed

4
new amusement rides installed and modification permits processed

BCA enhanced the Amusement Ride Safety Regime to include new types of rides including play nets

Inculcating a
strong safety and quality culture

In FY2019, major repair works for revetment at West Coast Park and breakwaters at East Coast Park were completed

MANAGING PROJECTS TO ENSURE SAFETY AND SUPPORT THE INDUSTRY

ESTATE UPGRADING PROGRAMME

On behalf of the Ministry of National Development, BCA has been managing the Estate Upgrading Programme (EUP) for 31 private estates and some infrastructure development projects. In FY2019, BCA rolled out 10 selected estates for batch 10, awarded construction contracts for 73 private estates comprising 5,638 households. Barrier-free accessibility features have been injected in these upgrading projects to improve connectivity within the estates.

INFRASTRUCTURE FOR SUPPORT INDUSTRIES

During the year, BCA has also completed the upgrading of aggregate terminals and stockpile sites and managed infrastructure development works at Pulau Punggol Barat to support the development of new Integrated Construction and Prefabrication Hubs (ICPHs) and at Lower Seletar.

MAINTENANCE OF FORESHORE STRUCTURES

BCA also maintained foreshore structures at 27 locations island wide. In FY2019, major repair works for revetment at West Coast Park and breakwaters at East Coast Park were completed.

GUIDING QUALITY IMPROVEMENTS IN BUILDING PROJECTS

HIGHER QUALITY THROUGH DESIGN FOR MANUFACTURING AND ASSEMBLY (DfMA)

The new CONQUAS 2019 was introduced in December 2019 as a push for higher quality of building projects through adoption of DfMA. The enhancement included streamlining of building categories, putting more emphasis on architectural works and introducing factory checks for Prefabricated Prefinished Volumetric Construction (PPVC) projects.

QUALITY FRAMEWORK ON DEFECTS PREVENTION

In July 2019, BCA introduced the Integrated Construction Quality Assurance (ICQA) scheme, a framework to help firms develop a system for quality delivery to their customers. The scheme promotes the use of technologies to reduce defects and thus improve customer satisfaction.

KEY HIGHLIGHTS

Take-up rate for CONQUAS

95%

Mean CONQUAS Score for all buildings

89.2
(all buildings)

91.5
(private residential)

Take-up rate for BCA Quality Mark

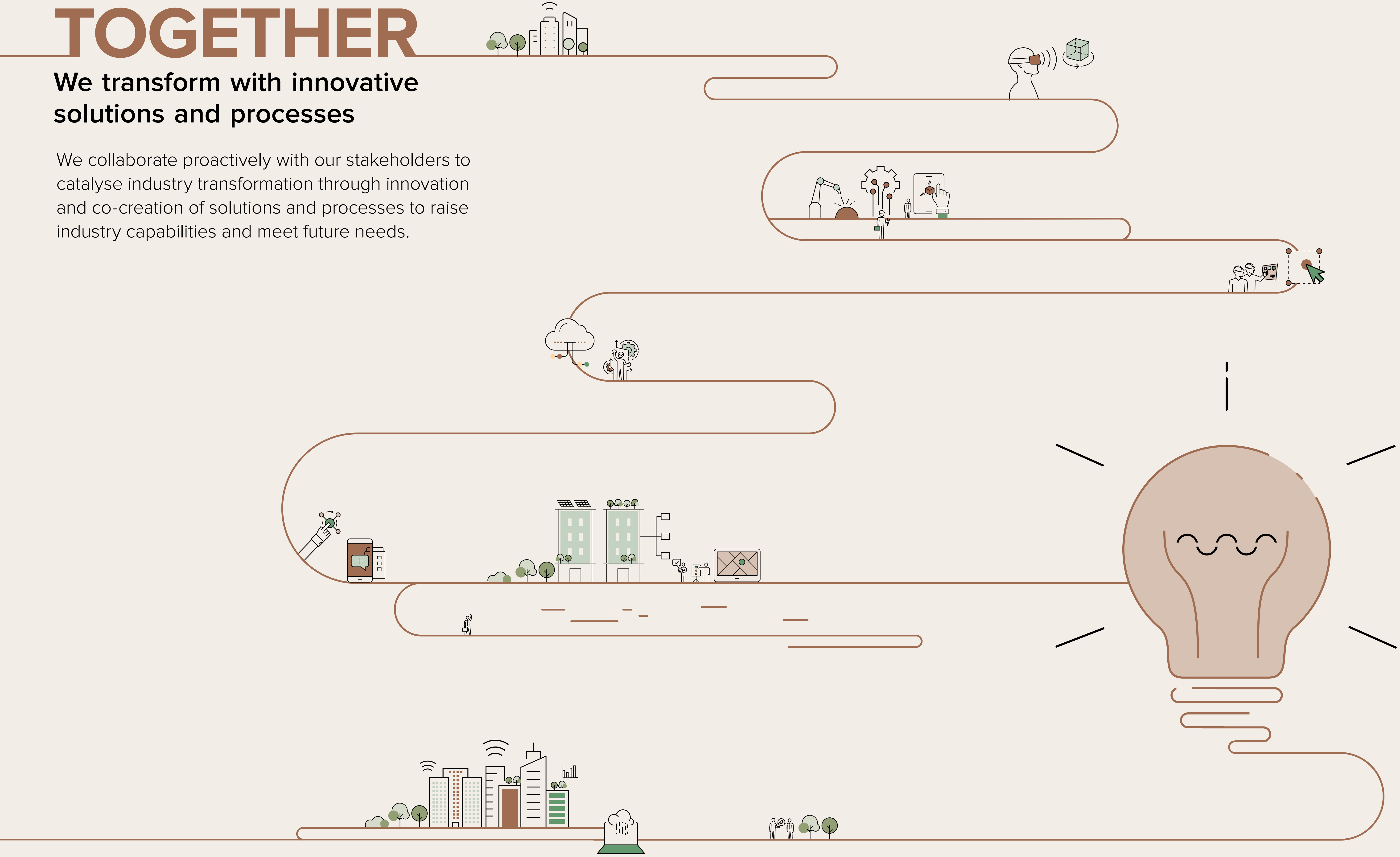
58%
(up from 53%)

The project, 1919 by Aurum Land, is one of the Top 10 projects in BCA's Quality Housing Portal. This project was a past Construction Excellence Award winner

TOGETHER

We transform with innovative solutions and processes

We collaborate proactively with our stakeholders to catalyse industry transformation through innovation and co-creation of solutions and processes to raise industry capabilities and meet future needs.



Transforming the industry through technology

COLLABORATING TO PUSH FORWARD INDUSTRY TRANSFORMATION

INDUSTRY ACTION PLANS FOR TRANSFORMATION

In advancing industry transformation, BCA collaborated with nine Trade Associations and Chambers (TACs) to co-develop key ITM action plans. These include working with:

- Specialist Trade Alliance of Singapore (STAS) to roll out the Prefabricated Mechanical, Electrical and Plumbing (Prefab MEP) Manufacturer Accreditation Scheme in 2019 which will accredit Prefab MEP specialists who have achieved the required capability to produce good quality modules.
- Real Estate Developers' Association of Singapore (REDAS) on a gaps analysis study to better understand the industry's concerns and to develop a developer-centric data-driven dashboard monitoring platform to support Integrated Digital Delivery (IDD) adoption and co-publish a developer-centric IDD implementation guide.

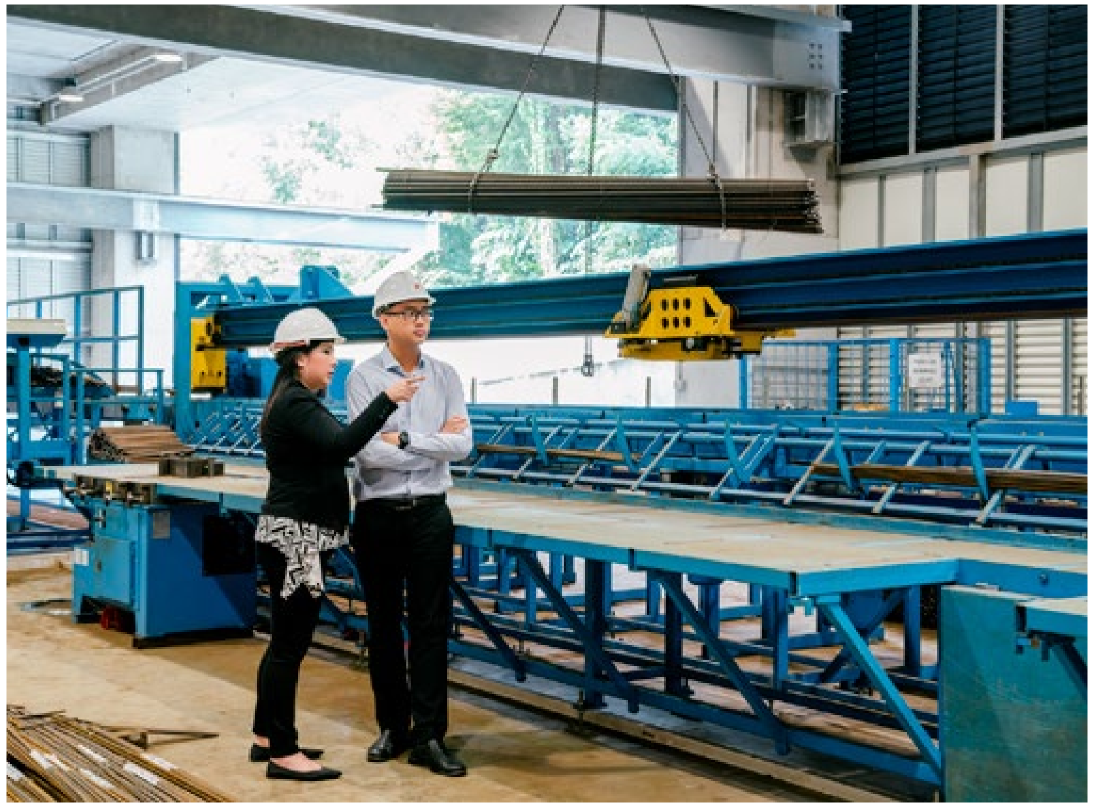
BuildSG TRANSFORMATION FUND (BTF)

The BTF department was established in September 2019 to provide a single touch point for built environment firms, professionals, and students by offering a range of support schemes that help them embark on their transformation journey. It also supports the newly launched Construction and Facilities Management Industry Digital Plan with $19 million catered for small and medium-sized enterprises to help build up their digital capabilities.

RAISING PRODUCTIVITY THROUGH DESIGN FOR MANUFACTURING AND ASSEMBLY (DfMA)

OFF-SITE CONSTRUCTION SPECIAL SCHEME

To encourage greater adoption of DfMA technologies through alleviating cost, BCA worked with the Ministry of Manpower to introduce a new Off-site Construction Special Scheme (OCSS) in June 2019. This allows firms with DfMA manufacturing facilities to hire off-site workers on a continuing basis (non-project based) at lower levy rates.



When built, the 2 new ICPHs that were launched in 2019 will enable the continued introduction of innovation to build up DfMA capabilities

BUILDING DfMA SUPPLY CAPACITY AND CAPABILITIES

Two new sites for Integrated Construction and Prefabrication Hubs (ICPHs) at Gali Batu were launched in December 2019 to further boost local prefabrication supply capacity. Each ICPH is intended to enable the continued introduction of innovation, to build up DfMA capabilities.

ENHANCED BUILDABILITY FRAMEWORK

In December 2019, BCA enhanced the buildability framework requiring larger residential (non-landed) developments with GFA of at least 25,000m^2, to meet a higher buildable design score (B-score) by adopting more impactful DfMA technologies. Such technologies include Advanced Precast Concrete System (APCS), Prefabricated Bathroom Units (PBU) or Prefabricated Prefinished Volumetric Construction (PPVC).

SITE PRODUCTIVITY AND DfMA ADOPTION

Cumulative site productivity (over 2010)
17.6%

DfMA adoption rate:
31.1%
(3-fold increase from 2016)

Prefabricated Prefinished Volumetric Construction is an example of DfMA technology

Transforming the industry through technology

The second Built Environment Accelerate to Market Programme (BEAMP) cycle saw 23 companies ("Challenge Owners") seeking innovative solutions for 28 industry challenges in areas such as facilities management and building inspection

BOOSTING INNOVATION IN THE INDUSTRY

BUILT ENVIRONMENT ACCELERATE TO MARKET PROGRAMME

The second Built Environment Accelerate to Market Programme (BEAMP) cycle, a joint initiative with JTC Corporation and Enterprise Singapore, was launched in September 2019. It saw 23 companies ("Challenge Owners") seeking innovative solutions for 28 industry challenges in areas such as facilities management and building inspection.

WIDER ADOPTION OF AUTOMATION AND ROBOTICS

The development of the Built Environment Robotics R&D Roadmap was initiated in February 2020, looking at both immediate and longer term strategies, to encourage wider adoption of automation and robotics solutions within the sector. With funding support from National Robotics R&D Programme Office (NR2PO), BCA has also initiated a number of projects under the Built Environment Robotics R&D Programme in areas such as robot-assisted supervision, monitoring of construction progress and robotic assembly of prefabricated components on-site, among others.

BUILT ENVIRONMENT TECHNOLOGY ALLIANCE

The formation of the Built Environment Technology Alliance (BETA) was announced in July 2019 at the opening of the 5th Urban Sustainability R&D Congress. BETA was officially constituted in April 2020, as a Company Limited by Guarantee (CLG). BETA will enable firms in the built environment sector to collaborate and benefit from greater access to new technology which can increase their capabilities and value add. BETA will catalyse industry-led projects that facilitate adoption, commercialisation and export of technology.

ADOPTION OF SMART FM TECHNOLOGIES

To encourage wider adoption of Smart FM technologies for the operation and maintenance of buildings and infrastructure, a Guide to Smart FM was made available to developers, Government Procuring Entities and building owners. This Guide was jointly developed by a taskforce under the tripartite Facilities Management Implementation Committee (FMIC), comprising representatives from various agencies, building owners, service providers and industry bodies.

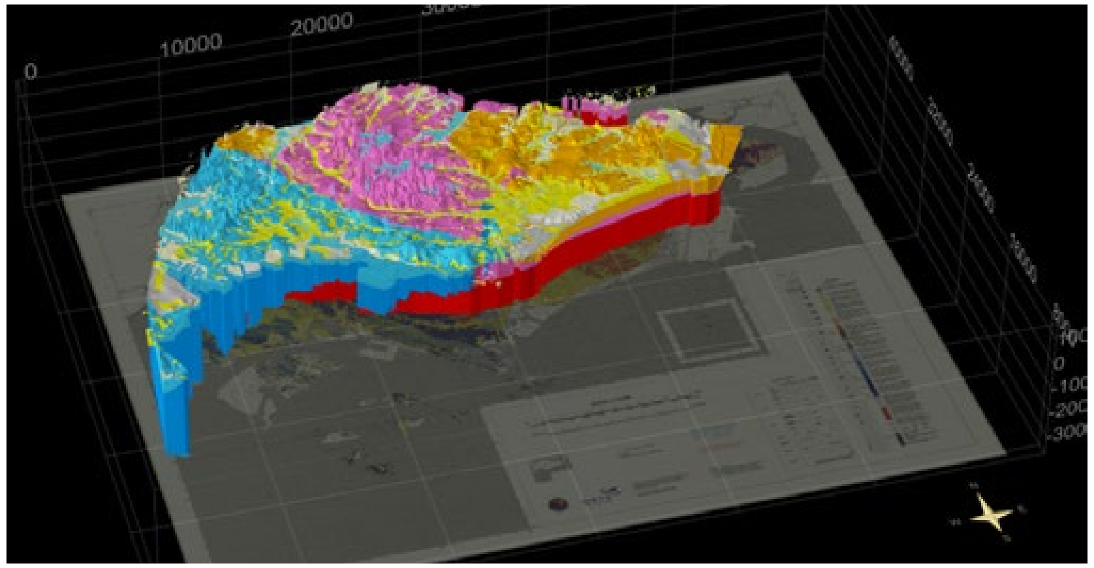
LEVERAGING 3D MODELS

3D BUILDING INFORMATION MODEL UNDERGROUND PLANS

In FY2019, BCA undertook a pilot project for Phase 2 of Jurong Lake District to convert legacy substructure plans into 3D Building Information Models (BIM) to support the Underground Masterplan Task Force. The outcome of this initiative provides urban planners with digitalised information on subterranean structures so that they can better to plan and manage future underground developments.

