

Land Transport Authority of Singapore and
its subsidiaries
(Established under the Land Transport Authority of Singapore Act 1995)

Annual Financial Statements
31 March 2024



Land Transport Authority of Singapore and its subsidiaries

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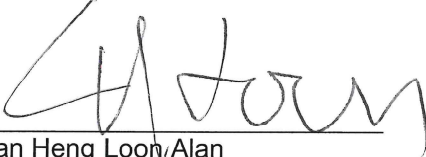
Land Transport Authority of Singapore and its subsidiaries

Statement by the Board of the Land Transport Authority of Singapore

In our opinion,

- (a) the accompanying consolidated financial statements of the Land Transport Authority of Singapore (the "Authority") and its subsidiaries (the "Group") and the balance sheet, statement of comprehensive income and statement of changes in equity of the Authority, set out on pages 7 to 65, are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Land Transport Authority of Singapore Act 1995 (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Group and the Authority as at 31 March 2024 and the results and changes in equity of the Group and the Authority and cash flows of the Group for the financial year ended on that date.
- (b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the financial year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Authority; and
- (c) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

On behalf of the Board of the Land Transport Authority of Singapore



Chan Heng Loon/Alan
Chairman

Ng Lang
Chief Executive

18 July 2024

Land Transport Authority of Singapore and its subsidiaries

Independent auditor's report

For the financial year ended 31 March 2024

Independent auditor's report to the members of Land Transport Authority of Singapore

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Land Transport Authority of Singapore (the "Authority") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Authority as at 31 March 2024, the statements of comprehensive income and statements of changes in equity of the Group and the Authority and the consolidated cash flow statement 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 Land Transport Authority of Singapore (the "Authority") and its subsidiaries (the "Group") and the balance sheet, statement of comprehensive income and statement of changes in equity of the Authority are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Land Transport Authority of Singapore Act 1995 (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Group and the Authority as at 31 March 2024 and the results and changes in equity of the Group and the Authority and cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Land Transport Authority of Singapore and its subsidiaries

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

Independent auditor's report to the members of Land Transport Authority of Singapore

Key audit matters (cont'd)

Useful lives of property, plant and equipment

As at 31 March 2024, the carrying value of the Group's property, plant and equipment ("PPE") amounted to \$63,794 million, representing 74.9% of the Group's total assets and 90.7% of the Group's non-current assets. The Group's PPE includes customised PPE involving complex engineering and construction, which accordingly requires significant judgement in determining their useful lives. The Group's PPE is depreciated over its useful lives, with a corresponding amortisation of deferred capital grant income recognised for PPE that are funded by government grants.

Due to the quantitative materiality of PPE to the Group's financial statements and the judgemental nature in the useful lives determination, where a change in the estimated useful lives of PPE may result in a material impact to the financial statements, we have identified this as a key audit matter.

Our audit procedures included, amongst others, evaluating the Group's PPE policies and procedures to identify and classify significant categories of customised PPE into different asset components as disclosed in Note 2.5 to the financial statements. We assessed the appropriateness of management's analysis of the useful lives of the asset components by tracing to underlying documentary evidence such as project documentation, technical assessment and vendors' specifications. We have also corroborated the key assumptions used in management's annual assessment of the appropriateness of the remaining useful lives of the Group's PPE by taking into consideration published information on Singapore's land transport strategies and plans in the future years, the expected usage and physical wear and tear of the assets based on their historical performance, technical or commercial obsolescence and legal or similar limits on the use of the assets.

We further assessed the adequacy of the related disclosures in Note 9 to the financial statements.

Other information

Management is responsible for the other information. The other information comprises the Statement by the Board of the Land Transport Authority of Singapore, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the annual report (the "Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Other matters

The financial statements of the Group and the Authority for the financial year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 20 July 2023.

Land Transport Authority of Singapore and its subsidiaries

Independent auditor's report

For the financial year ended 31 March 2024

Independent auditor's report to the members of Land Transport Authority of Singapore

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Public Sector (Governance) Act, the Act and SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Group or for the Group to cease operations.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Land Transport Authority of Singapore and its subsidiaries

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

Independent auditor's report to the members of Land Transport Authority of Singapore

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

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the financial year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Authority; and
- (b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's *Responsibilities for the Compliance Audit* section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Land Transport Authority of Singapore and its subsidiaries

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

Independent auditor's report to the members of Land Transport Authority of Singapore

Responsibilities of management for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Authority. This responsibility includes monitoring related compliance requirements relevant to the Authority, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's responsibilities for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Authority.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.

Other matters

The financial statements of Land Transport Authority of Singapore for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 20 July 2023.

The engagement partner on the audit resulting in this independent auditor's report is Wee Hiang Bing.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

18 July 2024

Land Transport Authority of Singapore and its subsidiaries

Consolidated statement of comprehensive income
For the financial year ended 31 March 2024

Group In \$ millions	Note	General fund		Restricted funds				Total	
		2024	2023	Railway Sinking Fund		Bus and Rail Contracting		2024	2023
				2024	2023	2024	2023		
Operating income									
- Management fee from Government		902	849	—	—	—	—	902	849
- Fare revenue		*	*	—	—	941	841	941	841
- Bus and bus related lease income		—	—	—	—	98	103	98	103
- Rapid Transit System licence charge		—	—	1	1	—	—	1	1
- Other operating income	4	333	331	—	—	10	10	343	341
		1,235	1,180	1	1	1,049	954	2,285	2,135
Operating expenditure									
- Depreciation of property, plant and equipment	9	933	930	116	110	423	359	1,472	1,399
- Bond interest		279	297	—	—	—	—	279	297
- Service fees and incentives	28	159	169	—	—	1,797	1,868	1,956	2,037
- Employee compensation	5	550	531	—	—	5	5	555	536
- Maintenance and upkeep		207	177	1	1	3	9	211	187
- Information technology expenses		156	153	—	—	*	2	156	155
- Agency fees		91	90	*	*	*	*	91	90
- Utilities		59	67	—	—	—	—	59	67
- Inventory related expenses		175	22	—	—	—	—	175	22
- Communications		9	9	—	—	—	*	9	9
- Interest expense on lease liabilities	10	*	*	—	—	14	14	14	14
- Loss on disposal and write-off of property, plant and equipment		9	4	8	3	3	*	20	7
- Other		199	178	4	*	79	90	282	268
Total operating expenditure		2,826	2,627	129	114	2,324	2,347	5,279	5,088
Operating deficit		(1,591)	(1,447)	(128)	(113)	(1,275)	(1,393)	(2,994)	(2,953)
Other gains and income - net	6	57	24	136	26	23	9	216	59
(Deficit)/surplus before Government grants		(1,534)	(1,423)	8	(87)	(1,252)	(1,384)	(2,778)	(2,894)

