MOTOR INSURERS' BUREAU OF SINGAPORE

ANNUAL REPORT

2021

Council Members

Licensed Direct General Insurers' Group

Mr A K Cher (Chairman) (Tokio Marine Insurance Singapore Ltd)

Mr Sam Tan How Chuan (Deputy Chairman) (MSIG Insurance (Singapore) Pte Ltd)

Mr Eddie Loke Fook Cheong (NTUC Income Insurance Co-operative Limited)
Alternate : Ms Jenny Pe Peck Hoon (NTUC Income Insurance Co-operative Limited)

Mr Mekavathanan s/o Purushotman Sarangapani (India International Insurance Pte Ltd)

Mr Jegaprakash Yogarajah (AIG Asia Pacific Insurance Pte. Ltd.)

Ms Shirley Tan Chai Geok (AXA Insurance Pte Ltd)

Government Representatives

Mr Alvin Chia Beng Teck (Land Transport Authority of Singapore)
Alternate : Ms Alanna Frances Lean Saw Kin (Land Transport Authority of Singapore)

Claims Manager/Secretary

Mr Andrew Ng

Registered Office

180 Cecil Street #15-02
Bangkok Bank Building
Singapore 069546

Telephone : 6220 5947 / 6220 8607
Facsimile : 6227 8764

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of the Bureau will be held at 180 Cecil Street, #15-01 Bangkok Bank Building, Singapore 069546 on Wednesday, 22 September 2021 at 10.30 a.m. for the following purposes:

Agenda

1) To confirm the Minutes of the 45th Annual General Meeting held on 23 September 2020, previously circulated to members.
2) To receive and consider the Audited Accounts and the Report of the Council for the year ended 31 March 2021.
3) To elect Councillors in the place of those retiring/resigning in accordance with the Articles of Association.
4) To appoint Auditors for the ensuing year.
5) To transact any other ordinary business.

By Order of the Council

Mr Andrew Ng
Secretary

Notes:

Attendance at General Meeting (Articles 10 and 11)

Art. 10. Every member other than Lloyd's Underwriters shall nominate one (1) person to represent it at all General Meetings of the Bureau, and in case such member is an incorporated body, such person shall be deemed to be such member's representative in terms of Section 179 of the Companies Act, Cap 50. Lloyd's Underwriters shall nominate one (1) person to represent them.

Art. 11. Every member shall advise the Secretary in writing of the name of the person nominated in terms of Article 10 hereof and shall advise the Secretary in writing if the person so nominated to represent it, is to be changed.

Appointment of Councillors (Articles 40(5) and (6))

Art. 40(5) No representative of a member not being a Councillor retiring at the meeting shall, unless recommended by the Council for election, be eligible for office on the Council at any General Meeting unless within the prescribed time before the day appointed for the meeting, there shall have been given to the Secretary notice in writing, by some member duly qualified to be present and vote at the meeting for which such notice is given, of his intention to propose such representative of a member for election and of the Group he is to represent and also notice in writing signed by the representative of a member to be proposed, of his willingness to be elected. The prescribed time above mentioned shall be such that, between the date when the notice is served, or deemed to be served and the day appointed for the meeting there shall be not less than three or more than twenty-eight intervening days.

Art. 40(6) If at any meeting at which an election of Councillors ought to take place, the places of the retiring Councillors, or some of them are not filled up, the retiring Councillors or such of them as have not had their places filled up and are willing to act, shall be deemed to have been re-elected.

CHAIRMAN'S STATEMENT

This year will truly be remembered not just as the Year of Covid-19 but how it has abruptly changed and affected many in their personal lives and upended livelihoods as well.

Despite the many restrictions to adhere to safe management measures at workplaces, the MIB office remains in operation without disruptions. During this challenging time, the Bureau managed to achieve the following: -

- Securing the Members' agreement to amend the voiding of the Motor Insurance Policy in accordance with the provisions of Section 9(4) of the Motor Vehicles (Third-Party Risks and Compensation) Act in the Domestic Agreement. With the Further Supplemental Agreement signed on 28 January 2021, members who void the Motor Insurance Policy under Section 9(4) of the Motor Vehicles (Third-Party Risks and Compensation) Act will now have to handle the injury or death claims as Insurers Concerned.

