Notes to the financial statements

For the financial year ended 31 March 2024

1. CORPORATE INFORMATION

Singapore Management University (the "University Company") is incorporated and domiciled in Singapore as a company limited by guarantee under the provisions of the Companies Act 1967. The address of its registered office is 81 Victoria Street, Singapore 188065.

The principal activities of the University Company are to create and disseminate knowledge and generate leading-edge research with global impact.

The principal activities of the subsidiaries are set out in Note 18.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs") under the historical cost convention except as disclosed in the accounting policies below.

2.2 Standards issued but not yet effective

The Group and the University Company has not adopted the following standards that have been issued but are not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2024
Amendments to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2024
Amendments to FRS 1 *Presentation of Financial Statements:* Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116 *Leases:* Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Those charged with governance expect that the adoption of these standards will have no material impact on the financial performance or position of the Group in the period of initial application.

Notes to the financial statements

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 Revenue recognition

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

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

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Tuition and other student related fees, conference fees, and executive development and continuing education

Revenue from tuition and other student related fees, conference fees, and executive development and continuing education are recognised over the period of the academic year or program duration.

(b) Sponsorships and donations

Sponsorships and donations are recognised in the financial year they are received. For donations received with attached conditions, income is not recognised but deferred until certainty exists that the conditions imposed can be met.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Rental income

Rental income from operating leases (net of any incentive, given to lessees) on property, plant and equipment is recognised on a straight-line basis over the lease term.

Notes to the financial statements

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Grants from the Government and government agencies

Grants from the Government and government agencies are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants from the Government and government agencies received/receivable for the purchase of property, plant and equipment and computer software or to finance capital projects are taken immediately to the grants received in advance account. Upon the utilisation of the grants for the purchase of assets, they are taken to the deferred capital grants account for the assets which are capitalised, or to the statement of comprehensive income for the assets which are written off.

Government grants received by the Group for its discretion to spend on future redevelopment and improvement projects as well as future asset replacements will be taken immediately to sinking fund and will be subsequently transferred to deferred capital grants upon the purchase of assets.

Deferred capital grants are recognised in balance sheet and then the statement of comprehensive income over the periods necessary to match the depreciation or amortisation of the related assets purchased with the grants. Upon the disposal or write off of the assets, the balance of the related deferred capital grants is recognised in the statement of comprehensive income to match the net book value of the assets disposed or written off.

Grants from the Government and government agencies to meet the current year's operating expenses are recognised as income in the same financial year and are recognised on an accrual basis.

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

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

(ii) Components of costs

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. Cost also includes borrowing costs (refer to Note 2.7 on borrowing costs).

Notes to the financial statements
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Property, plant and equipment (cont'd)

(b) Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of property, plant and equipment over their estimated useful lives as follows:

	Useful lives
Leasehold buildings	30 – 50 years or over lease term
Renovations	5 – 15 years or over lease term
Plant and machinery	5 years
Computer equipment	3 years
Furniture and office equipment	5 years
Motor vehicles	10 years
Communication and audio	5 years
Others	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted prospectively as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

No depreciation is provided for assets under work-in-progress until construction is completed and the asset is transferred to its appropriate category.

(c) Subsequent expenditure

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 Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

(d) De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected on its use or disposal.

On disposal or de-recognition of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in statement of comprehensive income.

Notes to the financial statements
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Intangible assets

Acquired computer software and licences

Acquired computer software and licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software and licences are subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to the statement of comprehensive income using the straight-line method over their estimated useful lives of 3 – 10 years.

The amortisation period and amortisation method are reviewed at least at each balance sheet date. The effects of any revision are treated as changes in accounting estimates recognised in the statement of comprehensive income when the changes arise.

The intangible assets are assessed for impairment whenever there is as indication that the intangible asset may be impaired.

2.7 Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income using the effective interest method except for those costs that are directly attributable to the acquisition, construction or development of properties and assets under construction. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. This includes those costs on borrowings acquired specifically for the acquisition, construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the acquisition, construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

Notes to the financial statements
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income ("OCI"). In this case, the impairment is also recognised in OCI up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Notes to the financial statements
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

<u>Investments in debt instruments</u>

The subsequent measurement of financial assets depends on the Group's model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of the Group's debt instruments are as follows:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of comprehensive income when the assets are de-recognised or impaired, and through the amortisation process.

(ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through OCI are measured at fair value through profit or loss. Gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of comprehensive income in the period in which it arises.

<u>Investments in equity instruments</u>

On initial recognition of an investment in equity instrument that is not held for trading, the Group has elected to present subsequent changes in fair value in the statement of comprehensive income. Dividends from such investments are to be recognised in the statement of comprehensive income when the Group's right to receive payments is established. The Group has not elected to present subsequent changes in fair value in OCI.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in OCI for debt instruments is recognised in profit or loss.

Notes to the financial statements
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the financial statements
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11 Investment in an associate

An associate is an entity over which the Group 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.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the financial statements

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Taxes

(a) Current income tax

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

Current income taxes are recognised in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

(b) Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

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

Notes to the financial statements

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value and subsequently carried at amortised cost. Any difference between the proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

2.14 Other payables

Other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

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

2.15 Derivative financial instruments

A derivative financial instrument is initially recognised at fair value on the date the contract is entered into and is subsequently carried at its fair value. The Group does not apply hedge accounting. Changes in the fair value of derivative instruments are recognised in the statement of comprehensive income when the changes arise.

2.16 Leases

When the Group is the lessee

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

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the financial statements

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.16 Leases (cont'd)

When the Group is the lessee (cont'd)

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subjected to impairment as described in Note 2.8. The Group's right-of-use assets comprise its leasehold land.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of leasehold buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the financial statements

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.16 Leases (cont'd)

When the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for as described in Note 2.3(e). 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 basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.17 Employee compensation

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions to separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

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

2.18 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the University Company and its subsidiaries. The financial information presented in Singapore Dollar has been rounded to the nearest thousand, unless otherwise stated.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the statement of comprehensive income.

Notes to the financial statements

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 Funds

(a) General fund and other funds

Income and expenditure are accounted for under the General fund in the statement of comprehensive income unless they relate to funds separately accounted under specific self-financing activities.