3D GEOLOGICAL MODEL FOR SINGAPORE

BCA partnered with stakeholders from Nanyang Technological University (NTU) and government agencies to co-develop a 3D subsurface geological model of Singapore by processing borehole data, which will be used to develop and refine the 3D geological model of Singapore. This 3D subsurface geological model is in the final phase of development and is scheduled for completion in 2021.



Top: BCA engineer conducting geological mapping at a worksite

Bottom: Geological model of the whole of Singapore

Transforming the industry through technology

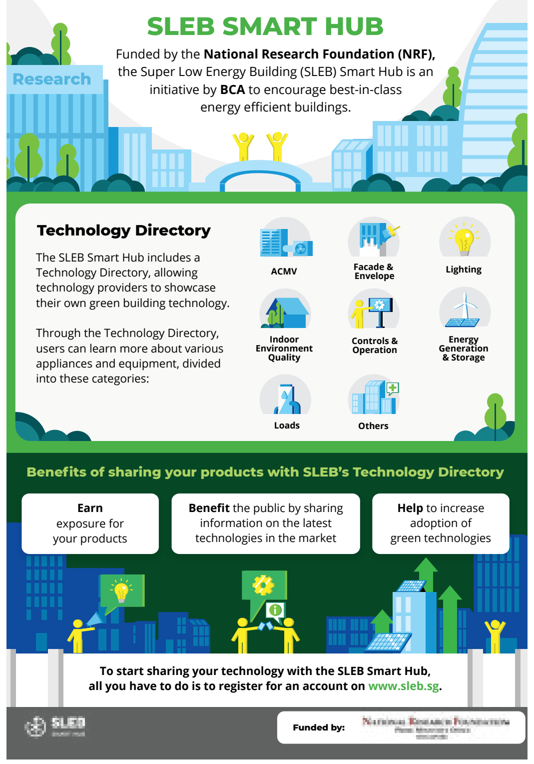
ADVANCING OUR GREEN BUILDING AGENDA

DRIVING THE DEVELOPMENT OF GREEN BUILDING TECHNOLOGIES

The Green Buildings Innovation Cluster (GBIC), managed by BCA, has enabled the development of several energy-efficient technologies, which have been translated into commercial solutions adopted in Singapore and overseas. The GBIC programme received a $20 million top-up to support companies and organisations in their green innovation projects.

SUPER LOW ENERGY BUILDING SMART HUB

To help the industry source for and implement innovative green building technologies, BCA launched the Super Low Energy Building (SLEB) Smart Hub, an open database of green building technologies supported by building energy data and AI-assisted analytic tools. It is now hosting 177 emerging green technologies and over 2,000 commercial buildings' data. It has 11,000 users from more than 300 companies.



SLEB SMART HUB

Funded by the **National Research Foundation (NRF),** the Super Low Energy Building (SLEB) Smart Hub is an initiative by **BCA** to encourage best-in-class energy efficient buildings.

Technology Directory

The SLEB Smart Hub includes a Technology Directory, allowing technology providers to showcase their own green building technology.

Through the Technology Directory, users can learn more about various appliances and equipment, divided into these categories:

Benefits of sharing your products with SLEB's Technology Directory

Earn exposure for your products

Benefit the public by sharing information on the latest technologies in the market

Help to increase adoption of green technologies

To start sharing your technology with the SLEB Smart Hub, all you have to do is to register for an account on www.sleb.sg.

Funded by: National Research Foundation

KEY STATISTICS

Total green building gross floor area (GFA)
>120 million sqm*

Percentage of green buildings in terms of GFA
>42%*

Building Agenda GBIC Programme
$20 million
top-up for green innovation projects

Super Low Energy Building Smart Hub

177
emerging green technologies

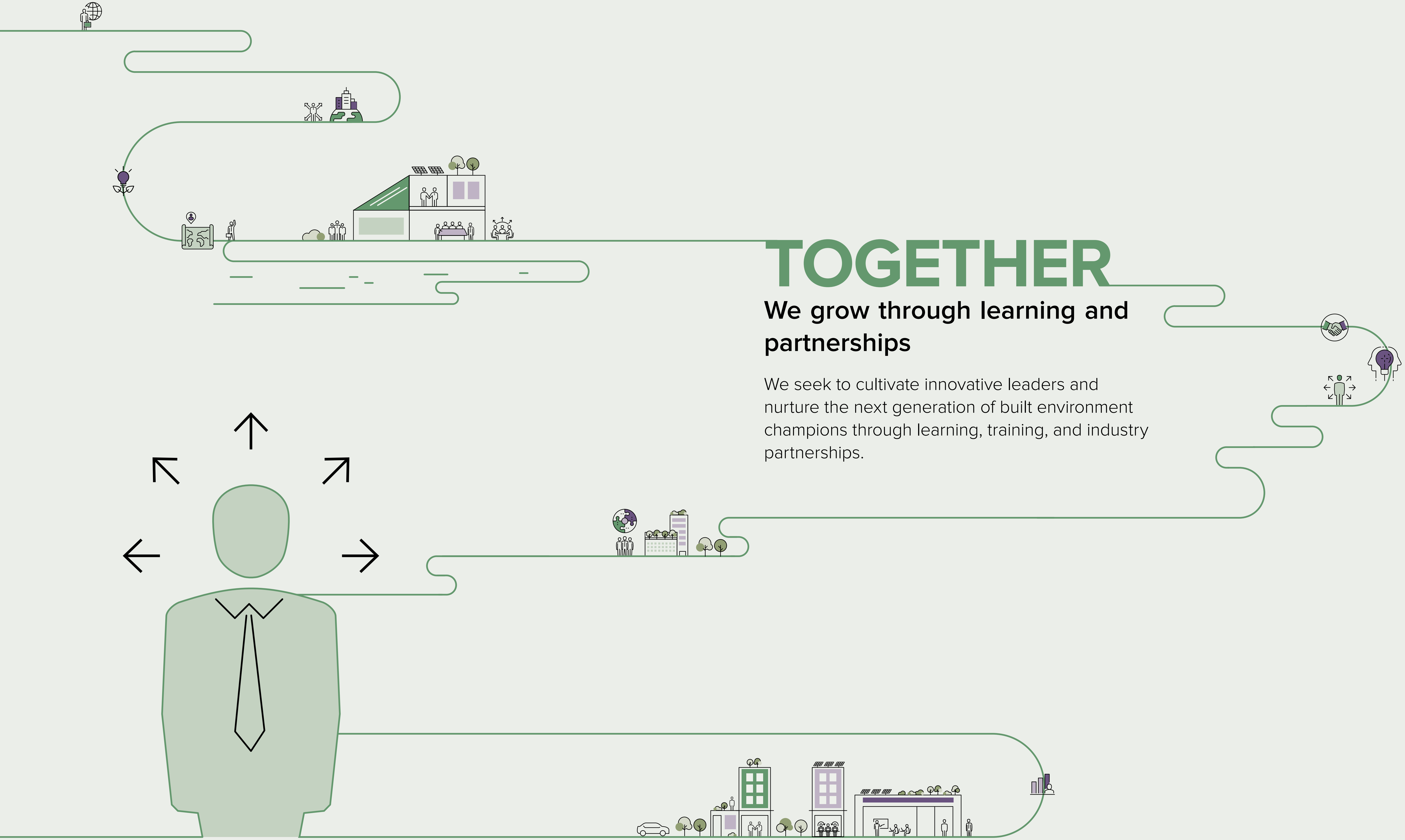
11,000
users, from more than 300 companies

**As of April 2020*

PUSHING THE ENVELOPE OF ENERGY EFFICIENCY IN BUILDINGS

At least 20 technologies are being deployed and test bedded at BCA's revamped Zero Energy Building (ZEB), now called ZEB Plus, to achieve a further 20% energy savings over the current ZEB baseline. ZEB Plus is a collaboration between BCA and the Singapore-Berkeley Building Efficiency and Sustainability in the Tropics (SinBerBEST), a research entity under the National Research Foundation (NRF)'s CREATE Programme, and is positioned as a living lab that adopts the latest digital solutions to improve building performance and occupant experience.

At least 20 technologies were deployed and test bedded at the revamped Zero Energy Building (ZEB), now called ZEB Plus, at BCA Braddell Campus



TOGETHER

We grow through learning and partnerships

We seek to cultivate innovative leaders and nurture the next generation of built environment champions through learning, training, and industry partnerships.

Nurturing the workforce and growing firms' capabilties

INJECTING NEW BLOOD INTO THE INDUSTRY

BUILT ENVIRONMENT FORMATION PROGRAMME

In 2019, BCA launched the inaugural Built Environment Formation Programme for 60 students from the Singapore Institute of Technology's Civil Engineering and Building Services undergraduate programme. The compact four-day programme conducted by the BCA Academy, was assisted by industry young leaders, to provide students with a better understanding of the dynamics of the built environment sector, preparing them for exciting careers ahead, and embracing the sector's transformation goals. Since the inaugural run, more than 500 students from other Institutes of Higher Learning (IHLs) have also come onboard.

BCA-INDUSTRY iBuildSG SCHOLARSHIP AND SPONSORSHIP PROGRAMMES

We continue to attract a strong pipeline of students into our sector through our iBuildSG scholarships and sponsorship programmes. In 2019, we awarded 300 scholarships and sponsorships to post-secondary students enrolled in built environment-related courses, bringing the total young talent pool to almost 3,500 individuals since 2010. Recipients benefit from financial support during their studies as well as structured upgrading pathways to support their professional development after graduation.

INSPIRING THE NEXT GENERATION

More than 700 students from the IHLs participated in the inaugural International Built Environment Week (IBEW). Through activities such as the International Building Design Competition, career mentorships and guided tours, students learned about the exciting career opportunities in the sector. Students were also given the opportunity to interact with industry leaders and business professionals as liaison officers.

In 2019, we awarded 300 scholarships and sponsorships to post-secondary students enrolled in built environment related courses

KEY HIGHLIGHTS

Total number of young talent pool **3,500** since 2010

300 scholarships and sponsorships awarded in 2019 to post-secondary students

>700 students from Institutes of Higher Learning participated at IBEW

GROWING OUR PMETS

ADAPT AND GROW

To welcome and prepare mid-career entrants to take up career opportunities in our sector, BCA has been working with Workforce Singapore (WSG) on Adapt and Grow (A&G) initiatives such as the Professional Conversion Programme (PCP) and job matching. More than 550 professionals have benefited. Some of them have taken up structured training programmes, such as the Specialist Diploma in Facilities and Energy Management, to help them transit successfully to their new careers in the built environment sector.

Top: Mohamad Saifullizan of Lum Chang Building Contractors Pte Ltd has successfully converted to a Building Information Modelling (BIM) Modeller

Bottom: Katheryn, from Kimly Construction, is one of our successful PCP-BIM recipients

Nurturing the workforce and growing firms' capabilties

SKILLS FRAMEWORK FOR THE BUILT ENVIRONMENT SECTOR

In 2019, together with key stakeholders, we charted out clear progression pathways under the Skills Framework to improve talent attraction and development for the sector. BCA is working with key procurers to adopt skills framework competencies in procurement, supported by Trade Associations and Chambers (TACs) accreditation schemes. Progressive built environment firms are also encouraged to lead by example by adopting skills framework to raise their HR development practices.

iBuildSG LEAD FRAMEWORK

In 2019, the iBuildSG Leadership Engagement and Development (LEAD) Framework was developed in partnership with industry, supported by SkillsFuture Singapore, Singapore Economic Development Board and the Trade Unions. The new framework was put in place to nurture a core group of committed and forward-thinking industry leaders to drive sustained industry transformation efforts.

Under the iBuildSG LEAD Framework, three key development platforms have been put in place to nurture a core group of industry leaders:

- Insights@LEAD, consisting of leadership dialogues, policy forums and knowledge building initiatives
- LEAD Horizon Programme and LEAD Milestone Programme, two structured training programmes targeted at young emerging leaders and enterprise-level leaders respectively.

Under the Insights@LEAD platform, three sessions of BuildSG Leadership Forum themed around key Construction Industry Transformation Map (ITM) focus areas, were organised in 2019, reaching out to a total of more than 1,000 industry leaders.

KEY HIGHLIGHTS

Training places provided by BCA Academy
24,000
(60% offered to professionals, managers and executives)

Specialist diploma graduates
846

Diploma graduates
499

Degree graduates
236

Participants of the inaugural Lead Horizon Programme in deep discussion with Dr Flocy Joseph, Head, Strategic Partnerships & Program Director, Executive Development, SMU

PROGRESSIVE WAGE MODEL (PWM) FOR LIFT MAINTENANCE TECHNICIANS

The PWM was a key recommendation of the Sectoral Tripartite Committee for Lift and Escalator in September 2018. Since May 2019, the Government has taken the lead in supporting the PWM by only awarding tenders to lift firms that have adopted the PWM. To-date, 41 lift maintenance contractors, having 95% of the market share in Singapore, have committed to adopt the PWM. From 1 July 2020, these firms will progressively raise the current wages of their maintenance technicians towards achieving the recommended PWM wages in the second half of 2020.

COMPETENCY CERTIFICATIONS FOR LIFT MAINTENANCE TECHNICIANS

Since January 2019, Institute of Technical Education (ITE) has progressively rolled out the Certifications of Competency (including technical diploma) in January 2019 for the various competency levels for the PWM. To-date, more than 500 participants have passed the Certificate of Competency for the upskilling modules for specialist levels and work study diplomas.

BUILT ENVIRONMENT KNOWLEDGE HUB FOR INDUSTRY

CO-LOCATION FOR BETTER SYNERGY

To forge stronger partnerships with Industry Trade Association & Chambers (TACs) in support of capability development, BCA Academy initiated a scheme to encourage co-location of TACs at BCA Braddell Campus for better synergy. Singapore Green Building Council (SGBC) was the first TAC to co-locate within the BCA Braddell Campus.