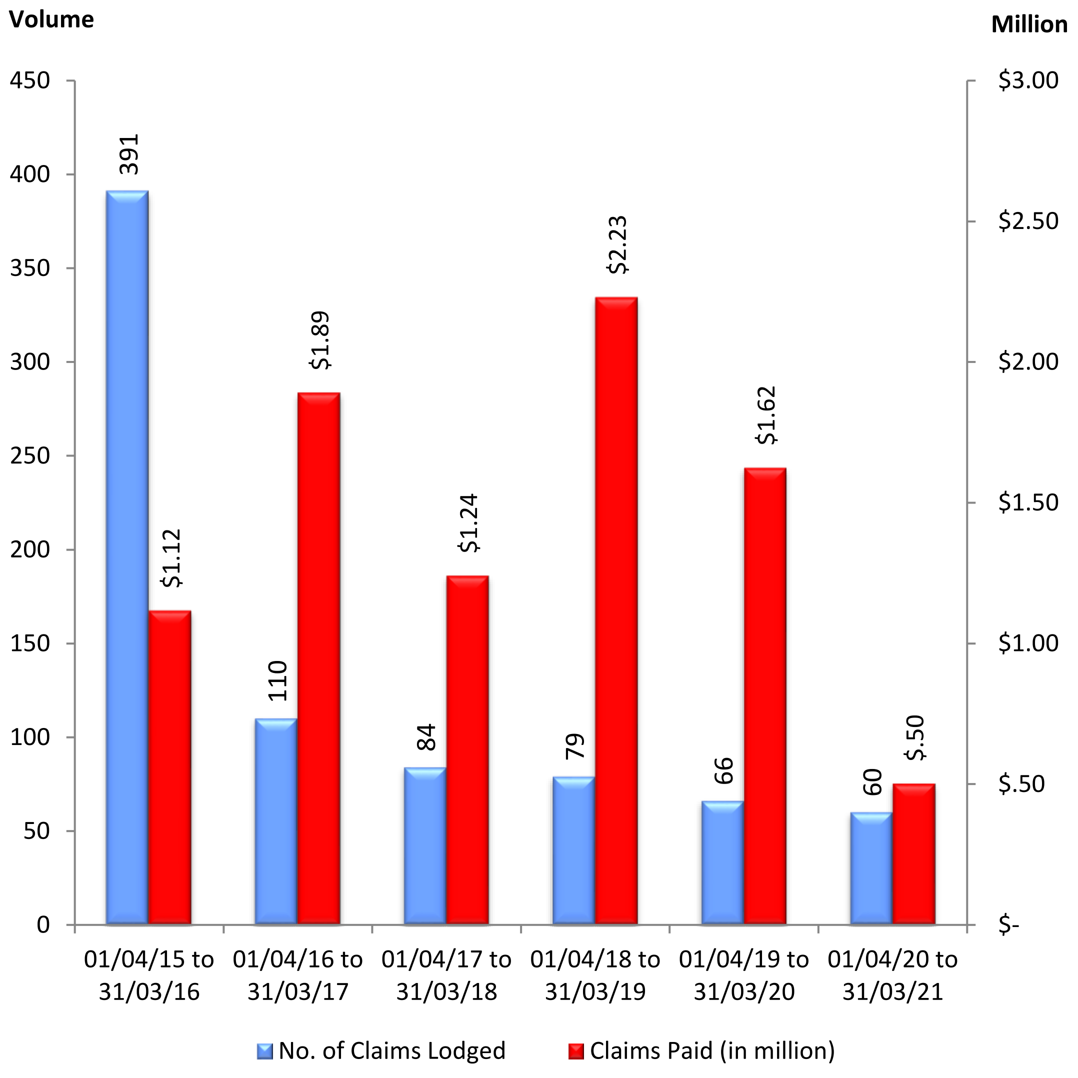
- A MIB website at https://www.mibos.com.sg officially launched on 1 July 2021 to enable users to download the useful information.

Claims Data for the past 6 Years

The number of claims had dropped for another year. For over a 6-year period, a total number of claims lodged were 790 as at 31/3/2021 as compared with that of 1079 as at 31/3/2020. This shows a decrease of 289 cases (or 26.8%) in the number of claims lodged. The drastic decrease in numbers lodged were due primarily to Insurers Concerned claims which MIB ceased to register in April 2016.

On a year to year comparison basis as at 31/3/2021, the total number of claims lodged for the year stood at 60 as compared with 66 for the previous year, a reduction of 9%.