(b) Endowment fund

Donations and government grants, which are kept intact as capital, are directly taken to the fund in the year in which such donations and government grants are granted.

Income and expenditure arising from the management of the Endowment fund are accounted for under Endowment fund in the statement of comprehensive income.

(c) Term funds

Donations received which can be put to immediate use for specific programmes, capital projects or other purposes as specified by the donors for the advancement of education are taken to Term funds in the statement of comprehensive income.

Income and expenditure arising from the management of the Term funds are accounted for under Term funds in the statement of comprehensive income.

2.20 Advances for MOE student loans

Government grants received from the Ministry of Education ("MOE") for the purpose of providing loans to students are taken to advances for student loans. Advances for student loans are initially measured at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.21 Leasehold land

Leasehold land premiums paid are recorded at cost and amortised over the lease tenure using the straight-line method.

Notes to the financial statements

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.22 Impairment of financial assets

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

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.23 Subsidiary

A subsidiary is an investee that is controlled by the University Company. The University Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Notes to the financial statements

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.24 Provisions

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

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

2.25 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

(a) Useful life of property, plant and equipment.

When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

(b) Impairment of non-financial assets

The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's revenue-generating courses and programmes.

Notes to the financial statements

For the financial year ended 31 March 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, 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.

(a) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements.

Useful lives of property, plant and equipment

The cost of property, plant and equipment for the Group is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at the balance sheet date was $437,816,000 (2023: $459,110,000).

(b) Key sources of estimation uncertainty

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

Fair value estimation on unquoted investments

The Group holds unquoted investments that are not traded in an active market with a carrying amount of $1,178,127,000 (2023: $1,082,028,000) at the balance sheet date.

The fair value of these investments is based on valuations obtained from third party fund managers. The valuations are determined using market-observable data to the extent it is available. Where quoted prices are not available, the fund managers establish the fair value of these investments based on the net asset value which would approximate the fair value of the investments at the balance sheet date. Changes in the key assumptions used in the third-party fund managers' valuation methods would impact the financial assets at fair value through profit or loss and net surplus in the financial statements.

Notes to the financial statements
For the financial year ended 31 March 2024

Notes to the financial statements
For the financial year ended 31 March 2024

4. TUITION AND OTHER FEES AND OTHER INCOME

	Operating funds						Endowment fund		Term funds		Total	
	General fund		Other funds		Total general and other funds							
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Tuition and other student-related fees	**129,315**	125,717	**74,965**	70,736	**204,280**	196,453	**–**	–	**–**	–	**204,280**	196,453
Conference fees, and executive development and continuing education fees	**2,279**	2,436	**70,644**	69,186	**72,923**	71,622	**–**	–	**–**	–	**72,923**	71,622
Total tuition and other fees	**131,594**	128,153	**145,609**	139,922	**277,203**	268,075		–		–	**277,203**	268,075
Donations	**–**	–	**–**	–	**–**	–	**–**	–	**16,173**	14,336	**16,173**	14,336
Sponsorships	**932**	383	**3**	49	**935**	432	**–**	–	**–**	–	**935**	432
Rental income	**5,933**	5,141	**–**	–	**5,933**	5,141	**–**	–	**–**	–	**5,933**	5,141
Currency exchange losses	**(61)**	(82)	**(10)**	(39)	**(71)**	(121)	**–**	–	**–**	–	**(71)**	(121)
Gains/(losses) on disposal of property, plant and equipment	**21**	36	**(3)**	(1)	**18**	35	**–**	–	**–**	–	**18**	35
Others[1]	**3,694**	4,360	**702**	384	**4,396**	4,744	**–**	–	**–**	–	**4,396**	4,744
Other income	**10,519**	9,838	**692**	393	**11,211**	10,231	**–**	–	**16,173**	14,336	**27,384**	24,567

[1] Others comprises consultancy fees, royalties & licensing income, student club income, parking fees and other miscellaneous fees.

Notes to the financial statements

For the financial year ended 31 March 2024

5. GOVERNMENT GRANTS

	2024	2023
	$'000	$'000
Grants received/receivable	**142,914**	143,943
Less:		
Transfer to deferred capital grants (Note 24)	**(600)**	(1,716)
Operating grants – net	**142,314**	142,227
Research and other grants utilised (Note 20)	**34,901**	31,556
Deferred capital grants amortised (Note 24)	**20,206**	19,502
	197,421	193,285

6. EXPENDITURE ON MANPOWER

	Operating funds					
	General fund		Other funds		Total	
	2024	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Wages and salaries	**255,057**	235,637	**23,461**	21,029	**278,518**	256,666
Employer's contribution to Defined Contribution Plans	**18,500**	17,241	**2,807**	2,512	**21,307**	19,753
Allowances and benefits	**15,775**	14,360	**1,162**	1,012	**16,937**	15,372
	289,332	267,238	**27,430**	24,553	**316,762**	291,791

Notes to the financial statements

For the financial year ended 31 March 2024

7. OTHER EXPENSES

	Operating funds						Endowment fund		Term funds		Total	
	General fund		Other funds		Total general and other funds							
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Administrative expenses	**61,090**	54,394	**11,020**	9,587	**72,110**	63,981	**–**	–	**–**	–	**72,110**	63,981
Scholarships and awards	**35,060**	31,744	**4,514**	3,828	**39,574**	35,572	**–**	–	**–**	–	**39,574**	35,572
Library books, periodicals and database	**7,081**	7,127	**112**	101	**7,193**	7,228	**–**	–	**–**	–	**7,193**	7,228
Professional and instructor fees	**8,203**	7,452	**25,397**	28,128	**33,600**	35,580	**–**	–	**–**	–	**33,600**	35,580
Utilities and facility management	**19,100**	20,863	**12**	28	**19,112**	20,891	**–**	–	**–**	–	**19,112**	20,891
Impairment loss on investment in an associate	**–**	–	**–**	35	**–**	35	**–**	–	**–**	–	**–**	35
	130,534	121,580	**41,055**	41,707	**171,589**	163,287	**–**	–	**–**	–	**171,589**	163,287

Lease expenses of $1,335,000 (2023: $891,000) and $129,000 (2023: $148,000) relating to short-term leases that are not capitalised as lease liabilities are included in administrative expenses and utilities and facility management respectively.

