Civil Aviation Authority of Singapore

ONE CAAS ONE AVIATION

Charting A Path Towards Recovery Together

ANNUAL REPORT 2020/2021

ONE CAAS

"Aviation has been hard hit by COVID-19. Teamwork and collaboration have been critical for the aviation sector and CAAS to manage the pandemic. Not a single one of us had the expertise and resources to manage every single implication of the virus adequately. However, by working together, we are making headway towards managing the impact of the virus and chart a path towards recovery."

Mr Kevin Shum
Director-General, CAAS

ONE AVIATION

"Recovery in international aviation can only come through coordinated action by Governments, the aviation community and the travelling public — working closely together. While COVID-19 has disrupted the people-to-people exchanges that have over many decades brought our world closer together, we are confident that the solidarity of the aviation community will continue to help us overcome this pandemic and emerge stronger in future."

Mr Edmund Cheng
Chairman, CAAS

CHAIRMAN AND DIRECTOR-GENERAL'S MESSAGE

Mr Edmund Cheng
Chairman

Mr Kevin Shum
Director-General

The COVID-19 pandemic has dealt historic blows to international air travel and the Singapore air hub in 2020. In April 2020, Changi's passenger traffic dropped to 0.4% of pre-COVID levels and we were connected to only 24 cities compared to 160 cities pre-COVID. We have since made strides to revive air travel. Passenger traffic has risen to 3.1% of pre-COVID levels and we are now connected to 67 cities.

Throughout the pandemic, we continue to ensure that Singapore remains connected to the world. Working hand-in-hand with our aviation partners, we have facilitated the transportation of essential goods and safely brought Singaporeans home. One key effort was to oversee the reliable handling and delivery of COVID-19 vaccines for Singapore and the region. CAAS co-led the Changi Ready Taskforce, which was formed in the midst of one of the biggest and most important supply chain challenges of our generation.

In our ongoing fight against COVID-19, our aviation frontliners face considerable risks performing their duties. As the pandemic evolved, we have ensured that our teams are kept safe. We continually reviewed our operations and enhanced our protocols to protect our aviation frontliners, including airport workers and air crew, as they do their best to secure our borders and safeguard public health, while keeping Singapore connected to the world. Our measures are among the strictest worldwide as well as in Singapore. To reduce public health risks while strengthening confidence among the international travelling public, we also participated in the International Civil Aviation Organization (ICAO) Council Aviation Recovery Taskforce, which developed the 'Take-off' guidelines, which provides a framework for addressing the impact of the COVID-19 pandemic on the global aviation transportation system.

We also took meaningful steps towards safely rebuilding our air hub. We started to facilitate passenger transfers in June 2020. We then opened our borders for short-term visitors from low-risk countries from September 2020. We started negotiating an Air Travel Bubble (ATB) arrangement with Hong Kong. Unfortunately, the public health conditions have not been right to enable the ATB to take flight. Underlining such challenges is our commitment to always put safety as the priority.

As traffic volumes dropped, CAAS worked with NTUC and our aviation partners to redeploy our aviation workers to roles that support the larger national efforts. Lending their skills and time, we are heartened and proud of our aviation workers who continued to serve with pride and dedication in roles such as care ambassadors in the healthcare sector, safe distancing ambassadors, transport ambassadors, temperature screeners and community support officers at various public service agencies. Through our training arm, Singapore Aviation Academy, we also took the opportunity to upskill our aviation workers. We rolled out e-Learning programmes such as the Air Transport Community Enrichment programme for the local and international aviation community.

We continue to look beyond COVID-19 and prepare our community for the long-term goals of higher productivity and sustainability. We continue to drive innovation in our sector, rethink our roles, and persevere in efforts to ensure our future readiness, from developing test cases for Autonomous Vehicle operations at Changi airside, to continuing the development of our next generation air traffic management system, and operationalising Runway 3. We also kickstarted our airlines' emissions monitoring and reporting process as part of Singapore's commitment to the ICAO Carbon Offsetting and Reduction Scheme for International Aviation. A statement of intent on Green Aviation was also signed for the Aviation Innovation Research Laboratory to research and explore ways to reduce our environmental impact.

On the unmanned aircraft operations front, we significantly enhanced our regulatory regime and surveillance capabilities while promoting a safe and responsible flying culture. Instrumental to our progress was the guidance from the Unmanned Aircraft Systems Advisory Panel (UASAP). In this regard, we wish to acknowledge the valuable contributions of members of the UASAP over the last one and a half years.

In 2020, CAAS was voted the Top 7 Best Employers in the Government Services category. This could only be possible through the commitment of CAAS officers to support our transformation efforts and be our brand ambassadors.

Our CAAS officers have risen up to the challenges that COVID-19 has presented. They have become more agile and innovative, never forgetting our mission to serve the needs of our aviation community and Singaporeans. Amidst the hustle and bustle of their day-to-day work responding to the COVID-19 pandemic and assuming their core responsibilities, our officers also came together to support our aviation frontliners through a ground-up initiative called *Friends for Aviation*.

We take this opportunity to thank the aviation community and CAAS officers for their many contributions and sacrifices this past year. Many have volunteered to put their personal safety on the line to ensure that air travel remains safe, and committed their time to the various COVID-19 efforts, with many working long hours and sacrificing their weekends and public holidays.

On this note, we would also like to thank outgoing Authority Members Chandra Mohan K Nair, Choo Oi Yee and Professor Wee Chow Hou for their dedication and service to CAAS.

With deep sadness, we would also like to acknowledge the contributions of Dr Jarnail Singh, who passed away on 6 February 2021. A doctor and former Chairman of the Civil Aviation Medical Board, Dr Jarnail had an illustrious career in civil aviation medicine that spanned nearly 30 years, marked with many achievements. He will be dearly missed.

Recovery in international aviation can only come through coordinated action by Governments, the aviation community and the travelling public – working closely together. CAAS and the aviation industry will continue to face challenges. However, our aviation community has remained united, committed, dedicated and resilient. We are confident that the solidarity of the aviation community will continue to help us overcome this pandemic and emerge stronger.

Mr Edmund Cheng
Chairman

Mr Kevin Shum
Director-General

Appointment of New Director-General, CAAS

Mr Han Kok Juan was appointed as the Director-General of CAAS on 2 August 2021. Prior to this appointment, Mr Han was the Deputy Secretary (Hub Strategy) in MOT since 16 September 2019 and concurrently Senior Deputy Director-General of CAAS since 1 April 2020. He has also held positions in the Ministry of Law and the Ministry of National Development.

Authority Members

(as at 31 March 2021)

Ms Cham Hui Fong
Member

Mr Chandra Mohan K Nair
Member

Mr Mark Chong
Member

MG Kelvin Khong
Member

Mr Kevin Shum
Member

Mr Tan Pheng Hock
Member

Mr Edmund Cheng
Chairman

Mr Chua Kwan Ping
Member

Ms Choo Oi Yee
Member

Prof Chong Tow Chong
Member

Ms Mary Yeo
Member

Mr Wong Kang Jet
Member

Prof Wee Chow Hou
Member

The Authority's Committees

(as at 31 March 2021)

Staff & Remuneration Committee

Chairman Mr Edmund Cheng

Members Prof Chong Tow Chong
MG Kelvin Khong
Mr Kevin Shum
Mr Wong Kang Jet

Secretary Ms Florence Tan *(up to 26 March 2020)*
Ms Irene Tay *(from 27 March 2020)*

Investment Committee

Chairman Ms Choo Oi Yee

Members Mr Tan Pheng Hock
Mr Kevin Shum

Secretary Ms Chia Sin Yee

Audit and Risk Committee

(renamed from Audit Committee from 21 August 2020)

Chairman Prof Wee Chow Hou

Members Mr Chandra Mohan K Nair
Mr Mark Chong
Mr Chua Kwan Ping
Ms Mary Yeo

Secretary Mr Tan Kwang Wei

Tenders Committee

Chairman Mr Edmund Cheng

Alternate Chairman Prof Chong Tow Chong

Members Ms Cham Hui Fong
Mr Kevin Shum

Alternate Member Mr Wong Kang Jet

Cybersecurity and Data Governance Committee

Chairman Mr Mark Chong

Members Mr Baey Chin Cheng
Mr Kevin Shum
Mr Tan Pheng Hock
Mr Tan Shong Ye
Ms Shirley Wong

Secretary Mr Adrian Chang

CAAS Buildings and Infrastructure Committee

Chairman Mr Edmund Cheng

Members Ms Helen Chen
Mr Chow Kok Fong
Mr Chua Kwan Ping
Mr Kevin Shum
Mr Tan Pheng Hock

Secretary Mr Peter Wee

Principal Officers

(as at 31 March 2021)

Mr Kevin Shum
Director-General

Mr Han Kok Juan
Senior Deputy Director-General

Mr Tay Tiang Guan
1 Deputy Director-General

Mr Soh Poh Theen
2 Deputy Director-General

Mr Ng Tee Chiou
3 Deputy Director-General / Singapore's Alternate Representative on the Council of the ICAO

Mr Tan Kah Han
Senior Director (Unmanned Systems Group)

Ms Eileen Poh
Singapore's Representative on the Council of the ICAO

Mr Alan Foo
Acting Senior Director (Safety Regulation Group) / Director (Flight Standards) / Director (Airworthiness Certification)

Ms Margaret Tan
Director (Airport Operations Regulation and Aviation Security)

Dr Chong Chun Hon
Chairman (Civil Aviation Medical Board)

Mr Peter Wee
Director (Corporate Development and Emergency Preparedness) / Corporate Secretary / Quality Service Manager

Ms Chia Sin Yee
Director (Finance)

Mr Phua Chai Teck
Director (Airport Development and Planning)

Ms Tan Siew Huay
Director (Legal)

Mr Daniel Ng
Director (Air Transport)

Mr Loo Chee Beng
Director (Aeronautical Telecommunications and Engineering)

Ms Florence Tan
Director (Talent and Engagement)

Ms Lydia Tan
Director
(Corporate Communications)

Mr Ho Yuen Sang
Director
(Aviation Industry)

Mr Chew Choong Cheng
Director
(Aerodrome and Air Navigation Services Regulation)

Ms Chang Chai Fung
Director
(Air Traffic Management Plans and Development)

Mr Sidney Koh
Director
(Airspace Policy)

Mr Tan Kwang Wei
Director
(Internal Audit)

Mr Adrian Chang
Director
(Futures and Information Technology)

Mr Vincent Hwa
Director
(Air Traffic Services)

Mr Dalen Tan
Director
(Safety Policy and Planning)

Mr Rossman Ithnain
Director
(International Relations)

Mr Maran Paramanathan
Director
(Unmanned Systems Policy and Regulations)

Mr Tan Chun Wei
Director
(Unmanned Systems Technology and Partnerships)

Mr Randy Ong
Director
(Unmanned Systems Operations and Readiness)

Mr Gabriel Chong
Director
(Airport Economic Regulation)

Ms Irene Tay
Director
(Human Resource)

Ms Charmaine Liu
Director
(Singapore Aviation Academy)

Mitigating The Impact of COVID-19

"Even as we stay vigilant and adjust to protect ourselves from the evolving virus, we must do our best to safeguard Singapore's hard-earned position as a global air hub. We must adapt to a new normal, where we keep our borders open and ensure that passengers, our airport workers, their families and the community are safe. Only then can Changi continue to thrive as a safe aviation hub, connecting Singapore to the world, and the world to Singapore."

Mr S Iswaran
Minister for Transport

Protecting Airport Workers And Safeguarding Public Health

In our fight against the COVID-19 pandemic, passengers and aviation workers' safety and safeguarding public health remain our priority. CAAS worked with other government agencies, including MOH and infectious disease experts, and the aviation industry to ensure safe travel and to help our aviation companies and workers tide through the crisis. To rebuild travellers' confidence, we also explored new ways to revive air travel and re-open our borders in a safe and progressive way.

Safe Airport

Establishing safe operations at both Changi Airport and Seletar Airport is vital. To do so, we implemented contactless initiatives, ensured safe distancing at passenger processing areas and intensified cleaning and disinfection.

Safe Air Crew

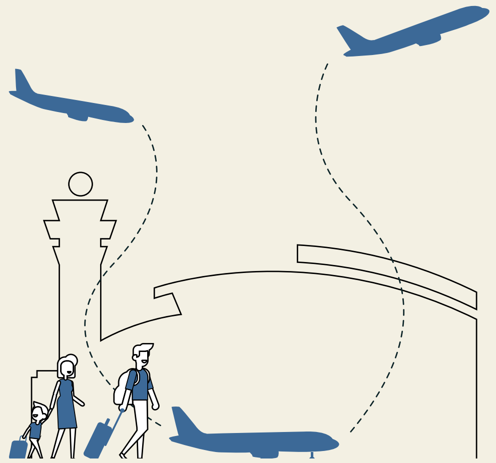
To minimise our air crew's risk of exposure to COVID-19, a combination of inflight safe management measures, enhanced aircraft cleaning and disinfection was implemented. Strict protocols for air crew on turnaround flights and those who layover at overseas destinations were also put in place.

Safe Airport Workers

To safeguard our aviation frontliners, we put in place safety measures which include requiring staff in high-risk areas to don full personal protective equipment, mask-wearing, and safe distancing. We also established the Rostered Routine Testing regime for frontline airport workers and air crew to undergo regular and timely COVID-19 tests. Due to the evolving nature of the pandemic, these protocols were continually reviewed and enhanced based on assessment of risks from the prevailing COVID-19 situation. We also made good progress with the vaccination of aviation frontline workers.

Rebuilding Changi Air Hub

To revive air travel and reopen our borders safely and progressively, we introduced various travel schemes in 2020.



Transits through Changi Airport

Since June 2020, we gradually allowed travellers to transit through Changi Airport again. This has enabled travellers to reunite with their families and allowed Changi to serve as an important air connectivity node. As at 31 March 2021, 154,849 travellers have transited through Singapore.

Opening to Safe Countries

We also opened our borders to travellers from places with low COVID-19 incidence rates, through the Air Travel Pass (ATP) scheme. Since September 2020, we opened our borders to Australia, Brunei, China, New Zealand, Taiwan and Vietnam*. As at 31 March 2021, 17,162 people entered Singapore via the ATP.

*Due to the increase in COVID-19 cases, applications from Vietnam have been suspended since 12 February 2021.