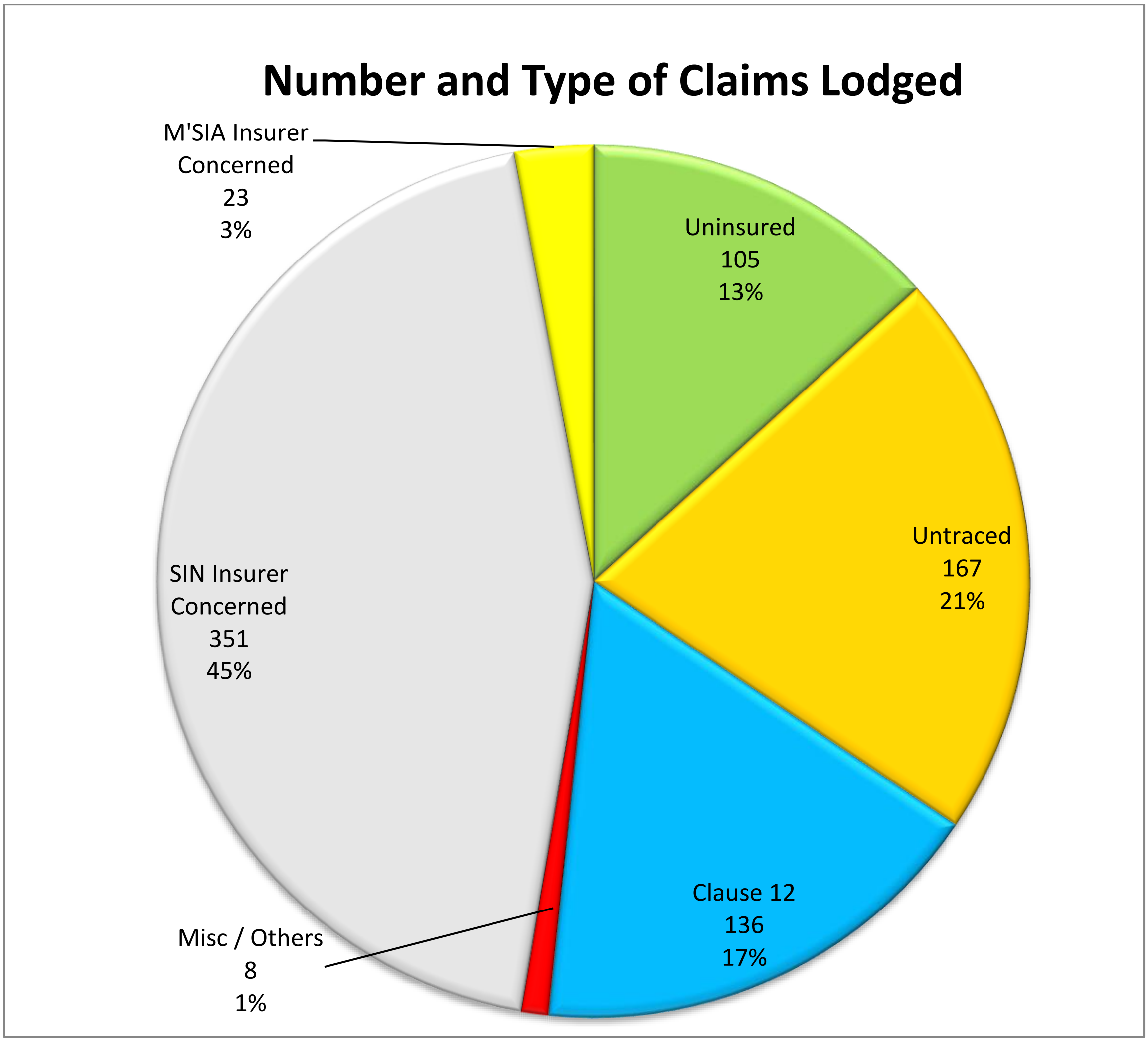
The following charts and tables show the number of claims lodged, claims paid and type of claims received over the past six (6) years:



Note: The Bureau had stopped registering Insurer Concerned claims effective 1/4/2016 unless on dispute.

Types of Claims	No. of Claims Lodged from 1/4/2015 to 31/3/2018		No. of Claims Lodged from 1/4/2018 to 31/3/2021		Total Claims Lodged for 6 years	
	No. Of Claims	%	No. Of Claims	%	No. Of Claims	%
Untraced Drivers	96	16%	71	34%	167	21%
Clause 12	75	13%	61	30%	136	17%
Insurer Concerned (Singapore)	333	57%	18	9%	351	45%
Insurer Concerned (Malaysia)	12	2%	11	5%	23	3%
Uninsured Drivers	62	11%	43	21%	105	13%
Miscellaneous	7	1%	1	1%	8	1%
Total:	585	100%	205	100%	790	100%

Claims Lodged from 1/4/2015 to 31/3/2021 – Breakdown on type of claims and its percentage



Total Claims Lodged: 790

Number of Claims lodged, closed, amount paid and files outstanding from 1/4/2015 to 31/3/2021

Lodged Year	No. of Claims Lodged	No. of files Outstanding	Rejected & Closed	No Development & Closed	No. of Claims Settled & Closed	Amount Paid S$
01/04/15 to 31/03/16	391	2	345	8	36	1,078,827
01/04/16 to 31/03/17	110	4	82	0	24	684,952
01/04/17 to 31/03/18	84	8	59	2	15	623,270
01/04/18 to 31/03/19	79	27	41	0	11	282,411
01/04/19 to 31/03/20	66	26	36	0	4	74,847
01/04/20 to 31/03/21	60	53	4	0	3	13,298
Total	**790**	**120**	**567**	**10**	**93**	**2,757,605**

Changes in Claims Rejected and Closed

The total number of files rejected and closed for the 6 years up to 31/3/2020 was 834 but for 6 years up to 31/3/2021, the total cases dropped to 567. A reduction of 267 files representing a drop of 32%. This was mainly due to the Insurers Concerned claims that the Bureau ceased registering effective 1/4/2016.

Changes in Outstanding Files and Claims Paid

On statistics development for the past 6 years, the number of outstanding files dropped from 126 to 120 as at 31/3/2021. The total amount of $2,757,605/- paid during the 6-year period up to 31/3/2021 declined as compared to the prior 6-year period of $3,215,940/-.

MIB continues to play a significant role in fulfilling its obligations to compensate innocent victims who have been injured or killed by negligent uninsured or untraced drivers on the road in Singapore. After settling the claims, MIB will then within its power proceed to seek recovery against the drivers who cause such accidents. This serves as an imperative to caution people who choose to drive without insurance coverage to realize that there are consequences to their actions.