* Amount less than \$1,000,000

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

Land Transport Authority of Singapore and its subsidiaries

Consolidated statement of comprehensive income
For the financial year ended 31 March 2024

Group In \$ millions	Note	General fund		Restricted funds				Total	
		2024	2023	Railway Sinking Fund		Bus and Rail Contracting		2024	2023
				2024	2023	2024	2023		
(Deficit)/surplus before Government grants		(1,534)	(1,423)	8	(87)	(1,252)	(1,384)	(2,778)	(2,894)
Government grants:									
Deferred capital grants amortised	25	1,088	893	32	25	249	193	1,369	1,111
Operating grants		284	298	–	–	1,039	1,216	1,323	1,514
Bond interest grants		279	298	–	–	–	–	279	298
		1,651	1,489	32	25	1,288	1,409	2,971	2,923
Surplus/(deficit) before contribution to Consolidated Fund and income tax		117	66	40	(62)	36	25	193	29
Contribution to Consolidated Fund	7	–	–	–	–	–	–	–	–
Income tax expense of subsidiaries	8	(3)	(2)	–	–	–	–	(3)	(2)
Net surplus/(deficit) for the year		114	64	40	(62)	36	25	190	27
Other comprehensive income:									
<i>Items that may be reclassified subsequently:</i>									
Cash flow hedges	29	5	(3)	(22)	(36)	–	–	(17)	(39)
Other comprehensive income, net of tax		5	(3)	(22)	(36)	–	–	(17)	(39)
Total comprehensive income		119	61	18	(98)	36	25	173	(12)

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

Land Transport Authority of Singapore and its subsidiaries

**Statement of comprehensive income
For the financial year ended 31 March 2024**

Authority In \$ millions	Note	General fund		Restricted funds				Total	
		2024	2023	Railway Sinking Fund		Bus and Rail Contracting		2024	2023
				2024	2023	2024	2023		
Operating income									
- Management fee from Government		902	849	—	—	—	—	902	849
- Fare revenue		*	*	—	—	941	841	941	841
- Bus and bus related lease income		—	—	—	—	98	103	98	103
- Rapid Transit System licence charge		—	—	1	1	—	—	1	1
- Other operating income	4	186	183	—	—	10	10	196	193
		1,088	1,032	1	1	1,049	954	2,138	1,987
Operating expenditure									
- Depreciation of property, plant and equipment	9	927	924	116	110	423	359	1,466	1,393
- Bond interest		279	297	—	—	—	—	279	297
- Service fees and incentives	28	159	169	—	—	1,797	1,868	1,956	2,037
- Employee compensation	5	486	480	—	—	5	5	491	485
- Maintenance and upkeep		191	165	1	1	3	9	195	175
- Information technology expenses		150	147	—	—	*	2	150	149
- Agency fees		92	91	*	*	*	*	92	91
- Utilities		59	67	—	—	—	—	59	67
- Inventory related expenses		167	14	—	—	—	—	167	14
- Communications		9	9	—	—	—	—	9	9
- Interest expense on lease liabilities	10	—	—	—	—	14	14	14	14
- Loss on disposal and write-off of property, plant and equipment		9	4	8	3	3	*	20	7
- Other		146	123	4	*	79	90	229	213
Total operating expenditure		2,674	2,490	129	114	2,324	2,347	5,127	4,951
Operating deficit		(1,586)	(1,458)	(128)	(113)	(1,275)	(1,393)	(2,989)	(2,964)
Other gains and income - net	6	45	18	136	26	23	9	204	53
(Deficit)/surplus before Government grants		(1,541)	(1,440)	8	(87)	(1,252)	(1,384)	(2,785)	(2,911)

* Amount less than \$1,000,000

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

Land Transport Authority of Singapore and its subsidiaries

**Statement of comprehensive income
For the financial year ended 31 March 2024**

Authority In \$ millions	Note	General fund		Restricted funds				Total	
		2024	2023	Railway Sinking Fund		Bus and Rail Contracting		2024	2023
				2024	2023	2024	2023		
(Deficit)/surplus before Government grants		(1,541)	(1,440)	8	(87)	(1,252)	(1,384)	(2,785)	(2,911)
Government grants:									
Deferred capital grants amortised	25	1,088	893	32	25	249	193	1,369	1,111
Operating grants		284	298	–	–	1,039	1,216	1,323	1,514
Bond interest grants		279	298	–	–	–	–	279	298
		1,651	1,489	32	25	1,288	1,409	2,971	2,923
Surplus/(deficit) before contribution to Consolidated Fund		110	49	40	(62)	36	25	186	12
Contribution to Consolidated Fund	7	–	–	–	–	–	–	–	–
Net surplus/(deficit) for the year		110	49	40	(62)	36	25	186	12
Other comprehensive income:									
Items that may be reclassified subsequently:									
Cash flow hedges	29	5	(3)	(22)	(36)	–	–	(17)	(39)
Other comprehensive income, net of tax		5	(3)	(22)	(36)	–	–	(17)	(39)
Total comprehensive income		115	46	18	(98)	36	25	169	(27)

