

SINGAPORE INSTITUTE OF TECHNOLOGY
(Company Limited by Guarantee)
(Incorporated in Singapore. Registration Number: 200917667D)
AND ITS SUBSIDIARIES

Annual Financial Statements
For the financial year ended 31 March 2024



SINGAPORE INSTITUTE OF TECHNOLOGY
(Company Limited by Guarantee)
(INCORPORATED IN SINGAPORE)
AND ITS SUBSIDIARIES

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SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

TRUSTEES' STATEMENT

For the Financial Year ended 31 March 2024

The Board of Trustees present their statement to the members together with the audited financial statements of Singapore Institute of Technology ("SIT") and its subsidiaries (collectively referred to as the "Group") for the financial year ended 31 March 2024 and the Statement of Financial Position of SIT as at 31 March 2024.

In the opinion of the Trustees,

- (a) the consolidated financial statements of the Group, and the Statement of Financial Position of SIT and as set out on pages 6 to 50 are drawn up so as to give a true and fair view of the financial position of the Group and SIT as at 31 March 2024 and of the financial performance, changes in funds and reserves and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that SIT will be able to pay its debts as and when they fall due.

Trustees

The Trustees of SIT in office at the date of this statement are as follows:

Mr Bill Chang (Chairman)
Professor Chua Kee Chaing
Mr Chan Hian Lim
Dr Chia Tai Tee
Mr Han Kwee Juan
Dr Benjamin Koh
Mr Kwee Liong Keng
Ms Lim Wan Yong
Mrs Margaret Lui
Mr Abu Bakar Bin Mohd Nor
Ms Neo Gim Huay
Ms Gail Ong
Ms Jacqueline Poh
Mr Quek Gim Pew
Mr Ravinder Singh
Mr Nagaraj Sivaram
Ms Susan Soh
Mr Soon Sze Meng
Ms Tammie Tham
Mr Wen Khai Meng

Arrangements to Enable the Trustees to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was SIT a party to any arrangement whose object was to enable the Trustees of SIT to acquire benefits by means of the acquisition of shares in, or debentures of, SIT or any other body corporate.

Trustees' Interests in Shares or Debentures

SIT is a company limited by guarantee and has no share capital or debentures. Therefore, there are no matters to be disclosed under Section 9, Twelfth Schedule of the Companies Act 1967.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

TRUSTEES' STATEMENT

For the Financial Year ended 31 March 2024

Trustees' Contractual Benefits

Since the end of the previous financial year, no trustee has received or become entitled to receive a benefit, which is required to be disclosed under Section 164(1) of the Companies Act 1967, by reason of a contract made by SIT or a related corporation with the Trustee or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in Note 30 to the financial statements.

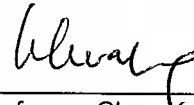
Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Trustees



Mr Bill Chang
Trustee



Professor Chua Kee Chaing
Trustee

19 August 2024

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

**Independent auditor's report
For the financial year ended 31 March 2024**

Independent auditor's report to the members of Singapore Institute of Technology

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Institute of Technology ("SIT") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and SIT as at 31 March 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position of SIT, are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore (the "FRSs") so as to give a true and fair view of the financial position of the Group and SIT as at 31 March 2024 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Singapore Standards on Auditing (the "SSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report and trustees' statement in pages 1 and 2, but does not include the financial statements and our auditor's report thereon.

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

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

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

**Independent auditor's report
For the financial year ended 31 March 2024**

Independent auditor's report to the members of Singapore Institute of Technology

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations 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, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 the SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

Independent auditor's report
For the financial year ended 31 March 2024

Independent auditor's report to the members of Singapore Institute of Technology

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

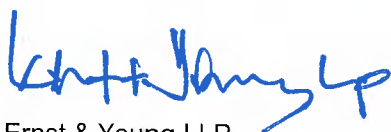
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required to be kept by SIT and by its subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (a) SIT has not used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) SIT has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

19 August 2024

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Financial Year ended 31 March 2024

	Note	Endowment and Term Funds					Total
		General Funds		Funds		2023 \$'000	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000		
Revenue	4(a)	114,207	107,444	-	-	114,207	107,444
Other Income	4(a)	2,598	1,552	4,564	4,536	7,162	6,088
Operating Expenditure							
Staff and Related Expenses	5	(176,082)	(153,022)	(1,008)	(719)	(177,090)	(153,741)
Programme and Student-Related Expenses		(81,220)	(73,947)	(3,856)	(3,652)	(85,076)	(77,599)
Depreciation and Amortisation Expenses	15, 17	(37,781)	(42,082)	(39)	(20)	(37,820)	(42,102)
Rental and Other Facility Expenses		(19,141)	(17,311)	(1)	(16)	(19,142)	(17,327)
Interest Expense	16	(1,360)	(1,258)	-	-	(1,360)	(1,258)
Other Operating Expenses		(35,047)	(27,033)	(1,020)	(213)	(36,067)	(27,246)
Total Operating Expenditure		(350,631)	(314,653)	(5,924)	(4,620)	(356,555)	(319,273)
Deficit before Investment Income and Government Grants		(233,826)	(205,657)	(1,360)	(84)	(235,186)	(205,741)
Net Investment Income/(Loss)	6	9,465	4,770	85,688	(42,672)	95,153	(37,902)
(Deficit)/Surplus before Government Grants		(224,361)	(200,887)	84,328	(42,756)	(140,033)	(243,643)
Government Grants	7	265,085	248,233	-	-	265,085	248,233
Net Surplus/(Deficit), representing Total Comprehensive Income		40,724	47,346	84,328	(42,756)	125,052	4,590

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

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

	Note	Group		SIT	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Non-Current Assets					
Investment in Subsidiaries	14	–	–	– (a)	– (a)
Property, Plant and Equipment	15	1,368,548	1,024,629	1,368,248	1,024,223
Intangible Assets	17	462	1,144	462	1,144
Student Loans	11	752	589	752	589
Other Non-Current Assets	18	57,454	60,548	57,420	60,514
Total Non-Current Assets		1,427,216	1,086,910	1,426,882	1,086,470
Current Assets					
Cash and Cash Equivalents	8	265,344	315,334	265,120	315,334
Financial Assets at Fair Value through Profit or Loss	9	1,034,169	814,476	1,034,169	814,476
Tuition Fee and Other Receivables	10	480,951	216,122	485,225	218,600
Student Loans	11	50	48	50	48
Other Current Assets	12	11,223	10,808	11,223	10,808
Derivative Financial Instruments	13	–	119	–	119
Total Current Assets		1,791,737	1,356,907	1,795,787	1,359,385
TOTAL ASSETS		3,218,953	2,443,817	3,222,669	2,445,855
LIABILITIES					
Current Liabilities					
Trade and Other Payables	19	83,488	114,321	87,773	116,952
Deferred Tuition Fee Income	4(b)	6,159	3,684	6,159	3,684
Grants Received in Advance	20	44,921	28,165	44,921	28,165
Lease Liabilities	16	6,017	5,883	5,976	5,879
Borrowings	23	38,591	2,317	38,591	2,317
Derivative Financial Instruments	13	85	–	85	–
Total Current Liabilities		179,261	154,370	183,505	156,997
NET CURRENT ASSETS		1,612,476	1,202,537	1,612,282	1,202,388
Non-Current Liabilities					
Deferred Capital Grants	21	1,025,990	767,192	1,025,990	767,192
Other Deferred Grants	22	60,193	63,520	60,193	63,520
Lease Liabilities	16	31,298	37,258	30,804	36,732
Borrowings	23	607,500	264,900	607,500	264,900
Total Non-Current Liabilities		1,724,981	1,132,870	1,724,487	1,132,344
TOTAL LIABILITIES		1,904,242	1,287,240	1,907,992	1,289,341
NET ASSETS		1,314,711	1,156,577	1,314,677	1,156,514