Appreciation

Finally, I would also like to thank the staff, members, councillors and government agencies for the unwavering confidence in MIB. I look forward to their continued support, guidance and co-operation.

A K Cher
Chairman

21 July 2021

List of Singapore Members

From 1.4.2020 to 31.3.2021

(A) Lloyd's of London (Asia) Pte Ltd

(B) The Following Insurance Companies

1. AIG Asia Pacific Insurance Pte Ltd
2. Allianz Global Corporate & Specialty SE, Singapore Branch
3. Allianz Insurance Singapore Pte Ltd
4. Allied World Assurance Company Ltd
5. Auto & General Insurance (Singapore) Pte Limited
6. Aviva Ltd
7. AXA Insurance Pte Ltd
8. China Taiping Insurance (Singapore) Pte Ltd
9. Chubb Insurance Singapore Limited
10. Direct Asia Insurance (Singapore) Pte Ltd
11. ECICS Limited
12. EQ Insurance Company Ltd
13. ERGO Insurance Pte Ltd
14. Etiqa Insurance Pte Ltd
15. FWD Singapore Pte Ltd
16. Great American Insurance Company
17. Great Eastern General Insurance Limited
18. HL Assurance Pte Ltd
19. India International Insurance Pte Ltd
20. Liberty Insurance Pte Ltd
21. Lonpac Insurance Bhd
22. MS First Capital Insurance Limited
23. MSIG Insurance (Singapore) Pte Ltd
24. NTUC Income Insurance Co-operative Limited
25. QBE Insurance (Singapore) Pte Ltd
26. Sompo Insurance Singapore Pte Ltd
27. Tokio Marine Insurance Singapore Ltd
28. United Overseas Insurance Limited
29. Zurich Insurance Company Ltd (Singapore Branch)

List of Malaysia Members

From 1.4.2020 to 31.3.2021

1. AIA General Berhad
2. AIG Malaysia Insurance Berhad
3. Allianz General Insurance Company (Malaysia) Berhad
4. AmGeneral Insurance Berhad
5. AXA Affin General Insurance Berhad
6. Berjaya Sompo Insurance Berhad
7. Chubb Insurance Malaysia Berhad
8. Etiqa General Insurance Berhad
9. Etiqa General Takaful Berhad
10. Great Eastern General Insurance (Malaysia) Berhad
11. Liberty Insurance Berhad
12. Lonpac Insurance Berhad
13. MPI Generali Insurans Berhad
14. MSIG Insurance (Malaysia) Berhad
15. Pacific & Orient Insurance Company Berhad
16. Pacific Insurance Berhad (The)
17. Progressive Insurance Berhad
18. Prudential BSN Takaful Berhad
19. QBE Insurance (Malaysia) Berhad
20. RHB Insurance Berhad
21. Syarikat Takaful Malaysia Am Berhad
22. Takaful Ikhlas General Berhad
23. Tokio Marine Insurans (Malaysia) Berhad
24. Tune Insurance Malaysia Berhad
25. Zurich General Insurance Malaysia Berhad
26. Zurich General Takaful Malaysia Berhad

Motor Insurers' Bureau of Singapore
(a Bureau limited by guarantee)
Registration Number: 197500151Z

Annual Report
Year ended 31 March 2021

Councillors' statement

The Council is a body in which the management of the Bureau shall be vested in accordance with the Memorandum and Articles of Association. Accordingly, the councillors are the directors of the Bureau.

We are pleased to submit this annual report to the members of the Motor Insurers' Bureau of Singapore (the 'Bureau') together with the audited financial statements for the financial year ended 31 March 2021. This statement is the Councillors' statement prepared pursuant to Section 201 of the Companies Act ('the Act').

In our opinion:

(a) the financial statements set out on pages FS1 to FS24 are drawn up so as to give a true and fair view of the financial position of the Bureau as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Bureau for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

The Council has, on the date of this statement, authorised these financial statements for issue.

Councillors

The councillors in office since the date of the last statement are as follows:

<u>The councillors in office as at the date of this statement:</u>

<u>Names of Councillors:</u>	**<u>Appointed on:</u>**
A K Cher (Chairman)	23 August 2012
Sam Tan How Chuan (Deputy Chairman)	28 August 2014
Eddie Loke Fook Cheong	5 September 2003
Mekavathanan S/O Purushotman Sarangapani	5 February 2015
Jegaprakash Yogarajah	16 February 2015
Shirley Tan Chai Geok	30 September 2015
Alvin Chia Beng Teck	4 July 2017

<u>Names of Alternate Councillors:</u>	
Jenny Pe Peck Hoon	29 October 2007 (alternate to Eddie Loke Fook Cheong)
Alanna Frances Lean Saw Kin	4 July 2017 (alternate to Alvin Chia Beng Teck)

Councillors' interests

The Bureau is a Bureau limited by guarantee and therefore does not have any share capital. According to the register kept by the Bureau for the purposes of Section 164 of the Act, no councillor who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Bureau, or of related corporations, either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Bureau a party to any arrangement whose objects are, or one of whose objects is, to enable the councillors of the Bureau to acquire benefits by means of the acquisition of shares in or debentures of the Bureau or any other body corporate.