Changi Airport
Key Traffic Statistics

(as at 31 March 2021)

Passenger Movements

2020	11.8 million
2019	68.3 million
2018	65.6 million

Commercial Aircraft Movements

2020	125,000
2019	382,000
2018	386,000

Airfreight Movements

2020	1.54 million tonnes
2019	2.01 million tonnes
2018	2.15 million tonnes

Protecting Jobs And Providing Cost Relief

Aviation is among the hardest hit sectors by COVID-19. To mitigate the impact of the pandemic, the Government announced a series of support and training packages to protect jobs and provide cost relief for the aviation community, in addition to broad-based support for businesses and workers in Singapore.

Enhanced Aviation Support Package

The S$187 million Enhanced Aviation Support Package in August 2020 provided continued cost relief through landing and parking rebates, and rent relief for airlines, ground handlers, cargo agents and airport partners.

Additional Support

S$84 million in additional support in December 2020 aided aviation companies in managing increased costs of operations, retraining and retaining workers' skills, and investing in productivity to position and prepare for the recovery of air travel.

OneAviation Support Package

The S$870 million OneAviation Support Package in February 2021 enabled aviation companies to preserve core capabilities and tide through the crisis, and preserve Singapore's position as an aviation hub post-COVID-19. This comprises enhanced wage and training support, including a scheme to help Singapore-based carriers convert some of their existing pilots to operate other aircraft types. Continued cost relief was also provided to airlines, ground handlers, cargo agents and other aviation stakeholders through rebates on fees, charges and rental. Pilots, air traffic control officers (ATCOs) and aircraft maintenance engineers also received rebates on licence and medical evaluation fees.

Enhanced Training Support Package

The Enhanced Training Support Package (ETSP) for the air transport sector supported our companies in sending their workers for upskilling during the period of downturn. CAAS partnered with SkillsFuture Singapore (SSG) closely in the implementation of the ETSP, since its introduction as part of the Stabilisation and Support Package in March 2020. Through the ETSP, air transport companies received course fees subsidies as well as absentee payroll, to support the upskilling of their staff to prepare for when business demands return.

Protecting Jobs And Providing Cost Relief

"We welcome the additional support from the Government to help our aviation workers who continue to be impacted by the COVID-19 pandemic. We will work closely with CAAS and our training partners SSG, WSG and NTUC LearningHub to ensure our workers acquire the necessary skills to help them take on other roles in the sector, as well as identify and plug any training gaps."

Ms Cham Hui Fong

Deputy Secretary-General and Group Director, Workforce
NTUC

"Singapore Airlines is grateful for the Singapore Government's continued strong support for the aviation industry. This booster package is a welcome measure that will bolster our ongoing efforts to overcome the challenges that we face, and be in a position of strength to grow and reinforce our leadership in the aviation sector as air travel recovers."

Mr Goh Choon Phong

Chief Executive Officer
Singapore Airlines

"Government support has enabled SATS to retain core capabilities, and accelerate initiatives that will improve our productivity and services when aviation volume returns to normal."

Mr Alex Hungate

President and Chief Executive Officer
SATS LTD

"We foresee that air travel demand is unlikely to return to pre COVID-19 levels in the near-term as countries around the world continue to maintain tight border controls. The Government's OneAviation Support Package for Budget 2021 will certainly provide greater financial relief for Changi Airport Group and our aviation partners as we strive to preserve Singapore's competitiveness as an air hub."

Mr Lee Seow Hiang

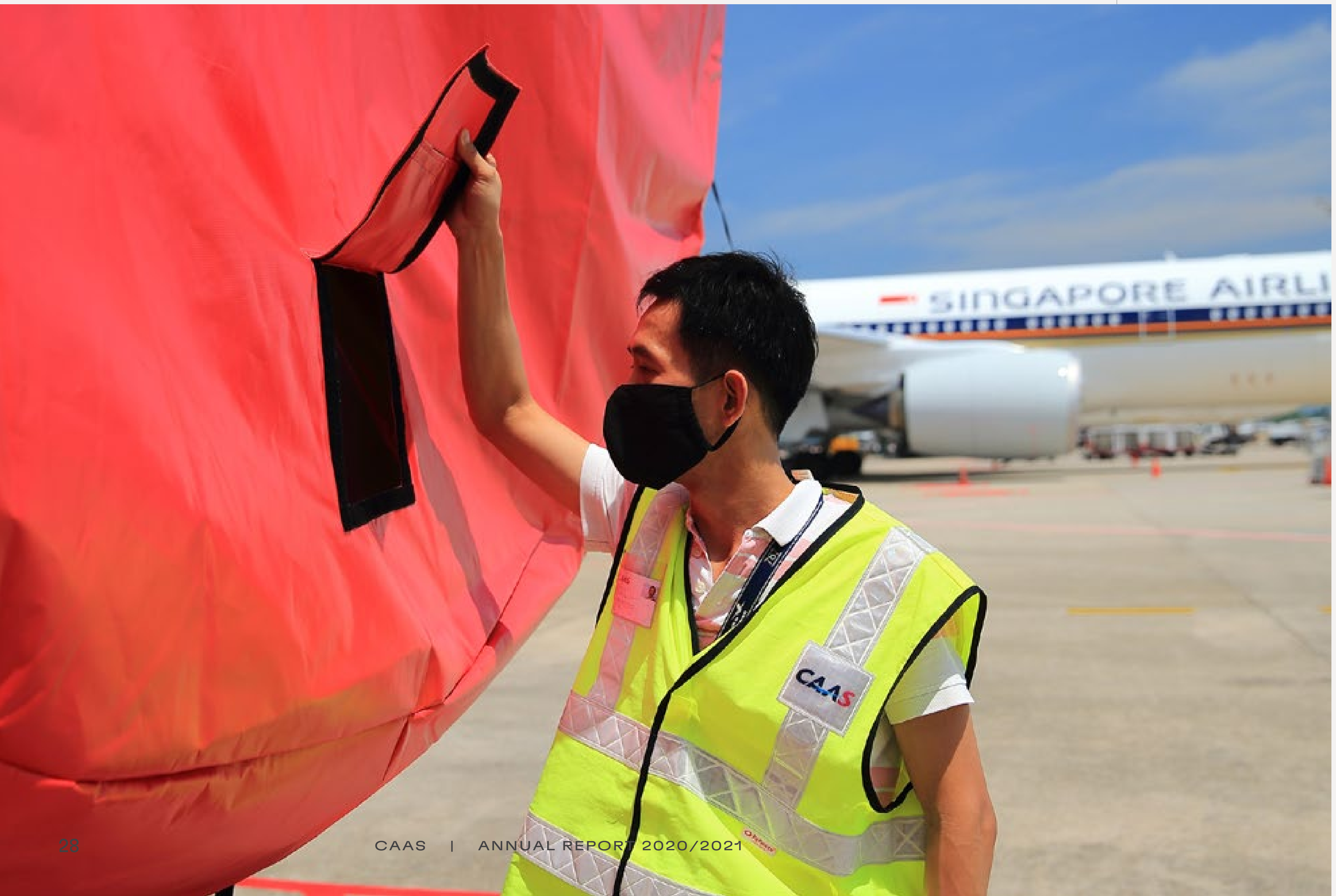
Chief Executive Officer
Changi Airport Group

Managing Aviation Safety Risks

"Aviation regulators globally face many challenges in discharging their responsibilities due to border restrictions, 'lock-down' measures and low aviation activities and traffic. It is clearly not business-as-usual. Our inspectors have had to adjust quickly to the new constraints. For example, instead of physical audits, videoconferencing and desktop evaluation are now used."

Mr Tay Tiang Guan
1 Deputy Director-General, CAAS

In spite of the pandemic, we continued to work closely with the industry to strengthen our safety culture, improve operational efficiencies, and minimise operational disruptions. In 2020, a large part of our aviation safety work pivoted to look at mitigating potential new risks caused by COVID-19.



Mitigating New Risks

Due to the prolonged grounding of aircraft, more aircraft inspections were conducted to ensure that aircraft are being stored under the right conditions. We also oversaw the safe return-to-service of aircraft at Changi Airport and at overseas locations.

We ensured that air crew get enough rest even as they serve long-haul flights, and put in place new protocols to minimise crew exposure overseas. To maintain the operational competency of air crew, key safety functions were delivered via online and simulator training.

Strengthening Safety Culture

To encourage the public and aviation industry personnel to proactively report any aviation safety concerns, safety hazards or unsafe practices, we launched a new voluntary safety reporting system named *Tell Sarah*. The system aims to more effectively mitigate safety risks.

Click to find out more

Supporting The Industry

We partnered with the United Kingdom Civil Aviation Authority (UKCAA) to sign a Technical Arrangement on Aviation Maintenance, which will facilitate the reciprocal acceptance of approvals pertaining to the maintenance, repair and overhaul (MRO) of aircraft and aircraft components by CAAS and UKCAA. It will benefit Singapore-based MRO organisations by streamlining audits, reducing regulatory compliance cost and allowing them to continue working on and servicing components that will be fitted on UK-registered aircraft.

Runway 3 Certification and Operationalisation

Ready For Takeoff

In the midst of COVID-19, various CAAS teams worked closely with airport stakeholders to certify and operationalise Changi Airport's Runway 3. This included conducting numerous onsite audits and inspections to ensure that all safety requirements were complied with.

CAAS' ATCOs also underwent a series of training sessions and a period of shadow operations to ensure smooth transition to live operations on Runway 3.

On 3 December 2020, Changi Airport's Runway 3 and Changi East Tower became operational for civil aviation flights.

*Masks were removed momentarily for photo-taking. Safe distancing requirements were observed.

CAAS Approval Holders

(as at 31 March 2021)

Aircraft Maintenance License Holders
2,148

Air Navigation Systems Engineering Officers
120
(103 excluding Technical Officers)

Air Traffic Control Officers
496

Air Operator Certificate Holders
5

Air Traffic Control Organisations
2

Aviation Training Organisations
9

Certified Aerodromes
2

Design and Production Organisations
34

Flight Crew Licenses
4,315

Maintenance and Repair Organisations
162

Maintenance Training Organisations
12

Registered Aircraft
248

Ensuring Safe Skies

"During this period, we continue to keep air traffic management systems functioning to support cargo, repatriation, humanitarian and limited scheduled flights. We have adjusted operations to manage the impact of COVID-19, as there is a need to remain nimble and ready to support the recovery when the time comes."

Mr Ng Tee Chiou
3 Deputy Director-General, CAAS

We continued to build the foundations for our future Air Traffic Management (ATM) system, keeping our man and machine efficient, fit and competent for the eventual recovery.

Positioning For The Future

Through partnerships with local and international research institutions, technology providers and other Air Navigation Service Providers (ANSPs), we continued to study new concepts of operations to promote the efficient management of all phases of flight.

Air Traffic Flow Management (ATFM)

In collaboration with Airbus ProSky, we developed an ATFM concept aimed at improving overall regional network efficiency by forecasting potential delays, particularly in the Asia Pacific region. Under the ambit of ICAO, CAAS also pioneered the Asia Pacific Multi-nodal ATFM Network Collaboration initiative together with Aeronautical Radio of Thailand and Hong Kong Civil Aviation Department, which has since been incorporated and implemented as part of the ASEAN ATM masterplan. Efforts to onboard more Asia Pacific ANSPs are in progress.

ATM Operational Concepts

Three of our ATM research institutes, MITRE Asia Pacific Singapore, Aviation Studies Institute and the Air Traffic Management Research Institute, have been researching various concepts of operations to increase the resilience of our air traffic operations that would enable CAAS to better manage complexities in air traffic within the Singapore Flight Information Region. Concepts under study include Free Route Operations and Dynamic Airspace Management.

In addition, research is being undertaken to develop the architecture of messaging protocols that will be necessary to support the Trajectory Based Operations (TBO) concept that ICAO is developing in the future. Under TBO, participating ATM stakeholders and systems will know and modify a flight's planned and actual trajectory before and during flight for efficiency gains to the individual aircraft and to the network.

Improving Systems Resiliency

To enable CAAS to manage air traffic in a safer, more efficient and environmentally friendly manner, we embarked on a project to strengthen the resilience of our ATM system, Long Range Radar and Display System III.

Enhancing ATM Surveillance Coverage

Using space-based Automatic Dependent Surveillance-Broadcast, CAAS enhanced our ATM surveillance coverage of remote and oceanic airspace in real-time. CAAS is one of the first ANSPs in the Asia Pacific region to use this technology.

Maintaining ATCOs' Skills and Proficiency

We implemented a continuous training program where operational ATCOs undergo simulator training, allowing them to maintain their skills and proficiency at handling high volumes of air traffic in preparation for recovery to pre-COVID-19 levels.

Air Traffic Movements in the Singapore Flight Information Region

(as at 31 March 2021)

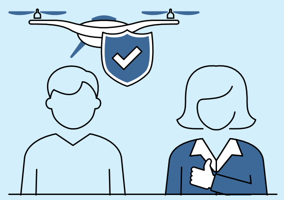
Building a Safe Unmanned Aircraft Ecosystem

"Besides regulations, it is essential that a culture of safety be built among UA operators and community groups. They play an important role in building community norms, setting the tone for recreational UA operations in Singapore."

Mr Timothy de Souza
Chairman, Unmanned Aircraft Systems Advisory Panel

As we strive to tap on the benefits of unmanned aircraft (UA) technology, we continued our community engagement efforts to cultivate a safe and responsible flying culture. We also further enhanced our regulatory and enforcement framework.

Expanding Community Outreach

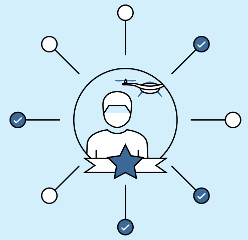


To promote safe and responsible UA flying, CAAS continued to reach out to UA operators through different platforms including mainstream media, social media, physical events and virtual webinars, as well as paid advertisements across online and offline touchpoints.

Strengthening Counter-UAS (C-UAS) Capabilities

On 31 March 2021, a purpose-built C-UAS Operations Command and Control Centre (OCC) was operationalised. This augments our C-UAS and surveillance capabilities to ensure aviation and public safety.

Enhancing Our Regulatory Framework and Leveraging Technology



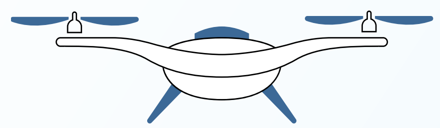
In 2020, we rolled out the UA pilot competency framework. This framework mandates UA Basic Training and Pilot Licensing for various categories of UA operations. To complement the drive towards digitalisation in aviation, we also introduced *SGFlight*, a blockchain-based mobile application for operators to conveniently access their UA Pilot Licences via secure verification. This innovative digital licence regime has the potential to scale up to include other personnel licences issued by CAAS, further enhancing efficiency, productivity and security for the future of aviation.