8. NET INVESTMENT GAINS/(LOSSES)

	Operating funds						Endowment fund		Term funds		Total	
	General fund		Other funds		Total general and other funds							
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Interest income	**8,211**	5,241	**–**	–	**8,211**	5,241	**6,783**	4,952	**269**	413	**15,263**	10,606
Dividend income	**2,638**	1,702	**–**	–	**2,638**	1,702	**8,736**	7,018	**9**	25	**11,383**	8,745
Fair value gains/(losses) on financial assets at fair value through profit or loss (net of investment management expenses)	**47,382**	(32,875)	**–**	–	**47,382**	(32,875)	**149,955**	(134,944)	**126**	(224)	**197,463**	(168,043)
Fair value (losses)/gains on derivatives	**(6,962)**	4,249	**–**	–	**(6,962)**	4,249	**(17,577)**	17,766	**–**	70	**(24,539)**	22,085
Net investment gains/(losses)	**51,269**	(21,683)	**–**	–	**51,269**	(21,683)	**147,897**	(105,208)	**404**	284	**199,570**	(126,607)

Notes to the financial statements

For the financial year ended 31 March 2024

9. INCOME TAX

The University Company is a charity registered under the Charities Act, its income is not subject to tax under Section 13 of the Singapore Income Tax Act 1947.

A reconciliation between the tax expense and the product of loss before tax multiplied by the applicable corporate tax rate for the Group for the financial years ended 31 March 2024 and 2023 is as follows:

	Group	
	2024	2023
	$'000	$'000
Surplus/(deficit) before income tax	**167,527**	(139,933)
Tax at statutory tax rate of 17% (2023: 17%)	**28,480**	(23,789)
Adjustments:		
– Income and expenses not subject to tax	**(28,480)**	23,789
Tax expense	**–**	–

10. CASH AND CASH EQUIVALENTS

	Group		University Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**128,238**	155,207	**127,976**	155,158
Short-term bank deposits	**–**	230,100	**–**	230,100
Amounts under fund management (Note 13)	**483,364**	203,595	**483,364**	203,595
	611,602	588,902	**611,340**	588,853

In prior year, the short-term bank deposits have an average maturity of 123 days from the end of the financial year with a weighted average effective interest rate of 3.98%.

Notes to the financial statements

For the financial year ended 31 March 2024

11. GRANTS AND OTHER RECEIVABLES

(a) *Grants and other receivables*

	Group		University Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Other receivables	**70,555**	57,514	**71,848**	57,774
Grants receivables	**88,597**	79,967	**88,597**	79,967
	159,152	137,481	**160,445**	137,741
Non-current				
Other receivables	**2,156**	1,137	**2,156**	1,137
Grants receivables	**55,336**	57,912	**55,336**	57,912
	57,492	59,049	**57,492**	59,049
Total grants and other receivables	**216,644**	196,530	**217,937**	196,790

(b) *Other receivables*

	Group		University Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Fees, rental and other receivables	**32,557**	29,805	**33,858**	30,070
Prepayments	**14,896**	12,274	**14,891**	12,272
Deposits	**39**	39	**36**	36
In-house student loans	**999**	–	**999**	–
Interest receivables	**–**	1,044	**–**	1,044
Receivables from brokers (Note 13)	**24,220**	15,489	**24,220**	15,489
Total other receivables	**72,711**	58,651	**74,004**	58,911
Analysed as:				
Current	**70,555**	57,514	**71,848**	57,774
Non-current	**2,156**	1,137	**2,156**	1,137
Total other receivables	**72,711**	58,651	**74,004**	58,911

Notes to the financial statements

For the financial year ended 31 March 2024

11. GRANTS AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables (cont'd)

Details of impaired fees, rental and other receivables and in-house student loans are as follows:

	Group		University Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Fees, rental and other receivables	**32,983**	30,117	**34,284**	30,382
In-house student loans	**1,007**	–	**1,007**	–
Less: allowance for impairment	**(434)**	(312)	**(434)**	(312)
	33,556	29,805	**34,857**	30,070

Movements in allowance for impairment during the year are as follows:

	Group		University Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
At beginning of the financial year	**312**	286	**312**	286
Allowance for impairment	**122**	26	**122**	26
	434	312	**434**	312

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For the financial year ended 31 March 2024

11. GRANTS AND OTHER RECEIVABLES (CONT'D)

(c) Grants receivables

	Group		University Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current	**88,597**	79,967	**88,597**	79,967
Non-current	**55,336**	57,912	**55,336**	57,912
Total grants receivables	**143,933**	137,879	**143,933**	137,879

Included in grants receivables is an amount of $57,912,000 (2023: $60,487,000) relating to funding from MOE for development projects under the debt-grant framework which earns additional grants to match the interest charges incurred on bank borrowings.

The fair value of non-current grants receivables approximates their carrying amounts.

Management has assessed that the loss allowance provision as at 31 March 2024 on the above grants receivables is not significant as the risk of MOE defaulting on payments is remote.

12. STUDENT LOANS

	Group and University Company	
	2024	2023
	$'000	$'000
Current	**–**	6,304
Non-current	**–**	93,317
Total student loans	**–**	99,621

Student loans comprise principally of student tuition fee, study loans and overseas studies program loans.

Student tuition fee and study loans are unsecured, interest-free during the course of study and are repayable by monthly instalments over periods of up to 20 years after the borrowers' graduation. Interest is charged based on the average of the prevailing prime rates of the 3 local banks. The interest rate for these loans as at 31 March 2024 is 4.75% (2023: 4.75%) per annum.

The fair value of non-current student loans approximates their carrying amounts.

During the year ended 31 March 2024, the administration of student loans was outsourced to a bank, and the Group now acts as the agent for the loan schemes with advances for MOE student loans, student loans receivables, and its related cash at bank as at year end being presented off the Group's balance sheet (Note 23).