Share options

During the financial year, there were:

(a) no options granted by the Bureau to any person to take up unissued shares in the Bureau; and

(b) no shares issued by virtue of any exercise of options to take up unissued shares of the Bureau.

As at the end of the financial year, there were no unissued shares of the Bureau under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Council

A K Cher
Chairman

Sam Tan How Chuan
Deputy Chairman

21 July 2021

KPMG LLP
16 Raffles Quay #22-00
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Independent auditors' report

Members of the Motor Insurers' Bureau of Singapore

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Motor Insurers' Bureau of Singapore ('the Bureau'), which comprise the statement of financial position as at 31 March 2021, 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 FS1 to FS24.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Bureau as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Bureau 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 '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Bureau 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.

Other information

The Bureau's councillors are responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained Councillors' statement prior to the date of this auditors' report.

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

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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 councillors for the financial statements

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

In preparing the financial statements, the councillors are responsible for assessing the Bureau'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 the councillors either intend to liquidate the Bureau or to cease operations, or has no realistic alternative but to do so.

The councillors' responsibilities include overseeing the Bureau's financial reporting process.

Auditors' 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 auditors' 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 controls.

KPMG

- Obtain an understanding of internal controls 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 Bureau's internal controls.

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

- Conclude on the appropriateness of the councillors' 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 Bureau's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Bureau 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 the councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Bureau have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
21 July 2021

Statement of financial position
As at 31 March 2021

	Note	2021 $	2020 $
Assets			
Property and equipment	4	23,920	50,800
Amounts called and receivable from members	5	483	539
Estimated amounts receivable from members	6	2,849,000	2,662,000
Other receivables	7	18,342	24,695
Cash and cash equivalents	8	329,848	273,769
Total assets		3,221,593	3,011,803
Members' funds			
Accumulated profits		45,456	45,456
Total equity		45,456	45,456
Liabilities			
Provision for outstanding claims	9	2,849,000	2,662,000
Amounts received on account of members	10	280,242	197,075
Other payables	11	21,354	39,082
Lease liabilities	12	25,541	52,040
Deferred government grant income		–	16,150
Total liabilities		3,176,137	2,966,347
Total equity and liabilities		3,221,593	3,011,803

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

Statement of comprehensive income
Year ended 31 March 2021

	Note	2021 $	2020 $
Members' contributions	13	1,003,906	875,054
Other income	14	57,243	2,897
Expenses			
Claims incurred	9	(688,971)	(480,714)
Staff costs	15	(288,037)	(280,505)
Depreciation of property and equipment	4	(26,880)	(61,249)
Other operating expenses		(57,261)	(55,483)
Profit before income tax	16	–	–
Income tax expense	17	–	–
Profit for the year, representing total comprehensive income for the year		–	–

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

Statement of changes in equity
Year ended 31 March 2021

	Accumulated profits $
At 1 April 2019	45,456
Profit for the year, representing total comprehensive income for the year	–
At 31 March 2020	45,456
At 1 April 2020	45,456
Profit for the year, representing total comprehensive income for the year	–
At 31 March 2021	45,456

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

Statement of cash flows
Year ended 31 March 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Profit before income tax		–	–
Adjustments for:			
Depreciation of property and equipment	4	26,880	61,249
Interest expense	12	1,659	2,447
		28,539	63,696
Changes in working capital:			
Amounts called and receivable from members	5	56	(11)
Estimated amounts receivable from members	6	(187,000)	4,566,725
Other receivables	7	6,353	(10,939)
Provision for outstanding claims	9	187,000	(4,566,725)
Amounts received on account of members	10	83,167	(718,616)
Other payables	11	(17,728)	6,280
Deferred income		(16,150)	16,150
Net cash from/ (used in) operating activities		84,237	(643,440)
Cash flows from financing activities			
Payment of lease liabilities	12	(26,499)	(24,288)
Interest paid	12	(1,659)	(2,447)
Net cash used in financing activities		(28,158)	(26,735)
Net increase/ (decrease) in cash and cash equivalents		56,079	(670,175)
Cash and cash equivalents at 1 April		273,769	943,944
Cash and cash equivalents at 31 March	8	329,848	273,769

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Councillors on 21 July 2021.

1 Domicile and activities

The Motor Insurers' Bureau of Singapore ('the Bureau') is incorporated in the Republic of Singapore with its principal place of business office at 180 Cecil Street, Bangkok Bank Building, #15-02, Singapore 069546.

The Bureau is limited by guarantee and does not have share capital. The members undertake to contribute funds for the Bureau's activities.

Each member undertakes to contribute to the assets of the Bureau in the event of it being wound up while it is a member, or within one year after it ceases to be a member, for payment of the debts and liabilities of the Bureau contracted before it ceases to be a member, and of the cost, charges and expenses of the winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, but not exceeding fifty Singapore dollars ($50).