Top: From 1 July 2020, lift maintenance contractors will progressively raise the current wages of their maintenance technicians towards the recommended PWM wages

Bottom: SGBC was the first TAC to co-locate within the BCA Braddell Campus to forge stronger partnerships in support of capability development

Nurturing the workforce
and growing firms' capabilties

INTENSIFICATION OF BCA BRADDELL CAMPUS

2019 also saw the commencement of construction works for the Phase 2 intensification of BCA Braddell Campus, to augment BCA Academy's role as a living lab to support industry capability development. The project adopts an integrated approach with the use of Integrated Digital Delivery (IDD), Design for Manufacturing and Assembly (DfMA), and green building strategies.

FOSTERING COLLABORATION OVERSEAS

INAUGURAL BE CONNECT

The inaugural BE Connect brought together 76 overseas developers and 50 Singapore urban solutions firms to showcase Singapore's capabilities across the value chain in smart township, integrated healthcare facilities, and innovations in the built environment sector. The event saw the signing of 16 Memoranda of Understanding representing $30 million. To strengthen collaboration across the region, SGBuilds initiated an inaugural meeting with five regional Real Estate Associations at BE Connect with representatives from China, India, Indonesia, Myanmar and Singapore.

GENERATING LEADS FOR SINGAPORE FIRMS

During the year, the SGBuilds team engaged more than 100 overseas developers and project owners to sieve out potential opportunities for further engagement. Consequently, more than 50 project leads were generated of which more than half of them were linked up with Singapore firms for follow-up discussions.

The inaugural BE Connect brought together 76 overseas developers and 50 Singapore urban solutions firms

Platform to ignite discussions - Fund managers sharing their views on how capital markets can lead innovations in the industry

KEY HIGHLIGHTS

Industry Promotion
68
SG firms featured across various events at IBEW
(exclude tradeshows, BEAMP & start-up zone)

Spotlight Innovation
26
innovators and start-ups showcased innovative products and solutions

Partnerships
>20
agencies, firms and TACs co-created the week's programme

$270M
worth of deal flows at exhibitions

$30M
worth of deal flows at BE Connect

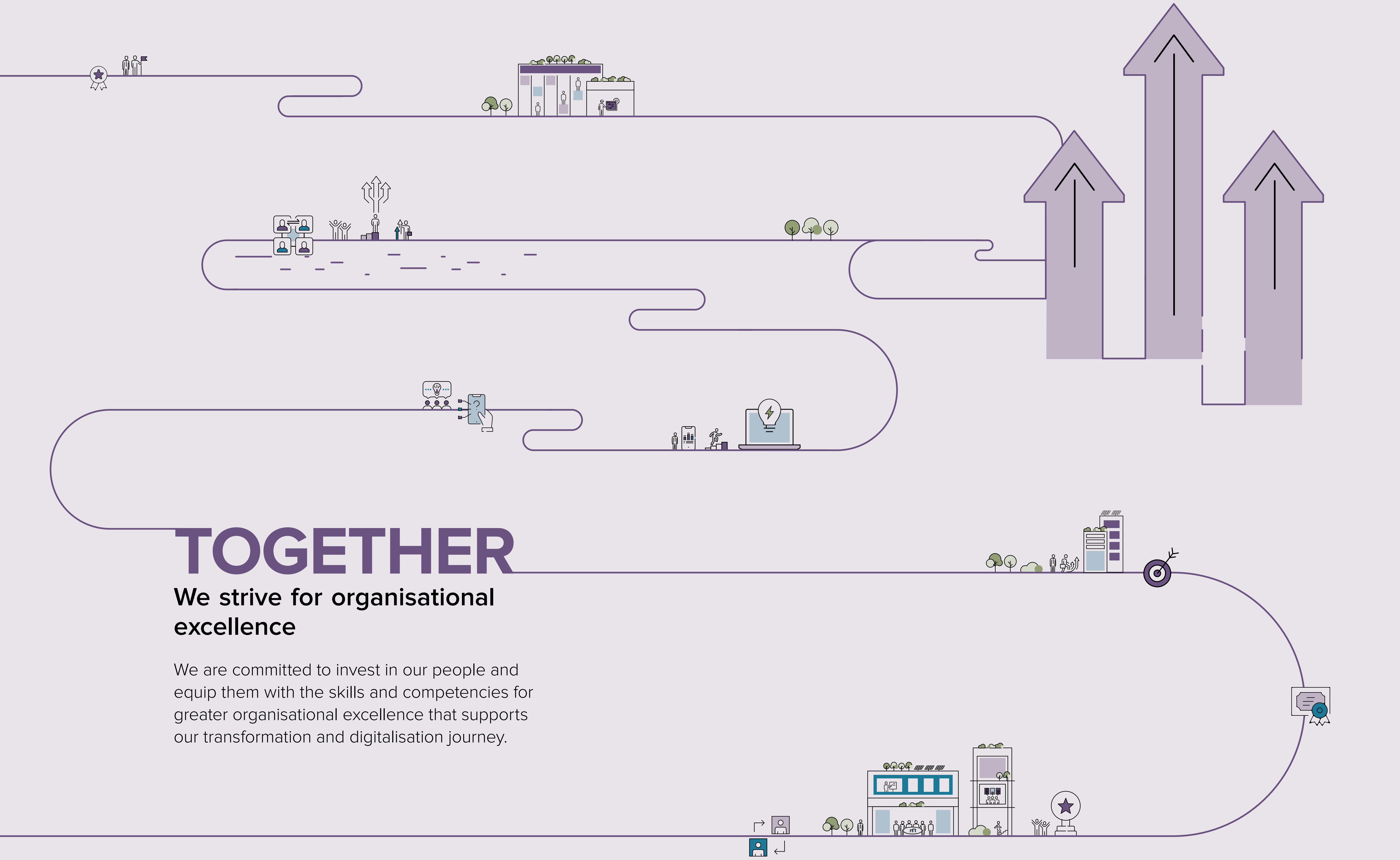
STRENGTHENING INDUSTRY'S CAPABILITIES THROUGH PROCUREMENT

ENHANCEMENT OF PROCUREMENT FRAMEWORKS AND POLICIES

BCA completed the first phase of review of the Quality Fee Method (QFM) to place more emphasis on quality in the procurement of public sector consultancy tenders. Government Procuring Entities (GPEs) are required to implement measures to limit the tendering advantage which a low outlier bid may get. GPEs would also be required to justify their tender awards to low outlier bids. These aim to deter "price diving" which is an unhealthy practice undermining the sustainability of the consultancy profession.

EARLY CONTRACTOR INVOLVEMENT GUIDE

Early Contractor Involvement (ECI) is an approach where contractors are engaged early during the design stage to facilitate integration of design and construction process. The ECI Guide had been revised to increase the compensation amount for unsuccessful tenderers, helping to defray contractors' cost of unsuccessful tender participation. The number of tenderers has been lowered from five to four, to make it more attractive for contractors as ECI requires more efforts upfront, whilst reducing the administrative efforts of GPEs during tender evaluation.



TOGETHER

We strive for organisational excellence

We are committed to invest in our people and equip them with the skills and competencies for greater organisational excellence that supports our transformation and digitalisation journey.

Achieving
excellence together

REALISING OUR SHARED VISION FOR BCA 2.0

In order to realise our BCA 2.0 Shared Vision and Mission, BCA has to be an effective and technologically savvy organisation with highly committed and competent leaders leading happy and motivated staff. Aspiring to be an Employer of Choice, we recognise that a sustainable organisation must focus on the development of its people.

BUILDING DIGITAL CAPABILTIES

Beyond developing their technical and professional knowledge and experience, we also seek to equip our people with skills in emerging areas such as data & video analytics, Artificial Intelligence (AI), and Robotic Process Automation (RPA) through our Strategic Workforce Plan.

We have prioritised a number of key transformational projects relevant to the industry and BCA to be implemented in the next few years. These include:

- Built Environment (BE) Cluster Strategy, which will outline longer term possibilities for the built environment sector, integrating the construction, security, environmental services and landscape sectors together;
- Revamp of CORENET X, the one-stop integrated digital shopfront which will digitally revolutionise the regulatory building submission and plan approval process;

To support our transformation, we have put in place 12 Information and Communications Technology (ICT) Governance standard operations processes to strengthen our ICT governance, and implemented three new data technical measures to safeguard digital assets.

BCA aspires to be an Employer of Choice and we recognise that a sustainable organisation must focus on the development of its people

RAISING INTERNAL CAPABILITES

BCA SPECIALIST TRACKS

Since the introduction of BCA Specialist Tracks in 2018, we have established a suite of structured development plans and put in more resources to provide our specialists with the necessary training and exposure to build up their technical competency and attain their professional certifications early. By the end of FY2019, the number had increased by another 20% since its inception, with about 240 officers on board the various tracks.

COLLECTIVE AGREEMENT (CA) 2020

BCA and the Amalgamated Union of Statutory Board Employees (AUSBE) concluded the signing of the BCA Employees' Collective Agreement in August 2019 which is a testimony to BCA's close partnership with the union that was developed and solidified over the years.

BCA ENHANCED CORE COMPETENCY PROGRAMME AND SPECIALIST TRACKS

By the end of FY2019, about 240 officers have come on board under the BCA Specialist Tracks since its inception in 2018

PARTNERSHIP WITH AUSBE AND UNION BRANCH MEMBERS IN BCA FOR STAFF TRAINING

BCA partnered AUSBE to improve the employability of staff. Frequent lunch-time talks and seminars such as SkillsFuture Advice Workshop, Managing Changes in Workplace were organised together with the BCA Branch Union Committee.

In FY2019, we rolled out various courses like Robotic Process Automation (RPA) and Artificial Intelligence (AI) for our employees.

ENHANCING STAKEHOLDER ENGAGEMENT

REVAMPING THE BCA WEBSITE

To improve communication with our stakeholders, we revamped our website to ensure that it is user-centric and relevant for our users. The new website adopts a cleaner look and feel. It also has better navigation and is mobile friendly, allowing for quicker access to information for users on the go.

'My Happiness Quotient' lunch time talk jointly organised by BCA and AUSBE

BCA received the Public Sector Pro-Enterprise Initiative Gold Award for its initiative on collaborative bidding for construction-related consultancy services

Bottom: Our BCA volunteers removing the old insect-infested wooden kitchen cabinets from seniors' homes

AWARDS AND ACCOLADES

PUBLIC SECTOR PRO-ENTERPRISE AWARD

BCA received the Public Sector Pro-Enterprise Initiative Gold Award for its initiative on collaborative bidding for construction-related consultancy services. The initiative is aimed at helping many smaller companies build strong track records by allowing companies to come together to form consortia to bid for projects beyond their designated tendering limits. As of 2019, a total of 33 consortia had been formed through the effort of collaborative bidding.

UPLIFTING OUR COMMUNITY

BCA-SCAL CORPORATE SOCIAL RESPONSIBILITY (CSR) COLLABORATION AT SINGAPORE ASSOCIATION OF THE VISUALLY HANDICAPPED (SAVH)

On 2 August 2019, BCA collaborated with the Singapore Contractors Association Limited (SCAL) and its member firms for the seventh time to do retrofitting and improvement works at SAVH. The works include installing ramps, tactile tiles, and reconstructing drainage. The collaborating partners in this project include Woh Hup (Pte) Ltd, Low Keng Huat (Singapore) Limited, Samwoh Corporation Pte Ltd, Straits Construction Singapore Pte Ltd and Nippon Paint Singapore.

CSR DAY AT AWWA COMMUNITY HOME FOR SENIOR CITIZENS

BCA officers volunteered their time and talent in Giving Week 2019 at the AWWA Senior Community Home for Senior Citizens on 22 November 2019, our CSR Day. Together with Quarters Architects, Feng Ming Construction, David Lim & Partners LLP and Gush, we refurbished the seniors' home and brought the seniors out for a prata making workshop. More than 70 volunteers were involved in this project.

Achieving excellence together

BCA AWARDS 2019

The BCA Awards 2019 marked the 20-year journey by BCA in pushing for excellence and industry transformation. The awards recognised the outstanding achievements and contributions of our built environment stakeholders.

INAUGURAL INTERNATIONAL BUILT ENVIRONMENT WEEK (IBEW) 2019

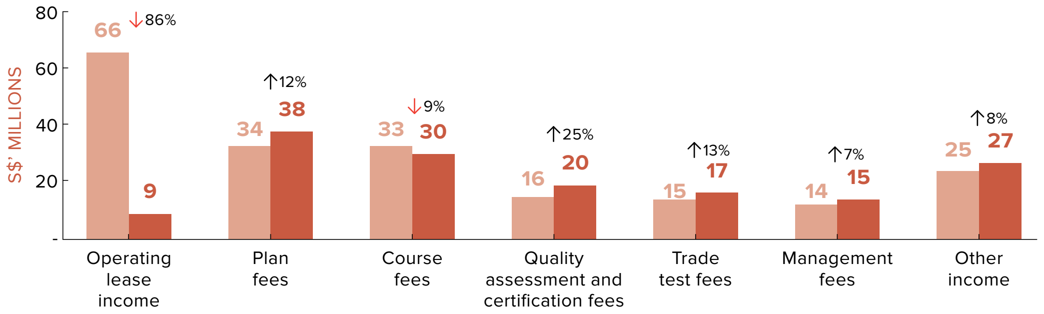
The inaugural IBEW 2019 was held in September 2019 to promote industry transformation and capabilities. With more than 12,000 overseas and local visitors, the tradeshows facilitated $270 million worth of trade deals.

Financial Highlights

OPERATING INCOME FOR FINANCIAL YEAR 2018/2019 & 2019/2020

Operating income comprises mainly operating lease income, plan fees, course fees, quality assessment and certification fees, trade test fees and management fees. Total operating income decreased by S$47M or 23% and it was mainly due to a S$57M decrease in operating lease income, partially offsetted by a S$4M increase in plan fees and S$4M increase in quality assessment and certification fees.

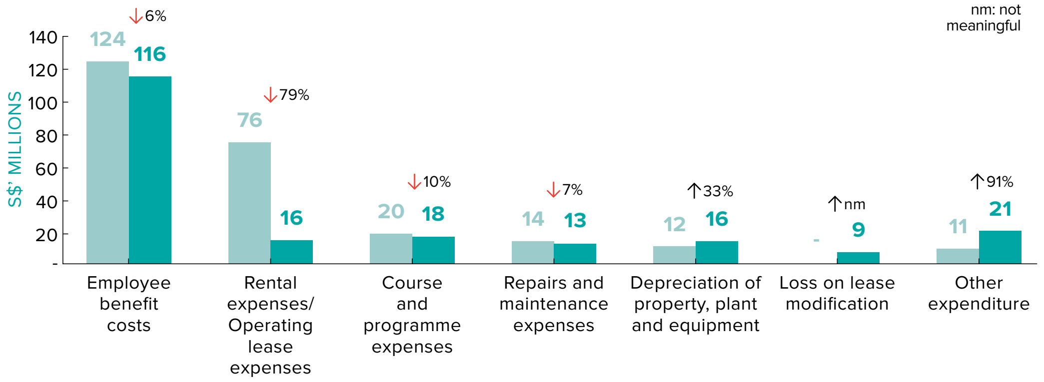

TOTAL OPERATING INCOME


OPERATING INCOME

OPERATING EXPENDITURE FOR FINANCIAL YEAR 2018/2019 & 2019/2020

Operating expenditure, which comprises mainly employee benefit costs, rental expenses/operating lease expenses and course and programme expenses, had decreased by S$48M or 19%. The decrease was mainly due to a S$60M decrease in operating lease expenses (re-classed as rental expenses) and a S$8M decrease in employee benefit costs, partially offsetted by a S$10M increase in other expenditure and a S$9M increase in loss on lease modification.