Notes to the financial statements

For the financial year ended 31 March 2024

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are analysed as follows:

	Group and University Company	
	2024	2023
	$'000	$'000
Quoted:		
– Equities	**352,714**	288,865
– Fixed income securities	**166,214**	165,265
	518,928	454,130
Unquoted:		
– Investments	**1,178,127**	1,082,028
Total financial assets at fair value through profit or loss	**1,697,055**	1,536,158

The Group's financial assets are managed by professional managers. The unquoted investments include investments in private equity funds and hedge funds.

Under the terms of certain limited partnership agreements, the Group is obligated to make capital contributions upon receiving capital call notices from the fund managers. As at 31 March 2024, the Group has unfunded commitments of $425,997,000 (2023: $374,136,000).

The carrying amounts of funds managed by professional managers and held in trust by a custodian are analysed as follows:

	Group and University Company	
	2024	2023
	$'000	$'000
Financial assets at fair value through profit or loss (as above)	**1,697,055**	1,536,158
Cash and cash equivalents (Note 10)	**483,364**	203,595
Receivables from brokers (Note 11)	**24,220**	15,489
Derivative financial assets (Note 14)	**4,079**	23,370
Derivative financial liabilities (Note 14)	**(6,826)**	(132)
Payables to brokers (Note 21)	**(2,423)**	(7,639)
	2,199,469	1,770,841

Included in receivables from brokers is an amount of $1,986,000 (2023: $6,473,000) related to trades pending receipt as at the balance sheet date.

Included in payables to brokers is an amount of $2,282,000 (2023: $7,275,000) related to trades pending settlement as at the balance sheet date.

Notes to the financial statements

For the financial year ended 31 March 2024

14. DERIVATIVE FINANCIAL INSTRUMENTS

The currency derivatives are used in the currency hedging program which aims to reduce the foreign currency risks of the investment portfolio. The contractual or notional amount and their corresponding fair value are analysed as follows:

	Contract/ notional amount	Fair value	
		Assets	**Liabilities**
	$'000	$'000	$'000
Group and University Company			
2024			
Currency forwards	**468,709**	**195**	**(6,826)**
Equity futures	**397,716**	**3,884**	**–**
	866,425	**4,079**	**(6,826)**
2023			
Currency forwards	484,745	15,765	(132)
Equity futures	146,550	7,605	–
	631,295	23,370	(132)

15. LEASEHOLD LAND

Leasehold land relates to land leased from the Singapore Land Authority for the housing of the campus buildings. The existing lease expires in the year 2032.

	Group and University Company	
	2024	2023
	$'000	$'000
Cost		
At beginning of the financial year	**134,577**	134,043
Transfer from property, plant and equipment (Note 16)	**–**	534
At end of the financial year	**134,577**	134,577
Accumulated amortisation		
At beginning of the financial year	**84,901**	79,379
Amortisation charge	**5,529**	5,522
At end of the financial year	**90,430**	84,901
Net carrying amount at end of the financial year	**44,147**	49,676

Notes to the financial statements

For the financial year ended 31 March 2024

Notes to the financial statements

For the financial year ended 31 March 2024

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings $'000	Renovations $'000	Plant and machinery $'000	Computer equipment $'000	Furniture and office equipment $'000	Motor vehicles $'000	Communication and audio $'000	Others $'000	Work-in-progress $'000	Total $'000
Group										
2024										
Cost										
At beginning of the financial year	706,000	23,942	97,331	29,840	9,424	416	8,852	2,484	–	878,289
Additions	–	631	1,829	1,776	562	–	1,701	120	4,819	11,438
Disposals	(1,937)	–	(1,789)	(428)	(181)	–	(20)	–	–	(4,355)
Reclassifications	4,311	–	–	–	413	–	–	–	(4,724)	–
Transfer to intangible assets (Note 17)	–	–	–	–	–	–	–	–	(95)	(95)
At end of the financial year	708,374	24,573	97,371	31,188	10,218	416	10,533	2,604	–	885,277
Accumulated depreciation										
At beginning of the financial year	270,411	20,372	85,419	26,804	7,204	113	6,468	2,388	–	419,179
Depreciation charge	22,941	1,785	4,184	1,980	837	33	826	51	–	32,637
Disposals	(1,937)	–	(1,789)	(428)	(181)	–	(20)	–	–	(4,355)
At end of the financial year	291,415	22,157	87,814	28,356	7,860	146	7,274	2,439	–	447,461
Net carrying amount										
At end of the financial year	416,959	2,416	9,557	2,832	2,358	270	3,259	165	–	437,816
2023										
Cost										
At beginning of the financial year	614,441	23,215	86,035	27,785	7,269	340	6,699	2,474	101,391	869,649
Additions	–	1,359	1,958	1,683	459	301	717	12	5,640	12,129
Disposals	(37)	(632)	–	(559)	(366)	(225)	(810)	5	(72)	(2,696)
Reclassifications	91,596	–	9,338	931	2,062	–	2,246	(7)	(106,166)	–
Transfer to leasehold land (Note 15) and intangible assets (Note 17)	–	–	–	–	–	–	–	–	(793)	(793)
At end of the financial year	706,000	23,942	97,331	29,840	9,424	416	8,852	2,484	–	878,289
Accumulated depreciation										
At beginning of the financial year	248,160	19,220	82,449	23,859	6,695	304	5,920	2,348	–	388,955
Depreciation charge	22,251	1,784	2,970	3,398	509	27	594	41	–	31,574
Disposals	–	(632)	–	(453)	–	(218)	(46)	(1)	–	(1,350)
At end of the financial year	270,411	20,372	85,419	26,804	7,204	113	6,468	2,388	–	419,179
Net carrying amount										
At end of the financial year	435,589	3,570	11,912	3,036	2,220	303	2,384	96	–	459,110

Notes to the financial statements

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Notes to the financial statements