Click to find out more

UA Permits Issued

(as at 31 March 2021)

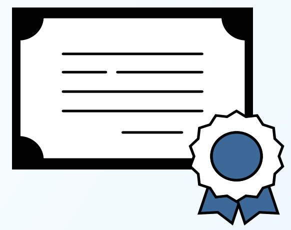
Operator Permits		Activity Permits	
591	FY2020/2021	2,325	FY2020/2021
631	FY2019/2020	2,673	FY2019/2020
539	FY2018/2019	2,452	FY2018/2019



No. of UA Registered

(as at 31 March 2021)

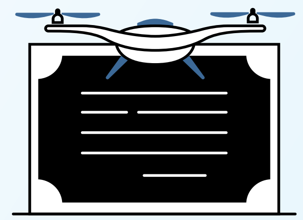
10,919



No. of UA Basic Training Certificates Issued

(as at 31 March 2021)

646



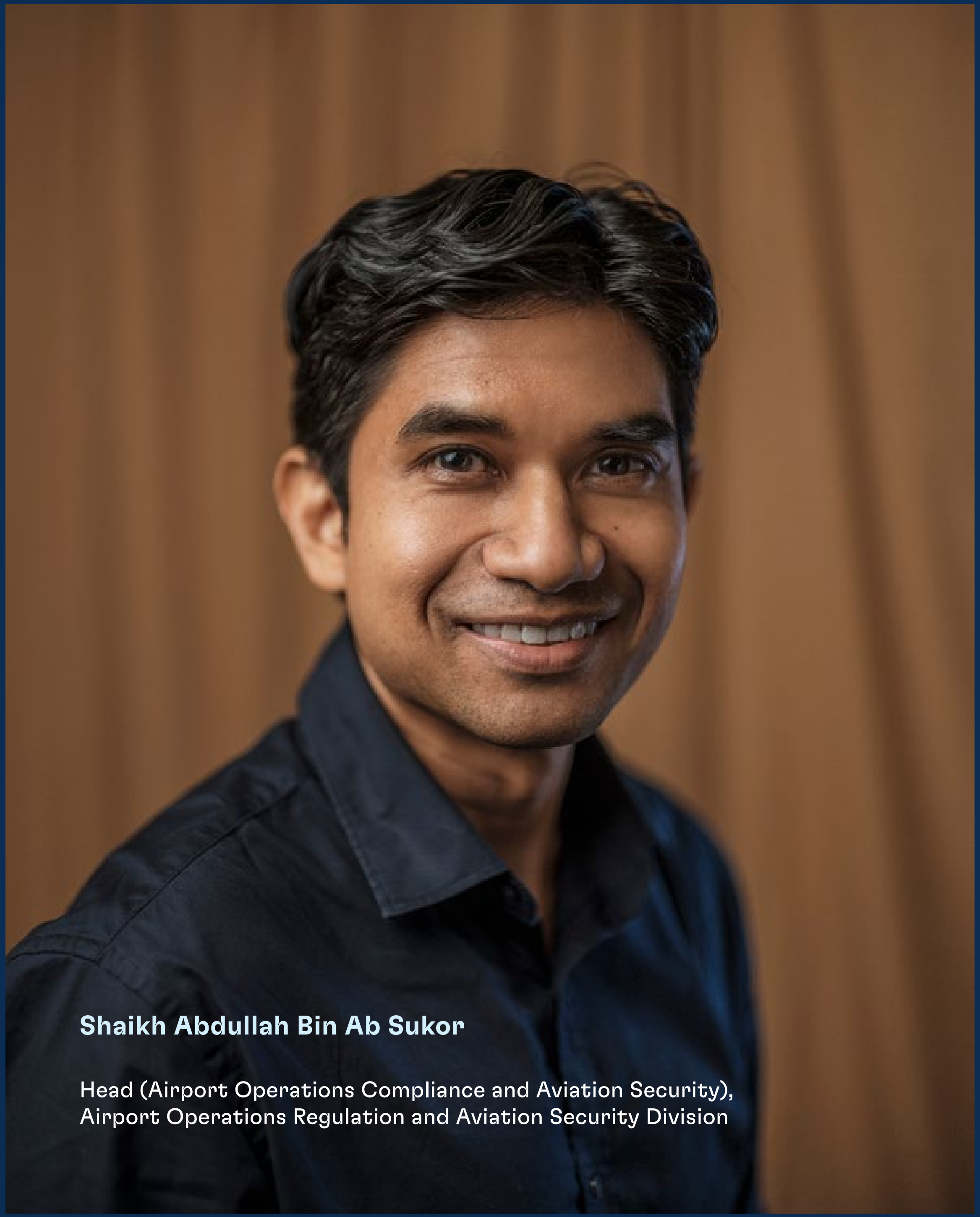
No. of UA Pilot Licences Issued

(as at 31 March 2021)

532

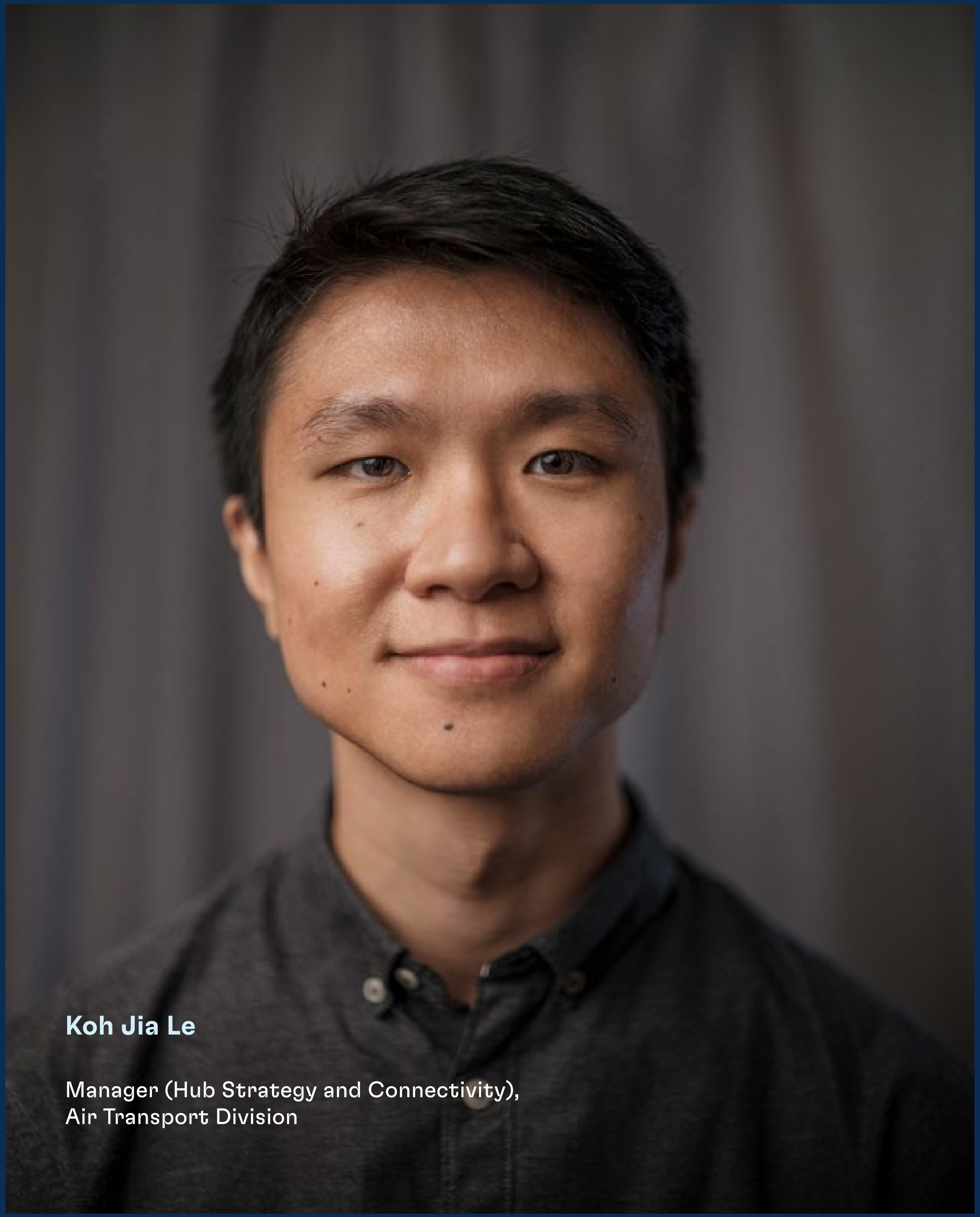
One CAAS

CAAS teams have come together as One CAAS to weather out this crisis of our lifetime. Many work behind the scenes passionately to serve the needs of our aviation community and Singaporeans. They each play an important role in our efforts to grow the air hub. Together, they are making Singapore proud.

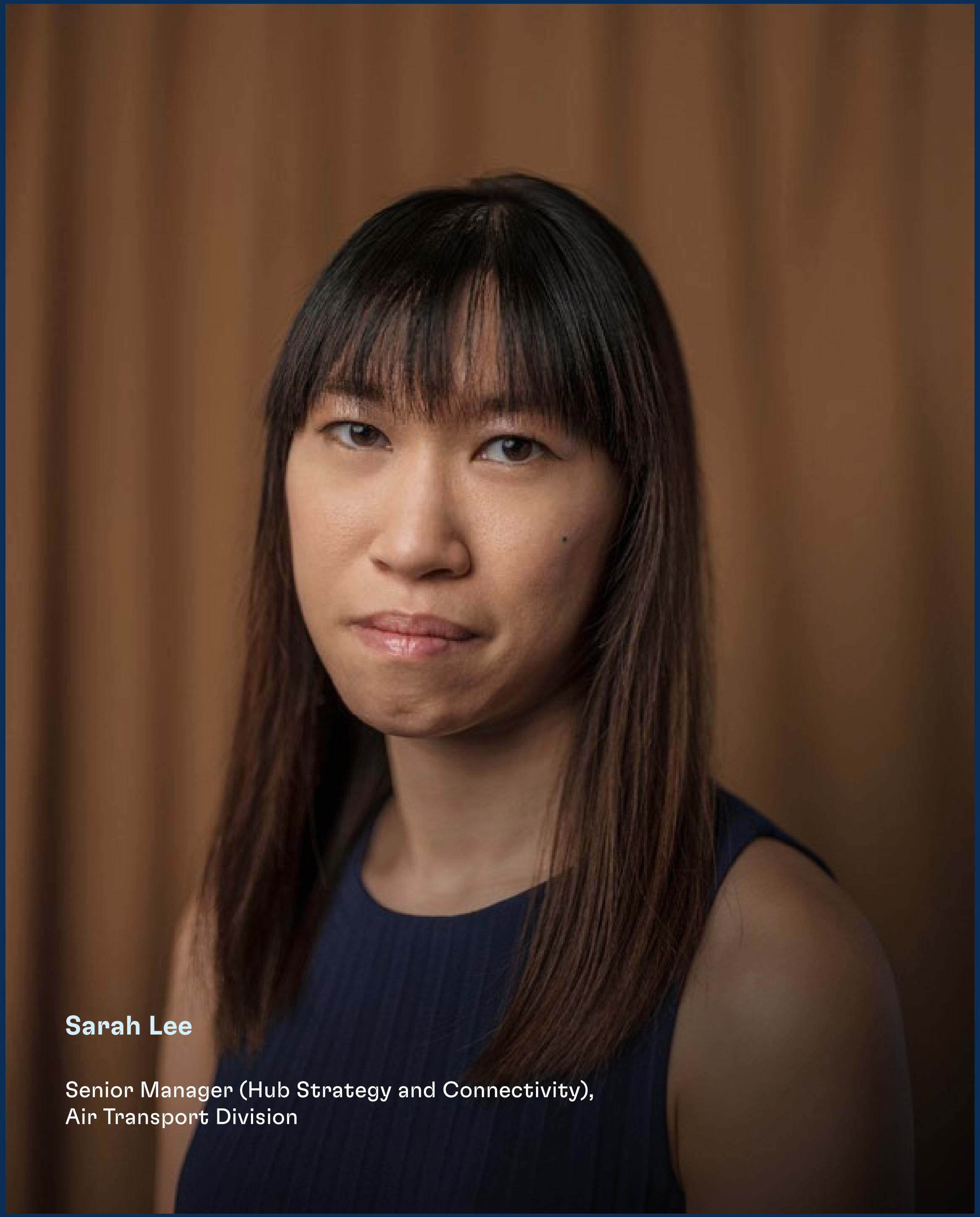


Develop and implement a surveillance programme to ensure compliance of COVID-19 safe management measures

Ensure smooth implementation of COVID-19-related policies at Changi Airport



Develop strategies and negotiate safe travel lanes with bilateral partners to resume air travel safely