(a) Less than \$1,000

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

	Note	Group		SIT	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
FUNDS AND RESERVES					
General Funds					
- Accumulated Surplus		333,712	292,988	333,678	292,925
Endowment and Term Funds					
- Capital	24(a)	703,414	670,332	703,414	670,332
- Accumulated Surplus	24(a)	277,585	193,257	277,585	193,257
		980,999	863,589	980,999	863,589
TOTAL FUNDS AND RESERVES		1,314,711	1,156,577	1,314,677	1,156,514

See Note 25 for Funds Managed on Behalf of Ministry of Education ("MOE")

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

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES

For the financial year ended 31 March 2024

	Note	General Funds \$'000	Endowment and Term Funds \$'000	Total \$'000
2024				
At 1 April 2023		292,988	863,589	1,156,577
Net Surplus, representing Total Comprehensive Income		40,724	84,328	125,052
Government Grants and Donations	24(b)	–	33,082	33,082
At 31 March 2024		333,712	980,999	1,314,711
2023				
At 1 April 2022		245,642	867,144	1,112,786
Net Surplus/(Deficit), representing Total Comprehensive Income		47,346	(42,756)	4,590
Government Grants and Donations	24(b)	–	39,201	39,201
At 31 March 2023		292,988	863,589	1,156,577

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

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Year ended 31 March 2024

	Note	2024 \$'000	2023 \$'000
Cash Flows From Operating Activities			
Deficit before Government Grants		(140,033)	(243,643)
Adjustments for:			
Depreciation and Amortisation	15,17	37,820	42,102
Net gain on Disposal of Property, Plant and Equipment		–	(1)
Interest Income	6	(10,950)	(5,742)
Dividend Income	6	(4,405)	(3,635)
Donation Income	4(a)	(4,564)	(4,536)
Foreign Currency Exchange (Gain)/Loss	6	(520)	43
Fair Value (Gain)/Loss on Financial Assets at Fair Value through Profit or Loss	6	(73,694)	47,581
Fair Value Loss/(Gain) on Derivative Financial Instruments	6	381	(229)
Gain on Disposal of Financial Assets at Fair Value through Profit or Loss	6	(5,965)	(116)
Interest Expense	16	1,360	1,258
Expected Credit Loss Allowance	29(b)	40	68
Operating Cash Flows before Changes in Working Capital		(200,530)	(166,850)
Change in Operating Assets and Liabilities			
Tuition Fee and Other Receivables		(10,170)	(650)
Student Loans and Other Assets		2,514	2,876
Trade and Other Payables		12,888	19,724
Net Cash Used in Operating Activities		(195,298)	(144,900)
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment and Intangible Assets	B	(400,330)	(260,111)
Proceeds from Disposal of Property, Plant and Equipment		–	3
Purchase of Financial Assets at Fair Value through Profit or Loss		(216,739)	(87,656)
Proceeds from Disposal of Financial Assets at Fair Value through Profit or Loss		76,704	39,907
Settlement of Derivative Financial Instruments		(177)	130
Interest Received		12,051	2,546
Dividend Received		4,405	3,635
Net Cash Used in Investing Activities		(524,086)	(301,546)
Cash Flows From Financing Activities			
Operating Grants Received		203,016	173,925
Development Grants Received		36,590	33,932
Other Government Grants Received		32,573	28,819
Matching Endowment Grants Received		29,375	14,143
Donations Received		17,605	20,035
Principal Payment of Lease Liabilities	A	(5,915)	(5,974)
Interest Paid on Lease Liabilities	A	(1,360)	(1,258)
Proceeds from Borrowings	A	377,400	230,900
Interest Paid on Borrowings	A	(19,890)	(2,851)
Net Cash Flows Generated From Financing Activities		669,394	491,671
Net (Decrease)/Increase in Cash and Cash Equivalents		(49,990)	45,225
Cash and Cash Equivalents at Beginning of Financial Year		315,334	270,109
Cash and Cash Equivalents at End of Financial Year	8	265,344	315,334

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Year ended 31 March 2024

Note A: Reconciliation of Liabilities Arising From Financing Activities

	1 April 2023	Principal and Interest Payments	Proceeds from Borrowings	Non-Cash Changes		31 March 2024
				Additions	Interest Expense	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Lease Liabilities	43,141	(7,275)	–	89	1,360	37,315
Borrowings	267,217	(19,890)	377,400	–	21,364	646,091

	1 April 2022	Principal and Interest Payments	Proceeds from Borrowings	Non-Cash Changes		31 March 2023
				Additions	Interest Expense	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Lease Liabilities	37,780	(7,232)	–	11,335	1,258	43,141
Borrowings	34,043	(2,851)	230,900	–	5,125	267,217

Note B: Purchase of Property, Plant and Equipment and Intangible Assets

During the financial year, the Group acquired Property, Plant and Equipment and Intangible Assets with an aggregate cost of \$381,057,000 (2023: \$288,219,000). The additions were by way as follows:

	Note	2024 \$'000	2023 \$'000
Cash at Bank		400,330	260,111
Payables for Property, Plant and Equipment		(19,362)	16,773
Lease Liabilities	A	89	11,335
		381,057	288,219

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

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS For the Financial Year ended 31 March 2024

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

1. Corporate Information

Singapore Institute of Technology ("SIT") 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 10 Dover Drive Singapore 138683.

The principal activities of SIT are to promote and undertake the advancement of education by providing educational facilities and courses of study in all fields of knowledge; to advance and disseminate knowledge and promote and engage in research and scholarship; and to conduct any activity necessary or ancillary to achieve the objectives mentioned above.

Under Clause 9 of the Memorandum of Association of SIT, each member of SIT undertakes to contribute a sum not exceeding \$1 to the assets of SIT in the event of it being wound up. The number of members as at 31 March 2024 is 2 (2023: 2).

2. Material Accounting Policy Information

2.1 New or Revised Accounting Standards and Interpretations

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

Description	Effective for annual periods beginning on or after
Amendments to 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 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 Statement of Cash Flows and FRS 107 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2. Material Accounting Policy Information (cont'd)

2.2 Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below. All financial information presented in Singapore Dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain significant accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.3 Funds

(a) *General Funds*

Income and expenditure are accounted for under the General Funds unless they relate to funds separately accounted under specific self-financing activities.

(b) *Endowment Funds*

Grants from government and endowed donations from external sources whereby only income generated from the investments of such grants/donations can be used, are taken directly to funds and reserves in the year in which such grants and donations are granted or received.

Income and expenditure relating to Endowment Funds are taken to Endowment Funds.

(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.

Expenditure relating to Term Funds are taken to Term Funds.

2.4 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for rendering of services net of goods and services tax in the ordinary course of the Group's activities. Under FRS 115, revenue is recognised when an entity satisfies a performance obligation by transferring a promised good or service to a customer.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS For the Financial Year ended 31 March 2024

2. Material Accounting Policy Information (cont'd)

2.4 Revenue Recognition (cont'd)

(a) *Tuition and Other Student-Related Services*

Revenue from tuition and other student-related services is recognised over the duration of the courses, except application fees, matriculation fees, certification fees and fees for student activities that are recognised when payment is received.