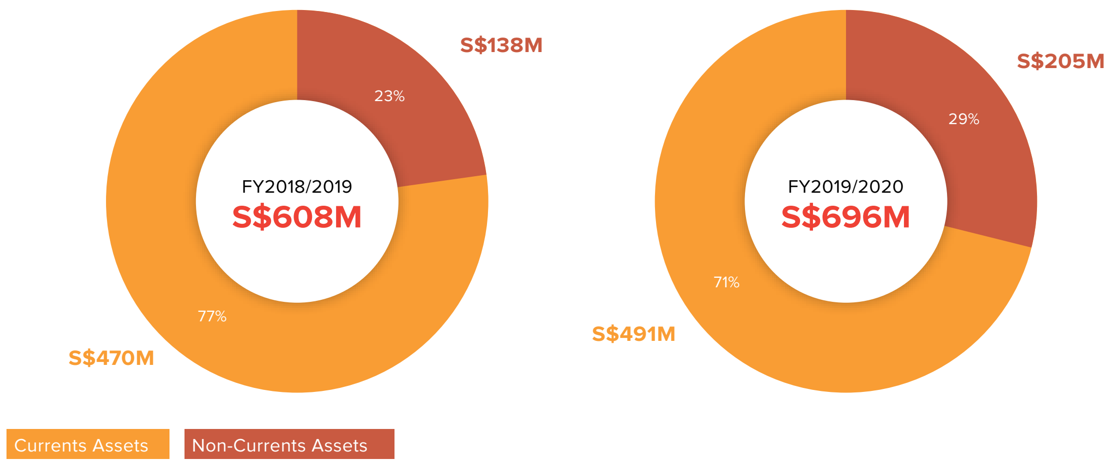

TOTAL OPERATING EXPENDITURE

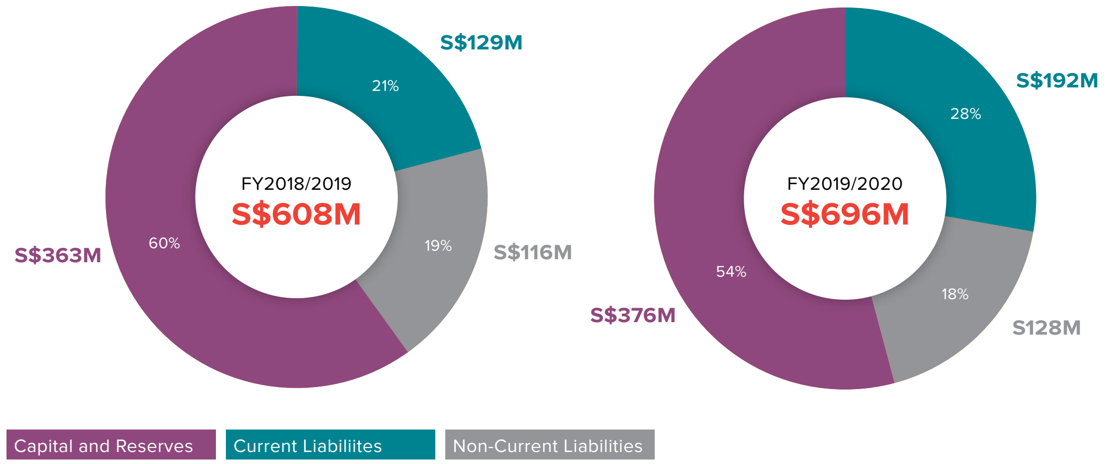

OPERATING EXPENDITURE

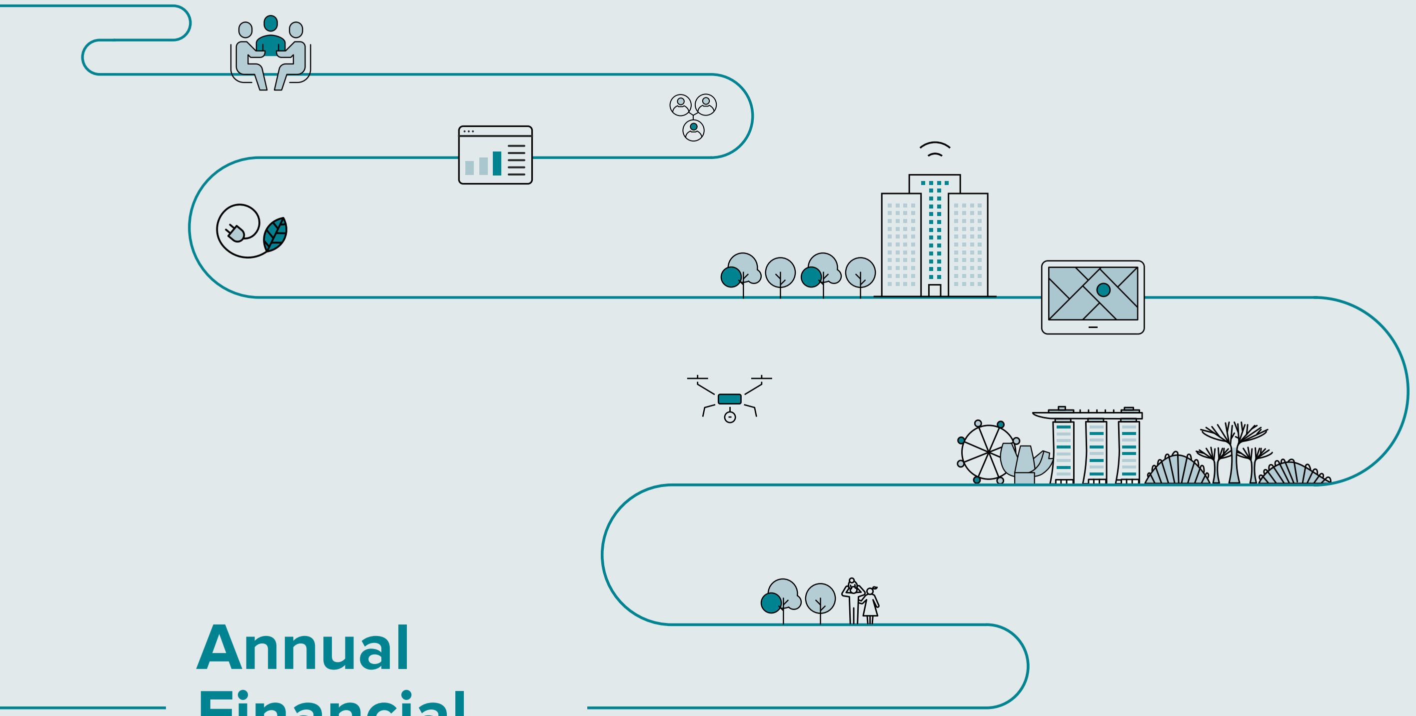
FINANCIAL POSITION FOR FINANCIAL YEAR 2018/2019 & 2019/2020

As at 31 March 2020, the Group's total assets were S$696M with current and non-current assets representing 71% and 29% of the total assets respectively. Total liabilities were S$320M, representing 46% of the Group's capital, reserves and liabilities.

The Group's total net assets had increased by S$13M or 4%. Total assets increased by S$88M mainly due to higher Trade and Other Receivables (S$113M) and Property, Plant and Equipment (S$78M), partially offset by removal of Prepaid Land Lease (S$76M) and lower Cash and Bank Balances (S$22M). Total liabilities increased by S$75M mainly due to the newly added Lease Liabilities (S$145M), partially offset by lower Fees Received in Advance (S$73M).


TOTAL ASSETS


CAPITAL, RESERVES AND LIABILITIES



Annual Financial Statements

Building and Construction Authority
and its Subsidiaries

Statement by the Board

In our opinion:

(a) the accompanying Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in Reserves and the Consolidated Cash Flow Statement of the Building and Construction Authority (the "Authority") and its subsidiaries (collectively, the "Group"), together with the notes thereon, are drawn up so as to present fairly, in all material respects, the financial position of the Authority and of the Group as at 31 March 2020 and the financial performance and changes in reserves of the Authority and the Group and cash flows of the Group for the financial year then ended, in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 ("the PSG Act"), the Building and Construction Authority Act, Chapter 30A (the "Act") and Singapore Statutory Board Financial Reporting Standards;

(b) at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due;

(c) the accounting and other records required by the Act to be kept by the Group have been properly kept in accordance with the provisions of the Act; and

(d) the receipt, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the financial year have been in accordance with the provisions of the Act.

The Board of the Building and Construction Authority has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of the Building and Construction Authority

Lee Fook Sun
Chairman

Hugh Lim
Chief Executive Officer

2 September 2020

Independent auditor's report

MEMBERS OF THE BOARD
BUILDING AND CONSTRUCTION AUTHORITY

Report on the audit of the financial statements

We have audited the financial statements of Building and Construction Authority (the "Authority") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and Authority as at 31 March 2020, statements of comprehensive income and statements of changes in reserves of the Group and Authority, and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 113.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position, the statement of comprehensive income and the statement of changes in reserves of the Authority are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 ("the PSG Act"), the Building and Construction Authority Act, Chapter 30A (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material aspects, the statement of affairs of the Group and the Authority as at 31 March 2020 and of the financial performance and changes in reserves, of the Group and Authority and consolidated 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.

Other information

Management is responsible for other information. The other information comprises the Annual Report and Statement by the Board, but does not include the financial statements and our auditor's report thereon. The other information obtained at the date of this auditor's report is the Statement by the Board.

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

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the PSG Act, the provisions of the Act and SB-FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

A statutory board is constituted based on its 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, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Opinion

In our opinion:

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

(b) proper accounting and other records have been kept, including records of all assets of the Authority 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 PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Authority. This responsibility includes monitoring related compliance requirements relevant to the Authority, 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 PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Authority.

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

kpmg llp

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
2 September 2020

Statements of financial position

AS AT 31 MARCH 2020

	Note	Group		Authority	
		2019/2020	2018/2019	2019/2020	2018/2019
		$	$	$	$
Assets					
Property, plant and equipment	4	140,504,586	62,711,518	140,504,586	62,711,518
Investments in subsidiaries	5	–	–	2	2
Prepaid land lease	6	–	75,595,893	–	75,595,893
Trade and other receivables	7	64,905,670	–	64,905,670	–
Non-current assets		205,410,256	138,307,411	205,410,258	138,307,413
Trade and other receivables	7	70,152,861	22,443,176	70,202,307	22,414,227
Fixed deposits	8	–	4,500,000	–	–
Cash and bank balances	9	420,729,923	442,799,037	411,484,549	438,330,021
Current assets		490,882,784	469,742,213	481,686,856	460,744,248
Total assets		696,293,040	608,049,624	687,097,114	599,051,661
Liabilities					
Fees received in advance	10	34,734,223	103,127,493	34,734,223	103,127,493
Lease liabilities	11	84,054,325	–	84,054,325	–
Provision for pension costs	12(a)	3,241,239	3,342,239	3,241,239	3,342,239
Provision for reinstatement costs	12(b)	774,003	377,640	774,003	377,640
Grants received in advance	13	–	4,262,395	–	4,262,395
Deferred capital grants	14	5,112,134	5,059,416	5,112,134	5,059,416
Non-current liabilities		127,915,924	116,169,183	127,915,924	116,169,183
Fee received in advance	10	55,805,266	60,289,399	52,442,607	56,994,039
Lease liabilities	11	61,225,113	–	61,225,113	–
Trade payables		8,335,776	5,614,672	8,335,776	5,614,672
Other payables and accruals	15	58,215,287	56,539,498	58,207,768	56,532,098
Provision for pension costs	12(a)	184,393	896,601	184,393	896,601
Provision for onerous contract	12(c)	–	492,652	–	492,652
Grants received in advance	13	65,840	228,135	65,840	228,135
Deferred capital grants	14	1,907,586	1,394,030	1,907,586	1,394,030
Deferred grant income		666,541	–	666,541	–
Provision for contribution to consolidated fund	16	5,440,695	2,917,121	5,440,695	2,917,121
Income tax payables		13,161	22,646	–	–
Current liabilities		191,859,658	128,394,754	188,476,319	125,069,348
Total liabilities		319,775,582	244,563,937	316,392,243	241,238,531
Net assets		376,517,458	363,485,687	370,704,871	357,813,130
Capital and reserves					
Share capital	17	6,047,600	3,401,000	6,047,600	3,401,000
Capital account	18	30,816,526	30,816,526	30,816,526	30,816,526
Accumulated surplus		339,653,332	329,268,161	333,840,745	323,595,604
Total capital and reserves		376,517,458	363,485,687	370,704,871	357,813,130
Net assets of trust and agency funds	19	47,360,229	21,977,058	47,360,229	21,977,058

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

Statements of comprehensive income

YEAR ENDED 31 MARCH 2020

	Note	Group		Authority	
		2019/2020	2018/2019	2019/2020	2018/2019
		$	$	$	$
Operating income					
Plan fees		38,181,364	33,531,295	38,181,364	33,531,295
Advertisement licence fees		6,661,643	6,094,673	6,661,643	6,094,673
Course fees		29,754,278	33,118,922	29,740,982	33,118,922
Quality assessment fees		16,917,816	12,549,810	16,430,716	12,005,611
Certification fees		3,192,670	3,348,650	3,192,670	3,277,150
Trade test fees		16,628,341	15,117,325	16,628,341	15,117,325
Contractors registration fees		4,727,171	4,635,181	4,727,171	4,635,181
Operating lease income		9,014,796	66,306,947	9,014,796	66,306,947
Management fees		15,296,803	13,625,270	15,296,803	13,625,270
Other income		15,964,362	14,230,595	15,964,363	14,230,595
Total operating income	21	156,339,244	202,558,668	155,838,849	201,942,969
Operating expenditure					
Employee benefit costs	22	116,415,816	124,554,282	116,193,033	124,042,098
Depreciation of property, plant and equipment	4	15,469,076	11,790,501	15,469,076	11,790,501
Course and programme expenses		18,332,880	19,855,251	18,320,219	19,835,102
Operating lease expenses		–	75,620,320	–	75,620,320
Rental expenses		15,642,287	–	15,642,287	–
Repairs and maintenance expenses		13,463,633	13,692,173	13,463,633	13,692,173
Provision/(reversal) of impairment loss on trade receivables		82,556	(128,460)	82,556	(128,460)
Loss on lease modification		8,925,574	–	8,925,574	–
Other expenditure		21,150,157	11,775,977	20,991,903	11,577,077
Total operating expenditure		209,481,979	257,160,044	209,088,281	256,428,811
Net operating deficit		(53,142,735)	(54,601,376)	(53,249,432)	(54,485,842)
Non-operating income/(expenditure)					
Interest income		13,103,426	7,424,166	13,062,593	7,344,517
Interest expense		(4,824,704)	–	(4,824,704)	–
Gain on disposal of property, plant and equipment		1,189	1,088	1,189	1,088
Property, plant and equipment written-off/expensed		(28,922)	(775,336)	(28,922)	(775,336)
		8,250,989	6,649,918	8,210,156	6,570,269
Deficit before government grants brought forward		(44,891,746)	(47,951,458)	(45,039,276)	(47,915,573)

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

Statements of comprehensive income (cont'd)