For the financial year ended 31 March 2024

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold buildings $'000	Renovations $'000	Plant and machinery $'000	Computer equipment $'000	Furniture and office equipment $'000	Motor vehicles $'000	Communication and audio $'000	Others $'000	Work-in-progress $'000	Total $'000
Company										
2024										
Cost										
At beginning of the financial year	706,000	23,942	97,331	29,837	9,424	416	8,851	2,485	–	878,286
Additions	–	631	1,829	1,776	562	–	1,701	120	4,819	11,438
Disposals	(1,937)	–	(1,789)	(428)	(181)	–	(20)	–	–	(4,355)
Reclassifications	4,311	–	–	–	413	–	–	–	(4,724)	–
Transfer to leasehold land (Note 15) and intangible assets (Note 17)	–	–	–	–	–	–	–	–	(95)	(95)
At end of the financial year	708,374	24,573	97,371	31,185	10,218	416	10,532	2,605	–	885,274
Accumulated depreciation										
At beginning of the financial year	270,411	20,372	85,419	26,804	7,204	113	6,468	2,388	–	419,179
Depreciation charge	22,941	1,785	4,184	1,977	837	33	826	51	–	32,634
Disposals	(1,937)	–	(1,789)	(428)	(181)	–	(20)	–	–	(4,355)
At end of the financial year	291,415	22,157	87,814	28,353	7,860	146	7,274	2,439	–	447,458
Net carrying amount										
At end of the financial year	416,959	2,416	9,557	2,832	2,358	270	3,258	166	–	437,816
2023										
Cost										
At beginning of the financial year	614,441	23,215	86,035	27,785	7,269	340	6,699	2,474	101,391	869,649
Additions	–	1,359	1,958	1,680	459	301	717	12	5,640	12,126
Disposals	(37)	(632)	–	(559)	(366)	(225)	(810)	5	(72)	(2,696)
Reclassifications	91,596	–	9,338	931	2,062	–	2,246	(7)	(106,166)	–
Transfer to leasehold land (Note 15) and intangible assets (Note 17)	–	–	–	–	–	–	–	–	(793)	(793)
At end of the financial year	706,000	23,942	97,331	29,837	9,424	416	8,852	2,484	–	878,286
Accumulated depreciation										
At beginning of the financial year	248,160	19,220	82,449	23,859	6,695	304	5,920	2,348	–	388,955
Depreciation charge	22,251	1,784	2,970	3,398	509	27	594	41	–	31,574
Disposals	–	(632)	–	(453)	–	(218)	(46)	(1)	–	(1,350)
At end of the financial year	270,411	20,372	85,419	26,804	7,204	113	6,468	2,388	–	419,179
Net carrying amount										
At end of the financial year	435,589	3,570	11,912	3,033	2,220	303	2,384	96	–	459,107

Notes to the financial statements

For the financial year ended 31 March 2024

17. INTANGIBLE ASSETS

	Group and University Company	
	2024	2023
	$'000	$'000
Computer software and licences		
Cost		
At beginning of the financial year	**16,211**	15,952
Transfer from property, plant and equipment (Note 16)	**95**	259
At end of the financial year	**16,306**	16,211
Accumulated amortisation		
At beginning of the financial year	**15,864**	15,768
Amortisation charge	**183**	96
At end of the financial year	**16,047**	15,864
Net carrying amount at end of the financial year	**259**	347

18. INVESTMENT IN SUBSIDIARIES

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest	
			2024	2023
			%	%
SMU Ventures Pte. Ltd.	Singapore	Investment holding	**100**	100
SMU Overseas Pte. Ltd.	Singapore	Outreach & business development	**100**	100

19. INVESTMENT IN AN ASSOCIATE

	2024	2023
	$'000	$'000
Unquoted shares		
– Class A Ordinary Share	**–***	–*
– Class B Ordinary Share	**122**	122
Less: Impairment	**(122)**	(122)
	–*	–*

–* Less than $1,000

Notes to the financial statements

For the financial year ended 31 March 2024

20. RESEARCH AND OTHER GRANTS RECEIVED IN ADVANCE

	Group and University Company	
	2024	2023
	$'000	$'000
At beginning of the financial year	**12,729**	13,311
Grants received/receivable	**37,175**	31,340
Transfer to deferred capital grants (Note 24)	**(667)**	(366)
Research and other grants utilised (Note 5)	**(34,901)**	(31,556)
At end of the financial year	**14,336**	12,729

These are grants received from the Government, government agencies and external grantors. The balance in this account represents grants received or receivable but not utilised at the end of the financial year.

21. OTHER PAYABLES

	Group		University Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Tuition fees received in advance	**61,450**	61,216	**61,450**	61,216
Payables to vendors	**21,763**	21,799	**21,763**	21,799
Refundable deposits	**1,485**	1,332	**1,485**	1,332
Payables to brokers (Note 13)	**2,423**	7,639	**2,423**	7,639
Other accruals for operating and capital expenditure	**30,104**	27,591	**30,104**	27,591
Other payables	**10,075**	8,584	**9,984**	8,555
Goods and services tax payables	**14,586**	12,446	**14,586**	12,446
	141,886	140,607	**141,795**	140,578

Notes to the financial statements

For the financial year ended 31 March 2024

22. BORROWINGS

	Group and University Company 2024 $'000	Group and University Company 2023 $'000
Current		
Fixed rate notes	–	99,918
Non-current		
Fixed rate notes	**209,746**	149,837

(a) *Effective interest rate*

Borrowings are unsecured and bear interest at 2.96% (2023: 2.97%) per annum.

(b) *Fixed rate notes*

On 7 March 2014, the University Company issued $100,000,000 of 3.16% Singapore Dollar non-secured fixed rate notes under the multicurrency Medium Term Note ("MTN") programme to finance capital expenditure and general working capital requirements. Unless previously redeemed, purchased or cancelled, the notes will be redeemed at its redemption amount on its maturity date, 7 March 2024. This was fully redeemed during the current financial year.

On 28 November 2017, the Group issued $150,000,000 of 1.95% Singapore Dollar non-secured fixed rate notes under the MTN programme to finance capital expenditure and general working capital requirements. The notes were fully redeemed on its maturity date, 28 November 2022.

On 23 June 2022, the Group issued $150,000,000 of 2.85% Singapore Dollar non-secured fixed rate notes under the MTN programme to finance capital expenditure and general working capital requirements. Unless previously redeemed, purchased or cancelled, the notes will be redeemed at its redemption amount on its maturity date, 23 June 2027. The fair value of the notes as at 31 March 2024 is $146,087,000 and are included under level 2 of the fair value hierarchy.