(b) *Service Fees*

Revenue from service fees is recognised over the period in which the services are rendered except administrative charges that are recognised upon billing.

2.5 Employee Compensation

(a) *Defined Contribution Plans*

The Group's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

(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 annual leave as a result of services rendered by employees up to the Balance Sheet date.

2.6 Group Accounting

Subsidiaries

(a) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS For the Financial Year ended 31 March 2024

2. Material Accounting Policy Information (cont'd)

2.6 Group Accounting (cont'd)

Subsidiaries (cont'd)

(b) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in Other Comprehensive Income in respect of the subsidiary disposed are also reclassified to Profit or Loss or transferred directly to Accumulated Surplus in General Funds if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in Profit or Loss.

Please refer to paragraph 2.11 "Investment in Subsidiaries" for the accounting policy on investment in subsidiaries.

2.7 Property, Plant and Equipment

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

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.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Assets Under Construction consist of construction costs and related expenses incurred, including the financing cost during the period of construction.

Property, plant and equipment costing less than \$2,000 each, which are insignificant, are taken to Profit or Loss when purchased.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful Lives</u>
Land, Buildings and Infrastructure	3 to 30 years or the period of lease, whichever is shorter
Furniture, Office and Sports Equipment	3 to 5 years
IT, AV and Network Equipment	3 to 5 years
Machinery, Laboratory and Workshop Equipment	6 years
Motor Vehicles	8 years

2. Material Accounting Policy Information (cont'd)

2.7 Property, Plant and Equipment (cont'd)

The residual values, estimated useful lives and depreciation method of Property, Plant and Equipment are reviewed, and adjusted as appropriate, at each Balance Sheet date. The effects of any revision are recognised in Profit or Loss when the changes arise.

No depreciation is provided for Assets Under Construction until construction is completed and the asset is transferred to its appropriate category.

On disposal of an item of Property, Plant and Equipment, the difference between the disposal proceeds and its carrying amount is included in Profit or Loss.

2.8 Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents consist of cash at banks and short-term bank deposits, which are subject to an insignificant risk of change in value.

2.9 Financial Instruments

Financial Assets

The Group classifies its Financial Assets into the following measurement categories:

- Amortised Cost;
- Fair Value through Profit or Loss (FVPL)

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of cash flows of the financial assets.

The Group reclassifies Debt and Equity Instruments when and only when its business model for managing those assets changes.

(a) *Initial Recognition*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a Financial Asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of Financial Assets carried at FVPL are expensed in Profit or Loss.

(b) *Subsequent Measurement*

Debt and Equity Instruments of the Group mainly consist of Cash and Cash Equivalents, Tuition Fee and Other Receivables, Financial Assets at FVPL and Student Loans.

There are two prescribed subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristic of the assets.

2. **Material Accounting Policy Information (cont'd)**

2.9 Financial Instruments (cont'd)

Financial Assets (cont'd)

(b) *Subsequent Measurement (cont'd)*

- Amortised Cost: The Group manages this group of financial assets by collecting the contractual cash flows and these cash flows represent solely payments of principal and interest. Accordingly, this group of financial assets is measured at amortised cost subsequent to initial recognition.

The Group's major classes of Financial Assets at Amortised Cost are Cash and Cash Equivalents and Tuition Fee and Other Receivables.

A gain or loss on a Debt Instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Profit or Loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

These financial assets are subject to the Expected Credit Loss Impairment Model under FRS 109. The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

- FVPL: Debt and Equity Instruments that are held for trading as well as those that do not meet the criteria for classification as Amortised Cost or Fair Value through Other Comprehensive Income (FVOCI) are classified as FVPL. Movement in fair value and interest income are recognised in Profit or Loss in the period in which they arise and presented in "Net Investment Income".

The Debt and Equity Instruments classified at FVPL relate to an investment portfolio comprising of quoted securities and unquoted securities. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. These financial assets are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

The Group primarily focuses on fair value information to evaluate assets' performance and to make decisions. The collection of contractual cash flows Debt and Equity Instruments is only incidental to achieving the business model's objective.

Regular way purchases and sales of these financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

2. Material Accounting Policy Information (cont'd)

2.9 Financial Instruments (cont'd)

Financial Assets (cont'd)

(c) *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal, the difference between the carrying amount and sale proceeds is recognised in Profit or Loss. Any amount previously recognised in Other Comprehensive Income relating to that asset is reclassified to Profit or Loss.

Financial Liabilities

The Group classifies its Financial Liabilities into the following measurement categories:

- Amortised Cost;
- Fair Value through Profit or Loss (FVPL)

(a) *Initial Recognition*

At initial recognition, the Group measures a financial liability at fair value plus in the case of Financial Liabilities not at FVPL, directly attributable transaction costs.

(b) *Subsequent Measurement*

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in Profit or Loss when the liabilities are derecognised, and through the amortisation process.

(c) *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in Profit or Loss.

Derivative Financial Instruments

A derivative financial instrument is applied and initially recognised at its fair value on the date the contract is entered and is subsequently carried at its fair value. Changes in its fair value are recognised in Profit or Loss when the changes arise. The Group does not adopt hedge accounting.

2. Material Accounting Policy Information (cont'd)

2.10 Foreign Currency Translation

The financial statements are presented in Singapore Dollars, which is the functional currency of the Group's entities.

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 Profit or Loss.

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

2.11 Investment in Subsidiaries

Investment in Subsidiaries is carried at cost less accumulated impairment losses in separate financial statements. On disposal of such investment, the difference between the disposal proceeds and the carrying amount of the investment is recognised in Profit or Loss.

2.12 Government Grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

Government Grants are recognised as income on a systematic basis over the periods in which the Group recognises as expenses and related costs for which the grants are intended to compensate. Grants which are received but not utilised are included in the Grants Received in Advance account.

Government Grants Received/Receivable to finance capital projects such as purchase or construction of property, plant and equipment, and intangible assets are taken immediately to the Government Operating or Development Grants Received in Advance account. Upon the utilisation of the grants for the purchase or construction of assets, they are transferred to Deferred Capital Grants for the assets which are being capitalised, or to Profit or Loss for assets costing less than \$2,000 which are written off as they are insignificant.

Deferred Capital Grants are recognised in Profit or Loss over the periods necessary to match the depreciation or amortisation of the related assets. Upon the disposal of the assets, the remaining balance of the related Deferred Capital Grants are recognised in Profit or Loss to match the net book value of the assets written off.

Grants from other government agencies are recognised as income over the periods in which the Group recognises the related costs as expenses or over the period the intended activities are carried out, in accordance with the grant conditions. Grants which are received but not utilised are included in the Other Grants Received in Advance account.

2. Material Accounting Policy Information (cont'd)

2.13 Impairment of Non-Financial Assets

Property, Plant and Equipment, Intangible Assets and Investment in Subsidiaries are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in Profit or Loss.

An impairment loss for an asset is reversed if, and 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. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation and amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in Profit or Loss.

2.14 Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all Debt Instruments not held at Fair Value through Profit or Loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

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

2. Material Accounting Policy Information (cont'd)

2.14 Impairment of Financial Assets (cont'd)

The Group considers a financial asset in default when contractual payments are 60 days past due. The Group has determined the default event on a financial asset to be when internal and or external information indicates that the financial asset is unlikely to be received, which generally is when there is significant difficulty of the counterparty. Financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- All possible means to contact the debtor for payment do not yield any positive response

Financial Assets are written off when there is evidence indicating that the debtor meets the above credit-impaired conditions and there is no reasonable expectation of recovery. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in Profit or Loss.