YEAR ENDED 31 MARCH 2020

	Note	Group 2019/2020 $	Group 2018/2019 $	Authority 2019/2020 $	Authority 2018/2019 $
Government grants					
Operating and development grants	13	75,244,936	63,541,994	75,244,936	63,541,994
Deferred capital grants amortised	14	1,798,426	1,533,115	1,798,426	1,533,115
		77,043,362	65,075,109	77,043,362	65,075,109
Surplus before contribution to consolidated fund and income tax		32,151,616	17,123,651	32,004,086	17,159,536
Contribution to consolidated fund	16	(5,440,695)	(2,917,121)	(5,440,695)	(2,917,121)
Income tax expense	24	(7,500)	(22,646)	–	–
Surplus for the year	23	26,703,421	14,183,884	26,563,391	14,242,415
Total comprehensive income for the year		26,703,421	14,183,884	26,563,391	14,242,415

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

Statements of changes in reserves

YEAR ENDED 31 MARCH 2020

	Note	Share capital $	Capital account $	Accumulated surplus $	Total $
Group					
At 1 April 2018		2,101,000	30,816,526	323,329,208	356,246,734
Total comprehensive income for the year					
Surplus for the year		–	–	14,183,884	14,183,884
Total comprehensive income for the year		–	–	14,183,884	14,183,884
Issue of share capital		1,300,000	–	–	1,300,000
Dividends paid	27	–	–	(8,244,931)	(8,244,931)
At 31 March 2019		3,401,000	30,816,526	329,268,161	363,485,687
At 1 April 2019		3,401,000	30,816,526	329,268,161	363,485,687
Adjustments on initial application of SB-FRS 116		–	–	(2,076,250)	(2,076,250)
Adjusted balance at 1 April 2019		3,401,000	30,816,526	327,191,911	361,409,437
Total comprehensive income for the year					
Surplus for the year		–	–	26,703,421	26,703,421
Total comprehensive income for the year		–	–	26,703,421	26,703,421
Issue of share capital		2,646,600	–	–	2,646,600
Dividends paid	27	–	–	(14,242,000)	(14,242,000)
At 31 March 2020		6,047,600	30,816,526	339,653,332	376,517,458

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

Statements of changes in reserves (cont'd)

YEAR ENDED 31 MARCH 2020

	Note	Share capital $	Capital account $	Accumulated surplus $	Total $
Authority					
At 1 April 2018		2,101,000	30,816,526	317,598,120	350,515,646
Total comprehensive income for the year					
Surplus for the year		–	–	14,242,415	14,242,415
Total comprehensive income for the year		–	–	14,242,415	14,242,415
Issue of share capital		1,300,000	–	–	1,300,000
Dividends paid	27	–	–	(8,244,931)	(8,244,931)
At 31 March 2019		3,401,000	30,816,526	323,595,604	357,813,130
At 1 April 2019		3,401,000	30,816,526	323,595,604	357,813,130
Adjustments on initial application of SB-FRS 116		–	–	(2,076,250)	(2,076,250)
Adjusted balance at 1 April 2019		3,401,000	30,816,526	321,519,354	355,736,880
Total comprehensive income for the year					
Surplus for the year		–	–	26,563,391	26,563,391
Total comprehensive income for the year		–	–	26,563,391	26,563,391
Issue of share capital		2,646,600	–	–	2,646,600
Dividends paid	27	–	–	(14,242,000)	(14,242,000)
At 31 March 2020		6,047,600	30,816,526	333,840,745	370,704,871

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

Consolidated cash flow statement

YEAR ENDED 31 MARCH 2020

	Note	Group 2019/2020 $	 2018/2019 $
Cash flows from operating activities			
Deficit before government grants		(44,891,746)	(47,951,458)
Adjustments for:			
Depreciation of property, plant and equipment	4	15,469,076	11,790,501
Amortisation of prepaid land leases		–	2,589,342
Interest income		(13,103,426)	(7,424,166)
Interest expense		4,824,704	–
Loss on lease modification		8,925,574	–
Gain on disposal of property, plant and equipment		(1,189)	(1,088)
Property, plant and equipment written-off/expensed		28,922	775,336
Provision/(reversal) of impairment loss on trade receivables	23	82,556	(128,460)
(Reversal)/provision for onerous contract	23	(492,652)	492,652
Provision for pension costs	12	85,514	99,728
		(29,072,667)	(39,757,613)
Changes in working capital:			
Increase/(decrease) in trade and other receivables		65,652,080	(1,494,927)
(Decrease)/increase in fees received in advance		(3,796,530)	38,355,898
Increase in deferred grant income		666,541	–
(Decrease)/increase in trade payables		(914,155)	564,742
Increase in other payables and accruals		2,584,173	5,448,990
Decrease in cash not available for general use		550,346	1,362,451
Cash flows from operations		35,669,788	4,479,541
Payment for contribution to consolidated fund		(2,917,121)	(1,198,734)
Payment for income tax		(16,985)	(44,149)
Pension paid		(898,722)	(725,757)
Net cash from operating activities		31,836,960	2,510,901
Cash flows from investing activities			
Purchase of property, plant and equipment (Note A)		(62,594,837)	(7,236,129)
Proceeds from disposal of property, plant and equipment		5,253	1,261
Withdrawal of fixed deposits		4,500,000	3,000,000
Interest received		8,147,268	4,953,542
Prepaid land lease		–	(24,300,001)
Net cash used in investing activities		(49,942,316)	(23,581,327)
Cash flows from financing activities			
Payment of lease liabilities	11	(64,064,472)	–
Dividends paid	27	(14,242,000)	(8,244,931)
Issuance of shares	17	2,646,600	1,300,000
Government grants received		75,533,836	63,379,684
Interest paid		(3,287,376)	–
Net cash (used in)/from financing activities		(3,413,412)	56,434,753
Net (decrease)/increase in cash and cash equivalents		(21,518,768)	35,364,327
Cash and cash equivalents at 1 April		436,676,403	401,312,076
Cash and cash equivalents at 31 March	9	415,157,635	436,676,403

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

		Group	
	Note	2019/2020	2018/2019
		$	$
Note A			
Purchase of property, plant and equipment:			
Additions of property, plant and equipment	4	93,295,130	9,159,479
Add: Opening accruals for the purchase of property, plant and equipment	15	1,670,206	1,830,757
Less: Closing accruals for the purchase of property, plant and equipment	15	(761,821)	(1,670,206)
Less: Other fixed assets received	14	(2,075,800)	(2,075,800)
Less: Fixed assets not paid		(3,635,259)	–
Add: Opening provision for reinstatement costs		–	369,539
Less: Closing provision for reinstatement costs		–	(377,640)
Less: Non-cash transaction on additions of right-of-use assets	4	(25,897,619)	–
		62,594,837	7,236,129

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements of the Authority and its subsidiaries (Group) which comprise the statements of financial position of the Group and the Authority as at 31 March 2020, statements of comprehensive income and statements of changes in reserves of the Group and Authority and consolidated cash flow statement of the Group for the year ended were authorised for issue by the Board Members of the Authority on 28 August 2020.

1 Domicile and activities

Building and Construction Authority (the "Authority") is established as a statutory board in the Republic of Singapore under the Building and Construction Authority Act, Chapter 30A (the "Act"). The address of the Authority's registered office is 52 Jurong Gateway Road, #11-01, Singapore 608550.

The mission of the Authority is to shape a safe, high quality, sustainable and friendly built environment. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provision of the Act and the Statutory Board Financial Reporting Standards ("SB-FRS"). SB-FRS includes Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes.

This is the first set of the Group's annual financial statements in which SB-FRS 116 *Leases* has been applied. The related changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollars, which is the Authority's functional currency, unless otherwise stated.

2.4 Use of estimates and judgements

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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have most significant effect on the amount recognised in the financial statements is included in the followings notes:

- Note 3.9 (i)– provision for pension costs
- Note 3.10 – revenue recognition
- Note 4 – estimation of useful lives of property, plant and equipment
- Note 7 – recoverability of trade and other receivables

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2.5 Changes in accounting policies

In the current financial year, the Group has adopted all the new and revised SB-FRS and INT SB-FRS and guidance notes that are relevant to its operations and effective for annual periods beginning on 1 April 2019. The adoption of the new or revised SB-FRS did not result in substantial changes to the Group and the Authority's accounting policies and has no material effect on the amount reported for the current and prior financial years except as detailed below.

New standards and amendments

The Group has applied the following SB-FRS, INT SB-FRS, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2019:

- SB-FRS 116 *Leases*

SB-FRS 116 *Leases*

The Group applied SB-FRS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2018/2019 is not restated – i.e. it is presented, as previously reported, under SB-FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SB-FRS 116 have not generally been applied to comparative information.

At transition, the Group had measured the Right-of-use (ROU) assets at either its carrying amounts as if SB-FRS 116 had been applied since the commencement date, but discounted using the incremental borrowing rate at the date of initial application; or at amounts equal to the lease liabilities as at 1 April 2019.

The Group and Authority recognise their existing operating lease arrangements as ROU assets with corresponding lease liabilities under SB-FRS 116. Lease payments that are increased to reflect market rentals and those that are based on changes in local price index, are included in the measurement of lease liabilities as at date of initial application.

As at 1 April 2019, the adoption of SB-FRS 116 resulted in the following key effects at the Group and Authority:

	$
Right-of-use assets	2,840,474
Property, plant and equipment	(2,840,474)
Lease receivables	119,384,230
Prepaid land lease	(75,595,893)
Lease liabilities	(119,384,230)
Fees received in advance	69,080,873
Grant received in advance	4,438,770
Accumulated surplus	2,076,250

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 3.65%.

	$
Operating lease commitment as at 31 March 2019	175,521,195
Discounted using the incremental borrowing rate at 1 April 2019	148,517,968
Recognition exemption for:	
- short-term leases	(11,831,509)
- leases of low-value assets	(1,231,958)
Adjustment relating to changes in the index or rate affecting variable payments	(14,722,228)
Non-lease components	(1,348,043)
Lease liabilities recognised at 1 April 2019	119,384,230

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Authority and its subsidiaries at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade and other payables.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash balances with the Accountant-General Department that are subject to an insignificant risk of change in their fair value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and cash with the AGD excluding cash at bank not available for general use.

(vi) Share capital

Ordinary shares

Pursuant to Finance Circular Minute No. M26/2008 on capital management framework for statutory boards, equity injection from the government is recorded as share capital.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

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

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

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

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current year are as follows:

• Leasehold land	29 and 35 years
• Right-of-use assets	5 and 30 years
• Office buildings and structures	29 and 35 years
• Site office and land improvement	10 years
• Office, training and mechanical & electrical (M&E) equipment	5 to 10 years
• Furniture, fittings and fixtures	8 years
• Data processing equipment	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Prepaid land lease

Prior to the adoption of SB-FRS 116, the prepaid land lease is measured at cost less accumulated amortisation and impairment losses. The prepaid land lease is amortised on a straight-line basis over the lease term of 30 years.

3.6 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the financial asset is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial asset or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial asset has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial assets improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Trust and agency funds

Trust and agency funds are government grants and contributions from other organisations where the Authority is not the owner and beneficiary of the funds. The Authority is merely administering the funds on behalf of the holders of these funds. Income and expenditure of these funds are taken directly to the funds. The net assets relating to the funds are shown as a separate line item in the statements of financial position.

Trust and agency funds are accounted for on a cash basis.

3.8 Employee benefits

(i) Defined contribution plans

The Group makes contributions to the Central Provident Fund ("CPF") 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.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(iii) Defined benefit retirement obligations

Provision for pension benefits is made for pensionable officers transferred to the Authority on 1 April 1999. Defined benefit retirement obligations due to pensionable officers are recognised in the Statements of financial position in accordance with the Pensions Act, Chapter 225.

The Authority had engaged an actuarial to assess the provision for pension costs.

An actuarial valuation is conducted once every four years or as and when required to determine the cost of pension benefits due to these officers using the Projected Unit Credit Method.

Defined benefit costs comprise the following:

- Service cost
- Interest cost on the provision for defined benefits
- Re-measurements of the provision for defined benefits

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in income or expenditure. Past service costs are recognised when plan amendment or curtailment occurs.

Interest cost on the provision for defined benefits is the change during the period in the provision that arises from the passage of time which is determined by applying the discount rate based on the Singapore Government bond yield to the provision. Interest cost on the provision is recognised in income or expenditure.

Re-measurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they arise. Re-measurements are recognised in accumulated surplus within equity and are not reclassified to income or expenditure in subsequent periods.

(iv) 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 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.

3.9 Provisions

Provisions are recognised when the Group has a present or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Provision for pension cost

As described in Notes 3.8(iii) and 12(a), the Group determines the provision for pension cost due to pensionable officers based on the expected pay-outs to be made by the Group in respect of services provided by these pensionable officers up to reporting date.

Any possible change in key assumption, on which the provision for pension is based, will affect the amount of employee benefit costs in the income and expenditure account.

(ii) Provision for reinstatement cost

The provision for reinstatement costs from contractual obligation to restore the leased office to their original states are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre tax rate that reflects the risks specific to the reinstatement liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as a finance cost. The estimated future costs of reinstatement are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

(iii) Provision for onerous contract

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.10 Revenue

Revenue is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

- Plan fees are recognized as income over the expected duration of each category of project (by size and nature of work);
- Advertisement licence fees are recognised as income over the validity periods of the licence;
- Course fees are recognised as income over the duration of the courses;
- Quality assessment fees are recognised as income over the assessment period;
- Certification fees are recognised upon issuance of the certification;
- Trade test fees are recognised as income on completion of trade tests;
- Contractors registration fees are recognised as income over the validity period of the registration;
- Operating lease income is recognised on a straight-line basis over the lease term;
- Management fees are recognised as income over the period of services rendered; and
- Interest income is recognised using the effective interest method.

Plan fees are recognised as income over the expected duration of each category of projects. Judgement is required to determine the expected duration of each category of projects based on historical information on the duration required to complete the projects.

3.11 Government grants

Government grants from other organisation are recognised initially at fair value when there is reasonable assurance that they will be received and the Group will comply with all the conditions associated with the grants.

(i) Operating grants from Government

Government grants that compensate the Group for expenses incurred are recognised in profit or loss on systematic basis in the same periods in which the expenses are recognised.

(ii) Development grants

Government grants received from other agencies for specific development project expenditure are recognised as grant received in advance on the statement of financial position and are recognised in profit or loss on a systematic basis in the same periods in which the development expenses are recognised.

3.12 Leases

The Group has applied SB-FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SB-FRS 17 and INT SB-FRS 104. The details of accounting policies under SB-FRS 17 and INT SB-FRS 104 are disclosed separately.

Policy applicable from 1 April 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SB-FRS 116.

This policy is applied to contracts entered into, on or after 1 April 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Leases - Policy applicable before 1 April 2019

For contracts entered into before 1 April 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(ii) As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Operating lease income is recognised as "revenue" on a straight-line basis over the term of the lease.

3.13 Statutory contribution to consolidated fund

The Authority is required to contribute to the Consolidated Fund based on a percentage of the net surplus of the Authority for each financial year. The percentage of contribution is determined by the Ministry of Finance.