On 08 March 2024, the Group issued $60,000,000 of 3.25% Singapore Dollar non-secured fixed rate notes under the MTN programme to finance capital expenditure and general working capital requirements. Unless previously redeemed, purchased or cancelled, the notes will be redeemed at its redemption amount on its maturity date, 08 March 2029. The fair value of the notes as at 31 March 2024 is $58,931,000 and are included under level 2 of the fair value hierarchy.

Notes to the financial statements

For the financial year ended 31 March 2024

22. BORROWINGS (CONT'D)

(c) *Borrowing costs capitalised*

Borrowing costs of $ Nil (2023: $243,000) arising on financing specifically entered into for the development of work-in-progress (Note 16) were capitalised during the financial year. The amount of borrowing costs capitalised was determined based on the effective interest rate disclosed in Note 22 (a) to the financial statements.

23. ADVANCES FOR MOE STUDENT LOANS

	Group and University Company 2024 $'000	Group and University Company 2023 $'000
At beginning of the financial year	**103,206**	104,863
Advances received/receivable	**28,507**	29,717
Interest income received on behalf of MOE	**1,443**	1,470
Student loans and interest on student loans refunded to the Government	**(28,795)**	(32,843)
Student loans written off	**(231)**	(1)
At end of the financial year	**104,130**	103,206
Represented by:		
Cash and cash equivalents	**7,812**	4,826
Student loans	**96,318**	98,380
	104,130	103,206

The advances for MOE student loans are from the Government for purpose of providing loans to students to assist them in paying their tuition fees, with the Group as the principal.

The fair value of non-current advances for student loans approximates their carrying amounts.

As described in Note 12, during the year ended 31 March 2024, administration of the MOE student loans was outsourced to a bank. Pursuant to the Tuition Fee Loan (TFL), Study Loan (SL) and Overseas Student Program Loan – 50% funded by MOE (OSP) schemes, the Group acts as the agent for these loan schemes and the MOE as the financier providing the funds. As at 31 March 2024, advances for MOE student loans, student loans receivables, and its related cash at bank being presented off the Group's balance sheet.

Notes to the financial statements
For the financial year ended 31 March 2024

24. DEFERRED CAPITAL GRANTS

	Group and University Company	
	2024	2023
	$'000	$'000
At beginning of the financial year	**268,947**	286,367
Transfer from research and other grants received in advance (Note 20)	**667**	366
Transfer from operating grants (Note 5)	**600**	1,716
Amortisation of deferred capital grants (Note 5)	**(20,206)**	(19,502)
At end of the financial year	**250,008**	268,947

25. SINKING FUND RECEIVED IN ADVANCE

	Group and University Company	
	2024	2023
	$'000	$'000
At beginning of the financial year	**107,083**	106,689
Grant received/receivable	**15,281**	5,472
Net investment gains/(losses)	**4,506**	(5,078)
At end of the financial year	**126,870**	107,083
Represented by:		
Cash and cash equivalents	**31,476**	11,331
Other receivables	**1,345**	6,365
Financial assets at fair value through profit or loss	**94,335**	88,488
Derivative financial instruments	**(153)**	1,339
Other payables	**(133)**	(440)
Total sinking fund received in advance	**126,870**	107,083

Sinking fund is an outright government grant received or receivable by the Group for spending at its discretion on future redevelopment, improvement projects and asset replacement.

The portion of the sinking fund that is not required for immediate asset replacement is invested to ensure that the real value of the fund is preserved in the long run. The net investment gains include interest and dividends earned on investments and investment gains in net asset value of the investment portfolio less relevant expenses and transaction costs arising from the management of the investment portfolio.

Notes to the financial statements
For the financial year ended 31 March 2024

26. ENDOWMENT FUND

	Group and University Company	
	2024	2023
	$'000	$'000
Endowment fund		
– Capital	**964,174**	941,024
– Accumulated net income	**505,797**	395,052
Total endowment fund	**1,469,971**	1,336,076
Represented by:		
Cash and cash equivalents	**345,394**	201,291
Grants receivable	**2,697**	3,764
Other receivables	**15,816**	12,043
Financial assets at fair value through profit or loss	**1,109,431**	1,164,551
Derivative financial instruments	**(1,795)**	17,617
Other payables	**(1,572)**	(63,190)
Total endowment fund	**1,469,971**	1,336,076

Endowment fund comprises donations, grants, gifts, testamentary disposition and proceeds from gifts of movable or immovable property and accumulated net income generated thereon. The objectives of this fund include the provision of facilities for teaching, training and research, the advancement and dissemination of knowledge and the promotion of research.

Accumulated net income includes interest and dividends earned on investments and investment gains in net asset value of the investment portfolio less relevant expenses and transaction costs arising from the management of the investment portfolio.

Notes to the financial statements

For the financial year ended 31 March 2024

27. TERM FUNDS

	Group and University Company	
	2024	2023
	$'000	$'000
At beginning of the financial year	**57,880**	60,829
Donations received	**16,173**	14,336
Donations utilised	**(20,098)**	(17,569)
Net investment gains	**404**	284
At end of the financial year	**54,359**	57,880
Represented by:		
Cash and cash equivalents	**15,379**	52,980
Other receivables	**553**	180
Other student loans	**26**	90
Financial assets at fair value through profit or loss	**38,519**	4,584
Derivative financial instruments	**(63)**	69
Other payables	**(55)**	(23)
Total term funds	**54,359**	57,880

Term funds comprise donations for the purpose of awarding scholarships, academic awards for students, research and other programmes for the advancement of education.

Net investment gains include interest and dividends earned on investments and investment gains in net asset value of the investment portfolio less relevant expenses and transaction costs arising from the management of the investment portfolio.