2.15 Leases

When the Group is the Lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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 a consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-Use Assets

The Group recognises a Right-of-Use Asset and Lease Liability at the date which the underlying asset is available for use. Right-of-Use Assets are measured at cost, which comprises the initial lease liabilities adjusted for any lease payments made at or before the commencement date, and the lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The Right-of-Use Assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use Assets or the end of the lease term.

Right-of-Use Assets are presented within "Property, Plant and Equipment".

2. Material Accounting Policy Information (cont'd)

2.15 Leases (cont'd)

When the Group is the Lessee (cont'd)

- Lease Liabilities

Lease Liabilities are measured at amortised cost using the effective interest method. Lease Liabilities shall be re-measured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original terms.

Lease Liabilities are re-measured with a corresponding adjustment to the Right-of-Use Asset, or is recorded in Profit or Loss if the carrying amount of the Right-of-Use Asset has been reduced to zero.

- Short-Term and Low-Value Leases

The Group has elected to not recognise Right-of-Use Assets and Lease Liabilities for short-term leases that have lease terms of 12 months or less and leases of low value. Lease payments relating to these leases are expensed to Profit or Loss on a straight-line basis over the lease term.

2.16 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 qualifying assets. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. This includes costs on borrowings acquired specifically for the acquisition, construction or development of qualifying assets.

Actual borrowing costs incurred during the period up to the issuance of the certificate of substantial completion are capitalised in the cost of the Assets under Construction.

3. Significant Accounting Estimates, Assumptions and Judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is no significant judgement made in applying accounting policies and there is no estimation uncertainty that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2024

4. Revenue and Other Income

(a) In Statement of Comprehensive Income

	General Funds		Endowment and Term Funds		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue:						
Tuition and Other Student-Related Fees	114,169	107,321	–	–	114,169	107,321
Service Fees	38	123	–	–	38	123
	114,207	107,444	–	–	114,207	107,444
Timing of Revenue Recognition:						
At a Point in Time	610	501	–	–	610	501
Over Time	113,597	106,943	–	–	113,597	106,943
	114,207	107,444	–	–	114,207	107,444
Other income:						
Donation Income	–	–	4,564	4,536	4,564	4,536
Rental Income	265	285	–	–	265	285
Others	2,333	1,267	–	–	2,333	1,267
	2,598	1,552	4,564	4,536	7,162	6,088
Total Revenue and Other Income	116,805	108,996	4,564	4,536	121,369	113,532

(b) In Statements of Financial Position

	Group and SIT	
	2024 \$'000	2023 \$'000
Deferred Tuition Fee Income	6,159	3,684

Deferred Tuition Fee Income relates to fees received from students for tuition and other student-related fees in which the courses have not been delivered. Revenue will be recognised over the time when the courses are delivered to the students. The Deferred Tuition Fee Income of \$3,684,000 in 2023 (2022: \$9,207,000) was fully recognised as revenue during the financial year ended 31 March 2024 upon delivery of the courses. Courses relating to the Deferred Tuition Fee Income as at 31 March 2024 will be delivered within one year from Balance Sheet date.

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NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2024

5. Staff and Related Expenses

	2024	2023
	\$'000	\$'000
Salaries and Bonuses	152,248	130,567
Employer's Contribution to Defined Contribution Plans Including Central Provident Fund	15,793	14,116
Other Employee Benefits	9,049	9,058
	177,090	153,741

6. Net Investment Income/(Loss)

	General Funds		Endowment and Term Funds		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest Income	9,324	4,770	1,626	972	10,950	5,742
Dividend Income	–	–	4,405	3,635	4,405	3,635
Foreign Currency Exchange Gain/(Loss)	–	–	520	(43)	520	(43)
Fair Value Gain/(Loss) on Financial Assets at Fair Value through Profit or Loss	141	–	73,553	(47,581)	73,694	(47,581)
Fair Value (Loss)/Gain on Derivative Financial Instruments	–	–	(381)	229	(381)	229
Gain on Disposal of Financial Assets at Fair Value through Profit or Loss	–	–	5,965	116	5,965	116
	9,465	4,770	85,688	(42,672)	95,153	(37,902)

7. Government Grants

	2024	2023
	\$'000	\$'000
Operating and Other Grants Utilised (Note 20)	233,950	212,367
Deferred Capital Grants Amortised (Note 21)	27,807	32,537
Other Deferred Grants Amortised (Note 22)	3,327	3,327
Transfer from Deferred Capital Grants upon Disposal of Property, Plant and Equipment (Note 21)	1	2
	265,085	248,233

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2024

8. Cash and Cash Equivalents

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at Banks	72,045	42,134	71,821	42,134
Short-Term Bank Deposits	193,299	273,200	193,299	273,200
	265,344	315,334	265,120	315,334

The Short-Term Bank Deposits at Balance Sheet date have an average maturity of 65 days (2023: 200 days) from the end of the financial year with a weighted average effective interest rate of 3.726% (2023: 3.367%) per annum.

9. Financial Assets at Fair Value through Profit or Loss

	Group and SIT	
	2024 \$'000	2023 \$'000
<u>Endowment and Term Funds</u>		
Quoted Fixed Income Investments	117,030	111,771
Quoted Equity Investments	116,396	98,906
Quoted Other Investments	58,899	91,453
Unquoted Investments	641,703	512,346
Note 24(a)	934,028	814,476
<u>General Funds</u>		
Quoted Other Investments	100,141	-
	1,034,169	814,476

Quoted Other Investments and Unquoted Investments consist mainly of private equity, money market and multi-asset funds.

The weighted average yield to maturity for the Fixed Income Investments is 5.11% (2023: 5.59%) per annum.

As at 31 March 2024, the Group has outstanding commitments of \$167,681,000 (2023: \$120,463,000) for investments in Unquoted Investments which have not been drawn down as at Balance Sheet date.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2024

10. Tuition Fee and Other Receivables

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Tuition Fee Receivable - Gross	9,585	9,426	9,560	9,412
Less: Expected Credit Loss Allowance (Note 29(b))	(79)	(56)	(79)	(56)
Tuition Fee Receivable - Net	9,506	9,370	9,481	9,356
Grant Receivables from MOE Matching Endowment Grant Receivables	390,427	132,322	390,427	132,322
Other Grant Receivables	16,258	25,592	16,258	25,592
Other Receivables from MOE	16,816	9,582	16,816	9,582
Interest Receivables	44,844	34,187	44,844	34,187
Other Receivables	1,987	3,088	1,987	3,088
	1,113	1,981	5,412	4,473
	480,951	216,122	485,225	218,600

The Expected Credit Loss Allowance for Tuition Fee Receivable is derived based on the approach and expected credit loss rates disclosed in Note 29(b).

11. Student Loans

	Group and SIT	
	2024 \$'000	2023 \$'000
Current	50	48
Non-Current	752	589
	802	637

These are overseas student programme loans which are unsecured and non-interest bearing during the course of study and are repayable by monthly instalments with interest over periods of up to 5 years after the students' graduation. The repayment period may be longer if MOE allows loan repayment to be suspended for a certain period of time due to adverse economic situation. Interest charged is based on the average prevailing prime rates of the 3 local banks. The interest rate as at Balance Sheet date is 4.75% (2023: 4.75%) per annum.