3.14 Interest income

Interest income is recognised as it accrues in statement of comprehensive income, using effective interest method.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid that reflects the uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group experts, at the reporting date, to recover or settle the carrying amount of its asset and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 New standards and interpretations not adopted

The following amended standards and interpretations are not expected to have a significant impact on the Group's and the Authority's financial statements.

Applicable to 2020/2021 financial statements
- SB-FRS 117 *Insurance Contracts*

Mandatory effective date deferred
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SB-FRS 110 and SB-FRS 28)

4 Property, plant and equipment

Group and Authority	Leasehold land $	Right-of-use assets $	Office buildings and structures $	Site office and land improvement $	Office, training and M&E equipment $	Furniture, fitting and fixtures $	Data processing equipment $	Assets under construction $	Total $
Cost									
At 1 April 2018	15,075,011	–	62,214,949	2,378,637	27,994,023	44,366,700	26,500,176	2,186,252	180,715,748
Additions	–	–	–	–	680,817	141,287	4,341,564	3,995,811	9,159,479
Reclassification	–	–	–	–	2,000	9,412	–	(11,412)	–
Disposals	–	–	–	–	–	–	(658,318)	–	(658,318)
Written-off	–	–	(5,591,688)	(484,065)	(1,549,364)	(2,887,383)	(276,997)	–	(10,789,497)
At 31 March 2019	15,075,011	–	56,623,261	1,894,572	27,127,476	41,630,016	29,906,425	6,170,651	178,427,412
Balance at 1 April 2019	15,075,011	–	56,623,261	1,894,572	27,127,476	41,630,016	29,906,425	6,170,651	178,427,412
Adjustments due to initial application of SB-FRS 116	(15,075,011)	15,420,247	–	–	–	(345,236)	–	–	–
Adjusted balance at 1 April 2019	–	15,420,247	56,623,261	1,894,572	27,127,476	41,284,780	29,906,425	6,170,651	178,427,412
Additions	–	71,602,131	–	–	1,554,704	2,002,506	3,522,523	14,613,266	93,295,130
Reclassification	–	–	14,399	–	(39,816)	222,074	2,252,068	(2,448,725)	–
Disposals	–	–	–	–	(7,364)	–	(1,688)	–	(9,052)
Written-off	–	–	–	–	(429,107)	(10,804,166)	(299,962)	–	(11,533,235)
At 31 March 2020	–	87,022,378	56,637,660	1,894,572	28,205,893	32,705,194	35,379,366	18,335,192	260,180,255

Group and Authority	Leasehold land $	Right-of-use assets $	Office buildings and structures $	Site office and land improvement $	Office, training and M&E equipment $	Furniture, fitting and fixtures $	Data processing equipment $	Assets under construction $	Total $
Accumulated depreciation									
At 1 April 2018	11,803,917	–	36,614,557	1,167,488	18,263,452	28,554,314	18,193,971	–	114,597,699
Depreciation for the year	430,620	–	1,130,059	180,529	4,062,615	3,021,307	2,965,371	–	11,790,501
Disposals	–	–	–	–	–	–	(658,145)	–	(658,145)
Written-off	–	–	(4,978,284)	(483,340)	(1,500,102)	(2,775,438)	(276,997)	–	(10,014,161)
At 31 March 2019	12,234,537	–	32,766,332	864,677	20,825,965	28,800,183	20,224,200	–	115,715,894
Balance at 1 April 2019	12,234,537	–	32,766,332	864,677	20,825,965	28,800,183	20,224,200	–	115,715,894
Adjustments due to initial application of SB-FRS 116	(12,234,537)	12,579,773	–	–	–	(345,236)	–	–	–
Adjusted balance at 1 April 2019	–	12,579,773	32,766,332	864,677	20,825,965	28,454,947	20,224,200	–	115,715,894
Depreciation for the year	–	2,284,085	1,528,276	167,515	4,284,413	2,886,736	4,318,051	–	15,469,076
Disposals	–	–	–	–	(3,878)	–	(1,110)	–	(4,988)
Written-off	–	–	–	–	(425,989)	(10,780,326)	(297,998)	–	(11,504,313)
At 31 March 2020	–	14,863,858	34,294,608	1,032,192	24,680,511	20,561,357	24,243,143	–	119,675,669
Carrying amounts									
At 1 April 2018	3,271,094	–	25,600,392	1,211,149	9,730,571	15,812,386	8,306,205	2,186,252	66,118,049
At 31 March 2019	2,840,474	–	23,856,929	1,029,895	6,301,511	12,829,833	9,682,225	6,170,651	62,711,518
At 31 March 2020	–	72,158,520	22,343,052	862,380	3,525,382	12,143,837	11,136,223	18,335,192	140,504,586

Property, plant and equipment includes right-of-use assets of $47,987,409 relating to leasehold land and $24,171,111 relating to office buildings and structures.

5 Investments in subsidiaries

	Authority	
	2019/2020 $	2018/2019 $
Unquoted shares, at cost	2	2

The subsidiaries at 31 March 2020 are:

Name of subsidiaries	Country of incorporation and principal place of business	Principal activities	Percentage of ownership interest	
			2019/2020 %	2018/2019 %
BCA International Private Limited	Singapore	Construction-related consultancy and advisory services	100	100
BCA Centre for Sustainable Buildings Ltd	Singapore	Research and consultancy services for sustainable building policies and climate change	100	100

6 Prepaid land lease

	Group and Authority	
	2019/2020 $	2018/2019 $
Cost		
At 1 April	83,755,253	59,455,252
Adjustments on initial application of SB-FRS 116	(83,755,253)	–
Adjusted balance at 1 April	–	59,455,252
Additions	–	24,300,001
At 31 March	–	83,755,253
Accumulated amortisation		
At 1 April	8,159,360	5,570,018
Adjustments on initial application of SB-FRS 116	(8,159,360)	–
Adjusted balance at 1 April	–	5,570,018
Amortisation for the year	–	2,589,342
At 31 March	–	8,159,360
Carrying amounts	–	75,595,893
Amount to be amortised:		
- Not later than one year	–	2,791,842
- Later than one year but not later than five years	–	11,167,368
- Later than five years	–	61,636,683

7 Trade and other receivables

	Group		Authority	
	2019/2020 $	2018/2019 $	2019/2020 $	2018/2019 $
Trade receivables	8,100,095	11,980,075	7,943,095	11,846,574
Other receivables	7,613,230	6,536,947	7,613,230	6,536,040
Agency fund receivable from Ministry of National Development ("MND")	3,439,703	1,961,397	3,439,703	1,961,397
Lease receivables	112,406,219	–	112,406,219	–
Grant receivable from MND	1,248,896	811,381	1,248,896	811,381
Grant receivable	916,900	–	916,900	–
Amounts due from subsidiaries - trade	–	–	115,200	–
Amounts due from subsidiaries - non-trade	–	–	151,497	163,240
Deposits	2,323	2,323	2,323	2,323
Trade and other receivables	133,727,366	21,292,123	133,837,063	21,320,955
Prepayments	1,331,165	1,151,053	1,270,914	1,093,272
Total trade and other receivables	135,058,531	22,443,176	135,107,977	22,414,227
Represented by:				
Current	70,152,861	22,443,176	70,202,307	22,414,227
Non-current	64,905,670	–	64,905,670	–
	135,058,531	22,443,176	135,107,977	22,414,227

Other receivables

The other receivables are mainly interests receivables from Accountant-General's Department ("AGD") under the Centralised Liquidity Management ("CLM") scheme, amount due from sundry debtors. The amount due from sundry debtors are unsecured and interest-free.

Agency fund receivable from MND

MND has programs to support initiative in developing the Singapore's economy which the Authority administers for MND. These projects are for the purpose of data conversion of legacy substructure building plans into building information modelling format to support underground master planning, consultancy works, and infrastructural development project undertaken on behalf of the government.

The Authority disbursed funds to external parties who participated in these programs. The agency funds receivable from the MND relates to the amount that is to be reimbursed by MND for amounts disbursed. During the year, the agency funds amounts reimbursed from MND and disbursed to external parties are $5,061,174 and $8,500,877 (2018/2019: $12,671,560 and $14,632,957) respectively.

Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash. The outstanding balances are not impaired as at the financial year end.

Impairment losses

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivables from the date credit was initially granted up to the reporting date. If the financial condition of the customers were to deteriorate, the Group would be required to record additional impairment losses. Credit risk is limited due to management's on-going evaluation of the creditworthiness of the Group's customers and that majority of the Group's trade receivables are within their expected cash collection cycle.

Source of estimation uncertainty

The Group evaluates at the end of each reporting period whether there is any objective evidence that trade and other receivables are impaired and determines the amount of impairment loss as a result of the inability of the customers to make required payments having considered the probability of insolvency and credit-worthiness of its receivables except for the impaired receivables, the Group believes that no impairment loss is necessary in respect of the remaining receivables due to the good track record of its customers.

The Group's exposure to credit risk and impairment losses from trade and other receivables are disclosed in note 28.

8 Fixed deposits

	Group	
	2019/2020	2018/2019
	$	$
Fixed deposits with financial institutions	–	4,500,000
Represented by:		
Current	–	4,500,000

In FY2018/2019, fixed deposits with financial institutions were made for a period of 6 months. The weighted average effective interest rate for the year ended 31 March 2019 for the Group was 1.84% per annum.

9 Cash and bank balances

	Group		Authority	
	2019/2020	2018/2019	2019/2020	2018/2019
	$	$	$	$
Cash at bank	10,463,533	23,853,653	1,218,158	19,384,637
Cash with the AGD	410,266,390	418,945,384	410,266,391	418,945,384
	420,729,923	442,799,037	411,484,549	438,330,021
Less: Cash at bank not available for general use	(5,572,288)	(6,122,634)	(5,572,288)	(6,122,634)
	415,157,635	436,676,403	405,912,261	432,207,387

Cash at bank not available for general use

The Group acts as a collection agent for various parties on certain projects and collects payments on their behalf.

Cash with the AGD

On 2 November 2009, the Accountant-General's Department ("AGD") issued a Circular No. 4/2009 to centrally manage the cash of all Statutory Boards and Ministries under the Centralised Liquidity Management ("CLM") scheme. This scheme aims to achieve higher returns and to better manage credit risk at the Whole-of-Government level. The Authority has participated in the CLM scheme since 25 March 2010.

The weighted average CLM yield for the year ended 31 March 2020 is 1.93% per annum (2018/2019: 1.76%).

10 Fees received in advance

	Group		Authority	
	2019/2020	2018/2019	2019/2020	2018/2019
	$	$	$	$
At 1 April	163,416,892	125,060,994	160,121,532	122,163,334
Adjustments on initial recognition of SB-FRS 116	(69,080,873)	–	(69,080,873)	–
Adjusted balance at 1 April	94,336,019	125,060,994	91,040,659	122,163,334
Add: Fees received	119,567,032	154,059,977	118,891,673	153,046,577
Less: Fees recognised as revenue	(123,363,562)	(115,704,079)	(122,755,502)	(115,088,379)
At 31 March	90,539,489	163,416,892	87,176,830	160,121,532
Represented by:				
Current	55,805,266	60,289,399	52,442,607	56,994,039
Non-current	34,734,223	103,127,493	34,734,224	103,127,493
	90,539,489	163,416,892	87,176,830	160,121,532

11 Lease Liabilities

	Group and Authority	
	2019/2020	2018/2019
	$	$
Current liabilities		
Lease liabilities	61,225,113	–
Non-current liabilities		
Lease liabilities	84,054,325	–
	145,279,438	–

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Lease liabilities
Restated balance as at 1 April 2019	119,384,230
Changes from financing cash flows	
Payment of lease liabilities	(64,064,472)
Interest paid	(3,287,376)
Total changes from financing cash flows	(67,351,848)
Other changes	
Interest expense	4,816,605
New leases	88,430,451
Total other changes	93,247,056
Balance as at 31 March 2020	145,279,438

12 Provisions

(a) Provision for pension costs

	Group and Authority	
	2019/2020	**2018/2019**
	$	**$**
At 1 April	4,238,840	4,864,869
Add: Amount provided during the year	85,514	99,728
	4,324,354	4,964,597
Less: Pension paid during the year	(898,722)	(725,757)
At 31 March	3,425,632	4,238,840
Represented by:		
Current	184,393	896,601
Non-current	3,241,239	3,342,239
	3,425,632	4,238,840

The above provision includes the provision for pension costs for 13 (2018/2019: 13) pensioners who have exercised the option for reduced pension with gratuity payment under the pension scheme other than CPF. There is Nil (2018/2019: 1) employee of the Group who have not exercised any pension options under the pension scheme. The pension amount to be paid to each employee upon retirement under the pension scheme is dependent on, among other factors, the number of years of service and the last drawn salary. The total pension costs are shared between the Group and the AGD. The Group is only liable for the pension costs for the period of service completed by the employee with the Group.

The employees are entitled to select one of the following pension options upon retirement:

(i) Full pension;
(ii) Reduced pension with gratuity payment; or
(iii) Fully commuted pension gratuity.

The defined retirement benefits obligations due to pensionable officers are determined based on the last drawn salaries of the respective pensionable officers and the pensionable officers' cumulative service period served with the Authority at the time of retirement, assuming that all pensionable officers work till the age of 62 years.

The provision has been estimated by management based on the valuation of the pension scheme performed by an independent firm of professional actuaries.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

The principal assumptions used by the professional actuaries in determining the pension costs are:

- Discount rate – Gratuity : 2.2% per annum (2018/2019: 2.2% per annum)
- Discount rate – Pension : 2.2% per annum (2018/2019: 2.2% per annum)
- Expected salary increment : Nil (2018/2019: Nil)
- Mortality rate : Singapore Mortality Table
- Expected retirement age : 62

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

	2019/2020	**2018/2019**
Longevity at age 65 for current pensioners		
Males	21	21
Females	23	23

At 31 March 2020, the weighted-average duration of the defined benefit obligation was 11 years (2018/2019: 10 years).

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the provision for pension costs as of the end of the reporting period, assuming if all other assumptions were held constant:

	Group and Authority			
	2019/2020		**2018/2019**	
	Increase/ (decrease)	**$**	**Increase/ (decrease)**	**$**
Discount rates	+ 25 basis points	(89,292)	+ 25 basis points	(96,406)
	- 25 basis points	93,126	- 25 basis points	100,634
Mortality rates	+ 10%	(103,464)	+ 10%	(101,237)
	- 10%	112,193	- 10%	109,778
Expected salary	+ 0.25%	–	+ 0.25%	–
Increment	- 0.25%	–	- 0.25%	–

(b) Provision for reinstatement costs

Provision for reinstatement cost is the estimated cost of restoring the leased offices to their original states. The amount has been capitalized in the cost of the property, plant and equipment.

	Group and Authority 2019/2020 $	 2018/2019 $
At 1 April	377,640	369,539
Add: Amount provided during the year (1)	396,363	8,101
At 31 March	774,003	377,640
Represented by:		
Non-current	774,003	377,640

(1) An additional provision of $396,363 was made by the Group due to the 5 year extension of the office lease.

(c) Provision for onerous contract

In March 2013, the Group entered into a non-cancellable lease with a lessor and sublet the lease to a lessee. Due to changes in market condition, the lessee defaulted the lease payment during the financial year ended 31 March 2019. The lease will be expired in 2043.

During the current financial year, the Group has secured a new buyer to take over the remaining lease term. This new buyer paid for all the past arrears. Accordingly, the provision for onerous contract was reversed.