The principal activities of the Bureau are to make compassionate payments or allowances to persons injured and to the dependents of persons killed through the use of motor vehicles as defined in the Motor Vehicles (Third-Party Risks and Compensation) Act (Chapter 189) or any statutory modifications thereto and re-enactment thereof.

There have been no significant changes in the nature of these activities during the financial year. In accordance with the Memorandum and Articles of Association, the management of the Bureau is vested in the Council.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRSs). The related changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Bureau's functional currency.

2.4 Use of estimates and judgements

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

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

2.5 Changes in accounting policies

New standards and amendments

The Bureau has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2020:

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- *Interest Rate Benchmark Reform* (Amendments to FRS 109, FRS 39 and FRS 107)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently by the Bureau to all periods presented in these financial statements.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Bureau at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Receivables (including Amounts called and receivable from members) are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Bureau becomes a party to the contractual provisions of the instrument.

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ('FVOCI'); or FVTPL. As at the end of the financial period, the Bureau only has assets measured at amortised cost.

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

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets: Business model assessment

The Bureau makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bureau's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bureau considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Bureau considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Bureau's claim to cash flows from specified assets (e.g. non-recourse features).

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

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

Financial assets at amortised cost

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

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

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

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

(iii) Derecognition

Financial assets

The Bureau derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Bureau neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Bureau enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

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

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

Offsetting

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

3.3 Leases

At inception of a contract, the Bureau assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

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

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

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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

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

Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

The Bureau presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

3.4 Impairment

(i) Non-derivative financial assets

The Bureau recognises loss allowances for expected credit losses ('ECLs') on financial assets measured at amortised costs.

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

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

General approach

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

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

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

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

The Bureau considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Bureau in full.

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Bureau on terms that the Bureau would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

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

(ii) Non-financial assets

The carrying amounts of the Bureau's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

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

Impairment losses are recognised in profit or loss. 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.

3.5 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

The gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of property and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	Over the lease term
Office equipment	Over the lease term
Computer	1 year
Renovation	3 years

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

3.6 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plan are recognised as an expense in profit or loss in the periods during which related services are rendered by employees.

Short-term benefits

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

3.7 Provisions

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

3.8 Claims paid and provision for outstanding claims

Claims incurred recognised in profit or loss comprise claims approved for payment during the financial year and changes in provision for outstanding claims.

Provision for outstanding claims comprises the Bureau's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date, whether reported or not, and related internal and external claims handling expenses. Provision for outstanding claims is assessed by the Councillors, reviewing individual reported claims the effect of both internal and external foreseeable events, such as changes in claims handling procedures, inflation, judicial trends, legislative changes and past experience and trends.

The Bureau's obligations for claims are fully in its own control and discretion; and crystalise upon approval. As such there are no insurance contract accounting under FRS 104 applicable to the Bureau.

3.9 Members' contributions

Members' contributions are recognised as in profit or loss to the extent that the amounts are used to reimburse all expenses incurred by the Bureau including incurred claims and net of other income earned during the financial year.

3.10 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.11 Government grants

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Bureau will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Bureau has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

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

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Bureau expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale and the Bureau has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Bureau. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.13 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Bureau has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Bureau's financial statements.

- FRS 117 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to FRS 1)
- *Covid-19-Related Rent Concessions* (Amendment to FRS 116)
- *Reference to the Conceptual Framework* (Amendments to FRS 103)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to FRS 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to FRS 37)
- *Annual Improvements to FRSs 2018 – 2020*

4 Property and equipment

	Buildings $	Office equipment $	Computer $	Renovation $	Total $
Cost					
At 1 April 2019	–	4,005	67,841	28,057	99,903
Recognition of right-of-use asset on initial application of FRS 116	68,629	–	–	–	68,629
Adjusted balance 1 April 2019	68,629	4,005	67,841	28,057	168,532
Additions	–	7,699	–	–	7,699
Write off	–	–	(15,248)	–	(15,248)
At 31 March 2020	68,629	11,704	52,593	28,057	160,983
At 1 April 2020	68,629	11,704	52,593	28,057	160,983
Write off	–	–	(141)	–	(141)
At 31 March 2021	68,629	11,704	52,452	28,057	160,842
Accumulated depreciation					
At 1 April 2019	–	4,005	32,120	28,057	64,182
Recognition of right-of-use asset on initial application of FRS 116	–	–	–	–	–
Adjusted balance 1 April 2019	–	4,005	32,120	28,057	64,182
Depreciation for the year	25,340	188	35,721	–	61,249
Write off	–	–	(15,248)	–	(15,248)
At 31 March 2020	25,340	4,193	52,593	28,057	110,183
At 1 April 2020	25,340	4,193	52,593	28,057	110,183
Depreciation for the year	25,340	1,540	–	–	26,880
Write off	–	–	(141)	–	(141)
At 31 March 2021	50,680	5,733	52,452	28,057	136,922
Carrying amounts					
At 31 March 2019	–	–	35,721	–	35,721
At 31 March 2020	43,289	7,511	–	–	50,800
At 31 March 2021	17,949	5,971	–	–	23,920

As at 31 March 2021, included in property and equipment under buildings and office equipment are right-of-use assets of $17,949 and $5,971 respectively, relating to leased office property and office equipment (2020: $43,289 and $7,511).