28. COMMITMENTS

(a) *Capital commitments*

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group and University Company	
	2024	2023
	$'000	$'000
Property, plant and equipment	**6,729**	10,251

Notes to the financial statements

For the financial year ended 31 March 2024

28. COMMITMENTS (CONT'D)

(b) *Operating lease commitments*

Where the Group is a lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are analysed as follows:

	Group and University Company	
	2024	2023
	$'000	$'000
Not later than one year	**3,066**	2,420
Later than one year but not later than five years	**2,467**	1,657
	5,533	4,077

29. RELATED PARTIES TRANSACTIONS

(a) *Grants from the Government and government agencies*

The Group receives grants from MOE and other government agencies to fund its operations and is subject to certain controls set by MOE and other government agencies. Hence, the Government and government agencies are considered related parties of the Group.

Other than the information disclosed in elsewhere in the financial statements, there were no transactions, either individually or collectively significant, that took place between the Group and related parties during the year.

(b) *Key management personnel compensation*

Key management personnel compensation is analysed as follows:

	2024	2023
	$'000	$'000
Salaries and bonus	**10,830**	9,942
Central Provident Fund contributions	**272**	230
Allowances and benefits	**3,006**	2,582
Total	**14,108**	12,754

The key management personnel includes the President, Provost, Deans and key Administrative Heads.

Notes to the financial statements

For the financial year ended 31 March 2024

30. CHARITIES ACT AND REGULATIONS

In accordance with the disclosure requirement under Section 17(1) of the Charities (Institutions of a Public Character) Regulations, the University Company has received total tax-deductible donations of $16,954,000 (2023: $35,488,000) during the financial year. The expenses relating to fund raising activities are funded by operating grants.

31. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Trustees has an Investment Committee to assist the Board in the oversight of the Group's investments. The Investment Committee approved the strategic asset allocation of a globally diversified portfolio. Fund managers are selected to manage the individual mandates within the prescribed investment guidelines.

The following sections provide details regarding the Group's exposure to the above-mentioned market risks and management of these risks.

(a) Market risk

(i) Currency risk

The Group's operations are not exposed to significant currency risk as most of its transactions are transacted in Singapore Dollar. The Group's exposure to currency risk arises principally from its investments denominated in foreign currencies including United States Dollar ("USD") and Euro. Its main exposure to foreign currency risk for these investments is the USD.

To manage the foreign currency exposure, the Group implemented a currency hedging program to reduce the foreign currency risks (Note 14).

Apart from its investments, the Group is not exposed to significant foreign currency risk on other financial assets or financial liabilities.

Notes to the financial statements

For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Group's foreign currency exposures are as follows:

	USD $'000	Others $'000
2024		
Financial assets		
Financial assets at fair value through profit or loss	**1,171,207**	186,833
Derivatives	**(213,629)**	141,513
Cash and cash equivalents	**467,953**	8,760
Other assets	**21,079**	39
Currency exposure of financial assets	**1,446,610**	337,145
2023		
Financial assets		
Financial assets at fair value through profit or loss	**1,036,713**	172,406
Derivatives	**(395,266)**	56,759
Cash and cash equivalents	**150,254**	6,375
Other assets	**7,666**	39
Currency exposure of financial assets	**799,367**	235,579

With all other variables being held constant, a 5% (2023: 5%) change of the USD against the SGD will result in the following changes to the net deficit/surplus:

	Increase/ (decrease) in net surplus 2024 $'000	Decrease/ (increase) in net deficit 2023 $'000
USD against SGD		
– Strengthened	**72,331**	39,968
– Weakened	**(72,331)**	(39,968)

Notes to the financial statements

For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Price risk

The Group's investments are exposed to price risk on its equity securities. To manage this risk, the Group diversifies its investments across different markets and industries whenever appropriate. At 31 March 2024, with all other variables held constant, a 10% (2023: 10%) increase/decrease of market values of both quoted and unquoted equity securities will result in an increase/decrease in net deficit/surplus by $165,717,000 (2023: $127,670,000).

(iii) Interest rate risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest-bearing assets relate mainly to its cash and cash equivalents. These financial assets are short-term in nature, and hence any future variations in interest rates will not have a material impact on the results of the Group.

Interest based on the average prevailing prime rates of three local banks is levied on the student loans after the borrowers' graduation. However, these interests will be returned to the Government as such loans are funded by the Government.

The Group's investments include fixed income securities which are exposed to interest rate risk. Changes in interest rates will have an impact on the fair values of the instruments. To mitigate this risk, the Group diversifies these investments across different fixed income securities with varying maturity and interest rate terms. At 31 March 2024, with all other variables held constant, 1% (2023: 1%) increase/decrease in interest rates will result in an increase/decrease in net surplus by $13,529,000 (2023: $12,891,000).

The Group has no material exposure to interest rate risks relating to borrowings as there are no variable rate borrowings. The Group maintains its borrowings in fixed rate instruments.

Notes to the financial statements

For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposures to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group adopts the policy of dealing exclusively with high credit rating counterparties to minimise credit risk.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investment with credit rating.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group considers a financial asset in default when the Group is unlikely to receive the outstanding contractual amounts in full.

To assess whether there is a significant increase in credit risk, the risk of a default occurring on the asset as at reporting date is compared with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days due in making contractual payment.

Notes to the financial statements
For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

The Group determined that its financial assets are credit-impaired when:

– There is significant financial difficulty of the debtor; or

– A breach of contract, such as a default or past due event; or

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or

– There is disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to meet a repayment plan with the Group. Where financial assets have been written off, the Group continues to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The following sections disclose the credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Fees, rental and other receivables

The Group provides for lifetime expected credit losses for all fees, rental and other receivables. The provision rates are determined based on the Group's historical observed default rates analysed in accordance with days past due and calibrated to adjust the historical credit loss experience with forward-looking information such as forecast of economic conditions.

Management has assessed that the loss allowance as at balance sheet date is not significant as the Group has no significant default in fees, rental and other receivables based on historical experience.

Financial assets that are neither past due nor impaired

Grants and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment records with the Group. Cash and cash equivalents, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Notes to the financial statements
For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Financial assets that are either past due or impaired

Except for fees, rental and other receivables, there is no other class of financial assets that is past due or impaired.

The ageing analysis of fees, rental and other receivables and in-house student loans past due but not impaired is as follows:

	Group and University Company	
	2024	2023
	$'000	$'000
Past due:		
Less than 2 months	**5,720**	11,267
Between 2 and 3 months	**2,193**	388
Over 3 months	**584**	510
	8,497	12,165

The carrying amount of fees, rental and other receivables individually determined to be impaired and the movement in related allowance for impairment are set out in Note 11(b).