	Group and Authority 2019/2020 $	 2018/2019 $
At 1 April	492,652	–
Add: Amount (reversed)/provided during the year	(492,652)	492,652
At 31 March	–	492,652
Represented by:		
Current	–	492,652

13 Grants received in advance

	Note	Operating grants 2019/2020 $	 2018/2019 $	Development grants 2019/2020 $	 2018/2019 $	Total 2019/2020 $	 2018/2019 $
Group and Authority							
At 1 April		4,438,770	4,633,784	51,760	57,970	4,490,530	4,691,754
Adjustments on initial application of SB-FRS 116		(4,438,770)	–	–	–	(4,438,770)	–
Adjusted at 1 April		–	4,633,784	51,760	57,970	51,760	4,691,754
Government grants received/receivable		78,647,226	63,365,818	–	–	78,647,226	63,365,818
Interest Earned		–	–	14,080	13,866	14,080	13,866
Transfer to deferred capital grants	14	(288,900)	(18,838)	–	(20,076)	(288,900)	(38,914)
Transfer to lease receivables		(3,113,390)	–	–	–	(3,113,390)	–
Transfer to profit or loss		(75,244,936)	(63,541,994)	–	–	(75,244,936)	(63,541,994)
At 31 March		–	4,438,770	65,840	51,760	65,840	4,490,530
Represented by:							
Current		–	176,375	65,840	51,760	65,840	228,135
Non-current		–	4,262,395	–	–	–	4,262,395
		–	4,438,770	65,840	51,760	65,840	4,490,530

14 Deferred capital grants

		Group and Authority	
	Note	2019/2020	2018/2019
		$	$
At 1 April		6,453,446	5,871,847
Add: Government grants received/receivable			
- Transferred from grants received in advance	13	288,900	38,914
- Other assets received and funding		2,075,800	2,075,800
Less: Amortisation of deferred capital grants		(1,798,426)	(1,533,115)
At 31 March		7,019,720	6,453,446
Representing			
Current		1,907,586	1,394,030
Non-current		5,112,134	5,059,416
		7,019,720	6,453,446

15 Other payables and accruals

	Group		Authority	
	2019/2020	2018/2019	2019/2020	2018/2019
	$	$	$	$
Amounts due to MND	5,835,465	6,501,019	5,835,465	6,501,019
Amounts due to Maritime and Port Authority of Singapore ("MPA")	648,687	571,638	648,687	571,638
Maintenance deposits	5,555	5,555	5,555	5,555
Sundry creditors	562,548	760,745	562,548	760,745
Accruals for unconsumed leave	4,564,807	4,068,568	4,564,807	4,068,568
Accruals for operating expenses	22,986,887	20,255,124	22,979,368	20,247,724
Accruals for the purchase of property, plant and equipment	761,821	1,670,206	761,821	1,670,206
Security/tender deposits	19,687,901	20,077,615	19,687,901	20,077,615
Scholarships	3,161,616	2,629,028	3,161,616	2,629,028
Total other payables and accruals	58,215,287	56,539,498	58,207,768	56,532,098

The amounts due to MND and MPA mainly pertain to the amounts collected on their behalf by the Authority for certain projects which the Group acts as an agent. These balances are unsecured, interest-free, repayable on demand and are to be settled in cash.

Sundry creditors are non-interest bearing and normally have an average term of six months.

Included in security/tender deposits is an amount of $7,589,192 (2018/2019: $7,561,132) collected under the Green Mark Gross Floor Area Incentive Scheme.

16 Provision for contribution to consolidated fund

The Authority is required to make contributions to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A and in accordance with the Finance Circular Minute No. M5/2005 with effect from 1 April 2004. The contribution is based on a percentage, as decided by the Ministry of Finance, of the net surplus of the Authority for the financial year. The percentage for FY2019/2020 is prevailing corporate tax of 17% (2018/2019: 17%).

The total contribution for the year can be reconciled to the total comprehensive income as follows:

	Authority	
	2019/2020	2018/2019
	$	$
Surplus of the Authority subject to contribution	32,004,086	17,159,536
Contribution at 17% (2018/2019: 17%)	5,440,695	2,917,121

17 Share capital

	Group and Authority			
	2019/2020		2018/2019	
	No. of shares	$	No. of shares	$
Group and Authority:				
At 1 April	3,401,000	3,401,000	2,101,000	2,101,000
Issue of ordinary shares	2,646,600	2,646,600	1,300,000	1,300,000
At 31 March	6,047,600	6,047,600	3,401,000	3,401,000

The shares are held by the Ministry of Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183).

The holders of these shares are entitled to receive dividends as and when declared by the Authority. These shares carry neither voting rights nor par value.

18 Capital account

The capital account comprises the carrying amount of property, plant and equipment transferred from the former Building Control Division of the Public Works Department and the net value of assets and liabilities transferred from the former Construction Industry Development Board when the Authority was established on 1 April 1999.

19 Net assets of trust and agency funds

The trust and agency funds comprise 18 funds (2018/2019: 17 funds) managed by the Authority on behalf of other agencies.

The following funds were set up by the Ministry of National Development:

(a) *MND Research Fund**

The MND Research Fund provides support for applied Research and Development projects to raise the quality of life in Singapore. The Authority is both the administrator and a recipient of the MND Research Fund.

(b) *Accessibility Fund*

The Accessibility Fund provides support to private building owners to provide basic accessibility features in their buildings.

(c) *Green Mark Incentive Scheme (New Buildings)*

The Green Mark Incentive Scheme (New Buildings) provides support to private developers and owners to attain higher Green Mark ratings for their developments by adopting Green Building technologies in new construction projects.

(d) *Green Mark Incentive Scheme (Existing Buildings)*

The Green Mark Incentive Scheme (Existing Buildings) provides support to private developers and building owners to improve energy efficiency of their existing buildings.

(e) *Green Mark Incentive Scheme (Design Prototype)*

The Green Mark Incentive Scheme (Design Prototype) supports efforts invested into the design stage of green buildings to achieve higher energy efficiency.

(f) *Green Mark Incentive Scheme (Existing Buildings and Premises)**

The Green Mark Incentive Scheme (Existing Buildings and Premises) provides support to SME building owners and tenants to embark on environmental sustainability and improve energy efficiency (EE) standards of their buildings and premises.

(g) *Sustainable Construction Capability Development Fund*

The Sustainable Construction Capability Development Fund supports capabilities development in delivering sustainable materials and adopting sustainable construction methods.

(h) *Building Retrofit Energy Efficiency Financing Scheme**

The Building Retrofit Energy Efficiency Financing Scheme provides financial assistance to the less financially strong building owners, MCST and Energy Services Companies to carry out building retrofits.

The following funds were granted by the Productivity Fund Administration Board:

(i) *Construction Productivity and Capability Fund**

The Construction Productivity and Capability Fund aims to transform the construction sector through workforce development, technology adoption and capability development.

(j) *SkillsFuture Study Awards for Built Environment Sector**

The SkillsFuture Study Awards targets Singaporeans in their early to mid-career stages with the skills needed for quality jobs, by encouraging them to develop and deepen specialised skills in areas of demand required by future economic growth sectors.

The following funds were granted by the SkillsFuture Singapore Agency with the aim to meet the long term requirements of the building and construction industry for different groups of professionals:

(k) *SMU-BCA Advanced Management Programme Course Fee Grant*

The SMU-BCA Advanced Management Programme Course Fee Grant provides support to firms to develop strategic management capabilities of senior executives to build sustainable competitive advantages for their firms.

(l) *Workplace Safety and Health Professionals Workforce Skills Qualifications Framework Grant*

The Workplace Safety and Health (WSH) Professionals Workforce Skills Qualifications (WSQ) Framework Grant aims to build a pool of skilled workers to meet the long term requirements of the WSH professionals. The Grant offers Training and Assessment and Assessment-Only-Pathway, which leads to qualifications under the WSQ system.

(m) *Professional Conversion Programme for Sustainable Design Consultants Grant*

The Professional Conversion Programme for Sustainable Design Consultants Grant provides support to firms to build up their expertise and capabilities in green building design.

The following fund was set up by Ministry of National Development and Sino-Singapore Tianjin Eco-City Administrative Committee (ECAC):

(n) *MND-ECAC Research Fund*

The MND-ECAC Research Fund supports green building research and development projects between Singapore and China in the Sino-Singapore Tianjin Eco-City.

The following funds were set up by the National Research Fund:

(o) *Energy Innovation Research Programme for Building Energy Efficiency Grant*

The Energy Innovation Research Programme for Building Energy Efficiency Grant is meant for the administration and managing of the Energy Innovation Research Programme (EIRP) funding in the area of Building Energy Efficiency and to champion and coordinate green building R&D.

(p) *Green Buildings Innovation Cluster**

The Green Buildings Innovation Cluster aims to accelerate commercialisation of promising building energy-efficient technologies and solutions, and bring them closer to market adoption.

The following fund was granted by the Workforce Singapore:

(q) *Professional Conversion Programme for BIM Professionals*

The Professional Conversion Programme aims to equip mid-career job seekers with the necessary knowledge and skills to take on a new career in the built environment industry.

* *The funding support for firms and individuals in key areas of Design for Manufacturing and Assembly (DfMA), Integrated Digital Delivery (IDD) and Green Buildings (indicated with an asterisk) is consolidated under the BuildSG Transformation Fund (BTF) since March 2019.*

Details of the trust and agency funds are set out below and have been prepared from the records of the trust and agency funds and reflect only transactions handled by the Group and the Authority:

	Group and Authority	
	2019/2020	**2018/2019**
	$	**$**
At 1 April	21,977,058	10,545,984
Add: Receipts		
- Grants received	122,570,785	102,584,649
- Interest income	170,076	89,731
- Others	137,331	92,784
	122,878,192	102,767,164
Less: Disbursements to:		
- External Parties	(89,325,138)	(82,026,845)
- The Authority	(3,713,446)	(6,181,240)
Secretariat fee paid to the Authority	(4,456,073)	(3,127,353)
Amounts paid as bank charges	(364)	(652)
	(97,495,021)	(91,336,090)
At 31 March	47,360,229	21,977,058
Represented by:		
Cash at bank	10,844,126	10,210,251
Cash with AGD	36,516,103	11,766,807
Total cash representing net assets as at 31 March	47,360,229	21,977,058

20 Commitment

(a) Capital commitments

Capital expenditure approved by the Group but not provided for in the financial statements is as follows:

	Group and Authority	
	2019/2020	**2018/2019**
	$	**$**
Amount approved and committed	110,365,004	84,659,844
Amount approved but not committed	7,166,123	4,022,556

(b) Other commitments

The Authority had committed to provide a fund of $2,800,000 (2018/2019: $2,800,000) to BCA Centre for Sustainable Buildings Ltd (the "subsidiary") as funding of the operational cost of the subsidiary. As at 31 March 2020, $800,000 (2018/2019: $800,000) has not been drawn down by the subsidiary.

21 Operating income

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Plan fees

Nature of services	Fees received for the processing of the applications for plans relating to building works.
When revenue is recognised	Over the expected duration of each category of project (by size and nature of work).
Significant payment terms	For protective and administrative reasons, payment is received upfront when the application is submitted. Payment is made before the Authority processes and approves the plans. As such, no financing component has been recognised as the payment terms are for reasons other than financing.
Obligations for returns and returns, if any	No return will be made for withdrawal of applications made. Refunds will be made for excess payment of plan fees.

Advertisement licence fees

Nature of services	Fees received for providing the licence for placement of outdoor signboard/ advertising sign.
When revenue is recognised	Over the validity periods of the licence.
Significant payment terms	For protective and administrative reasons, payment is received upfront when the application is submitted. Payment is made before the Authority processes and approves the licence. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

Course fees

Nature of services	Fees received for conducting courses which includes certification courses for professionals, short courses for continuing development, seminars, conference, workshop, specialist Diploma program, Diploma program and safety courses in pertaining to construction administration and management.
When revenue is recognised	Over the duration of the course.
Significant payment terms	Payment is received before the course is conducted. There is no significant financing arrangement as this is the industry norm when payment must be made before the participant can attend the course.

Quality assessment fees

Nature of services	Fees received for Conquas, Quality Mark and Green Mark assessments.
When revenue is recognised	Over the assessment period.
Significant payment terms	For protective and administrative reasons, payment is received upfront when the application is submitted. Payment is made before BCA processes and approves the assessments. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

Certification fees

Nature of services	Fees received for work performed for ISO and OHSAS certifications.
When revenue is recognised	Upon issuance of the certification.
Significant payment terms	For protective and administrative reasons, payment is received upfront when the application is submitted. Payment is made before BCA processes and approves the certification. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

Trade test fees

Nature of services	Fees received for conducting trade test to certify construction workers' skills sets.
When revenue is recognised	On completion of the trade tests.
Significant payment terms	For protective and administrative reasons, payment is received upfront when the application is submitted. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

Contractor registration fees

Nature of services	Contractor registration fees are collected from contractors who wished to be registered with BCA Contractors Registration System (CRS).
When revenue is recognised	Over the validity period of the registration.
Significant payment terms	For protective and administrative reasons, payment is received upfront when the application is submitted. Payment is made before the Authority processes and approves the registration. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

Management fees

Nature of services	Fees received for administration of trust and agency funds and operating leases for purpose-built dormitories, integrated construction and prefabrication hubs and others.
When revenue is recognised	Over the period of the services rendered.
Significant payment terms	Invoices are raised after service is rendered on a monthly/quarterly basis and are payable within 7 days.

Source of estimation uncertainty

Plan fees are recognised as income over the expected duration of each category of projects. The Group reviews the estimated duration of the projects regularly in order to determine the amount of revenue to be recorded at each financial year. Changes in the expected duration of the projects could impact the revenue and consequently affect the Group's results.

22 Employee benefit costs

	Group		Authority	
	2019/2020	**2018/2019**	**2019/2020**	**2018/2019**
	$	**$**	**$**	**$**
Salaries, allowances and bonus	102,456,817	108,959,550	102,239,971	108,486,450
Central Provident Fund contribution	14,484,817	15,319,423	14,478,880	15,280,599
Pension benefits [(i)]	(674,002)	124,281	(674,002)	124,281
Other staff costs	148,184	151,028	148,184	150,768
	116,415,816	124,554,282	116,193,033	124,042,098

[(i)] The pension benefits includes reimbursement of pension cost for a seconded key executive management, which is not recognised as part of the Authority's provision of pension cost. During FY 2019, pension benefits also included payment received from a government entity for the co-payment portion of a secondee's pension cost.