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

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2024

12. Other Current Assets

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deposits	1	531	1	531
Prepayments				
- Rental and Other Facility Expenses	3,327	3,327	3,327	3,327
- Programme and Student Related Expenses	3,754	3,351	3,754	3,351
- Others	4,141	3,599	4,141	3,599
	11,223	10,808	11,223	10,808

Prepayments for rental and other facility expenses relate to service fees paid in advance to the Polytechnics for the use of facilities.

13. Derivative Financial Instruments

	Group and SIT			
	Contract Notional Amount		Fair value – (Liabilities)/Assets	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Foreign Currency Forward Contracts	12,647	12,459	(85)	119

These contracts are entered into to hedge foreign currency exposure relating to Financial Assets at FVPL denominated in foreign currencies. SIT does not apply hedge accounting.

14. Investment in Subsidiaries

	SIT	
	2024 \$	2023 \$
Shares, at cost	6	6

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
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14. Investment in Subsidiaries (cont'd)

At the Balance Sheet date, the details of subsidiaries are as follows:

Name	Principal Activities	Country of Business/ Incorporation	Date of incorporation	Proportion of ownership interest	
				2024 %	2023 %
Verbosecurity Pte Ltd**	Provision of information technology cybersecurity consultancy services	Singapore	18 January 2019	100	100
SIT Microgrid Pte Ltd*	Generation of electricity using Multi-Energy Micro-Grid	Singapore	19 August 2019	100	100
Foodplant Pte Ltd*	Provision of shared small-batch food production facility	Singapore	2 March 2020	100	100

* Audited by Ernst & Young LLP, Singapore

** Deregistered subsequent to the balance sheet date on 4 June 2024

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2024

15. Property, Plant and Equipment

Group 2024	Land, Buildings and Infrastructure \$'000	Furniture, Office and Sports Equipment \$'000	IT, AV and Network Equipment \$'000	Machinery, Laboratory and Workshop Equipment \$'000	Motor Vehicles \$'000	Assets Under Construction \$'000	Total \$'000
<u>Cost</u>							
Beginning of Financial Year	574,720	21,558	47,889	54,639	988	619,108	1,318,902
Additions	122	154	1,877	3,528	59	375,139	380,879
Transfers Between Categories	-	-	164	1,094	-	(1,258)	-
Transfers to Intangible Assets (Note 17)	-	-	-	-	-	(32)	(32)
Disposals	-	(20)	(242)	(75)	-	-	(337)
End of Financial Year	574,842	21,692	49,688	59,186	1,047	992,957	1,699,412
<u>Accumulated Depreciation</u>							
Beginning of Financial Year	192,918	21,110	44,243	35,415	587	-	294,273
Depreciation Charge	27,999	252	2,012	6,560	105	-	36,928
Disposals	-	(20)	(242)	(75)	-	-	(337)
End of Financial Year	220,917	21,342	46,013	41,900	692	-	330,864
Net Carrying Amount End of Financial Year	353,925	350	3,675	17,286	355	992,957	1,368,548

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2024

15. Property, Plant and Equipment (cont'd)

SIT 2024	Land, Buildings and Infrastructure \$'000	Furniture, Office and Sports Equipment \$'000	IT, AV and Network Equipment \$'000	Machinery, Laboratory and Workshop Equipment \$'000	Motor Vehicles \$'000	Assets Under Construction \$'000	Total \$'000
<u>Cost</u>							
Beginning of Financial Year	574,191	21,558	47,889	54,639	988	619,108	1,318,373
Additions	122	154	1,877	3,528	59	375,139	380,879
Transfers Between Categories	-	-	164	1,094	-	(1,258)	-
Transfers to Intangible Assets (Note 17)	-	-	-	-	-	(32)	(32)
Disposals	-	(20)	(242)	(75)	-	-	(337)
End of Financial Year	574,313	21,692	49,688	59,186	1,047	992,957	1,698,883
<u>Accumulated Depreciation</u>							
Beginning of Financial Year	192,795	21,110	44,243	35,415	587	-	294,150
Depreciation Charge	27,893	252	2,012	6,560	105	-	36,822
Disposals	-	(20)	(242)	(75)	-	-	(337)
End of Financial Year	220,688	21,342	46,013	41,900	692	-	330,635
Net Carrying Amount End of Financial Year	353,625	350	3,675	17,286	355	992,957	1,368,248

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2024

15. Property, Plant and Equipment (cont'd)

Group 2023	Land, Buildings and Infrastructure \$'000	Furniture, Office and Sports Equipment \$'000	IT, AV and Network Equipment \$'000	Machinery, Laboratory and Workshop Equipment \$'000	Motor Vehicles \$'000	Assets Under Construction \$'000	Total \$'000
<u>Cost</u>							
Beginning of Financial Year	562,575	21,435	46,967	47,694	988	353,073	1,032,732
Additions	12,339	199	1,569	6,003	-	267,909	288,019
Transfers Between Categories	-	-	315	1,389	-	(1,704)	-
Transfers to Intangible Assets (Note 17)	-	-	-	-	-	(170)	(170)
Disposals	(194)	(76)	(962)	(447)	-	-	(1,679)
End of Financial Year	574,720	21,558	47,889	54,639	988	619,108	1,318,902
<u>Accumulated Depreciation</u>							
Beginning of Financial Year	162,381	20,831	43,034	28,972	483	-	255,701
Depreciation Charge	30,731	355	2,171	6,888	104	-	40,249
Disposals	(194)	(76)	(962)	(445)	-	-	(1,677)
End of Financial Year	192,918	21,110	44,243	35,415	587	-	294,273
<u>Net Carrying Amount</u>							
End of Financial Year	381,802	448	3,646	19,224	401	619,108	1,024,629

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2024

15. Property, Plant and Equipment (cont'd)

SIT 2023 <u>Cost</u>	Land, Buildings and Infrastructure \$'000	Furniture, Office and Sports Equipment \$'000	IT, AV and Network Equipment \$'000	Machinery, Laboratory and Workshop Equipment \$'000	Motor Vehicles \$'000	Assets Under Construction \$'000	Total \$'000
Beginning of Financial Year	562,046	21,435	46,967	47,694	988	353,073	1,032,203
Additions	12,339	199	1,569	6,003	-	267,909	288,019
Transfers Between Categories	-	-	315	1,389	-	(1,704)	-
Transfers to Intangible Assets (Note 17)	-	-	-	-	-	(170)	(170)
Disposals	(194)	(76)	(962)	(447)	-	-	(1,679)
End of Financial Year	574,191	21,558	47,889	54,639	988	619,108	1,318,373
<u>Accumulated Depreciation</u>							
Beginning of Financial Year	162,363	20,831	43,034	28,972	483	-	255,683
Depreciation Charge	30,626	355	2,171	6,888	104	-	40,144
Disposals	(194)	(76)	(962)	(445)	-	-	(1,677)
End of Financial Year	192,795	21,110	44,243	35,415	587	-	294,150
<u>Net Carrying Amount</u>							
End of Financial Year	381,396	448	3,646	19,224	401	619,108	1,024,223

(a) **Capitalisation of Borrowing Costs**

Borrowing costs of \$21,364,000 (2023: \$5,125,000) attributable to assets under construction were capitalised during the financial year.

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16. Leases – The Group as a Lessee

Nature of the Group's Leasing Activities

Land, Buildings and Infrastructure

The Group leases certain items of Land, Buildings and Infrastructure for use in its operations.

Included in Land, Buildings and Infrastructure (Note 15) is a Right-of-Use Asset consisting of a fully paid 30-year leasehold land on which the new SIT Punggol Campus is being constructed.