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

Land Transport Authority of Singapore and its subsidiaries

Balance sheets As at 31 March 2024

In \$ millions	Note	2024	2023	2024	2023
		Group		Authority	
ASSETS					
Non-current assets					
Property, plant and equipment	9	63,794	61,816	63,782	61,809
Investments in subsidiaries	11	—	—	39	39
Trade and other receivables	15	1,041	808	1,041	808
Investment securities	18	5,500	5,500	5,500	5,500
Derivative financial instruments	12	1	1	1	1
Other non-current assets	13	14	14	14	14
Deferred income tax assets		*	1	—	—
		70,350	68,140	70,377	68,171
Current assets					
Cash and bank balances	14	9,293	11,144	8,983	10,863
Trade and other receivables	15	1,797	2,039	1,768	1,999
Inventories	17	198	18	193	16
Investment securities					
- At fair value through profit or loss	18	47	57	47	57
- At amortised cost	18	3,485	15	3,470	—
Derivative financial instruments	12	*	*	*	*
		14,820	13,273	14,461	12,935
Total assets		85,170	81,413	84,838	81,106
LIABILITIES					
Current liabilities					
Trade and other payables	19	8,115	6,701	8,035	6,640
Derivative financial instruments	12	30	20	30	20
Borrowings	22	—	200	—	200
Lease liabilities	10	95	96	92	95
Current income tax liabilities		2	2	—	—
		8,242	7,019	8,157	6,955
Non-current liabilities					
Trade and other payables	23	338	321	337	319
Derivative financial instruments	12	37	30	37	30
Borrowings	22	8,650	8,650	8,650	8,650
Lease liabilities	10	157	181	156	180
Deferred capital grants	25	61,770	59,447	61,784	59,461
Deferred income tax liabilities		1	*	—	—
		70,953	68,629	70,964	68,640
Total liabilities		79,195	75,648	79,121	75,595
Net assets		5,975	5,765	5,717	5,511
EQUITY					
General fund					
- Capital account	26	103	103	103	103
- Share capital	27	1,310	1,295	1,310	1,295
- Accumulated surplus		1,109	997	851	743
- Other reserves	29	(4)	(9)	(4)	(9)
		2,518	2,386	2,260	2,132
Railway Sinking Fund					
- Share capital	27	2,583	2,583	2,583	2,583
- Accumulated deficit	28(a)	(476)	(516)	(476)	(516)
- Other reserves	29	(62)	(40)	(62)	(40)
		2,045	2,027	2,045	2,027
Bus and Rail Contracting					
- Share capital	27	1,295	1,271	1,295	1,271
- Accumulated surplus	28(b)	117	81	117	81
		1,412	1,352	1,412	1,352
Total equity		5,975	5,765	5,717	5,511
Other funds held and managed by the Authority					
	33	7,960	7,840	7,960	7,840

* Amount less than \$1,000,000

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

Land Transport Authority of Singapore and its subsidiaries

**Consolidated statement of changes in equity
For the financial year ended 31 March 2024**

Group		General Fund					Railway Sinking Fund				Bus and Rail Contracting			Total equity
		Capital account	Share capital	Accumulated surplus	Other reserves	Sub-total	Share capital	Accumulated surplus	Other reserves	Sub-total	Share capital	Accumulated surplus	Sub-total	
In \$ millions	Note													
At 1 April 2023		103	1,295	997	(9)	2,386	2,583	(516)	(40)	2,027	1,271	81	1,352	5,765
Total comprehensive income for the year														
Net surplus for the year		–	–	114	–	114	–	40	–	40	–	36	36	190
Other comprehensive income		–	–	–	5	5	–	–	(22)	(22)	–	–	–	(17)
Total comprehensive income for the year		–	–	114	5	119	–	40	(22)	18	–	36	36	173
Transaction with owners, recognised directly in equity														
Issue of shares	27(a)	–	15	–	–	15	–	–	–	–	24	–	24	39
Dividends paid	27(b)	–	–	(10)	–	(10)	–	–	–	–	–	–	–	(10)
Contribution from Ministry of Transport (“MOT”)	27(b)	–	–	8	–	8	–	–	–	–	–	–	–	8
Total transaction with owners		–	15	(2)	–	13	–	–	–	–	24	–	24	37
At 31 March 2024		103	1,310	1,109	(4)	2,518	2,583	(476)	(62)	2,045	1,295	117	1,412	5,975

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

Land Transport Authority of Singapore and its subsidiaries

**Consolidated statement of changes in equity
For the financial year ended 31 March 2024**

Group		General Fund					Railway Sinking Fund				Bus and Rail Contracting			Total equity
		Capital account	Share capital	Accumulated surplus	Other reserves	Sub-total	Share capital	Accumulated surplus	Other reserves	Sub-total	Share capital	Accumulated surplus	Sub-total	
In \$ millions	Note													
At 1 April 2022		103	1,281	934	(6)	2,312	2,583	(454)	(4)	2,125	1,269	56	1,325	5,762
Total comprehensive income for the year														
Net surplus/(deficit) for the year		–	–	64	–	64	–	(62)	–	(62)	–	25	25	27
Other comprehensive income		–	–	–	(3)	(3)	–	–	(36)	(36)	–	–	–	(39)
Total comprehensive income for the year		–	–	64	(3)	61	–	(62)	(36)	(98)	–	25	25	(12)
Transaction with owners, recognised directly in equity														
Issue of shares	27(a)	–	14	–	–	14	–	–	–	–	2	–	2	16
Dividends paid	27(b)	–	–	(6)	–	(6)	–	–	–	–	–	–	–	(6)
Contribution from Ministry of Transport ("MOT")	27(b)	–	–	5	–	5	–	–	–	–	–	–	–	5
Total transaction with owners		–	14	(1)	–	13	–	–	–	–	2	–	2	15
At 31 March 2023		103	1,295	997	(9)	2,386	2,583	(516)	(40)	2,027	1,271	81	1,352	5,765

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

Land Transport Authority of Singapore and its subsidiaries

**Statement of changes in equity
For the financial year ended 31 March 2024**

Authority		General Fund					Railway Sinking Fund				Bus and Rail Contracting			Total equity
		Capital account	Share capital	Accumulated surplus	Other reserves	Sub-total	Share capital	Accumulated surplus	Other reserves	Sub-total	Share capital	Accumulated surplus	Sub-total	
In \$ millions	Note													
At 1 April 2023		103	1,295	743	(9)	2,132	2,583	(516)	(40)	2,027	1,271	81	1,352	5,511
Total comprehensive income for the year														
Net surplus for the financial year		–	–	110	–	110	–	40	–	40	–	36	36	186
Other comprehensive income		–	–	–	5	5	–	–	(22)	(22)	–	–	–	(17)
Total comprehensive income for the year		–	–	110	5	115	–	40	(22)	18	–	36	36	169
Transaction with owners, recognised directly in equity														
Issue of shares	27(a)	–	15	–	–	15	–	–	–	–	24	–	24	39
Dividends paid	27(b)	–	–	(10)	–	(10)	–	–	–	–	–	–	–	(10)
Contribution from Ministry of Transport ("MOT")	27(b)	–	–	8	–	8	–	–	–	–	–	–	–	8
Total transaction with owners		–	15	(2)	–	13	–	–	–	–	24	–	24	37
At 31 March 2024		103	1,310	851	(4)	2,260	2,583	(476)	(62)	2,045	1,295	117	1,412	5,717