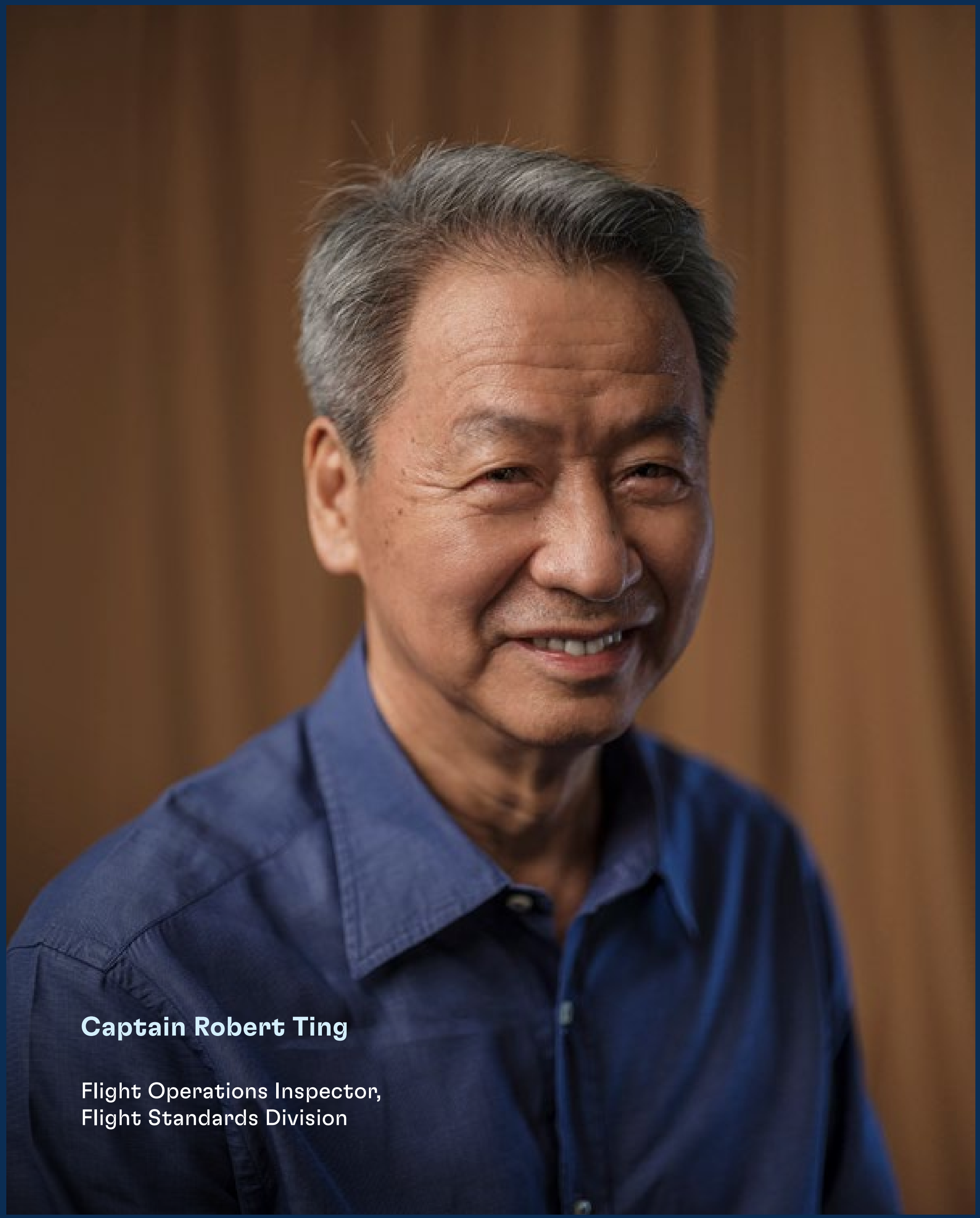
Provide critical insights to enable prompt decisions and identification of appropriate initiatives to maintain air hub connectivity

Shape assistance packages to provide cost relief to aviation companies and preserve core capabilities

Collaborate closely with tripartite partners to design, scope and implement support schemes to help protect jobs, upskill and reskill workers to prepare for recovery

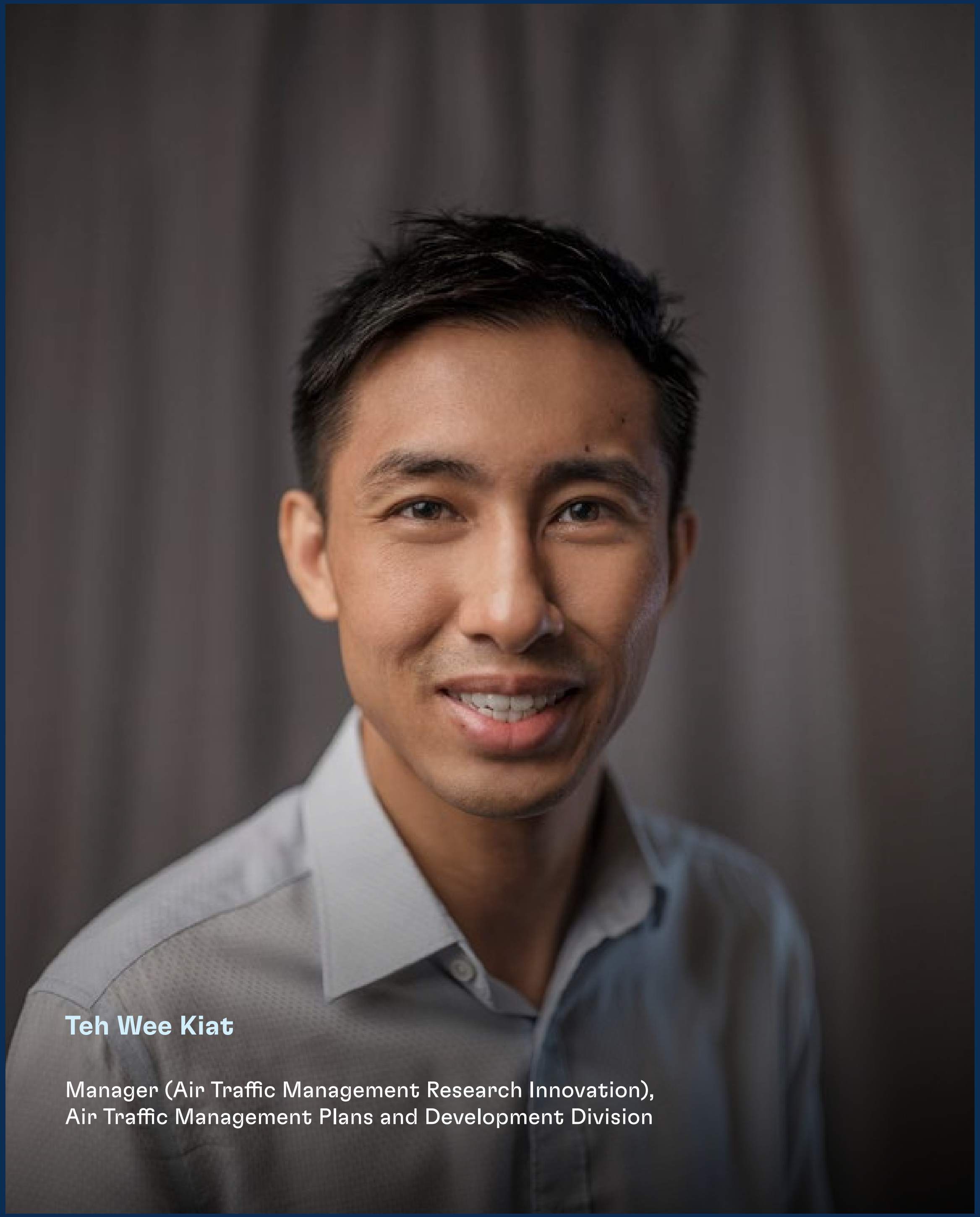
Carry out audits and inspections to certify Changi's new Runway 3 to be safe for operations

Establish regulatory framework to provide safety oversight of Changi's new Runway 3 operations



Ensure tight safety surveillance to facilitate the safe resumption of ground and flight operations in Singapore and at overseas stations

Optimise counter-unmanned aircraft systems capabilities to ensure operational readiness and effectiveness



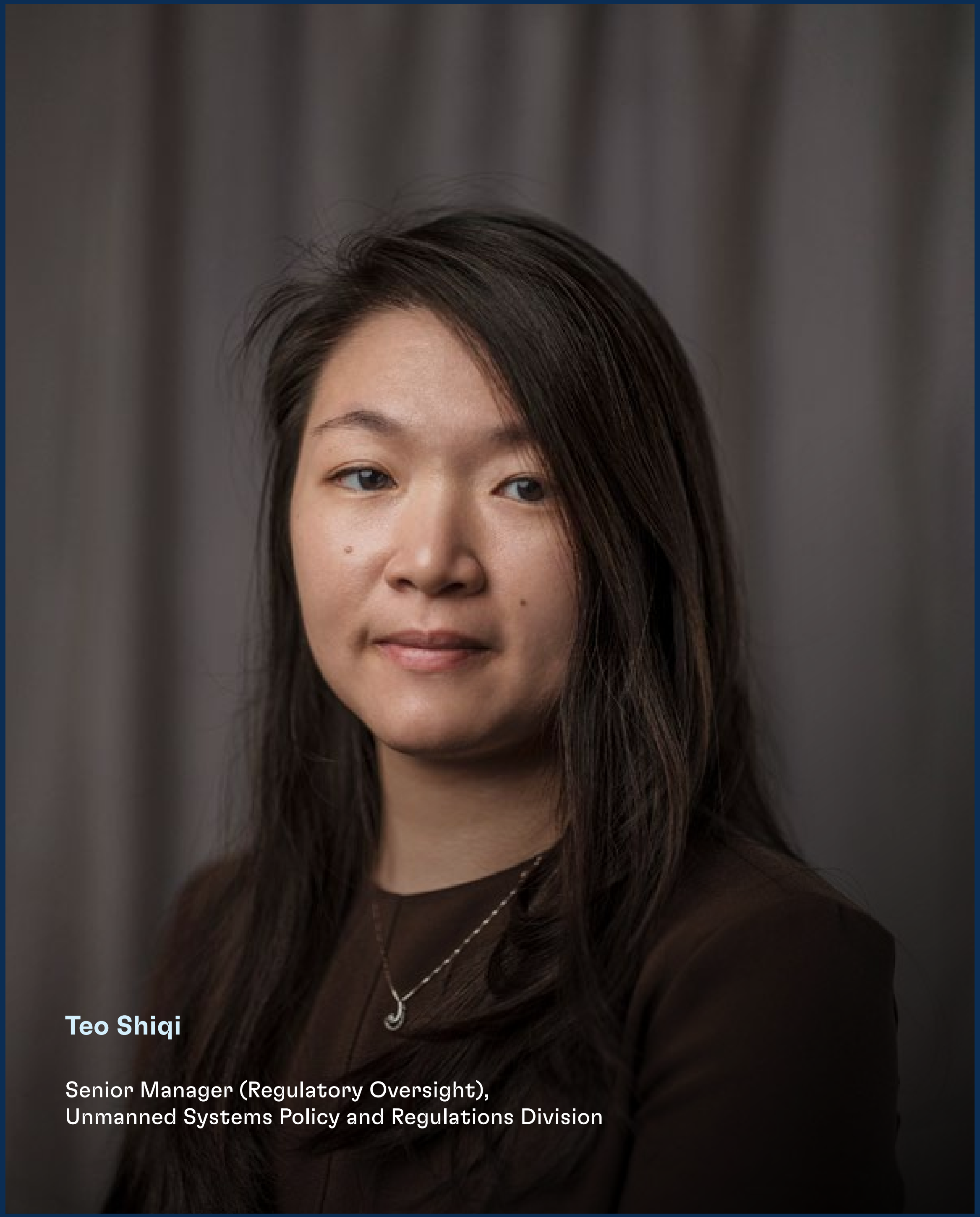
Identify emerging technologies and concepts and drive initiatives to augment Singapore's future readiness in air traffic management

Collaborate with local and foreign research institutes to strengthen Singapore's air traffic management capabilities

Balakrishnan Vikram Velu

Deputy Manager (Futures and Strategy Development),
Unmanned Systems Technology and Partnerships Division

Establish strategic road map of unmanned aircraft systems technological developments while balancing regulatory considerations for aviation and public safety



Teo Shiqi

Senior Manager (Regulatory Oversight),
Unmanned Systems Policy and Regulations Division

Put in place mitigating measures to ensure safe and responsible unmanned aircraft (UA) operations while expanding the beneficial use of UA in Singapore

Financial Statements

For Year Ended 31st March 2021

Contents

STATEMENT BY THE AUTHORITY MEMBERS

We, Edmund Cheng and Kevin Shum, being two of the Authority Members of Civil Aviation Authority of Singapore (the "Authority"), do hereby state that, in the opinion of the Authority Members:

(i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with the notes thereto, are drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Authority for the financial year then ended in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), the Civil Aviation Authority of Singapore Act, Chapter 41 (the "Act") and Statutory Board Financial Reporting Standards;

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

(iii) the accounting and other records, including records of all assets of the Authority whether purchased, donated or otherwise, have been properly kept.

On behalf of the Authority Members

Edmund Cheng
Chairman

Kevin Shum
Director-General

Singapore
25 June 2021

INDEPENDENT AUDITOR'S REPORT

MEMBERS OF THE AUTHORITY
CIVIL AVIATION AUTHORITY OF SINGAPORE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Civil Aviation Authority of Singapore (the "Authority"), which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 66.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), the Civil Aviation Authority of Singapore Act, Chapter 41 (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to give a true and fair view of, the financial position of the Authority as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Authority 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 Authority in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by the Authority Members set out on page 1.

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 the financial statements that give a true and fair view in accordance with the provisions of the Public Sector (Governance) Act, the Act and SB-FRS, and for 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 constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Authority'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 Authority or for the Authority to cease operations.

Those charged with governance' responsibilities include overseeing the Authority'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 Authority's internal control.

INDEPENDENT AUDITOR'S REPORT

MEMBERS OF THE AUTHORITY
CIVIL AVIATION AUTHORITY OF SINGAPORE

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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:

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

(ii) 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 Authority 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.