Office and Sports Equipment

The Group leases certain items of Office and Sports Equipment for use in its operations.

There are no externally imposed covenants on these lease arrangements.

(a) Carrying Amounts

Right-of-Use Assets Classified Within Property, Plant and Equipment

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Land, Buildings and Infrastructure	261,316	276,835	261,016	276,429
Office and Sports Equipment	27	62	27	62
	261,343	276,897	261,043	276,491

(b) Depreciation Charge During the Year

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Land, Buildings and Infrastructure	15,608	15,452	15,502	15,346
Office and Sports Equipment	35	42	35	42
	15,643	15,494	15,537	15,388

(c) Interest Expense

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Interest Expense on Lease Liabilities	1,360	1,258	1,356	1,253

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16. Leases – The Group as a Lessee (cont'd)

(d) Lease Expense Not Included in Lease Liabilities

	2024	2023
	\$'000	\$'000
Expense on Low-Value Leases	48	77

(e) Total Cash Outflows for Leases in 2024 were \$7,323,000 (2023: \$7,309,000).

(f) Additions of Right-Of-Use Assets during the financial year ended 31 March 2024 were \$89,000 (2023: \$11,872,000).

(g) Future Cash Outflows Which Are Not Included in Lease Liabilities

(i) Extension Option

The leases for certain Office and Sports Equipment contain extension periods, for which the related lease payments have not been included in lease liabilities as the Group is not reasonably certain of exercising the extension options. The Group negotiates extension options to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

17. Intangible Assets

Computer Software Licence Costs

	Group		SIT	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Cost</u>				
Beginning of Financial Year	27,422	27,112	27,318	27,008
Additions	178	200	178	200
Transfer from Assets Under Construction (Note 15)	32	170	32	170
Disposals	(41)	(60)	(41)	(60)
End of Financial Year	27,591	27,422	27,487	27,318
<u>Accumulated Amortisation</u>				
Beginning of Financial Year	26,278	24,485	26,174	24,381
Amortisation Charge	892	1,853	892	1,853
Disposals	(41)	(60)	(41)	(60)
End of Financial Year	27,129	26,278	27,025	26,174
<u>Net Carrying Amount</u>				
End of Financial Year	462	1,144	462	1,144

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18. Other Non-Current Assets

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deposits	249	62	215	28
Prepayments				
- Rental and Other Facility Expenses	56,866	60,193	56,866	60,193
- Others	339	293	339	293
	57,454	60,548	57,420	60,514

Prepayments for rental and other facility expenses relate to service fees paid in advance to the Polytechnics for the use of facilities.

19. Trade and Other Payables

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade Payables	9,717	8,852	9,733	8,852
Other Payables	15,589	15,381	19,873	18,019
Payables for Property, Plant and Equipment	10,661	30,023	10,661	30,023
Accrued Operating Expenses	47,521	60,065	47,506	60,058
	83,488	114,321	87,773	116,952

20. Grants Received in Advance

	Government Operating Grants \$'000	Government Development Grants \$'000	Other Grants \$'000	Total \$'000
Group and SIT				
2024				
Beginning of Financial Year	5,992	9,988	12,185	28,165
Grants Received/Receivable During the Year	200,755	296,956	39,601	537,312
<i>Less:</i>				
Transfer to Profit or Loss (Note 7)	(193,838)	(5,893)	(34,219)	(233,950)
Transfer to Deferred Capital Grants (Note 21)	(2,512)	(279,390)	(4,704)	(286,606)
	(196,350)	(285,283)	(38,923)	(520,556)
End of Financial Year	10,397	21,661	12,863	44,921

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20. Grants Received In Advance (cont'd)

	Government Operating Grants \$'000	Government Development Grants \$'000	Other Grants \$'000	Total \$'000
Group and SIT				
2023				
Beginning of Financial Year	14,293	105,859	12,521	132,673
Grants Received/Receivable During the Year	176,120	106,790	33,028	315,938
<u>Less:</u>				
Transfer to Profit or Loss (Note 7)	(182,092)	(546)	(29,729)	(212,367)
Transfer to Deferred Capital Grants (Note 21)	(2,329)	(202,115)	(3,635)	(208,079)
	(184,421)	(202,661)	(33,364)	(420,446)
End of Financial Year	5,992	9,988	12,185	28,165

These balances represent grants received or receivable but not utilised at the end of the financial year.

21. Deferred Capital Grants

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Beginning of Financial Year	767,192	591,652	767,192	591,652
Transfer from Grants Received in Advance (Note 20)	286,606	208,079	286,606	208,079
<u>Less:</u>				
Transfer to Profit or Loss - Deferred Capital Grants Amortised (Note 7)	(27,807)	(32,537)	(27,807)	(32,537)
- Derecognised upon Disposal of Property, Plant and Equipment (Note 7)	(1)	(2)	(1)	(2)
	(27,808)	(32,539)	(27,808)	(32,539)
End of Financial Year	1,025,990	767,192	1,025,990	767,192

Deferred Capital Grants relate to grants utilised for the acquisition of Property, Plant and Equipment and Intangible Assets. There are no unfulfilled conditions or contingencies attached to these grants.

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22. Other Deferred Grants

	Group and SIT	
	2024	2023
	\$'000	\$'000
Beginning of Financial Year	63,520	66,847
Deferred Grants Amortised (Note 7)	(3,327)	(3,327)
End of Financial Year	60,193	63,520

Other Deferred Grants relate to grants received from MOE to fund SIT's service fees paid in advance to the Polytechnics for the use of facilities.

23. Borrowings

	Group and SIT	
	2024	2023
	\$'000	\$'000
Current	38,591	2,317
Non-Current	607,500	264,900
	646,091	267,217

The profile of the borrowings at the Balance Sheet date is as follow:

	Group and SIT	
	2024	2023
	\$'000	\$'000
Variable Rate – Unsecured	646,091	267,217

Under the debt-grant framework initiated by the Government, SIT has obtained a bank loan to partially fund the construction of the SIT Punggol Campus.

The borrowings are interest bearing at rates ranging from 4.47% to 4.75% (2023: 2.11% to 5.40%) per annum and are repayable in semi-annual instalments commencing one month after the issuance of all temporary occupation permits for the SIT Punggol Campus.

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24. Endowment and Term Funds

(a) Composition:

	Endowment Funds		Group and SIT Term Funds		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Capital:						
Government Grants	607,089	587,048	–	–	607,089	587,048
Donations	96,325	83,284	–	–	96,325	83,284
	703,414	670,332	–	–	703,414	670,332
Accumulated Surplus	271,152	187,560	6,433	5,697	277,585	193,257
	974,566	857,892	6,433	5,697	980,999	863,589
Represented by:						
Cash and Cash Equivalents	24,680	17,399	6,463	6,101	31,143	23,500
Financial Assets at Fair Value through Profit or Loss	934,028	814,476	–	–	934,028	814,476
Matching Endowment Grant Receivables	16,258	25,592	–	–	16,258	25,592
Interest Receivable	277	244	–	–	277	244
Other Receivables	93	489	12	18	105	507
Derivative Financial Instruments	(85)	119	–	–	(85)	119
Property, Plant and Equipment	–	–	169	172	169	172
Intangible Assets	–	–	–	4	–	4
Trade and Other Payables	(685)	(427)	(211)	(598)	(896)	(1,025)
	974,566	857,892	6,433	5,697	980,999	863,589

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24. Endowment and Term Funds (cont'd)