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

Land Transport Authority of Singapore and its subsidiaries

Statement of changes in equity For the financial year ended 31 March 2024

Authority		General Fund					Railway Sinking Fund				Bus and Rail Contracting			Total equity
		Capital account	Share capital	Accumulated surplus	Other reserves	Sub-total	Share capital	Accumulated surplus	Other reserves	Sub-total	Share capital	Accumulated surplus	Sub-total	
In \$ millions	Note													
At 1 April 2022		103	1,281	695	(6)	2,073	2,583	(454)	(4)	2,125	1,269	56	1,325	5,523
Total comprehensive income for the year														
Net surplus/(deficit) for the year		–	–	49	–	49	–	(62)	–	(62)	–	25	25	12
Other comprehensive income		–	–	–	(3)	(3)	–	–	(36)	(36)	–	–	–	(39)
Total comprehensive income for the year		–	–	49	(3)	46	–	(62)	(36)	(98)	–	25	25	(27)
Transaction with owners, recognised directly in equity														
Issue of shares	27(a)	–	14	–	–	14	–	–	–	–	2	–	2	16
Dividends paid	27(b)	–	–	(6)	–	(6)	–	–	–	–	–	–	–	(6)
Contribution from Ministry of Transport ("MOT")	27(b)	–	–	5	–	5	–	–	–	–	–	–	–	5
Total transaction with owners		–	14	(1)	–	13	–	–	–	–	2	–	2	15
At 31 March 2023		103	1,295	743	(9)	2,132	2,583	(516)	(40)	2,027	1,271	81	1,352	5,511

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

Land Transport Authority of Singapore and its subsidiaries

Consolidated cash flow statement For the financial year ended 31 March 2024

In \$ millions	Note	Group 2024	2023
Operating activities			
Surplus before contribution to Consolidated Fund and income tax		193	29
Adjustments for:			
Bond interest expense		279	297
Interest expense on lease liabilities	10	14	14
Depreciation of property, plant and equipment	9	1,472	1,399
Government grants		(2,971)	(2,923)
Interest income on bank deposits, dividend income, gains on investments, and changes in fair value on financial assets at fair value through profit or loss (net)	6	(216)	(59)
Loss on disposal and write-off of property, plant and equipment		20	7
Operating cash flows before changes in working capital		(1,209)	(1,236)
Changes in working capital:			
Decrease in trade and other receivables		1,022	1,156
Increase in Inventories		(269)	(1)
Increase/(decrease) in trade and other payables		323	(13)
Cash generated used in operations		(133)	(94)
Income tax paid		(1)	(2)
Net cash used in operating activities		(134)	(96)
Cash flows from investing activities			
Purchase of investment securities at amortised cost		(3,488)	(51)
Proceeds from redemption of investment securities at amortised cost		5	55
Dividend received		1	1
Interest received		163	31
Proceeds from sale of investment securities and derivatives at fair value through profit or loss		11	7
Grants received from Government		4,807	5,927
Proceeds from disposal of property, plant and equipment		12	7
Purchase of property, plant and equipment		(3,361)	(3,683)
Net cash (used in)/generated from investing activities		(1,850)	2,294
Cash flows from financing activities			
Grants received from Government		694	234
Repayment of borrowings		(200)	(600)
Payment of bond interest		(280)	(299)
Principal payment of lease liabilities		(117)	(427)
Payment of interest on lease liabilities		(14)	(14)
Proceeds from issuance of shares	27(a)	39	16
Dividends paid	27(b)	(10)	(6)
Contribution from MOT	27(b)	8	5
Net cash generated from/(used in) financing activities		120	(1,091)
Net (decrease)/increase in cash and cash equivalents		(1,864)	1,107
Cash and cash equivalents at beginning of the financial year		11,107	10,000
Cash and cash equivalents at the end of the financial year	14	9,243	11,107

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

Land Transport Authority of Singapore and its subsidiaries

**Consolidated cash flow statement
For the financial year ended 31 March 2024**

A reconciliation of liabilities arising from financing activities is as follows:

Group		Cash flows			Non-cash changes			
In \$ millions	Note	1 April 2023	Principal and interest payments	Repayment of borrowings	Additions	Lease modifications	Accretion of Interest	31 March 2024
Borrowings	22	8,850	–	(200)	–	–	–	8,650
Bond interest payable		59	(280)	–	–	–	279	58
Lease liabilities	10	277	(131)	–	13	79	14	252
		<u>9,186</u>	<u>(411)</u>	<u>(200)</u>	<u>13</u>	<u>79</u>	<u>293</u>	<u>8,960</u>

Group		Cash flows			Non-cash changes			
In \$ millions	Note	1 April 2022	Principal and interest payments	Repayment of borrowings	Additions	Lease modifications	Accretion of Interest	31 March 2023
Borrowings	22	9,450	–	(600)	–	–	–	8,850
Bond interest payable		61	(299)	–	–	–	297	59
Lease liabilities	10	371	(441)	–	315	18	14	277
		<u>9,882</u>	<u>(740)</u>	<u>(600)</u>	<u>315</u>	<u>18</u>	<u>311</u>	<u>9,186</u>

Bond interest payable of \$58,000,000 (2023: \$59,000,000) is included within trade and other payables in Note 19 to the financial statements.

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

Land Transport Authority of Singapore and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

1. General information

The Land Transport Authority of Singapore (the “Authority”) is a statutory board established in Singapore under the Land Transport Authority of Singapore Act 1995. It is domiciled in Singapore. The address of the Authority’s head office is 1 Hampshire Road, Singapore 219428.

The primary activities of the Authority are:

- (a) Acting as agent of the Government in the administration, assessment, collection and enforcement of various taxes, fees and charges and other services relating to land transportation;
- (b) Planning, designing, constructing, managing and maintaining roads and related facilities;
- (c) Planning, designing, constructing, managing, operating and maintaining the railway;
- (d) Owning bus and rail operating assets and regulating rapid transit and bus services, which includes determining the service standards to be provided, exercising the licensing function and entering into public bus and rail service contracts for the provision of bus and rail services. LTA also regulates the operation of bus depots and bus interchanges;
- (e) Regulating the safe use and charging of electric vehicles, and undertaking or facilitating the development and maintenance of accessible charging points in public and common areas and other ancillary facilities that allow for the safe transfer of electricity to an electric vehicle;
- (f) Co-ordinating land transport services;
- (g) Advising the Government on matters relating to the land transport system in Singapore; and
- (h) Representing Singapore internationally in matters relating to land transport.

Ministry of Transport (“MOT”) is the Authority’s supervisory ministry. The Authority is required to follow the policies and instructions which are applicable to Statutory Boards issued from time to time by MOT and other government ministries and departments such as the Ministry of Finance (“MOF”).

The Group operates in one main business segment, which is land transport and mainly in one geographical area, which is Singapore. Operating income is mainly attributable to Singapore. Non-current assets of the Group are also located in Singapore. Consequently, no segment information has been disclosed.

The principal activities of the subsidiaries are disclosed in Note 11.