INDEPENDENT AUDITOR'S REPORT

MEMBERS OF THE AUTHORITY
CIVIL AVIATION AUTHORITY OF SINGAPORE

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the 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 Public Sector (Governance) 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.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

25 June 2021

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2020/21 S$'000	2019/20 S$'000
Equity			
Capital account	10	2,179,380	2,179,233
Investment revaluation reserve	11	(351)	-
Accumulated surplus		480,720	459,511
		2,659,749	2,638,744
Non-current assets			
Property, plant and equipment	12	329,952	342,599
Right-of-use assets	13	5,707,017	5,652,184
Capital work-in-progress	14	157,469	893,893
Investment in joint venture	15	39,248	37,949
Investment in associate	16	10,786	11,666
Long-term investment	17	150	150
Financial assets at fair value through other comprehensive income	18	41,841	-
Other receivables and prepayments	19	34,499	33,576
		6,320,962	6,972,017
Current assets			
Trade and other receivables and prepayments	19	181,169	229,590
Financial assets at fair value through other comprehensive income	18	6,371	-
Cash and cash equivalents	20	708,524	762,059
		896,064	991,649
Current liabilities			
Trade and other payables	21	322,018	292,701
Lease liabilities	22	5,855	6,325
Contribution payable to Government Consolidated Fund	24	5,957	5,012
		333,830	304,038
Non-current liabilities			
Lease liabilities	22	19,795	27,483
Deferred income	25	5,918	6,328
Deferred capital grants	26	4,189,036	4,977,919
Provision for pension and post-retirement medical benefits plan	27	8,698	9,154
		4,223,447	5,020,884
Net assets		2,659,749	2,638,744
Changi Airport Development Fund: - net assets	33	4,847,126	4,777,729

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

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2021

	Note	2020/21 S$'000	2019/20 S$'000
Income			
Airport and aerodrome licence fee		3,280	3,130
Aviation levy		2,967	137,966
Annual ground rent		77,083	78,570
Fees for airport and related services		214,682	251,050
Aviation training programme fee		3,414	7,955
Certification, examination and licence fee		16,362	10,700
Other operating income		5,875	9,382
	28	323,663	498,753
Expenditure			
Salaries, wages and staff benefits	29	183,224	196,058
Maintenance of buildings and equipment		57,752	52,730
Rental expense		2,362	2,329
Depreciation of property, plant and equipment	12	41,277	61,829
Depreciation of right-of-use assets	13	75,368	74,977
Property tax		20,228	23,477
Services related expenses		45,560	45,739
Grants to industry		37,754	61,203
Other operating expenses		23,303	41,510
		486,828	559,852
Non-operating income, net	30	101,868	16,294
Interest expense on lease liabilities		(565)	(676)
Share of results of joint venture	15	1,299	908
Share of results of associate, net of tax	16	(880)	2,060
Deficit for the year before government grants		(61,443)	(42,513)
Government grants			
Deferred capital grants amortised	26	45,902	45,125
Operating grants	23	51,003	29,760
		96,905	74,885
Surplus for the year before contribution to Government Consolidated Fund		35,462	32,372
Contribution to Government Consolidated Fund	24	(5,957)	(5,012)
Net surplus for the year		29,505	27,360
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of pension and post-retirement medical benefits plan	27	-	75
Items that may be reclassified to profit or loss			
Net fair value loss on investments in debt instruments measured at FVTOCI	11	(351)	-
		(351)	75
Total comprehensive income for the year		29,154	27,435

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

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021

	Note	Capital account S$'000	Investment revaluation reserve S$'000	Accumulated surplus S$'000	Total S$'000
At 1 April 2019		2,179,090	-	436,727	2,615,817
Net surplus for the year		-	-	27,360	27,360
Other comprehensive income		-	-	75	75
Total comprehensive income for the year		-	-	27,435	27,435
Equity contribution received from Government during the year	10	143	-	-	143
Dividends paid to Government during the year	10	-	-	(4,651)	(4,651)
At 31 March 2020		2,179,233	-	459,511	2,638,744
Net surplus for the year		-	-	29,505	29,505
Other comprehensive income		-	(351)	-	(351)
Total comprehensive income for the year		-	(351)	29,505	29,154
Equity contribution received from Government during the year	10	147	-	-	147
Dividends paid to Government during the year	10	-	-	(8,296)	(8,296)
At 31 March 2021		2,179,380	(351)	480,720	2,659,749

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

	Note	2020/21 S$'000	2019/20 S$'000
Cash flows from operating activities			
Deficit for the year before government grants		(61,443)	(42,513)
Adjustment for:			
Share of results of joint venture		(1,299)	(908)
Share of results of associate, net of tax		880	(2,060)
Depreciation of property, plant and equipment	12	41,277	61,829
Depreciation of right-of-use assets	13	75,368	74,977
Gain on disposal of right-of-use assets	30	(92,105)	-
Loss on disposal of property, plant and equipment	30	580	10
Loss on lease modification		184	-
Gain on disposal of financial assets measured at FVTOCI	30	(27)	-
Foreign exchange loss on financial assets measured at FVTOCI	30	184	-
Interest income	30	(7,319)	(15,652)
Interest expense on lease liabilities		565	676
Provision for pension and post-retirement medical benefits	27	13	210
Amortisation of deferred income	25	(410)	(410)
Amortisation of prepaid lease	19	410	410
Impairment loss on trade receivables/accrued income	19	(327)	530
Operating cash flows before changes in working capital		(43,469)	77,099
Changes in working capital:			
Trade and other receivables and prepayments		(5,940)	38,978
Trade and other payables		7,492	21,298
Staff loans		-	2
Pension and post-retirement medical benefits paid		(579)	(694)
Cash generated from operations		(42,496)	136,683
Interest paid		(565)	(676)
Contribution paid to Government Consolidated Fund		(5,012)	(13,016)
Net cash flows (used in)/from operating activities		(48,073)	122,991
Cash flows from investing activities			
Interest received		14,956	15,372
Purchase of property, plant and equipment and payment for capital work-in-progress		(106,405)	(175,311)
Purchase of financial assets measured at FVTOCI		(54,520)	-
Proceeds from disposal of financial assets held at FVTOCI		5,800	-
Purchase of right-of-use assets[1]		(2,069)	(317)
Proceeds from disposal of property, plant and equipment		1	137
Repayments of finance lease receivables		210	329
Net cash flows used in investing activities		(142,027)	(159,790)

	Note	2020/21 S$'000	2019/20 S$'000
Cash flows from financing activities			
Repayments of lease liabilities	32	(6,605)	(7,352)
Dividends paid to Government	10	(8,296)	(4,651)
Grants received from Government[1]	32	151,319	111,749
Equity contributions received from Government		147	143
Funds held on behalf of Government	20	(14,038)	(1,657)
Net cash flows from financing activities		122,527	98,232
Net (decrease)/increase in cash and cash equivalents		(67,573)	61,433
Cash and cash equivalents at beginning of year		760,290	698,857
Cash and cash equivalents at end of year		692,717	760,290

[1] In 2020/21, the Authority had a non-cash exchange of state land with a related party at market value. The new right-of-use assets acquired of S$146,815,000 were funded by the sales proceeds of S$109,900,000 and a capital grant of S$36,915,000 (Note 32).

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. DOMICILE AND ACTIVITIES

The Civil Aviation Authority of Singapore (the "Authority") was reconstituted under the Civil Aviation Authority of Singapore Act, Chapter 41. The supervisory ministry is the Ministry of Transport. Its principal place of business and registered office is at 4th level, Terminal 2, Singapore Changi Airport, Singapore 819643.

The principal functions and duties of the Authority are:

(a) to regulate safety and promote safety and security in civil aviation and to exercise safety regulatory oversight over civil aviation operations in Singapore and the operation of Singapore aircraft outside Singapore;

(b) to exercise licensing and regulatory functions in respect of the operation of airports and the provision of airport services and facilities in Singapore;

(c) to regulate and promote competition and fair and efficient market conduct in the operation of airports and the provision of airport services and facilities or, in the absence of a competitive market, to prevent the misuse or abuse of monopoly or market power;

(d) to regulate, encourage, promote, facilitate and assist in the use, development and improvement of air services, airports and aerospace industries;

(e) to ensure that there are, provided in every airport (whether by itself or by any airport licensee), adequate and efficient airport services and facilities on such terms as the Authority thinks expedient;

(f) to provide air navigation services within the Singapore Flight Information Region and such other area as the Minister for Transport may authorise;

(g) to provide or co-ordinate search and rescue services to aircraft in distress within the Singapore Search and Rescue Region;

(h) to coordinate with the Air Accident Investigation Bureau of Singapore in relation to investigations under Part IIA of the Air Navigation Act (Cap. 6);

(i) to encourage, promote, facilitate and assist in the development and improvement of civil aviation capabilities, skills and services in Singapore;

(j) to provide technical, consultancy and management services relating to any of the matters referred to in this subsection;

(k) to act internationally as the national authority or body representing Singapore in respect of matters relating to civil aviation;

(l) to discharge or facilitate the discharge of international obligations of the Government as a Contracting State or otherwise in respect of civil aviation;

(m) to collaborate and enter into agreements and arrangements with organisations in respect of any matter relating to civil aviation and any other matter as the Authority thinks expedient;

1. DOMICILE AND ACTIVITIES (cont'd)

(n) to foster appropriate education and provide training and training facilities in respect of any matter relating to civil aviation;

(o) to advise the Government on all matters relating to civil aviation;

(p) to promote understanding of civil aviation policies and programmes;

(q) to promote research and development on any matter relating to civil aviation; and

(r) to carry out such other functions and duties as are conferred or imposed on the Authority by or under the Civil Aviation Authority of Singapore Act or any other written law.

The principal activities of the joint venture and associate are disclosed in Notes 15 and 16 respectively.

2. BASIS OF PREPARATION

2.1 *Statement of compliance*

The financial statements have been prepared in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), the Civil Aviation Authority of Singapore Act, Chapter 41 (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS"). SB-FRS includes Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General. As a statutory board, the Authority is required to comply with policies and instructions issued from time to time by the Ministry of Finance ("MOF") and other central government agencies.

2.2 *Basis of measurement*

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

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

2.3 *Use of estimates and judgements*

The preparation of the financial statements in conformity with the SB-FRS and the Authority's accounting policies as described in Note 3 requires management to exercise judgements, make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenditure. 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.

2. BASIS OF PREPARATION (cont'd)

2.3 ***Use of estimates and judgements (cont'd)***

Information about critical accounting estimates, assumptions and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 4.

2.4 ***Adoption of new and revised standards***

On 1 April 2020, the Authority has adopted all the new and revised SB-FRS that are relevant to its operations. The adoption of these new/revised SB-FRS does not result in changes to the Authority's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

Amendments to SB-FRS 116 *Leases COVID-19-Related Rent Concessions*

In June 2020, the Accounting Standards for Statutory Boards issued *COVID-19-Related Rent Concessions* (Amendment to SB-FRS 116) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SB-FRS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying SB-FRS 116 if the change were not a lease modification. The amendment is effective for annual periods beginning on or after 1 June 2020, with early application permitted.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

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

b) Any reduction in lease payments affects only payments originally due in on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Authority has applied the amendment to SB-FRS 116 in advance of its effective date and the practical expedient retrospectively to all rent concessions that meet the conditions in SB-FRS 116 and has not restated prior period figures.

The Authority has benefited from a 12-month partial waiver of lease payments on office spaces. The waiver of lease payments of S$670,000 has been accounted for as a negative variable lease payment in profit or loss. The Authority has derecognised the part of the lease liability that has been extinguished by the forgiveness of such lease payments.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 ***Joint arrangements***

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Authority with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation.

To the extent the joint arrangement provides the Authority with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Authority recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 3.2.

3.2 ***Joint ventures and associates***

An associate is an entity over which the Authority has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Authority's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Authority's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Authority's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Authority's share of losses of an associate or a joint venture exceeds the Authority's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Authority's net investment in the associate or joint venture), the Authority discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Authority has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 *Joint ventures and associates (cont'd)*

The requirements of SB-FRS 36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Authority's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with SB-FRS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SB-FRS 36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

The financial statements of the associates and joint ventures are aligned to the same reporting date as the Authority. Where necessary, adjustments are made to bring the accounting policies in line with those of the Authority.

3.3 *Functional and presentation currency*

The financial statements are presented in Singapore Dollar, which is also the Authority's functional currency. All financial information presented in Singapore Dollar has been rounded to the nearest thousand (S$'000), except when otherwise stated.

Transactions in foreign currencies are translated to the functional currency of the Authority at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the rate of exchange ruling at the end of the reporting period.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

3.4 *Financial instruments*

Financial assets and financial liabilities are recognised on the statement of financial position when the Authority becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 *Financial instruments (cont'd)*

(a) *Financial assets*

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

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

<u>Classification</u>

(i) Financial assets held at amortised cost

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

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

(ii) Fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Authority may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Classification (cont'd)

Amortised cost and effective interest method

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

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

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Authority recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "non-operating income" line item.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Classification (cont'd)

Debt instruments classified as at FVTOCI

The bonds held by the Authority are classified as at FVTOCI. Fair value is determined in the manner described in Note 7(a). The bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these bonds had been measured at amortised cost. All other changes in the carrying amount of these bonds are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When these bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date.

For debt instrument measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "non-operating income" line item. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investment revaluation reserve.

For other financial assets that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "non-operating income" line item.

Impairment of financial assets

The Authority recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Impairment of financial assets (cont'd)

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

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Authority compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Authority considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

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

The Authority assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 *Financial instruments (cont'd)*

(a) *Financial assets* (cont'd)

Impairment of financial assets (cont'd)

Definition of default

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

Credit-impaired financial assets

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

Write-off policy

The Authority writes off a financial asset when there is information indicating that is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings or in the case of trade receivables, when they are over one year past due, whichever occurs earlier.

Measurement and recognition of expected credit loss

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Authority in accordance with the contract and all the cash flows that the Authority expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SB-FRS 116 *Leases*.

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

The Authority recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

<u>Derecognition of financial assets</u>

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

(b) *Financial liabilities*

Trade and other payables represent liabilities for goods and services provided to the Authority prior to the end of financial year which are unpaid.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "non-operating income" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The Authority derecognises financial liabilities when, and only when, the Authority's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) *Offsetting of financial instruments*

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 *Property, plant and equipment and capital work-in-progress*

<u>*Recognition and measurement*</u>

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When 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.

<u>*Subsequent cost*</u>

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in income or expenditure when incurred.

<u>*Depreciation*</u>

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 income or expenditure 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 is installed and 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 and comparative years are as follows:

Buildings	15 to 30 years
Plant and equipment	7 to 15 years
Vehicles	5 to 10 years
Office/other equipment, furniture and fixtures	1 to 3 years
Capital improvements	5 to 15 years

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 *Property, plant and equipment and capital work-in-progress (cont'd)*

No depreciation is provided on capital work-in-progress as these assets are not yet available for use. Capital work-in-progress is transferred to the various categories of property, plant and equipment and right-of-use assets, and depreciated upon the completion of the capital project.

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

Fully depreciated assets are retained in the financial statements until they are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. The gain or loss on disposal is recognised net within non-operating income or expenditure.

3.6 *Impairment of non-financial assets*

The carrying amounts of the Authority'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.

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

The Authority's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in income and expenditure.

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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.7 *Provisions*

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

3.8 *Employee benefits*

<u>*Defined contribution plans*</u>

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

<u>*Defined benefit plans*</u>

The defined benefit liability is the present value of the defined benefit obligation (derived using a discount rate based on government bonds) at the end of the reporting period.

Provision is made for the payment of retirement benefits to those pensionable ex-employees who did not opt for transfer to the Central Provident Fund scheme. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the Projected Unit Credit Method.

Defined benefit costs comprise the following:

- Service costs
- Interest cost on defined benefits liability
- Re-measurements of defined benefit liability

Service costs which include 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 ***Employee benefits (cont'd)***

Defined benefit plans (cont'd)

Interest cost on defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on the Singapore Government bond yield to the defined benefit liability. Interest cost on the defined benefit liability 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.

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 if the Authority 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.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

3.9 ***Revenue recognition***

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Authority recognises revenue when it transfers control of a product or service to a customer.

A non-exchange revenue is recognised when the Authority receives resources and provide no or nominal consideration directly in return.