(b) Movements:

	Endowment Funds		Group and SIT Term Funds		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Beginning of Financial Year	857,892	862,290	5,697	4,854	863,589	867,144
Government Grants	20,041	23,702	–	–	20,041	23,702
Donations	13,041	15,499	–	–	13,041	15,499
Government Grants and Donations	33,082	39,201	–	–	33,082	39,201
<u>Income</u>						
Donations	–	–	4,564	4,536	4,564	4,536
Net Investment Income/(Loss) (Note 6)	85,470	(42,716)	218	44	85,688	(42,672)
	85,470	(42,716)	4,782	4,580	90,252	(38,136)
<u>Operating Expenditure</u>						
Staff and Related Expenses	(903)	(683)	(105)	(36)	(1,008)	(719)
Programme and Student- Related Expenses	–	–	(3,856)	(3,652)	(3,856)	(3,652)
Depreciation and Amortisation Expenses	–	–	(39)	(20)	(39)	(20)
Rental and Other Facility Expenses	–	–	(1)	(16)	(1)	(16)
Other Operating Expenses	(975)	(200)	(45)	(13)	(1,020)	(213)
	(1,878)	(883)	(4,046)	(3,737)	(5,924)	(4,620)
Net Surplus/(Loss)	83,592	(43,599)	736	843	84,328	(42,756)
End of Financial Year	974,566	857,892	6,433	5,697	980,999	863,589

Endowment Funds

Endowment Funds comprise government grants and donations which are invested for long term purposes and investment income therefrom is either reinvested or used for the advancement of education.

Term Funds

Term Funds comprise donations which are used to fund scholarships, bursaries and other programmes for the advancement of education.

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25. Funds Managed on Behalf of MOE

Pursuant to the Student Tuition Fee Loan (TFL), Study Loan (SL) and Overseas Student Programme Loan - 50% funded by MOE (OSP) schemes, SIT acts as an agent for these loan schemes and MOE acts as the financier providing the funds.

	Group and SIT	
	2024	2023
	\$'000	\$'000
Beginning of Financial Year	54,498	50,542
Funds Received From MOE	19,630	17,978
Repayments From Students	(16,451)	(14,022)
End of Financial Year	57,677	54,498
<i>Represented By:</i>		
Student Loans	59,734	55,170
Less: Amounts receivable from MOE	(2,057)	(672)
	57,677	54,498

These loans are unsecured and non-interest bearing during the course of study and are repayable by monthly instalments with interest over periods of up to 20 years after the students' graduation. The repayment period may be longer if MOE allows the loan repayment to be suspended for a certain period of time due to adverse economic situation. Interest charged by MOE is based on the average of the prevailing prime rates of the 3 local banks. The interest rate as at Balance Sheet date is 4.75% (2023: 4.75%) per annum.

26. Capital Commitments

SIT Punggol Campus

The campus construction expenditure contracted for at the Balance Sheet date but not recognised in the financial statements is estimated as follows:

	2024	2023
	\$'000	\$'000
Campus construction	143,985	444,906

27. Income Taxes

SIT obtained the Charity and Institution of Public Character ("IPC") status on 16 September 2009 under the Charities Act and Charities (Institutions of a Public Character) Regulations 2007 and is exempt from income tax.

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28. Charities Act and Regulation

In accordance with the disclosure requirement under regulation 17(1) of the Charities (Institutions of Public Character) Regulations 2008, SIT received tax deductible donations of \$17,605,000 (2023: \$20,035,000) during the financial year.

29. Financial Risk Management

Financial Risk Factors

The Group's activities are exposed to market risk (including foreign currency, price and interest rate risks), credit risk and liquidity risk.

The Board of Trustees (the "Board") has constituted a Finance Committee comprising four Board members to oversee the Group's financial resource management.

With respect to Endowment Funds, an Investment Committee comprising three Board members and one co-opted member has also been constituted by the Board to oversee the management and investment of the Group's endowment and other surplus funds. The Investment Committee approves the asset allocations, selection of fund managers and policies governing investment activities. The Investment Office assists in the implementation and management of the Group's investment portfolio within the prescribed investment guidelines and mandates.

(a) Market Risk

(i) *Foreign Currency Risk*

The Group holds quoted and unquoted investments and cash and cash equivalents denominated in USD which are exposed to foreign currency risk. The Group's foreign currency exposure to USD is as follows:

	Group and SIT	
	2024	2023
	\$'000	\$'000
Financial Assets		
Cash and Cash Equivalents	5,784	2,817
Financial Assets at Fair Value through Profit or Loss	562,861	437,581
Tuition Fee and Other Receivables	162	93
	568,807	440,491
Financial Liabilities		
Trade and Other Payables	(735)	(1,040)
Net Financial Assets	568,072	439,451
<u>Less: Foreign Currency Forward Contracts</u>	(12,647)	(12,459)
Net Currency Exposure	555,425	426,992

NOTES TO FINANCIAL STATEMENTS
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29. Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) *Foreign Currency Risk (cont'd)*

At 31 March 2024, if USD had strengthened/weakened by 5% (2023: 5%) against SGD with all other variables held constant, the Net Surplus would have increased/decreased by \$27,771,000 (2023: \$21,350,000) as a result of foreign currency translation gains/losses.

(ii) *Price Risk*

The Group holds quoted and unquoted investments at FVPL which are exposed to price risk. To manage this risk, the Group diversifies its investments across different markets and industries whenever appropriate.

At 31 March 2024, if prices for financial assets at FVPL had increased/decreased by 5% (2023: 5%) with all other variables held constant, the Net Surplus would have increased/decreased by \$51,708,000 (2023: \$40,724,000) as a result of fair value changes.

(iii) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk which arises primarily from its investments in fixed income financial assets and borrowings.

Changes in interest rates will have impact on the fair value of fixed income financial assets. If interest rates of fixed income investments increase/decrease by 50 (2023: 50) basis points with all other variables held constant, the fair value of Financial Assets at Fair Value through Profit or Loss and Net Surplus would have been higher/lower by \$3,159,000 (2023: \$2,772,000).

If the interest rate of the Group's floating rate borrowings increase/decrease by 50 (2023: 50) basis points with all other variables held constant, the Net Surplus would have been higher/lower by \$3,212,000 (2023: \$1,325,000) as a result of higher/lower interest expense.

(b) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Cash and cash equivalents are placed with banks with high credit-ratings assigned by international credit-rating agencies. Other than the tuition fee receivables, the Group adopts the policy of dealing only with counterparties of appropriate reputation and history. For other financial assets, the Group adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the Statements of Financial Position.

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NOTES TO FINANCIAL STATEMENTS
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29. Financial Risk Management (cont'd)

(b) Credit Risk (cont'd)

The Group has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for tuition fee receivables.

To measure the expected credit losses, the tuition fee receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates and adjusts for forward-looking macroeconomic data if it has a significant impact on the expected credit losses.

The Group's credit risk exposure in relation to tuition fee receivables under FRS 109 is set out in the provision matrix below.