Land Transport Authority of Singapore and its subsidiaries

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

2. Material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Land Transport Authority of Singapore Act 1995 and Statutory Board Financial Reporting Standards ("SB-FRS") prepared under historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("S\$"), which is the Authority's functional currency. All financial presented in Singapore dollars has been rounded to the nearest million ("S\$ millions"), unless otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and interpretations which are relevant to the Group and are effective for annual financial period beginning on or after 1 April 2023.

Except for the below, the adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Authority.

Amendments to SB-FRS 1: *Presentation of Financial Statements* and SB-FRS Practice Statement 2: *Disclosure of Accounting Policies*

The amendments to SB-FRS 1: *Presentation of Financial Statements* and SB-FRS Practice Statement 2: *Disclosure of Accounting Policies* aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have an impact on the Group's disclosure of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

2.3 Revenue

- (a) Management fee from the Singapore Government relates to services and the functions and duties set out in the agency agreement between the Singapore Government and the Group. Management fee is recognised over time when the services are rendered.
- (b) Fare revenue relates to bus and rail fare collections from Bus Contracting Model ("BCM") and Rail Contracting ("RC") services. Under the BCM and RC, operators will be paid a service fee to operate the bus and rail services, while LTA will own all related assets. All bus and rail fare revenue are retained by LTA. Bus and rail fare revenue are recognised over time when the bus and rail services are rendered.
- (c) Bus and bus related lease income is recognised over the lease term.

Land Transport Authority of Singapore and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

2. Material accounting policies (cont'd)

2.3 Revenue (cont'd)

- (d) Rapid Transit System license charge from the public transport operator is recognised when the public transport operator achieves certain earnings.
- (e) Vehicle registration related application fees and new motor vehicle registration fees are recognised at a point in time when the application or registration is complete. Vehicle registration related licensing fees are recognised over the licence period.
- (f) Transit acquirer and transaction fees, administration fees and revenue from maintenance contracts are recognised over time when the services are rendered. Certain transaction fees are recognised when the Group satisfies the performance obligation at a point in time.
- (g) Rapid Transit System licensing fees is recognised over the license period.
- (h) Revenue from sale of in-vehicle and on-board units is recognised at a point in time when control of the in-vehicle and on-board units has been transferred to its customers, being when the in-vehicle and on-board units are installed in vehicles and commissioned.
- (i) Revenue from sale of contactless smart cards is recognised at a point in time when issued to customers.
- (j) The Group advises, designs and builds specialised systems for customers and provides consultancy services through fixed price contracts. The specialised system has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the specialised system. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. The customers are invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.
- (k) Revenue from the lease of retail and advertising spaces in Thomson-East Coast Line ("TEL") stations is recognised over the lease term.
- (l) Interest income is recognised using the effective interest rate method.
- (m) Dividend income is recognised when the right to receive payment is established.

No element of financing is deemed present as bulk of the sales are made with a credit term of up to 30 days.

Land Transport Authority of Singapore and its subsidiaries

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

2. Material accounting policies (cont'd)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Authority and its subsidiaries at the end of the reporting period.

Subsidiaries

Subsidiaries are 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. They are deconsolidated from the date that the Group loses control over the subsidiaries.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intra-group 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 transferred asset.

2.5 Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses as disclosed in Note 2.8 to the financial statements.

The cost of an item of property, plant and equipment initially recognised includes its purchase price, capitalised borrowing cost 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 any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset for purpose other than to produce inventories.

Construction-in-progress is stated at cost, and comprises land costs, construction costs and development costs. Land costs include land acquisition, resettlement and clearance costs. Construction costs are recorded based on contract progress payments for certified works and services. Development costs include manpower costs and other construction overheads.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in income or expenditure.

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 income or expenditure when incurred.

Land Transport Authority of Singapore and its subsidiaries

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

2. Material accounting policies (cont'd)

2.5 *Property, plant and equipment (cont'd)*

Depreciation

Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The Group has broad categories of assets, but within each category are different equipment/components with different useful lives. The following are the range of useful lives of different components:

Leasehold land	99 years
Rail viaducts and tunnels	30 - 99 years
Railway tracks (including Rails, Sleepers, Fastening Systems, Turnouts and Ballast)	20 - 99 years
Stations, buildings and structures	10 - 99 years
Rail rolling stock	7 - 30 years
Operating equipment	5 - 50 years
Buses and bus related assets	3 - 17 years
Motor vehicles	5 - 10 years
Computers, furniture, fittings, and office equipment	3 - 10 years

No depreciation is provided on construction-in-progress.

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 included in income or expenditure for when the changes arise.

2.6 *Borrowing costs*

Borrowing costs are recognised in income or expenditure using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction.

The actual borrowing costs are capitalised in the cost of the properties and assets under development up to the period when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.7 *Subsidiaries*

Investments in subsidiaries are stated at cost less accumulated impairment losses in the Authority's balance sheet. On disposal of an investment in subsidiary, the difference between disposal proceeds and the carrying amounts of the investments are recognised in income or expenditure.

2. Material accounting policies (cont'd)

2.8 Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in income or expenditure.

An impairment loss for an asset other than goodwill 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. The carrying amount of this 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in income or expenditure.

2.9 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the 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.

2. Material accounting policies (cont'd)

2.9 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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 included in interest income using the effective interest rate method.

Fair value through profit or loss ("FVPL")

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

Investment in equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and income - net". Dividends from equity investments are recognised in profit or loss as "gross dividend income".

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 of a debt instrument, the difference between the carrying amount and the 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.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2. Material accounting policies (cont'd)

2.9 Financial assets (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 instrument. 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 derecognised, and through the amortisation process.

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.

2.10 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as cash flow hedges.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in income or expenditure when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

2. Material accounting policies (cont'd)

2.10 Derivative financial instruments and hedging activities (cont'd)

Cash flow hedge

The Group has entered into foreign currency contracts that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the foreign currency contracts designated as cash flow hedges are recognised in the hedging reserve and transferred to the cost of hedged non-monetary asset upon acquisition.

The fair values changes on the ineffective portion of the foreign currency contracts are recognised immediately in income or expenditure. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to income or expenditure immediately.

2.11 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 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 measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and 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.

These 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 asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment" in Note 9 to the financial statements.

Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

2. Material accounting policies (cont'd)

2.11 Leases (cont'd)

When the Group is the lessee (cont'd)

Lease liabilities (cont'd)

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured 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 are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured 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 leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.12 Inventories

Finished goods comprise in-vehicle and on-board units to be fitted into vehicles, contactless smart cards purchased by the Group during the year that are not yet issued to the public as at the balance sheet date. Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.13 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable income or expenditure at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Material accounting policies (cont'd)

2.13 Income taxes (cont'd)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in income or expenditure, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.14 Employee compensation

Employee benefits are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

- (a) Central Provident Fund ("CPF") Contributions

Contributions on the Group's employees' salaries are made to the CPF as required by law. The CPF contributions are recognised as compensation expense in the period when the employees rendered their services.