Airport and aerodrome licence fee

Licence fee income is recognised on a straight-line basis over the term of the licences.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 ***Revenue recognition (cont'd)***

Aviation Levy

Pursuant to the provisions in the Civil Aviation Authority of Singapore (Aviation Levy) Order 2018, the aviation levy is payable and recognised as income upon every air passenger ticket that covers flights that departed from Changi Airport or Seletar Airport.

Aviation Levy is assessed to be a non-exchange revenue under SB-FRS *1001 Accounting and Disclosure for Non-Exchange Revenue*.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

Fees for airport and related services

Fees for airport and related services is payable by the airport licensees of Changi Airport and Seletar Airport for services provided by the Authority in connection with the airports. The fees for airport and related services is recognised as income as and when the services are rendered by the Authority.

Aviation training programme fee

Income is recognised upon the completion of training courses.

Certification, examination and licence fee

Certification, examination and licence fee income are collected pursuant to regulatory requirements under the respective legislations. Income is recognised upon the issuance of certificates or licences.

Other service income

Income from services is recognised as and when services are rendered.

Interest income

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

Dividend income

Dividend income from investments is recognised when the Authority's right to receive the payment have been established.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 *Government grants*

Government grants are only recognised when there is reasonable assurance that the Authority will comply with the conditions attached to them and the grants will be received. Government grants issued for the construction or acquisition of non-current assets are recognised as deferred capital grants in the statement of financial position and transferred to income or expenditure on a systematic basis over the useful life of the assets. Grants that compensate the Authority for expenses incurred are recognised in income or expenditure on a systematic basis in the same period in which the expenses are recognised.

Government grants received but not utilised are included in the "Grants received in advance" account.

3.11 *Leases*

(a) *As lessee*

The Authority assesses whether a contract is or contains a lease, at inception of the contract. The Authority recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Authority recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Authority uses the incremental borrowing rate specific to the lessee. The Authority has determined the incremental borrowing rate specific to each lease to approximate Singapore Government bond yield.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 *Leases (cont'd)*

(a) *As lessee (cont'd)*

The Authority remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Authority incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SB-FRS 37. The costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Authority applies SB-FRS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.6.

As a practical expedient, SB-FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Authority has not used this practical expedient for certain leases. For such leases where the contract contains a lease component and one or more additional lease or non-lease components, the Authority allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 *Leases (cont'd)*

(b) *As lessor*

Leases for which the Authority is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Authority is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the asset arising from the head lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.9.

3.12 *Income tax*

The Authority is a tax-exempted institution under the provisions of the Income Tax Act (Chapter 134, 2014 Revised Edition).

3.13 *Club memberships*

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

3.15 *Related parties*

For the purpose of these financial statements, parties are considered to be related to the Authority if the Authority has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Authority and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Authority is a statutory board under the purview of the Ministry of Transport and is an entity related to the Government of Singapore. Accordingly, the Authority's related parties include Government-related entities such as Ministries, Organs of State and other Statutory Boards.

In accordance with Paragraph 25A of SB-FRS 24 *Related Party Disclosures*, the Authority is exempted from disclosing transactions and outstanding balances with government-related entities other than Ministries, Organs of State and other Statutory Boards, unless there are circumstances to indicate that these transactions are unusual and their disclosure would be of interest to primary readers of the financial statements.

The Authority also applies the exemption in Paragraph 26 of SB-FRS 24. Required disclosures of transactions and related outstanding balances with government-related entities are limited to the following information to enable users of the Authority's financial statements to understand the effect of the related party transactions on the financial statements:

(a) The nature and amount of each individually significant transaction with Ministries, Organs of State and other Statutory Boards; and

(b) For other transactions with Ministries, Organs of State and other Statutory Boards that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.

3.16 *Changi Airport Development Fund*

The Changi Airport Development Fund (the "Fund") is a fund set up to account for moneys received and disbursed for the specific purpose of expanding Changi Airport. The net assets of the Fund are presented as a line at the bottom of the statement of financial position as prescribed by SB-FRS Guidance Note 3 *Accounting and Disclosures for Trust Funds*. Receipts and expenditure relating to the Fund are accounted for directly in this Fund on an accrual basis. Details of receipts, expenditure, assets and liabilities are disclosed in Note 33.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.17 ***Standards issued but not yet effective***

At the date of authorisation of these financial statements, the following amendments to SB-FRS that are relevant to the Authority were issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to *SB-FRS 116 COVID-19-Related Rent Concessions Beyond 30 June 2021*	1 April 2021
Amendments to SB-FRS 103 *Business Combinations: Reference to the Conceptual Framework*	1 January 2022
Amendments to SB-FRS 16 *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SB-FRS 37 *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SB-FRS 2018-2020	1 January 2022
Amendments to SB-FRS 1 *Classification of Liabilities as Current or Non-Current*	1 January 2023

The Authority anticipates that the adoption of the above amendments to SB-FRS in the future periods will not have a material impact on the financial statements in the period of their initial adoption.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Authority's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Authority's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (cont'd)

Key sources of estimation uncertainty

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

Defined benefit plans

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, mortality rates and medical inflation rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All key assumptions are reviewed at each reporting date. The net benefit liability as at 31 March 2021 is S$9,244,000 (2019/20: S$9,810,000). Further details are provided in Note 27.

Useful lives of plant and equipment

The carrying amount of plant and equipment, as disclosed in Note 12, has been determined after charging depreciation on a straight-line basis over the estimated remaining useful lives of these plant and equipment.

During the year, the Authority determined that the useful lives of certain air traffic management systems should be extended under a robust maintenance regime until the implementation of the next air traffic management systems.

Accordingly, management has reviewed and revised the estimated useful lives of the systems from 10 years to 15 years.

The revision was accounted for prospectively as a change in accounting estimate and as a result, the Authority's depreciation expense for plant and equipment for the year decreased by S$20,499,000.

5. FINANCIAL INSTRUMENTS

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

	2020/21 S$'000	2019/20 S$'000
Financial assets		
Financial assets at fair value through other comprehensive income	48,212	-
Financial assets at amortised cost:		
- Cash and cash equivalents	708,524	762,059
- Trade and other receivables	166,729	219,749
	875,253	981,808
Financial liabilities		
Financial liabilities at amortised cost: - Trade and other payables	(148,304)	(162,216)
Lease liabilities	(25,650)	(33,808)

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Authority is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk.

This note represents information about the Authority's exposure to each of the above risks, the Authority's objectives, policies and processes for measuring and managing risk.

Risk management framework

Risk management is integral to the operations of the Authority. The Authority has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Authority's risk management process to ensure that an appropriate balance between risk and control is achieved.

(a) *Credit risk management*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Authority. As at 31 March 2021, the Authority's maximum exposure to credit risk, without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Authority due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) *Credit risk management (cont'd)*

The Authority has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Authority manages these risks by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty. Therefore, the Authority does not expect to incur material credit losses on its financial instruments. The Authority develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Authority's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

At the end of the reporting period, the Authority has a concentration of credit risk as about 99% (2019/20: 99%) of the trade receivables were due from one of the Authority's major customers.

Further details of credit risk on trade and other receivables are disclosed in Note 19.

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

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	Amount is > 1 year past due or there is information indicating that the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier	Amount is written off

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) *Credit risk management (cont'd)*

The table below details the credit quality of the Authority's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External/ Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				S$'000	S$'000	S$'000
31 March 2021						
Trade receivables	19	(i)	Lifetime ECL (simplified approach)	82,130	(203)	81,927
Accrued income	19	(i)	Lifetime ECL (simplified approach)	25,005	-	25,005
Financial assets at fair value through other comprehensive income	18	Performing	12-month ECL	48,212	-	48,212
Grants receivable	19	Performing	12-month ECL	13,187	-	13,187
Sundry receivables (as agent to the Government)	19	Performing	12-month ECL	33,076	-	33,076
Liquidated damages receivables	19	Performing	12-month ECL	278	-	278
Other receivables	19	Performing	12-month ECL	13,526	-	13,256
					(203)	
31 March 2020						
Trade receivables	19	(i)	Lifetime ECL (simplified approach)	85,144	(30)	85,114
Accrued income	19	(i)	Lifetime ECL (simplified approach)	53,556	(500)	53,056
Grants receivable	19	Performing	12-month ECL	58,517	-	58,517
Sundry receivables (as agent to the Government)	19	Performing	12-month ECL	8,225	-	8,225
Liquidated damages receivables	19	Performing	12-month ECL	2,394	-	2,394
Other receivables	19	Performing	12-month ECL	12,443	-	12,443
					(530)	

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) *Credit risk management (cont'd)*

(i) The Authority has applied the simplified approach to measure the loss allowance at lifetime ECL and in determining, has taken into account the historical default experience of the debtor and an analysis of the debtors' current financial position in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

(b) *Liquidity risk management*

Liquidity risk is the risk that the Authority will encounter difficulty in meeting financial obligations due to shortage of funds. The Authority's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Authority monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Authority's operations and to mitigate the effects of fluctuations in cash flows.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the contractual cash flows of financial liabilities based on the earliest date on which the Authority can be required to pay.

	Weighted average effective interest rate	Within 1 year	Between 1 year and within 5 years	More than 5 years	Unearned Interest	Total
	%	S$'000	S$'000	S$'000	S$'000	S$'000
2020/21						
Trade and other payables	-	148,304	-	-	-	148,304
Lease liabilities	1.93	6,292	18,319	2,156	(1,117)	25,650
		154,596	18,319	2,156	(1,117)	173,954
2019/20						
Trade and other payables	-	162,216	-	-	-	162,216
Lease liabilities	1.92	6,910	26,099	2,509	(1,710)	33,808
		169,126	26,099	2,509	(1,710)	196,024

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) *Foreign currency risk management*

The Authority transacts business in various foreign currencies and therefore is exposed to foreign exchange risk.

At the reporting date, the carrying amounts of significant monetary items denominated in currencies other than the Authority's functional currency are as follows:

	Liabilities		Assets	
	2020/21	**2019/20**	**2020/21**	**2019/20**
	S$'000	S$'000	S$'000	S$'000
United States Dollar	(293)	(297)	262	-
European Euro	-	(112)	-	-
Australian Dollar	-	(1)	374	2,131
New Zealand Dollar	-	(7)	-	-
Canadian Dollar	(32)	(100)	1	1
	(325)	(517)	637	2,132

Foreign currency sensitivity

The following table details the sensitivity to a 5% (2019/20: 5%) increase and decrease in the relevant foreign currencies against the functional currency of the Authority. 5% (2019/20: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items. The analysis adjusts the translation at year end for a 5% (2019/20: 5%) change in spot foreign currency rates for monetary items.

If the relevant foreign currency were to strengthen by 5% (2019/20: 5%) against the functional currency of the Authority, surplus before contribution to Government Consolidated Fund will increase/(decrease) by:

	2020/21	**2019/20**
	S$'000	S$'000
United States Dollar	(2)	(15)
European Euro	-	(6)
Australian Dollar	19	107
New Zealand Dollar	-	*
Canadian Dollar	(2)	(5)
	15	81

* Denotes less than S$1,000.

A 5% (2019/20: 5%) weakening of the above currency against the Singapore Dollar at the reporting dates would have equal but opposite effects on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The Authority does not engage in speculative foreign exchange transactions.

7. FAIR VALUES OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Authority takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for leasing transactions that are within the scope of SB-FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in SB-FRS 36 *Impairment of Assets*.

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

Fair value hierarchy

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

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

(a) *Assets and liabilities that are measured at fair value on a recurring basis*

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

	Fair value as at		Fair value	Valuation technique(s)
Financial assets	**2020/21**	**2019/20**	**hierarchy**	**and key input(s)**
	S$'000	S$'000		
Quoted debt securities	48,212	-	Level 1	Quoted bid prices in an active market

7. FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)

Fair value hierarchy (cont'd)

(b) *Financial instruments whose carrying amount approximates fair value*

Management has determined that, other than financial assets held at FVTOCI, the carrying amounts of all other financial assets, which comprise trade and other receivables, cash and cash equivalent, and trade and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

8. CAPITAL MANAGEMENT

The Authority reviews its capital structure at least annually to ensure that the Authority will be able to continue as a going concern.

The capital structure of the Authority comprises capital and accumulated surplus. The Authority's overall strategy remains unchanged from 2019/20.

9. RELATED PARTY TRANSACTIONS

Some of the Authority's transactions and arrangements are with related parties. The related party balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Key management personnel compensation

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

Key management personnel compensation is as follows:

	2020/21	**2019/20**
	S$'000	S$'000
Salaries and other short-term employee benefits	2,502	2,548
Central Provident Fund contributions	55	48

9. RELATED PARTY TRANSACTIONS (cont'd)

Other related party transactions

During the financial year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions between the Authority and related parties:

	2020/21	**2019/20**
	S$'000	S$'000
Meteorological services from National Environment Agency	8,906	8,649

In the Authority's role as an agent to the Government, it manages and provides oversight of the funding provided by the Government for Changi East development projects and grants to industry. During the year, S$710,981,000 (2019/20: S$179,194,000) was received on behalf of the Government of which S$15,807,000 (2019/20: S$1,733,000) was held on behalf by the Authority as part of restricted bank balances (Note 20) as at the end of the reporting period.

10. CAPITAL ACCOUNT

This represents the net value of assets and liabilities transferred from the former Department of Civil Aviation when the Authority was established, and any subsequent equity contribution or return of assets from/to the Government.

Dividend

Under the Capital Management Framework for Statutory Boards, the Minister for Finance, the body incorporated by the Minister for Finance (Incorporation) Act, as the ultimate shareholder of the Authority, expects an annual return in the form of dividends in return for the Government's equity injections.

11. INVESTMENT REVALUATION RESERVE

The investment revaluation reserve comprises the investment in debt instruments classified as at FVTOCI, net of cumulative loss allowance recognised on these investments and cumulative gain/loss reclassified to profit or loss upon disposal or reclassification of these investments.