5 Amounts called and receivable from members

	2021 $	2020 $
Amounts called from Malaysia members	483	539

The amounts called and receivable from members represent the amounts that the Bureau called from members to finance the settlement of the finalised claims amounts at the reporting date. All amounts are current in nature.

6 Estimated amounts receivable from members

	2021 $	2020 $
At 1 April	2,662,000	7,228,725
Movement in provision for outstanding claims	187,000	(1,143,800)
Release of provision for outstanding claims	–	(3,422,925)
At 31 March	2,849,000	2,662,000
Current	370,330	349,605
Non-current	2,478,670	2,312,395
	2,849,000	2,662,000

The estimated amounts receivable from members represent the estimated amounts that the Bureau can call from members to finance the settlement of the provision for outstanding claims at the reporting date.

7 Other receivables

	2021 $	2020 $
Prepayments	12,662	2,815
Deposits	5,680	5,730
Government grants receivable	–	16,150
	18,342	24,695

All amounts are current in nature.

8 Cash and cash equivalents

	2021 $	2020 $
Cash at bank	329,548	273,469
Cash in hand	300	300
	329,848	273,769

9 Provision for outstanding claims

	2021 $	2020 $
Reported claims	2,849,000	2,662,000
Current	370,330	349,605
Non-current	2,478,670	2,312,395
	2,849,000	2,662,000

The movements in provision for outstanding claims are as follows:

	2021 $	2020 $
At 1 April	2,662,000	7,228,725
Claims paid	(501,971)	(1,624,514)
Claims incurred	688,971	480,714
Release of provision for outstanding claims	–	(3,422,925)
At 31 March	2,849,000	2,662,000

10 Amounts received on account of members

Amounts received on account of members relate to the amounts called from members and contributions received less the amounts that have been recognised as income during the year. All the amounts are current in nature.

Movements in amounts received on account of members

	Note	2021 $	2020 $
Balance at 1 April		197,075	915,691
Cash calls received from members during the year		900,073	1,300,238
Less:			
- Claims paid during the year	9	(501,971)	(1,624,514)
- Operating expenses during the year	13	(314,935)	(394,340)
Balance at 31 March		280,242	197,075

11 Other payables

	2021 $	2020 $
Accrued operating expenses	21,300	38,991
Sundry creditors	54	91
	21,354	39,082

All amounts are current in nature.

12 Leases

Leases as lessee

The Bureau leases a property with contract terms of two years. Lease payments are renegotiated at least 6 months before the end of the lease to reflect market rentals. The Bureau is restricted from entering into any sub-lease arrangement.

The Bureau leases IT equipment with contract terms of five years, with option to renew the lease after that date.

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

Right-of-use assets

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

	Right-of-use assets (Building) $	Right-of-use assets (Office equipment) $	Total $
2021			
Balance at 1 April	43,289	7,511	50,800
Depreciation charge for the year	(25,340)	(1,540)	(26,880)
Balance at 31 March	17,949	5,971	23,920
2020			
Balance at 1 April	68,629	–	68,629
Depreciation charge for the year	(25,340)	(188)	(25,528)
Additions to right-of-use assets	–	7,699	7,699
Balance at 31 March	43,289	7,511	50,800

Amounts recognised in profit or loss

	2021 $	2020 $
Leases under FRS 116		
Interest on lease liabilities	1,659	2,447
Expenses relating to short-term leases	–	1,423

Amounts recognised in statement of cash flows

	2021 $	2020 $
Total cash outflow for leases	28,158	26,735

Extension options

The IT equipment lease contains extension options exercisable by the Bureau up to 90 days before the end of the non-cancellable contract period. Where practicable, the Bureau seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Bureau and not by the lessors. The Bureau assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Bureau reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Lease liabilities

	2021 $	2020 $
Current liabilities		
Lease liabilities	20,984	26,499
Non-current liabilities		
Lease liabilities	4,557	25,541
	25,541	52,040

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

	Lease liabilities 2021 $	Lease liabilities 2020 $
Balance at 1 April	52,040	68,629
Changes from financing cash flows		
Payment of lease liabilities	(26,499)	(24,288)
Interest paid	(1,659)	(2,447)
Total changes from financing cash flows	(28,158)	(26,735)
Other changes		
New leases entered during the year	–	7,699
Interest expense	1,659	2,447
Total other changes	1,659	10,146
Balance at 31 March	25,541	52,040

13 Members' contributions

	Note	2021 $	2020 $
Contributions for claims incurred		688,971	480,714
Contributions for operating expenses	10	314,935	394,340
		1,003,906	875,054

14 Other income

	2021 $	2020 $
Government grants		
- Jobs Support Scheme ("JSS")	49,930	–
- Others	7,313	2,897
	57,243	2,897

Government grants – JSS

The Bureau has been awarded a COVID-19 relief government grant by the Singapore Government under the Jobs Support Scheme ("JSS"). The grant received by the Bureau for the financial year ended 31 March 2021 amounts to $49,930 and is conditional on the payment of salaries to local employees and that of related CPF contributions on those salaries paid for the period mentioned in the announcement. For the financial year ended 31 March 2021, $49,930 of the JSS grant income was recognised in the profit or loss on a systematic basis over the period of economic uncertainty from April 2020.