- (b) Pensions and gratuities

Provision for pensions and gratuities is made for the payment of retirement benefits to pensionable officers transferred to the Authority on 1 September 1995 and to expatriate officers who had opted for the gratuity scheme.

The cost of pension benefit due to pensionable officers is determined based on the estimated present value of the future cash outflows to be made in respect of services provided by these pensionable officers up to the balance sheet date.

- (c) 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. Material accounting policies (cont'd)

2.15 Government grants

Government grants in the form of unsecured bonds, finance the construction of the Authority's land transport infrastructure development projects.

Government grants received for the purchase or the construction of depreciable assets are accounted for as deferred capital grants. The deferred capital grants are amortised and charged to income or expenditure over the period necessary to match the annual depreciation charge of these assets or when the assets are disposed or written off. Where the grants relate to an expense item, it is recognised in income or expenditure when the expense is incurred over the periods necessary to match them on a systematic basis, to the costs, which it is intended to compensate.

Government grants are recognised where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Government grants receivable for the interest payments of unsecured bonds is recognised on an accrual basis.

2.16 Funds held and managed on behalf by the Authority

Funds held and managed on behalf by the Authority are contributions received from other organisations for specific purposes. The net assets of the funds is presented at the bottom of the balance sheets as prescribed by SB-FRS Guidance Note 3 *Accounting and Disclosures for Trust Funds*. Details of income, expenditure, assets and liabilities are disclosed in Note 33.

2.17 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.18 Dividends

Dividends to the Minister for Finance are recognised when the dividends are approved for payment.

3. Significant accounting estimates and judgements

The preparation of these financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities in the future periods.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation

The key assumptions concerning the future and other key sources of estimation 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.

Useful lives of property, plant and equipment

The Group's property, plant and equipment ("PPE") includes customised PPE which involve complex engineering and construction, and off-the-shelf PPE. PPE are depreciated on a straight-line basis over their estimated useful lives, as disclosed in Note 2.5 to the financial statements. Government grants received for the purchase or construction of PPE are grants being amortised over the period necessary to match the annual depreciation charge of these assets as disclosed in Note 2.15 to the financial statements.

Significant judgement, based on areas such as the expected usage of the asset, expected physical wear and tear, technical or commercial obsolescence and legal or similar limits, is required in determining the useful lives of the customised PPE due to its inherent nature, which will affect the depreciation expense and amortisation of corresponding deferred capital grant relating to funded PPE.

During the year, the Group recorded depreciation expense of \$1,472 million (2023: \$1,399 million) and amortisation of deferred capital grant income of \$1,369 million (2023: \$1,111 million). The carrying amounts of the Group's PPE and deferred capital grants at the end of the reporting period are disclosed in Note 9 and Note 25 to the financial statements respectively.

Land Transport Authority of Singapore and its subsidiaries

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

4. Other operating income

<u>Group</u> In \$ millions	At a point in time		Over time		Total	
	2024	2023	2024	2023	2024	2023
General fund						
Vehicle registration fees	53	48	22	20	75	68
Transit acquirer and transaction fees	–	–	84	87	84	87
Administration fees	–	–	56	59	56	59
Maintenance and service project revenue	–	–	20	21	20	21
Rapid Transit System licensing fees *	–	–	27	27	27	27
Sale of goods	30	28	–	–	30	28
Others	24	23	17	18	41	41
	107	99	226	232	333	331
<u>Restricted fund – Bus and Rail Contracting</u>						
Others	–	2	10	8	10	10
	107	101	236	240	343	341

* Rapid Transit System licensing fees refer to the licence fees paid annually to the Authority by the operators of the Rapid Transit Systems.

Land Transport Authority of Singapore and its subsidiaries

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

4. Other operating income (cont'd)

<u>Authority</u> In \$ millions	At a point in time		Over time		Total	
	2024	2023	2024	2023	2024	2023
General fund						
Vehicle registration fees	53	48	22	20	75	68
Administration fees	–	–	56	59	56	59
Rapid Transit System licensing fees *	–	–	27	27	27	27
Sale of goods	10	11	–	–	10	11
Others	12	13	6	5	18	18
	75	72	111	111	186	183
<u>Restricted fund – Bus and Rail Contracting</u>						
Others	–	2	10	8	10	10
	75	74	121	119	196	193

* Rapid Transit System licensing fees refer to the licence fees paid annually to the Authority by the operators of the Rapid Transit Systems.

Land Transport Authority of Singapore and its subsidiaries

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

5. Employee compensation

In \$ millions	Group		Authority	
	2024	2023	2024	2023
Salaries and wages	878	843	819	797
Employer's contribution to Central Provident Fund	98	96	93	91
Pensions and gratuities benefits	1	*	1	*
	977	939	913	888
Less: Employee compensation capitalised in property, plant and equipment	(422)	(403)	(422)	(403)
	555	536	491	485

* Amount less than \$1,000,000

6. Other gains and income - net

In \$ millions	Group		Authority	
	2024	2023	2024	2023
<u>General fund</u>				
Interest income from deposits	46	21	34	15
Fair value gains/(losses) from financial assets at fair value through profit or loss	1	(3)	1	(3)
Dividend income	1	1	1	1
Interest income from investment in debt securities	1	5	1	5
Interest income from financial assets at amortised cost	8	—	8	—
	11	3	11	3
	57	24	45	18
<u>Restricted fund – Railway Sinking Fund</u>				
Interest income from deposits	90	19	90	19
Interest income from investment in financial assets at amortised cost	46	7	46	7
	136	26	136	26
<u>Restricted fund – Bus and Rail Contracting</u>				
Interest income from deposits	8	9	8	9
Interest income from financial assets at amortised cost	15	—	15	—
	23	9	23	9
	216	59	204	53

Land Transport Authority of Singapore and its subsidiaries

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

7. Contribution to Consolidated Fund

The contribution to the Consolidated Fund is made in accordance with Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989. The Group and the Authority have approximately \$254,000,000 (2023: \$443,000,000) of unrecognised unutilised deficits to be carried forward to offset against future surpluses.