	2020/21
	S$'000
Balance at beginning of year	-
Fair value loss on investments in debt instruments classified as at FVTOCI	378
Cumulative gain on investments in debt instruments classified as at FVTOCI	
Reclassified to profit or loss upon disposal	(27)
Balance at end of year	351

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant and equipment	Vehicles	Office/other equipment, furniture and fixtures	Capital improvements	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cost:						
At 1 April 2019	185,115	491,547	1,375	33,077	53,846	764,960
Additions	-	-	-	154	-	154
Transfers from capital work-in-progress (Note 14)	1,543	59,196	611	2,603	1,487	65,440
Disposals/write-off	-	(2,705)	(423)	(1,538)	(53)	(4,719)
At 31 March 2020	186,658	548,038	1,563	34,296	55,280	825,835
Additions	-	-	-	43	-	43
Transfers from capital work-in-progress (Note 14)	1,340	21,823	1,928	2,738	758	28,587
Disposals/write-off	(625)	(1,896)	(66)	(417)	-	(3,004)
At 31 March 2021	187,373	567,965	3,425	36,660	56,038	851,461

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Buildings	Plant and equipment	Vehicles	Office/other equipment, furniture and fixtures	Capital improvements	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Accumulated depreciation:						
At 1 April 2019	94,680	261,304	550	28,620	40,825	425,979
Depreciation for the year	5,288	49,866	148	4,384	2,143	61,829
Disposals/write-off	-	(2,705)	(277)	(1,537)	(53)	(4,572)
At 31 March 2020	99,968	308,465	421	31,467	42,915	483,236
Depreciation for the year	5,175	31,328	340	2,285	2,149	41,277
Disposals/write-off	(625)	(1,896)	(66)	(417)	-	(3,004)
At 31 March 2021	104,518	337,897	695	33,335	45,064	521,509
Carrying amount:						
At 31 March 2021	82,855	230,068	2,730	3,325	10,974	329,952
At 31 March 2020	86,690	239,573	1,142	2,829	12,365	342,599

Plant and equipment

During the year, the Authority determined that the useful lives of certain air traffic management systems should be extended under a robust maintenance regime until the implementation of the next air traffic management systems.

Accordingly, management has reviewed and revised the estimated useful lives of the systems from 10 years to 15 years. As a result, the Authority's depreciation expense for plant and equipment for the year decreased by S$20,499,000 (Note 4).

13. RIGHT-OF-USE ASSETS (The Authority as Lessee)

The Authority leases several leasehold land, office spaces and plant and equipment. The lease terms of each category of leases are as follows:

Leasehold land	2 to 94 years
Office spaces	2 to 5 years
Plant and equipment	2 to 15 years

The Authority also made upfront payments to secure the right-of-use of certain leasehold land.

	Leasehold land	Office spaces	Plant and equipment	Total
	S$'000	S$'000	S$'000	S$'000
Cost:				
At 1 April 2019	6,499,751	35,428	1,983	6,537,162
Additions	14	799	2,897	3,710
Transfers from capital work-in-progress (Note 14)	480	-	-	480
At 31 March 2020	6,500,245	36,227	4,880	6,541,352
Additions	148,884	44	-	148,928
Termination of leases	(28,351)	(506)	-	(28,857)
End of leases	-	-	(178)	(178)
Adjustments	-	-	(90)	(90)
At 31 March 2021	6,620,778	35,765	4,612	6,661,155

In 2020/21, the Authority had an exchange of state land with a related party at market value. The resulting gain on disposal of S$92,105,000 was recorded in the statement of comprehensive income (Note 30).

13. RIGHT-OF-USE ASSETS (The Authority as Lessee) (Cont'd)

	Leasehold land S$'000	Office spaces S$'000	Plant and equipment S$'000	Total S$'000
Accumulated depreciation:				
At 1 April 2019	814,191	-	-	814,191
Depreciation for the year	67,637	6,794	546	74,977
At 31 March 2020	881,828	6,794	546	889,168
Depreciation for the year	67,987	6,851	530	75,368
Termination of leases	(10,199)	(21)	-	(10,220)
End of leases	-	-	(178)	(178)
At 31 March 2021	939,616	13,624	898	954,138
Carrying amount:				
At 31 March 2021	5,681,162	22,141	3,714	5,707,017
At 31 March 2020	5,618,417	29,433	4,334	5,652,184

14. CAPITAL WORK-IN-PROGRESS

	Note	2020/21 S$'000	2019/20 S$'000
At beginning of the year		893,893	784,656
Additions during the year		106,362	175,157
Transfer to property, plant and equipment	12	(28,587)	(65,440)
Transfer to right-of-use assets	13	-	(480)
Transfer/Disposal[1]		(814,199)	-
At end of the year		157,469	893,893

[1] In 2020/21, the Authority transferred certain capital work-in-progress ("WIP") amounting to S$813,617,000 to a third party. The capital grant (Note 26) relating to these WIP was also transferred to the same third party.

15. INVESTMENT IN JOINT VENTURE

	2020/21 S$'000	2019/20 S$'000
Cost of investment in joint venture	31,070	31,070
Share of post-acquisition results	8,178	6,879
Investment in joint venture	39,248	37,949

Details of the joint venture are as follows:

Name	Principal activities	Place of business	Authority's interest 2020/21 %	Authority's interest 2019/20 %
Airport Logistics Park of Singapore[1]	Developing, marketing, managing and provision of facilities to the free trade zone logistics park	Singapore	20	20

[1] Unincorporated entity.

Airport Logistics Park of Singapore is structured as a separate vehicle and the Authority has a residual interest in its net assets. The Authority jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities. Accordingly, the Authority has classified its interest in Airport Logistics Park of Singapore as a joint venture.

15. INVESTMENT IN JOINT VENTURE (cont'd)

The summarised financial information in respect of Airport Logistics Park of Singapore, based on its FRS financial statements and reconciliation with the carrying amount of the investment in the financial statements are as follows:

	2020/21 S$'000	2019/20 S$'000
Revenue	6,826	6,859
Interest income	919	1,826
Depreciation expense	(1,577)	(1,570)
Other income/(expenses)	329	(2,577)
Profit before tax	6,497	4,538
Income tax expense	-	-
Profit after tax	6,497	4,538
Other comprehensive income	-	-
Total comprehensive income	6,497	4,538
Cash and cash equivalents	100,904	95,435
Trade and other receivables	255	1,179
Total current assets	101,159	96,614
Non-current assets	117,107	116,151
Total assets	218,266	212,765
Current liabilities	(2,852)	(2,897)
Non-current liabilities	(19,174)	(20,123)
Total liabilities	(22,026)	(23,020)
Net assets	196,240	189,745
Net assets	196,240	189,745
Proportion of the Authority's ownership	20%	20%
Authority's share of net assets	39,248	37,949
Carrying amount of interest in joint venture	39,248	37,949

There are no other financial liabilities included in the current and non-current liabilities except for trade and other payables and provisions.

16. INVESTMENT IN ASSOCIATE

	2020/21 S$'000	2019/20 S$'000
Cost of investment in associate	9,446	9,446
Share of post-acquisition results, net dividend received	1,340	2,220
Investment in associate	10,786	11,666

Details of the associate are as follows:

Name	Principal activities	Place of incorporation and business	Effective interest held by the Authority 2020/21 %	Effective interest held by the Authority 2019/20 %
Experia Events Pte Ltd	Organising and management of conferences, exhibition and other related activities	Singapore	17	17

Although the Authority has 17% equity interest in Experia Events Pte Ltd, the Authority determined that it has significant influence because it has representation on the board of Experia Events Pte Ltd.

The summarised financial information in respect of Experia Events Pte Ltd, based on its FRS financial statements and reconciliation with the carrying amount of the investment in the financial statements are as follows:

	2020/21 S$'000	2019/20 S$'000
Revenue	11,225	48,526
(Loss)/profit after tax	(5,175)	12,122
Other comprehensive income	-	-
Total comprehensive (loss)/income	(5,175)	12,122
Current assets	36,983	44,799
Non-current assets	46,072	49,091
Current liabilities	(15,155)	(21,065)
Non-current liabilities	(4,451)	(4,201)
Net assets	63,449	68,624
Net assets	63,449	68,624
Proportion of the Authority's ownership	17%	17%
Authority's share of net assets	10,786	11,666
Carrying amount of interest in associate	10,786	11,666

17. LONG-TERM INVESTMENT

The long-term investment relates to the Authority's corporate membership at the National Service Resort and Country Club.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2020/21 S$'000	2019/20 S$'000
Investment in debt instruments classified as at FVTOCI:		
Quoted debt securities	48,212	-
Comprising:		
- Current	6,371	-
- Non-current	41,841	-
	48,212	-

The bonds are held by the Authority within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Hence, the bonds are classified as at FVTOCI.

For purpose of impairment assessment, the bonds are considered to have low credit risk as they are held with counterparties with minimum credit rating of "BBB" by Standard & Poor's or "Baa2" by Moody's. The Authority holds no collateral over this balance. Accordingly, for the purpose of impairment assessment for these debts instruments, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL").

In determining the ECL, management has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2020/21	2019/20
	S$'000	S$'000
Other receivables and prepayments (non-current)		
Prepaid lease	5,918	6,328
Prepayments	28,145	26,732
Other receivables	436	516
	34,499	33,576
Trade and other receivables and prepayments (current)		
Trade receivables:		
- Related parties	270	746
- Others	81,657	84,368
Accrued income	25,005	53,056
Prepaid lease	410	410
Liquidated damages receivable	278	2,394
Prepayments	13,773	9,221
Grants receivable	13,187	58,517
Sundry receivables (as agent to the Government)	33,076	8,225
Other receivables	13,513	12,653
	181,169	229,590

a) *Trade receivables*

The amount of trade receivables recognised in respect of non-exchange revenue are as follows:

	2020/21	2019/20
	S$'000	S$'000
Exchange revenue		
Non-exchange revenue	81,927	85,114
	-	-
	81,927	85,114

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

a) *Trade receivables (cont'd)*

In 2020/21, the average credit period for trade receivables ranges from 7 to 350 days as the Authority has extended the credit terms for certain transactions in view of the impact of COVID-19 (2019/20: 7 to 30 days). No interest is charged on the trade receivables for payment received before due date of the invoice. Thereafter, the Authority reserves the right to charge interest at 5%, 5.5% or 8.5% (2019/20: 5.5% or 8.5%) per annum on the overdue balance.

The table below is an analysis of trade receivables as at 31 March:

	2020/21	2019/20
	S$'000	S$'000
Trade receivables	82,130	85,144
Loss allowance	(203)	(30)
Total trade receivables, net	81,927	85,114

The Authority's exposure to credit risk arises through its trade receivables. Due to the nature of the Authority's operation, the authority has a concentration of credit risk of about 99% (2019/20: 99%) (Note 6) that were due from one of the Authority's major customers as at the end of the financial year.

A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over one year past due, whichever occurs earlier.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses ("ECL") based on individual assessment of debtors. The ECL on trade receivables are estimated based on past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

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

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

a) *Trade receivables (cont'd)*

The movements in credit loss allowance are as follows:

	2020/21	2019/20
	S$'000	S$'000
	Individually assessed	
Balance at beginning of year	30	3
Loss allowance recognised in income or expenditure during the year on:		
- New trade receivables originated	203	30
- Reversal of unutilised amounts	(30)	-
	173	30
Receivables written off	-	(3)
Balance at end of year	203	30

Based on historical default rate, the Authority believes that, apart from the above, no impairment allowance is necessary in respect of other trade receivables outstanding at the date of the statement of financial position.

b) *Prepaid lease*

Prepaid lease represents premium paid in advance to Singapore Land Authority for leasehold land. The land is leased to the Authority's associate, Experia Events Pte Ltd, under a back-to-back lease arrangement and the amount received was recognised as deferred income (Note 25).

	S$'000
Cost:	
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	12,290
Accumulated amortisation:	
At 1 April 2019	5,142
Amortisation charge for the year	410
At 31 March 2020 and 1 April 2020	5,552
Amortisation charge for the year	410
At 31 March 2021	5,962
Carrying amount:	
At 31 March 2021	6,328
At 31 March 2020	6,738

As the net investment in this lease arrangement is S$Nil, no finance lease receivable and lease liability are recognised upon the application of SB-FRS 116.

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

c) *Accrued income*

This pertains to services provided to customers for which invoices are not billed. Accordingly, none of the amounts due from debtors at the end of the reporting period is past due.

In the opinion of the management, the carrying amount of accrued income approximates their fair value at the date of the statement of financial position.

The table below is an analysis of accrued income as at 31 March:

	2020/21	2019/20
	S$'000	S$'000
Accrued income	25,005	53,556
Loss allowance	-	(500)
Total accrued income, net	25,005	53,056

Accrued income is written off when there is information indicating that there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Loss allowance for accrued income has been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on accrued income are estimated based on the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

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

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

c) *Accrued income (cont'd)*

The movements in credit loss allowance are as follows:

	2020/21	2019/20
	S$'000	S$'000
	Individually assessed	
Balance at beginning of year	500	-
Loss allowance recognised in income or expenditure during the year on:		
- New accrued income originated	-	500
- Derecognition upon billing	(112)	-
- Reversal of unutilised amounts	(388)	-
	(500)	500
Balance at end of year	-	500

Based on historical default rate, the Authority believes that, apart from the above, no impairment allowance is necessary in respect of other accrued income at the date of the statement of financial position.

d) *Liquidated damages receivable*

The contract for the delivery of the Long Range Radar and Display System ("LORADS") III Air Traffic Control ("ATC") System allows the Authority to claim liquidated damages from the contractor for delays in meeting agreed contractual milestones.

As at 31 March 2021, the Authority has a liquidated damages credits receivable of S$288,000 (2019/20: S$2,477,000) under this contract arising from agreed contractual milestones not being achieved by the contractor. The credits receivable is to be applied against future evolutions to the LORADS III ATC System or other additional services from the contractor. The Authority has identified certain upcoming projects for the application of these credits, which are forecast to be utilised by the end of 2021.

The credits receivable was measured at an amortised cost of S$278,000 (2019/20: S$2,394,000). The initial credits receivable was measured and recognised in 2012/13 at its fair value based on the discounted cash flow method. The discount rate used was based on the average cost of debt applicable to the industry and the jurisdiction of the contractor. The fair value of the credits receivable on the liquidated damages was estimated based on the Authority's assumption to fully utilise them by the end of 2021. In the unlikely event that this assumption does not materialise, adjustments may have to be made to the annual amortisation of the discount on initial recognition and the carrying value of the credits receivable.

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

d) *Liquidated damages receivable (cont'd)*

The Authority had obtained a banker's guarantee from the contractor to secure the receivable. The Authority continuously monitors its credit risk exposure and the credit rating of the contractor. The Authority assessed that the credit quality of these receivables is of acceptable risk and the receivables will be fully recoverable.

Liquidated damages receivables are considered to have low credit risk based on the credit rating of the banker's guarantee obtained from the contractor. Furthermore, there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses and the Authority believes that no loss allowance is required.

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

e) *Grants receivable*

This pertains to accrued grants receivable from the government that are not billed. Accordingly, none of the amounts due from the government at the end of the reporting period is past due.