Concentration and exposure to credit risk

At the end of the reporting period, there is no significant concentration of credit risk. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

Notes to the financial statements

For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	2024				2023			
	One year or less	**One to five years**	**Over five years**	**Total**	One year or less	One to five years	Over five years	Total
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Financial assets:								
Financial assets at fair value through profit or loss	**1,697,055**	**–**	**–**	**1,697,055**	1,536,158	–	–	1,536,158
Other receivables (excluding prepayments)	**56,191**	**916**	**708**	**57,815**	45,665	529	183	46,377
Student loans	**–**	**–**	**–**	**–**	6,304	13,560	79,757	99,621
Cash and cash equivalents	**611,602**	**–**	**–**	**611,602**	588,902	–	–	588,902
Derivative financial instruments								
– gross payments	**(433,963)**	**–**	**–**	**(433,963)**	(569,931)	–	–	(569,931)
– gross receipts	**438,042**	**–**	**–**	**438,042**	593,301	–	–	593,301
Total undiscounted financial assets	**2,368,927**	**916**	**708**	**2,370,551**	2,200,399	14,089	79,940	2,294,428
Financial liabilities:								
Borrowings	**6,226**	**227,221**	**–**	**233,447**	107,231	163,856	–	271,087
Advances for student loans	**–**	**–**	**–**	**–**	10,653	13,221	79,332	103,206
Other payables (excluding tuition fees received in advance)	**80,436**	**–**	**–**	**80,436**	79,390	–	–	79,390
Derivative financial instruments								
– gross payments	**435,209**	**–**	**–**	**435,209**	38,126	–	–	38,126
– gross receipts	**(428,383)**	**–**	**–**	**(428,383)**	(37,994)	–	–	(37,994)
Total undiscounted financial liabilities	**93,488**	**227,221**	**–**	**320,709**	197,406	177,077	79,332	453,815
Total net undiscounted financial assets/ (liabilities)	**2,275,439**	**(226,305)**	**708**	**2,049,842**	2,002,993	(162,988)	608	1,840,613

Notes to the financial statements

For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Fair value measurement

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(a) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 – Unobservable inputs.

Financial assets and liabilities carried at fair value

	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
2024				
Assets				
Financial assets at fair value through profit or loss				
– Equities	**352,714**	**–**	**–**	**352,714**
– Fixed income	**166,214**	**–**	**–**	**166,214**
– Other investments	**–**	**496,995**	**681,132**	**1,178,127**
Derivative financial instruments				
– Currency forwards	**–**	**195**	**–**	**195**
– Futures	**3,884**	**–**	**–**	**3,884**
	522,812	**497,190**	**681,132**	**1,701,134**
Liabilities				
Derivative financial instruments				
– Currency forwards	**–**	**(6,826)**	**–**	**(6,826)**
	–	**(6,826)**	**–**	**(6,826)**

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For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Fair value measurement (cont'd)

Financial assets and liabilities carried at fair value (cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2023				
Assets				
Financial assets at fair value through profit or loss				
– Equities	288,865	–	–	288,865
– Fixed income	165,265	–	–	165,265
– Other investments	–	438,877	643,151	1,082,028
Derivative financial instruments				
– Currency forwards	–	15,765	–	15,765
– Futures	7,605	–	–	7,605
	461,735	454,642	643,151	1,559,528
Liabilities				
Derivative financial instruments				
– Currency forwards	–	(132)	–	(132)
	–	(132)	–	(132)

Level 1

The fair value of financial assets classified under Level 1 is based on quoted market prices (unadjusted) from active markets at the balance sheet date.

Notes to the financial statements

For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Fair value measurement (cont'd)

Financial assets and liabilities carried at fair value (cont'd)

Level 2

The fair value of financial instruments that are not traded in an active market is based on valuations provided by independent sources such as market participants, dealers and brokers. Derivative financial instruments are valued using widely accepted pricing models with market observable inputs including volatilities, yield curves, foreign exchange spot and forward rates. These instruments are classified as Level 2.

Level 3

Financial assets classified under Level 3 are valued using valuation techniques based on unobservable inputs that are supported by little or no market activity and which are significant inputs to the valuation. The fair value is determined by the fund managers as described in Note 3(b).

The following table presents the changes in Level 3 instruments:

	2024 $'000	2023 $'000
Other investments		
At beginning of the financial year	**643,151**	706,977
Purchases	**93,036**	69,005
Sales	**(94,229)**	(73,258)
Realised fair value gains recognised in profit or loss	**55,177**	25,774
Unrealised fair value losses recognised in profit or loss	**(16,003)**	(85,347)
At end of the financial year	**681,132**	643,151
Total gains/(losses) for the period included in profit or loss for investments held at the end of the financial year	**39,174**	(59,573)

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For the financial year ended 31 March 2024

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) *Categorisation of financial instruments*

The carrying amount of the different categories of financial instruments carried at amortised cost is as follows:

	2024 **$'000**	2023 $'000
Financial assets carried at amortised cost		
Cash and cash equivalents (Note 10)	**611,602**	588,902
Other receivables (Note 11)	**72,711**	58,651
Less: prepayments (Note 11)	**(14,896)**	(12,274)
Student loans (Note 12)	**–**	99,621
	669,417	734,900
Financial liabilities carried at amortised cost		
Other payables (Note 21)	**141,886**	140,607
Less: tuition fees received in advance (Note 21)	**(61,450)**	(61,216)
Borrowings (Note 22)	**209,746**	249,755
Advances for MOE student loans (Note 23)	**–**	103,206
	290,182	432,352

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure it maintains a strong credit rating and healthy capital ratios in order to support its business and fulfil its financing commitments.

The Group is partially funded by the grants received from MOE and the balance from its accumulated surplus. In addition, a portion of the accumulated surplus is invested so as to further enhance its value. This investment income could be drawn down to support the Group's operating budget or development.

No changes were made to the objectives, policies or processes during the years ended 31 March 2024 and 2023.

33. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the trustees on 16 August 2024.