In \$ millions	Group and Authority 2024	2023
Surplus of the Authority before contribution to Consolidated Fund and income tax	186	12
Credit to Consolidated Fund at 17% (2023: 17%)	32	2
Effects of:		
- Utilisation of previous unrecognised deferred benefits relating to deficits	(32)	(2)
	—	—

8. Income taxes

Major components of income tax expense

In \$ millions	Group 2024	2023
Current income tax	3	2
Deferred tax		
- Origination and reversal of temporary differences	*	*
Income tax expense	3	2

* Amount less than \$1,000,000

Relationship between tax expense and accounting surplus

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

In \$ millions	Group 2024	2023
Surplus before income tax	193	29
Tax calculated at a tax rate of 17% (2023: 17%)	33	5
Effects of:		
- Surplus of the Authority exempted from income tax	(30)	(3)
	3	2

Land Transport Authority of Singapore and its subsidiaries

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

9. Property, plant and equipment

Group In \$ millions	Leasehold land	Rail viaducts and tunnels	Railway tracks	Stations, buildings and structures	Rail rolling stock	Operating equipment	Buses and bus related assets	Computers	Motor vehicles	Furniture, fittings, and office equipment	Construction- in-progress	Total
Cost:												
At 1 April 2023	3,400	15,175	2,054	22,418	4,784	8,496	2,067	384	14	74	16,470	75,336
Additions	*	—	—	4	—	5	10	2	—	*	3,471	3,492
Reclassifications	—	1	—	(2)	—	1	—	—	—	—	(89)	(89)
Transfers from construction-in- progress	*	57	4	128	395	441	27	30	*	*	(1,082)	—
Lease modifications	24	—	—	1	—	—	49	5	—	—	—	79
Disposals and write-off	—	—	*	(4)	(56)	(129)	(8)	(35)	(1)	(3)	—	(236)
At 31 March 2024	3,424	15,233	2,058	22,545	5,123	8,814	2,145	386	13	71	18,770	78,582
Accumulated depreciation:												
At 1 April 2023	523	1,615	397	3,643	1,806	4,134	1,021	319	8	54	—	13,520
Depreciation charge	46	166	61	322	221	412	197	40	1	6	—	1,472
Reclassifications	—	*	—	(1)	—	1	—	—	—	—	—	—
Disposals	—	—	*	(1)	(39)	(117)	(8)	(35)	(1)	(3)	—	(204)
At 31 March 2024	569	1,781	458	3,963	1,988	4,430	1,210	324	8	57	—	14,788
Net book value: At 31 March 2024	2,855	13,452	1,600	18,582	3,135	4,384	935	62	5	14	18,770	63,794

* Amount less than \$1,000,000

The Group and the Authority carry out detailed reviews on the useful lives of its property, plant and equipment on an annual basis, taking into consideration the expected usage of the assets, physical wear and tear and actual and planned asset replacement exercises. Arising from these reviews, the Group and the Authority revised the useful lives of certain railway tracks, rolling stock and operating equipment in 2023. The effects of these changes were not material to the consolidated financial statements of the Group and financial statements of the Authority for the financial year ended 31 March 2023. No such changes were made in the financial year ended 31 March 2024.

During the year, reclassifications of \$89,000,000 pertaining to Next Generation Electronic Road Pricing (“ERP 2.0”) related costs were made to respective inventory and expense accounts by the Group and the Authority.

Land Transport Authority of Singapore and its subsidiaries

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

9. Property, plant and equipment (cont'd)

Group In \$ millions	Leasehold land	Rail viaducts and tunnels	Railway tracks	Stations, buildings and structures	Rail rolling stock	Operating equipment	Buses and bus related assets	Computers	Motor vehicles	Furniture, fittings, and office equipment	Construction- in-progress	Total
Cost:												
At 1 April 2022	3,091	13,487	1,950	18,541	4,535	7,865	2,048	394	16	69	21,585	73,581
Additions	—	—	—	1	—	*	*	6	—	*	4,391	4,398
Reclassifications	(21)	9	*	10	1	1	—	*	—	*	—	—
Transfers from construction-in- progress	330	1,679	104	3,867	260	687	7	34	—	10	(6,978)	—
Transfers to Government (Note 25)	—	—	—	—	—	—	—	—	—	—	(2,528)	(2,528)
Lease modifications	*	—	—	*	—	—	18	—	—	—	—	18
Disposals and write-off	—	*	—	(1)	(12)	(57)	(6)	(50)	(2)	(5)	—	(133)
At 31 March 2023	3,400	15,175	2,054	22,418	4,784	8,496	2,067	384	14	74	16,470	75,336
Accumulated depreciation:												
At 1 April 2022	479	1,461	338	3,357	1,620	3,772	826	324	9	54	—	12,240
Depreciation charge	44	154	59	286	197	408	200	45	1	5	—	1,399
Disposals and write-off	—	—	—	*	(11)	(46)	(5)	(50)	(2)	(5)	—	(119)
At 31 March 2023	523	1,615	397	3,643	1,806	4,134	1,021	319	8	54	—	13,520
Net book value:												
At 31 March 2023	2,877	13,560	1,657	18,775	2,978	4,362	1,046	65	6	20	16,470	61,816

* Amount less than \$1,000,000

Land Transport Authority of Singapore and its subsidiaries

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

9. Property, plant and equipment (cont'd)

Authority In \$ millions	Leasehold land	Rail viaducts and tunnels	Railway tracks	Stations, buildings and structures	Rail rolling stock	Operating equipment	Buses and bus related assets	Computers	Motor vehicles	Furniture, fittings, and office equipment	Construction- in-progress	Total
Cost:												
At 1 April 2023	3,400	15,175	2,054	22,407	4,784	8,487	2,067	361	14	71	16,469	75,289
Additions	—	—	—	—	—	—	10	1	—	*	3,471	3,482
Reclassifications	—	1	—	(2)	—	1	—	—	—	—	(89)	(89)
Transfers from construction-in-progress	*	57	4	128	395	441	27	30	*	*	(1,082)	—
Lease modifications	24	—	—	—	—	—	49	5	—	—	—	78
Disposals and write-off	—	—	*	(4)	(56)	(128)	(8)	(34)	(1)	(3)	—	(234)
At 31 March 2024	3,424	15,233	2,058	22,529	5,123	8,801	2,145	363	13	68	18,769	78,526
Accumulated depreciation:												
At 1 April 2023	523	1,615	397	3,634	1,806	4,126	1,021	299	8	51	—	13,480
Depreciation charge	46	166	61	319	221	411	197	38	1	6	—	1,466
Reclassifications	—	—	—	(1)	—	1	—	—	—	—	—	—
Disposals and write-off	—	—	*	(1)	(39)	(116)	(8)	(34)	(1)	(3)	—	(202)
At 31 March 2024	569	1,781	458	3,951	1,988	4,422	1,210	303	8	54	—	14,744
Net book value: At 31 March 2024	2,855	13,452	1,600	18,578	3,135	4,379	935	60	5	14	18,769	63,782