Grants receivable are considered to have low credit risk as they are not due for collection at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. The Authority believes that no loss allowance is required. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

20. CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	S$'000	S$'000
Cash and cash equivalents in the statement of cash flows	692,717	760,290
Add: Restricted bank balances [1]	15,807	1,769
Bank and cash balances	708,524	762,059

[1] At the end of reporting period, included in the restricted bank balances are funds held on behalf for the Ministry of Transport.

The carrying amounts of cash and cash equivalents approximate their fair values.

The bank and cash balances include amounts placed with Accountant-General's Department under the Government's Centralised Liquidity Management ("CLM") scheme. These amounts are centrally maintained at consolidated pool and are available upon request.

21. TRADE AND OTHER PAYABLES

	Note	2020/21 S$'000	2019/20 S$'000
Trade payables:			
- Related parties		1,801	2,728
- Others		14,958	21,300
Income billed and received in advance		76,849	80,890
Accrued expenses		50,958	100,125
Accrued payroll expenses		30,581	27,508
Provision for property tax		-	3,379
Sundry and other payables		846	75
Sundry payables (as agent to the Government)		48,883	9,958
Deposits received		277	522
Grants received in advance	23	50,355	-
Current portion of:			
- Deferred income	25	410	410
- Deferred capital grants	26	45,554	45,150
- Provision for pension and post-retirement medical benefits plan	27	546	656
		322,018	292,701

The average credit period on purchases of goods and services is 1 month (2019/20: 1 month).

22. LEASE LIABILITIES

	2020/21 S$'000	2019/20 S$'000
Maturity analysis:		
Year 1	6,292	6,910
Year 2	8,005	8,126
Year 3	7,757	8,006
Year 4	2,200	7,774
Year 5	357	2,193
Year 6 and onwards	2,156	2,509
	26,767	35,518
Less: Unearned interest	(1,117)	(1,710)
	25,650	33,808
Comprising:		
- Current	5,855	6,325
- Non-current	19,795	27,483
	25,650	33,808

The Authority does not face significant liquidity risk with regards to its lease liabilities.

23. GRANTS RECEIVED IN ADVANCE

	Note	2020/21 S$'000	2019/20 S$'000
At beginning of the year		-	14,217
Operating grants received during the year	32	90,485	20,960
Movement in grant accruals	32	10,873	(5,417)
		101,358	15,543
Transfer to income or expenditure:			
- Grants for property tax		(24,998)	(16,451)
- Grants for industry		(17,144)	(9,843)
- Grants for research and development		(6,713)	(1,285)
- Others		(2,148)	(2,181)
		(51,003)	(29,760)
At end of the year		50,355	-
Comprising:			
- Current	21	50,355	-
- Non-current		-	-
		50,355	-

The Authority received government operating grants for certain operating activities. These grants received in advance will be recorded in the income and expenditure statement when the expenses are incurred.

24. CONTRIBUTION PAYABLE TO GOVERNMENT CONSOLIDATED FUND

The contribution to the Government Consolidated Fund is payable in accordance with Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Cap. 319A, 2004 Revised Edition). The contribution is based on a percentage of the net surplus as specified by the Minister for Finance. The contribution rate is pegged to the prevailing corporate tax rate and the applicable rate for 2020/21 is 17% (2019/20: 17%).

25. DEFERRED INCOME

	Notes	2020/21 S$'000	2019/20 S$'000
At beginning of the year		6,738	7,148
Amortisation for the year		(410)	(410)
At end of the year		6,328	6,738
Comprising:			
- Current	21	410	410
- Non-current		5,918	6,328
		6,328	6,738

Deferred income represents amount received from the land leased to the Authority's associate, Experia Events Pte Ltd. The land lease amount is amortised over 30 years effective September 2006.

26. DEFERRED CAPITAL GRANTS

	Notes	2020/21 S$'000	2019/20 S$'000
At beginning of the year		5,023,069	4,969,676
Capital grants received during the year	32	98,419	90,789
Capital grants transferred	32	(813,617)	-
Movement in grant accruals	32	(27,379)	7,729
		(742,577)	98,518
Amortisation for the year		(45,902)	(45,125)
At end of the year		4,234,590	5,023,069
Comprising:			
- Current	21	45,554	45,150
- Non-current		4,189,036	4,977,919
		4,234,590	5,023,069

The Authority received government capital grants mainly for the alienation of land and related construction cost. There is no unfulfilled condition or contingency attached to the grants.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

27. PROVISION FOR PENSION AND POST-RETIREMENT MEDICAL BENEFITS PLAN

The Authority provides pension and post-retirement medical benefit schemes to certain of its ex-employees who did not opt for transfer to the Central Provident Fund Scheme. The pension and post-retirement medical benefits schemes are closed to new entrants.

(a) *Pension Scheme*

An eligible employee, upon reaching his retirement date and who has completed at least 10 years of service, is entitled to opt for one of the three retirement benefit options:

Option (i) : Fully commuted pension gratuity
Option (ii) : Full annual pension
Option (iii) : Partial commutation of pension with gratuity

(b) *Post-Retirement Medical Benefits Scheme*

An eligible employee, upon reaching his retirement date and who has completed at least 10 years of service, is entitled to the following post-retirement medical benefits:

Option (i) : Hospitalisation benefits
Option (ii) : Outpatient benefits
Option (iii) : Dental benefits

The actuarial valuation of the present value of the defined benefit obligation was carried out in 2019/20 by a qualified independent actuary in accordance with SB-FRS 19 *Employee Benefits*. In assessing the plan's liabilities, the Projected Unit Credit actuarial methodology has been applied. For the purpose of ascertaining the obligation as of 31 March 2021, management has conducted a review of the bases and underlying assumptions used in the calculation.

The principal financial assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at 2020/21 %	Valuation at 2019/20 %
Pension Scheme		
Discount rate	1.2	1.2
Post-Retirement Medical Benefit Scheme		
Discount rate	1.4	1.4
Medical inflation rate	3.2	3.2

27. PROVISION FOR PENSION AND POST-RETIREMENT MEDICAL BENEFITS PLAN (cont'd)

The amount recognised in the statement of financial position in respect of the Authority's defined benefit obligation is as follows:

	Note	2020/21 S$'000	2019/20 S$'000
Current	21	546	656
Non-current		8,698	9,154
		9,244	9,810

Amounts recognised in income or expenditure in respect of the defined benefit plan are as follows:

	Note	2020/21 S$'000	2019/20 S$'000
Interest cost		120	210
Gain on settlement		(107)	-
	29	13	210

The charge for the year is included in salaries, wages and staff benefits expense in the statement of comprehensive income.

Changes in the present value of the defined benefit obligation are as follows:

	2020/21 S$'000	2019/20 S$'000
Opening defined benefit obligation	9,810	10,369
Interest cost	120	210
Gain on settlement	(107)	-
Remeasurement gain recognised in other comprehensive income	-	(75)
Benefits paid	(579)	(694)
Closing defined benefit obligation	9,244	9,810

27. PROVISION FOR PENSION AND POST-RETIREMENT MEDICAL BENEFITS PLAN (cont'd)

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

		Increase/(decrease) in Defined Benefit Obligation	
		2020/21	2019/20
	%	S$'000	S$'000
Pension Scheme			
Discount rate	+ 0.5	(186)	(208)
	- 0.5	193	217
Post-Retirement Medical Benefit Scheme			
Discount rate	+ 0.5	(227)	(245)
	- 0.5	248	268
Medical inflation rate	+ 0.5	265	262
	- 0.5	(244)	(242)

28. REVENUE

	2020/21 S$'000	2019/20 S$'000
Timing of revenue recognition		
SB-FRS 115 revenue		
At a point in time:		
Aviation training programme fee	3,414	7,955
Certification, examination and licence fee	16,362	10,700
Over time:		
Fees for airport and related services	214,682	251,050
Airport and aerodrome licence fee	3,280	3,130
Other service income	4,993	8,457
Non SB-FRS 115 revenue		
Annual ground rent	77,083	78,570
Other rental income	882	925
Aviation levy (Non-exchange revenue)	2,967	137,966
	323,663	498,753

29. SALARIES, WAGES AND STAFF BENEFITS

The following are included in salaries, wages and staff benefits:

	Note	2020/21 S$'000	2019/20 S$'000
Pension and post-retirement medical benefits cost	27	13	210
Employer's contribution to Central Provident Fund		18,044	18,353

30. NON-OPERATING INCOME, NET

	2020/21 S$'000	2019/20 S$'000
Non-operating income		
Gain on foreign exchange	290	-
Interest income	7,319	15,652
Gain on disposal of right-of-use assets	92,105	-
Gain on disposal of financial assets measured at FVTOCI	27	-
Others	2,891	679
	102,632	16,331
Non-operating expense		
Foreign exchange loss on financial assets measured at FVTOCI	(184)	-
Loss on foreign exchange	-	(27)
Loss on disposal of property, plant and equipment	(580)	(10)
	(764)	(37)
Non-operating income, net	101,868	16,294

31. COMMITMENTS

(a) *Capital commitments*

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

	2020/21 S$'000	2019/20 S$'000
Capital commitments in respect of property, plant and equipment	102,166	110,602

31. COMMITMENTS (cont'd)

(b) *Operating lease commitments - as lessor*

Maturity analysis of operating lease receivables:

	2020/21 S$'000	2019/20 S$'000
Year 1	76,133	79,192
Year 2	75,743	76,007
Year 3	75,726	75,691
Year 4	75,701	75,687
Year 5	75,693	75,687
Year 6 and onwards	1,264,683	1,340,369
	1,643,679	1,722,633

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Authority's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Authority's statement of cash flows as cash flows from financing activities.

	1 April 2020	Financing cash flows (i)	Non-cash charges: Grants received/ (utilised)	Non-cash charges: Grants accruals	Non-cash charges: Grants amortised	Non-cash charges: New lease liabilities	Other changes (ii)	31 March 2021
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Lease liabilities (Note 22)	33,808	(6,605)	-	-	-	44	(1,597)	25,650
Grants received in advance (Note 23)	-	89,815	(51,003)	10,873	-	-	670	50,355
Deferred capital grants (Note 26)	5,023,069	61,504	36,915	(27,379)	(45,902)	-	(813,617)	4,234,590
Cash at bank								
- Restricted balance (Note 20)	(1,769)	(14,038)	-	-	-	-	-	(15,807)
	5,055,108	130,676	(14,088)	(16,506)	(45,902)	44	(814,544)	4,294,788

(i) The cash flows made up of repayment of lease liabilities and operating/capital grants received in the statement of cash flows.

(ii) Other changes include grants transferred, lease modification adjustments and rent concessions.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (cont'd)

	1 April 2019	Financing cash flows (i)	Non-cash charges: Grants utilised	Non-cash charges: Grants accruals	Non-cash charges: Grants amortised	Non-cash charges: New lease liabilities	Other changes (ii)	31 March 2020
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Lease liabilities (Note 22)	39,554	(7,352)	-	-	-	3,393	(1,787)	33,808
Grants received in advance (Note 23)	14,217	20,960	(29,760)	(5,417)	-	-	-	-
Deferred capital grants (Note 26)	4,969,676	90,789	-	7,729	(45,125)	-	-	5,023,069
Cash at bank - Restricted balance (Note 20)	(112)	(1,657)	-	-	-	-	-	(1,769)
	5,023,335	102,740	(29,760)	2,312	(45,125)	3,393	(1,787)	5,055,108

(i) The cash flows made up of repayment of lease liabilities and operating/capital grants received in the statement of cash flows.

(ii) Other changes include prepaid lease payments made in 2018/19.

33. CHANGI AIRPORT DEVELOPMENT FUND

(a) The Changi Airport Development Fund (the "Fund") was established in accordance with Section 25A and Section 25B of the Civil Aviation Authority of Singapore Act which came into effect on 1 September 2015. The moneys in the Fund may be withdrawn by the Authority only for the specific purpose of expanding Changi Airport. The Authority was given the authority to administer the Fund under Sections 25A and 25B of the Civil Aviation Authority of Singapore Act. Upon dissolution of the Fund, the remaining balance would be transferred back to the Consolidated Fund and the past reserves of the Government.

(b) The results of the Fund for the year are as follows:

	2020/21	**2019/20**
	S$'000	S$'000
Funds from Government	8,296	-
Airport development levy	525	270,737
Interest income	60,017	65,108
Write back/(provision) for loss allowance on airport development levy receivable	559	(905)
Surplus for the year	69,397	334,940
Accumulated surplus as at 1 April	4,777,729	4,442,789
Accumulated surplus as at 31 March	4,847,126	4,777,729

(c) The assets and liabilities of the Fund as at 31 March are as follows:

	2020/21	**2019/20**
	S$'000	S$'000
Accumulated fund	4,847,126	4,777,729
Non-current assets		
Investment in Special Singapore Government Securities	3,787,692	3,074,643
Current assets		
Investment in Special Singapore Government Securities	49,597	712,050
Cash placed with Accountant-General's Department under CLM scheme	986,271	938,518
Airport development levy receivable	435	22,790
Less: Loss allowance	(347)	(905)
Interest receivable	23,478	30,633
	1,059,434	1,703,086
Net assets	4,847,126	4,777,729

The assets and liabilities of the Fund are excluded from the assets and liabilities of the Authority.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

34. IMPACT OF CORONAVIRUS DISEASE 2019 ("COVID-19")

The COVID-19 outbreak has impacted the Authority's operations and its financial performance for the year ended 31 March 2021. Set out below is the impact of COVID-19 on the Authority's financial statements for the year ended 31 March 2021:

(i) *Aviation Levy*

The reduction in passenger traffic in 2020/21 had resulted in a decrease in aviation levy collection of S$134,999,000.

(ii) Grant to industry

The Authority supports the Government in implementing various COVID-19 assistance measures. Besides the S$430,564,000 grants administered in 2020/21 in the Authority's role as an agent to the Government (Note 9), the Authority also provided S$34,431,000 in fee rebates and grants under certain assistance packages to the aviation industry during the year, of which S$17,000,000 was financed by operating grant from the Government.

(iii) Rental concessions

In 2020/21, the Authority received S$670,000 in office rental concession and these concessions are recorded as an operating grant income in the statement of comprehensive income.

The Authority has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Authority has assessed the impact of COVID-19 on its operations and anticipated that adequate funds are available for its operating requirements so to enable it to continue as a going concern for at least the next 12 months from the date of authorisation of the financial statements.

35. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2021 were authorised for issue by the Authority members on 25 June 2021.

Civil Aviation Authority of Singapore

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