Group and SIT	Current	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
2024						
Students						
Expected Loss Rate	-%	-%	0.2%	0.4%	10.6%	
Gross Carrying Amount (\$'000)	103	1,177	5	–	108	1,393
Loss Allowance (\$'000)	–	–	–	–	11	11
Non-Students						
Expected Loss Rate	-%	-%	-%	-%	-%	
Gross Carrying Amount (\$'000)	1,111	6,463	54	100	464	8,192
Loss Allowance (\$'000)	–	–	–	–	–	–
Individually Assessed (\$'000)	–	–	–	–	68	68
2023						
Students						
Expected Loss Rate	-%	-%	0.1%	0.4%	7.5%	
Gross Carrying Amount (\$'000)	63	917	7	–	102	1,089
Loss Allowance (\$'000)	–	–	–	–	8	8
Non-Students						
Expected Loss Rate	-%	-%	-%	-%	-%	
Gross Carrying Amount (\$'000)	1,204	6,975	29	78	51	8,337
Loss Allowance (\$'000)	–	–	–	–	–	–
Individually Assessed (\$'000)	–	–	–	–	48	48

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29. Financial Risk Management (cont'd)

(b) Credit Risk (cont'd)

The movements in the lifetime expected credit loss allowance for tuition fee receivables are as follows:

	Group and SIT	
	2024	2023
	\$'000	\$'000
Beginning of Financial Year	56	14
Loss Allowance during the Year	40	68
Written Off During the Year	(17)	(26)
End of Financial Year (Note 10)	79	56

For the other financial assets at amortised cost, the Group has applied the 2-stage expected credit loss approach. Grant Receivables and Other Receivables are mainly from MOE. Other Receivables also include grant receivables from other government agencies. The Group has assessed that these debtors have a low risk of default as they have strong capacity to meet the contractual cash flow obligations in the near term and the expected credit loss in the 12-month period after Balance Sheet date is insignificant.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. Based on the Group's historical experience and available press information, the Group has assessed that there is no significant increase in the credit risk since initial recognition of the assets and the credit risk exposure is insignificant.

(c) Liquidity Risk

Liquidity Risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group maintains an adequate level of highly liquid assets in the form of cash at banks and short-term bank deposits.

The table below analyses the Group's Financial Liabilities based on the remaining period from the Balance Sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

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29. Financial Risk Management (cont'd)

(c) Liquidity Risk (cont'd)

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Group 2024				
Trade and Other Payables ^(a)	73,622	–	–	–
Lease Liabilities	7,244	3,801	7,269	31,217
Borrowings	38,591	34,800	104,400	468,300
	119,457	38,601	111,669	499,517
2023				
Trade and Other Payables ^(a)	104,734	–	–	–
Lease Liabilities	7,226	7,238	9,219	33,565
Borrowings	2,317	33,200	99,600	132,100
	114,277	40,438	108,819	165,665
SIT 2024				
Trade and Other Payables ^(a)	77,907	–	–	–
Lease Liabilities	7,199	3,530	7,043	31,217
Borrowings	38,591	34,800	104,400	468,300
	123,697	38,330	111,443	499,517
2023				
Trade and Other Payables ^(a)	107,365	–	–	–
Lease Liabilities	7,226	7,193	8,722	33,565
Borrowings	2,317	33,200	99,600	132,100
	116,908	40,393	108,322	165,665

^(a) Trade and Other Payables excludes accrual for unutilised leave

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NOTES TO FINANCIAL STATEMENTS
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29. Financial Risk Management (cont'd)

(d) Capital Risk Management

The Group's objectives when managing capital are to ensure that the Group is adequately capitalised and to maintain a sound capital base for future development.

The Group is funded by the grants received from the government and is not subject to any externally imposed capital requirements.

(e) Fair Value Measurement

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3

Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments measured at fair value and classified by level of fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Group and SIT				
2024				
Financial Assets				
Financial Assets at Fair Value through Profit or Loss				
Quoted Investments				
- Fixed Income Investments	117,030	-	-	117,030
- Equity Investments	116,396	-	-	116,396
- Other Investments	159,040	-	-	159,040
Unquoted Investments	-	-	641,703	641,703
Financial Liabilities				
Derivative Financial Instruments				
- Foreign Currency Forward Contracts	-	(85)	-	(85)
	392,466	(85)	641,703	1,034,084

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29. Financial Risk Management (cont'd)

(e) Fair Value Measurement (cont'd)

Group and SIT	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2023				
Financial Assets				
Financial Assets at Fair Value through Profit or Loss				
Quoted Investments				
- Fixed Income Investments	111,771	-	-	111,771
- Equity Investments	98,906	-	-	98,906
- Other Investments	91,453	-	-	91,453
Unquoted Investments	-	-	512,346	512,346
Derivative Financial Instruments				
- Foreign Currency Forward Contracts	-	119	-	119
	302,130	119	512,346	814,595

The fair value of financial instruments traded in active markets is based on quoted market prices at the Balance Sheet date. The quoted market price used for financial assets held by Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques or price quotes by the fund managers. The fair value of foreign currency forwards is determined using the actively quoted forward exchange rates. These investments are classified as Level 2.

The fair value is determined by the fund manager using various valuation techniques, including discounted cash flows. In circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The following table presents the changes in Level 3 instruments:

	Group and SIT	
	2024 \$'000	2023 \$'000
<u>Financial Assets at Fair Value through Profit or Loss</u>		
Beginning of Financial Year	512,346	499,466
Purchases	122,622	64,016
Sales	(48,497)	(19,149)
Fair Value Gain/(Loss) recognised in Profit or Loss	55,232	(31,987)
End of Financial Year	641,703	512,346

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29. Financial Risk Management (cont'd)

(f) Assets and Liabilities not measured at fair value

The carrying amounts of short-term financial assets and liabilities approximate their respective fair values due to the short-term nature of these balances. The carrying amounts of borrowings approximate their fair values as they are subject to interest rates close to market rate of interest for similar arrangements with financial institutions.

(g) Financial Instruments by Category

The carrying amounts of Financial Assets at Amortised Cost, Financial Assets at Fair Value through Profit or Loss and Financial Liabilities are as follows:

	Group		SIT	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial Assets				
At Amortised Cost	747,347	532,686	751,363	535,130
Financial Assets at Fair Value through Profit or Loss	1,034,169	814,595	1,034,169	814,595
Financial Liabilities at Amortised Cost	757,028	415,092	760,778	417,193
Financial Liabilities at Fair Value through Profit or Loss	85	–	85	–

30. Related Party Transactions

The Group holds certain investments of which a Trustee is the director of the issuer of the investments. As at 31 March 2024, these investments amounted to \$21,354,000 (2023: \$20,523,000). The Trustee had abstained from making any decision in relation to these investments.

Key management personnel compensation for the financial year is as follows:

	2024 \$'000	2023 \$'000
Salaries and Bonuses	15,273	14,709
Employer's Contribution to Defined Contribution Plans including Central Provident Fund	781	768
	16,054	15,477

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group receives grants from MOE to fund its operations and is subject to certain controls set by MOE and considers MOE a related party.

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30. Related Party Transactions (cont'd)

In addition to the information disclosed elsewhere in the financial statements, the following transactions, that are either individually or collectively significant, took place between the Group and MOE during the year.

	2024	2023
	\$'000	\$'000
Grants received and receivable	319,484	259,037

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between SIT and related parties at the prevailing market terms:

	2024	2023
	\$'000	\$'000
Payments made on behalf of Subsidiaries	4,106	1,406
Provision of Administration service charged to Subsidiaries	353	271
Audit and Statutory Fees borne for Subsidiaries	6	5
Facility rental income charged by Subsidiaries	(16)	–
Collection received for Subsidiaries	–	(180)

31. Events Occurring After the Reporting Period

On 4 June 2024, Verbosecurity Pte. Ltd., a wholly owned subsidiary, was struck-off.

32. Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Trustees of Singapore Institute of Technology on 19 August 2024.