23 Surplus for the year

The following items have been included in arriving at surplus for the financial year:

	Group and Authority	
	2019/2020	**2018/2019**
	$	**$**
Builders licensing fees	(2,263,283)	(2,222,827)
Importers licensing fees	(3,366,291)	(3,254,362)
Royalty fees	(1,237,422)	(1,576,187)
Provision/(reversal) of impairment loss of receivables	82,556	(128,460)
Input GST disallowed	5,470,417	3,348,146
Property tax	1,301,325	256,675
Contribution to consolidated fund	5,440,695	2,917,121
(Reversal)/provision for onerous contract	(492,652)	492,652
Publicity materials expense	1,186,595	467,181
Staff training	1,170,964	819,367
Board members' allowances	118,125	135,000
Foreign exchange loss	15,736	16,363
Interest income		
- Interest income from cash and cash equivalent	8,580,357	7,424,166
- Interest income on lease receivables	4,523,069	–
	13,103,426	7,424,166
Interest expenses		
- Interest expenses on lease liabilities	4,816,605	–
- Unwind of discount on reinstatement costs provision	8,099	–
	4,824,704	–

24 Tax expense

Subsidiaries of the Authority are subject to tax under Section 10(1) and Section 11(2) of the Singapore Income Tax Act:

	Group	
	2019/2020	**2018/2019**
	$	**$**
Current tax expense		
Current year	13,161	22,646
Over-provision in prior year	(5,661)	–
	7,500	22,646
Reconciliation of effective tax rate		
Surplus before contribution to consolidated fund and taxation	32,151,616	17,123,651
Less: The Authority's surplus before contribution to consolidated fund and income tax expense	(32,004,086)	(17,159,536)
The subsidiaries' surplus/(deficit) before income tax expense	147,530	(35,885)
Tax at statutory rate of 17% (2018/2019: 17%)	25,080	(6,100)
Tax exempt income	(14,011)	(17,425)
Non-deductible items	191	–
Deferred tax assets not recognised	1,901	46,171
Over-provision in prior year	(5,661)	–
Tax expense	7,500	22,646

In respect of deferred tax assets not recognised, the unutilised tax losses of $1,039,957 (2018/2019: $1,028,247) are available for offset against future taxable profits, subject to compliance with the relevant provisions of the Singapore Income Tax Act. The unutilised tax losses do not expire under current tax legislation.

25 Leases

Leases as lessee (SB-FRS 116)

The Group leases assets including leasehold land, foreign workers' dormitories, integrated construction and precast hubs, office space and others. Previously, these leases were classified as operating leases under SB-FRS17.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment (see note 4).

Group and Authority	Leasehold land and building $	Office buildings and structures $	Total $
Balance at 1 April 2019	–	–	–
Recognition of right-of-use-assets on initial application of SB-FRS 116	195,744,347	–	195,744,347
Derecognition of right-of-use assets as a result of entering into finance sub-lease	(192,903,873)	–	(192,903,873)
Adjusted balance at 1 April 2019	2,840,474	–	2,840,474
Additions to right-of-use assets	108,625,608	25,897,619	134,523,227
Depreciation charge for the year	(557,577)	(1,726,508)	(2,284,085)
Derecognition of right-of-use assets as a result of entering into finance sub-lease	(62,921,096)	–	(62,921,096)
Balance at 31 March 2020	47,987,409	24,171,111	72,158,520

(a) The Group leases leasehold land, foreign workers' dormitories and integrated construction and precast hub. With the initial adoption of SB-FRS 116 on 1 April 2019, right-of-use assets and lease liabilities amounting to $122,224,704 and $119,384,230 were recognised respectively.

The foreign workers' dormitories leased from Singapore Land Authority has a remaining tenure ranging from 1 year to 3 years. The integrated construction and precast hub leased from JTC Corporation has a remaining tenure of 24 years. The foreign workers' dormitories and integrated construction and precast hub were sub-leased to third parties with the same tenure period. Resultantly, the right-of-use assets were derecognised and lease receivables were recognised amounting to $119,384,230.

(b) The Group leases industrial lands for the development of the integrated construction and precast hub. With the initial adoption of SB-FRS 116 on 1 April 2019, right-of-use assets amounting to $75,595,893 were recognised. As the leases were prepaid by the Group, no lease liabilities were recognised.

The industrial lands were sub-leased to third parties with the same tenure period. Resultantly, the right-of-use assets of $75,595,893 were derecognised. Payment of $69,080,873 have been prepaid by the tenants and accordingly no lease receivables were recognised.

The Group received grant of $4,438,770 from MND with respect to these lease arrangements. The net loss, being the difference between right of use assets and the sum of lease payment received from the tenants and the grant from MND, of $2,076,250 was recognised in accumulated surplus.

(c) During the financial year, the Group leases additional foreign workers' dormitories and ready-mixed concrete sites. The foreign workers' dormitories and ready-mixed concrete sites leased from Singapore Land Authority is for the period till 2022. In addition, the Group extended the leasehold land for a period of 30 years till 2050 and leases office spaces for a period of 5 years till 2024. Right-of-use assets of $134,523,227 and lease liabilities of $88,430,451 were recognised.

The foreign workers' dormitories and ready-mixed concrete sites were sub-leased to third parties with the same tenure period. Accordingly, the right-of-use assets of $62,921,096 were derecognised and instead lease receivables of $62,921,096 were recognised.

Amounts recognised in profit or loss:

2019/2020 – Lease under SB-FRS 116	**$**
Interest on lease liabilities	4,816,605
Expenses relating to short-term leases	12,757,647
Expenses relating to non-lease component	2,013,946
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	870,694
2018/2019 – Lease under SB-FRS 17	
Operating lease expenses	75,620,320
Operating lease income	66,306,947

Amounts recognised in the statement of cash flows:

	2019/2020 **$**
Total cash outflow for leases	67,351,848

Leases as lessor (SB-FRS 116)

For the sub-leases of the foreign workers' dormitories, ready-mixed concrete sites and integrated construction and precast hubs, interest income on lease receivables of $4,523,069 (2018/2019: $Nil) were recognised by the Group.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date. Under SB-FRS 17, the Group did not have any finance leases as a lessor.

	Group $
- Less than one year	50,730,793
- One to two years	39,056,509
- Two to three years	10,823,645
- Three to four years	1,247,395
- Four to five years	1,247,395
- More than five years	22,349,156
Total undiscounted lease receivables	125,454,893
Unearned finance income	(13,048,674)
Net investment in the lease	112,406,219

26 Related party

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year. The balances are unsecured, interest-free, repayable on demand and to be settled in cash, unless otherwise stated.

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Board members and executive key management are considered as key management personnel of the Group.

The compensation to key management personnel is as follows:

	Group and Authority 2019/2020 $	 2018/2019 $
Short-term benefits	7,598,054	8,738,285
CPF contributions	394,379	400,328
Termination benefits	20,500	7,500
	8,012,933	9,146,113

Other related parties transactions

During the financial year, the Group entered into the following transactions with related parties (i.e. entities in which the Board members have control or joint control) which are not government-related entities:

	Group and Authority 2019/2020 $	 2018/2019 $
Advertisement licence fees	23,015	18,652
Quality assessment and certification fees	182,996	755,697
Course fees	242,927	295,205
Trade test fees	268,007	118,410
Staff training expense	(5,647)	(24,824)
Repairs and maintenance	(143,638)	(70,510)
Purchase of data processing equipment	–	(750,000)
Course and programme expenses	(657,389)	(419,994)

Government-related entities transactions

The Singapore Government has control over the Authority, as well as Ministries, Organs of States and other Statutory Boards.

Collectively, but not individually significant transactions

The Authority is a Statutory Board under the Ministry of National Development ("MND"), championing the development of an excellent built environment for Singapore. "Built environment" refers to buildings, structures and infrastructure in our surroundings that provide the setting for the community's activities.

The Authority charges fees for the services provided. Collectively, income generated from the fees received from and provision of training and other services to Ministries, Organs of States and other Statutory Boards constitute 10% (2018/2019: 9%) of the total operating income. Purchase of supplies and services from Ministries, Organs of States and other Statutory Boards constitute 36% (2018/2019: 33%) of the total operating expenditure.

These transactions are conducted in the ordinary course of the Authority's business on terms comparable to those with other entities that are not government-related.

27 Dividends paid

	Group and Authority 2019/2020 $	 2018/2019 $
Declared and paid during the financial year:		
Dividends on ordinary shares		
- Exempt (one-tier) dividend for 2019/2020: $2.35 per share (2018/2019: $2.42 per share)	14,242,000	8,224,931

28 Financial instruments

(i) Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Group and the Authority are exposed to financial risks arising from its operations and the use of financial instruments. The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of the financial performance of the Group. Such written policies are reviewed annually by the management and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. The key financial risks arising from the Group's financial instruments are liquidity risk and credit risk.

The Group does not hold or issue derivative financial instruments for trading purposes. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Authority's exposure to credit risk arise primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Authority minimise credit risk by dealing exclusively with high credit rating counterparties.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. A majority of the Group's receivables that are neither past due nor impaired are credit worthy counterparties with good track record of credit history.

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the end of the reporting period. If the financial condition of the customers were to deteriorate, the Group would be required to record additional impairment losses. Credit risk is limited due to management's on-going evaluation of the credit worthiness of the Group's customers and given that the majority of the Group's trade receivables are within their expected cash collection cycle.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring customer profile of its trade and other receivables on an ongoing basis.

At the end of the financial year, approximately 10% (2018/2019: 14%) of the Group's trade and other receivables (excluding lease receivables) were due from 3 (2018/2019: 3) major customers with a total balance of $2,146,476 (2018/2019: $3,087,969) located in Singapore.

Expected credit loss assessment ("ECL") as at 31 March 2019 and 31 March 2020

The Group uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are based on actual credit loss experience. The management considers the differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The amount of the allowance on these balance is insignificant.

The following tables provide information about the exposure to credit risk and ECLs for trade and other receivables as at 31 March 2020:

	2019/2020		**2018/2019**	
	Gross carrying amount $	**Impairment losses $**	**Gross carrying amount $**	**Impairment losses $**
Group				
Not past due	132,706,732	39,252	19,866,346	29,044
Past due				
- less than 3 months	910,948	11,763	1,344,388	–
- 3 months to 6 months	13,338	–	70,797	–
- more than 6 months to 12 months	110,307	–	1,930	–
- more than 12 months	134,439	97,383	74,504	36,798
	133,875,764	148,398	21,357,965	65,842
Authority				
Not past due	132,929,929	39,252	19,923,178	29,044
Past due				
- less than 3 months	901,448	11,763	1,316,388	–
- 3 months to 6 months	13,338	–	70,797	–
- more than 6 months to 12 months	6,307	–	1,930	–
- more than 12 months	134,439	97,383	74,504	36,798
	133,985,461	148,398	21,386,797	65,842

At 31 March 2020, the individual impairment losses of the Group and the Authority related to several customers that had indicated that they were not expecting to be able to pay their outstanding balances, mainly due to economic circumstances.

Movement in allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group and Authority Lifetime ECL $
At 1 April 2018 per SB-FRS109	194,302
Reversal of allowance for impairment loss	(128,460)
At 31 March 2019 per SB-FRS109	65,842
At 1 April 2019 per SB-FRS109	65,842
Allowance for impairment loss	82,556
At 31 March 2020 per SB-FRS109	148,398

The Group and the Authority believe that the unimpaired amounts are still collectible in full, based on historic payment behaviour and extensive analyses of customer credit risk, including underlying customers' credit ratings, when available.

Cash and bank balances

The Group and the Authority held cash and bank balances of $420,729,923 and $411,484,549 at 31 March 2020 (2018/2019: $442,799,037 and $438,330,021) respectively. The cash and bank balances are held with bank and financial institution counterparties which are rated P-1, based on Moody's ratings.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Authority consider that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances is negligible.

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 financial assets and liabilities. The Group manages the liquidity risk by maintaining sufficient cash and bank balances to enable them to meet their normal operating commitments.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Authority's financial liabilities, which are not measured at fair value, at the end of the reporting period based on contractual undiscounted repayment obligations.

		Cash flows			
	Carrying amount $	**Contractual cash flows $**	**Less than 1 year $**	**Between 1 and 5 years $**	**After 5 years $**
Group					
31 March 2019/2020					
Non-derivative financial liabilities					
Trade payables #	7,626,710	7,626,710	7,626,710	–	–
Other payables and accruals*	53,650,480	53,650,480	53,650,480	–	–
Lease liabilities	145,279,438	160,362,008	65,230,201	72,782,650	22,349,157
	206,556,628	221,639,198	126,507,391	72,782,650	22,349,157
31 March 2018/2019					
Non-derivative financial liabilities					
Trade payables #	4,061,490	4,061,490	4,061,490	–	–
Other payables and accruals*	52,470,930	52,470,930	52,470,930	–	–
	56,532,420	56,532,420	56,532,420	–	–
Authority					
31 March 2019/2020					
Non-derivative financial liabilities					
Trade payables #	7,626,710	7,626,710	7,626,710	–	–
Other payables and accruals*	53,642,961	53,642,961	53,642,961	–	–
Lease liabilities	145,279,438	160,362,008	65,230,201	72,782,650	22,349,157
	206,549,109	221,631,679	126,499,872	72,782,650	22,349,157
31 March 2018/2019					
Non-derivative financial liabilities					
Trade payables #	4,061,490	4,061,490	4,061,490	–	–
Other payables and accruals*	52,463,530	52,463,530	52,463,530	–	–
	56,525,020	56,525,020	56,525,020	–	–

Excluded GST payable
* Excluded accruals for unconsumed leave.

Market risk

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

Interest rate risk management

The Group's interest-bearing financial instruments mainly relates to cash and bank balances which are all short-term. Hence, management do not expect future fluctuations in interest rates to have significant impact on the Group's results or cash flows.

The Group's policy is to maintain cash and bank balances with reputable financial institution. The Authority participated in the Centralised Liquidity Management scheme starting from 25 March 2010.

(ii) Fair values of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amounts of trade and other receivables, amounts due from its subsidiaries, cash and bank balances, trade and other payables reasonably approximate their fair values because these are mostly short-term in nature. The carrying amounts of the fixed deposits approximate their fair value as the implicit interest rate are based on the prevailing market interest rate.

(iii) Capital risk management policies and objectives

The capital structure of the Authority consists of share capital, capital account and accumulated surplus. The Authority manages its capital to ensure it will be able to continue as a going concern and in accordance with the Capital Management Framework formulated by the Ministry of Finance. The framework sets out the basis of equity contribution by the Government to the Authority and the principle of dividend distribution to the Government. The Authority's overall strategy remains unchanged from the previous financial year.

29 Subsequent events

Impact of COVID-19

The Group has been closely monitoring the impact of COVID-19 pandemic on its operations. Construction demand, in particular private sector demand, is likely to be lower than earlier projected in view of various downside risks. This may impact the Authority's revenue streams. However, with the bulk of the collections on a cash basis and paid for in advance, and with a healthy cash position, management does not expect to experience liquidity issues. There may be higher short-term operating expenditure as the Authority takes on new functions to support the restart of the Construction Industry. With the uncertainty over the duration and extent of the COVID-19 pandemic, the Group will take a conservative approach in managing its cashflows and investment activities.

On 6 April 2020 and 26 May 2020, the government announced additional rental waiver for qualifying non-government tenants of government properties. As the Authority is the lessor for some of these government properties, it is responsible to administer the rental waiver, and this resulted in an expected loss on lease modification of approximately $10,361,000 in next financial year.

On 30 June 2020, the Authority requested the Ministry of National Development for a full operating grant top-up for rental waivers in which the Authority acts in substance as the managing agent, namely rental waivers announced on 26 March, 6 April and 26 May 2020. The rental waiver announced on 26 March 2020 is recognised as a loss on lease modification of $8,925,574 in this financial year.

Incorporation of a new subsidiary

On 3 April 2020, a subsidiary was incorporated as Built Environment Technology Alliance Ltd. (BETA). It is a not-for-profit public Company Limited by Guarantee (CLG), with the Authority as a sole member providing a guarantee of $1.

Building and Construction Authority

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