15 Staff costs

	2021 $	2020 $
Salaries and bonuses	259,644	252,594
CPF contributions and others	28,393	27,911
	288,037	280,505

16 Profit before income tax

The following items were included in arriving at profit before income tax:

	2021 $	2020 $
Legal fees for claim matters	191,049	275,616
Operating lease expense	–	1,423

17 Income tax expense

	2021 $	2020 $
Current tax expense		
Current year	–	–

Reconciliation of effective tax rate

	2021 $	2020 $
Profit before income tax	–	–
Tax calculated using Singapore tax rate of 17% (2020: 17%)	–	–
Tax exempt income	(9,439)	(6,488)
Non-deductible expenses	975	7,185
Recognition of tax effect of previously unrecognised tax losses	–	(697)
Current-year losses for which no deferred tax asset is recognised	8,464	–
	–	–

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

	2021 $	2020 $
Unutilised tax losses	98,455	48,666

The unutilised tax losses at 31 March 2021 are subject to agreement by the tax authorities and their utilisation is subject to compliance with Section 37 of the Income Tax Act, Cap. 134. The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of unutilised tax losses and capital allowances in accordance with the Bureau's accounting policy in note 3.12.

18 Financial risk management

Overview

Bureau has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

The Bureau 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 councillors continually monitor the Bureau's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Bureau if a member or counterparty to a financial instrument fails to meet its contractual obligations. The Bureau's main exposure to credit risk relates to the credibility of its members, and its balances with bank. The Bureau minimises its credit risk by monitoring the amounts due from its members on a regular basis and analysing the financial standing of the bank.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Expected credit loss assessment

Amounts called and receivable from members

The Bureau assessed that there is no significant credit loss experience arising from Amounts called and receivable from members. As members' contributions are statutory requirements, the Bureau has assessed that it is unlikely for members' contributions to be uncollectible.

Cash and cash equivalents

Bank balances are placed with a licensed bank incorporated in Singapore.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Bureau considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Liquidity risk

Liquidity risk is the risk that the Bureau will encounter difficulty in meeting obligations associated with financial liabilities. The Bureau monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the councillors to finance the Bureau's operations and to mitigate the effects of fluctuations in cash flows.

The following table indicates the expected timing of the contractual undiscounted cash outflows arising from the Bureau's non-derivative financial liabilities.

	Note	Carrying amount $	Contractual cash flows $	Within 1 year $
2021				
Amounts received on account of members	10	280,242	280,242	280,242
Other payables	11	21,354	21,354	21,354
2020				
Amounts received on account of members	10	197,075	197,075	197,075
Other payables	11	39,082	39,082	39,082

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Bureau's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Bureau is not exposed to significant foreign currency risk as it does not have any material foreign denominated financial assets or liabilities at the end of the reporting period.

Interest rate risk

The Bureau is not exposed to significant interest rate risk as it does not have material interest earning financial assets or interest bearing liabilities at the end of the reporting period.

Fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities with maturities of less than one year are assumed to approximate their fair values due to the short period of maturity, repricing to market interest rates within a short period or are receivable/payable on demand.

The fair value for non-current financial assets and financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. As the Bureau's non-current financial assets on the estimated amounts receivable from the members relate to the settlement of provision for outstanding claims, the Bureau believes that the carrying amount approximates the fair value after discounting the relevant cash flows using current or applicable interest rate for similar instrument at the reporting date.

The attached information does not form part of the audited financial statements.

Detailed income statement
Year ended 31 March 2021

Members' contributions and other income (Schedule 1)

	2021 $	2020 $
Members' contributions:		
- Contributions for claims incurred	688,971	480,714
- Contributions for operating expenses	314,935	394,340
	1,003,906	875,054
Other income	57,243	2,897
Total members' contributions and other income	1,061,149	877,951
Less: Expenses (Schedule 2)	1,061,149	877,951
Profit for year	–	–

Expenses (Schedule 2)

Claims incurred	688,971	480,714
Staff costs	288,037	280,505
Depreciation of property and equipment	26,880	61,249
Other operating expenses:		
Advertising expenses	–	–
Audit fees	12,750	14,017
Bad debts	–	–
Bank charges	418	430
Cleaning services	2,021	1,870
Entertainment	137	528
Equipment rental	–	1,423
General expenses	274	849
Insurance	3,831	3,854
IT services, repair and maintenance	9,252	5,821
Leases Interest Charge	1,659	2,447
Medical fees	1,147	2,266
Postage, courier, printing and stationery	1,177	1,032
Professional fee	20,150	15,604
Refreshment	670	1,167
Storage charges	661	592
Telephone/fax/internet	1,948	1,973
Utilities	1,166	1,610
Total expenses	1,061,149	877,951