* Amount less than \$1,000,000

Land Transport Authority of Singapore and its subsidiaries

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

9. Property, plant and equipment (cont'd)

Authority In \$ millions	Leasehold land	Rail viaducts and tunnels	Railway tracks	Stations, buildings and structures	Rail rolling stock	Operating equipment	Buses and bus related assets	Computers	Motor vehicles	Furniture, fittings, and office equipment	Construction- in-progress	Total
Cost:												
At 1 April 2022	3,091	13,487	1,950	18,531	4,535	7,856	2,048	370	16	66	21,585	73,535
Additions	—	—	—	*	—	—	—	6	—	*	4,390	4,396
Reclassifications	(21)	9	*	10	1	1	—	*	—	*	—	—
Transfers from construction-in-progress	330	1,679	104	3,867	260	687	7	34	—	10	(6,978)	—
Transferred to Government (Note 25)	—	—	—	—	—	—	—	—	—	—	(2,528)	(2,528)
Lease modification	—	—	—	—	—	—	18	—	—	—	—	18
Disposals and write-off	—	*	—	(1)	(12)	(57)	(6)	(49)	(2)	(5)	—	(132)
At 31 March 2023	3,400	15,175	2,054	22,407	4,784	8,487	2,067	361	14	71	16,469	75,289
Accumulated depreciation:												
At 1 April 2022	479	1,461	338	3,351	1,620	3,764	826	306	9	51	—	12,205
Depreciation charge	44	154	59	283	197	408	200	42	1	5	—	1,393
Disposals	—	—	—	*	(11)	(46)	(5)	(49)	(2)	(5)	—	(118)
At 31 March 2023	523	1,615	397	3,634	1,806	4,126	1,021	299	8	51	—	13,480
Net book value:												
At 31 March 2023	2,877	13,560	1,657	18,773	2,978	4,361	1,046	62	6	20	16,469	61,809

* Amount less than \$1,000,000

Land Transport Authority of Singapore and its subsidiaries

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

10. Leases – The Group and the Authority as a lessee

Leasehold land

The Group and the Authority have made upfront payments to secure the right-of-use of 99-year leasehold land, which is used in the Group's and the Authority's operations.

Building and structures

The Group and the Authority lease office space for the purpose of its office operations and for the provision of customer service to its customers.

IT equipment and computers

The Group and the Authority lease IT equipment and computers (such as storage systems) for their operations and kiosks for the sale of cards and other form factors.

Bus and bus related assets

The Group and the Authority lease buses, bus depots and bus interchanges under the public bus services contracts with certain bus operators under the BCM.

There are no externally imposed covenants on these lease arrangements.

Right-of-use assets

Group In \$ millions	Leasehold land	Building and structures	Buses and bus related assets	Computers	Total
At 1 April 2022	2,612	6	340	4	2,962
Additions	308	1	*	6	315
Lease modifications	*	*	18	–	18
Depreciation	(43)	(3)	(96)	(7)	(149)
At 31 March 2023 and 1 April 2023	2,877	4	262	3	3,146
Additions	–	2	10	1	13
Lease modifications	24	1	49	5	79
Depreciation	(46)	(3)	(100)	(4)	(153)
At 31 March 2024	2,855	4	221	5	3,085

* Amount less than \$1,000,000

Land Transport Authority of Singapore and its subsidiaries

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

10. Leases – The Group and the Authority as a lessee (cont'd)

Right-of-use assets (cont'd)

Authority In \$ millions	Leasehold land	Building and structures	Buses and bus related assets	Computers	Total
At 1 April 2022	2,612	1	340	4	2,957
Additions	308	1	*	6	315
Lease modifications	*	*	18	–	18
Depreciation	(43)	(1)	(96)	(7)	(147)
At 31 March 2023 and 1 April 2023	2,877	1	262	3	3,143
Additions	–	–	10	1	11
Lease modifications	24	–	49	5	78
Depreciation	(46)	(1)	(100)	(4)	(151)
At 31 March 2024	2,855	*	221	5	3,081

* Amount less than \$1,000,000

Lease liabilities

In \$ millions	Group		Authority	
	2024	2023	2024	2023
Beginning of the financial year	277	371	275	366
Additions	13	315	11	315
Lease modifications	79	18	78	18
Accretion of interest	14	14	14	14
Payments	(131)	(441)	(130)	(438)
End of the financial year	252	277	248	275
Current	95	96	92	95
Non-current	157	181	156	180
Total	252	277	248	275

Land Transport Authority of Singapore and its subsidiaries

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

10. Leases – The Group and the Authority as a lessee (cont'd)

The following amounts are recognised in profit or loss:

In \$ millions	Group		Authority	
	2024	2023	2024	2023
Depreciation of right-of-use assets	153	149	151	147
Interest expense on lease liabilities	14	14	14	14
Operating lease expenses relating to short-term leases	1	2	1	2
Leases of low-value assets	5	6	5	6
Total amounts recognised in profit or loss	173	171	171	169

During the year, the total cash outflow relating to short-term leases, leases of low-value assets, and repayment of principal and interest portion of lease liabilities amounted to \$137,000,000 (2023: \$449,000,000) and \$136,000,000 (2023: \$446,000,000) for the Group and the Authority respectively.

11. Investments in subsidiaries

In \$ millions	Authority	
	2024	2023
Equity investment at cost:		
Beginning of the financial year	39	20
Incorporation of a subsidiary	–	19
End of the financial year	39	39

In the financial year ended 31 March 2023, the Authority incorporated a new subsidiary in Singapore, EV-Electric (EVE) Charging Pte. Ltd. and subscribed for 19,000,000 ordinary shares at \$1 each for cash for the purpose of incorporation and initial working capital requirements.

Land Transport Authority of Singapore and its subsidiaries

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

11. Investments in subsidiaries (cont'd)

Details of the subsidiaries as at 31 March 2024 and 2023 are as follows:

	Name of subsidiary	Principal activities	Country of business/ incorporation	Equity holding 2024 %	2023 %	Cost of investment 2024 \$ millions	2023 \$ millions
	Held by the Authority						
(1)	MSI Global Private Limited	Provision of consultancy services and development of and/or operations of electronic services related to land transport	Singapore	100	100	1	1
(1)	EZ-Link Pte Ltd	Provision, development and management of the multi-purpose stored value smart card service business and the usage of the stored value smart card in Singapore	Singapore	100	100	15	15
(1)	Transit Link Pte Ltd	Provision of ticket payment services within the transit arena	Singapore	100	100	3	3
(1)	SG HSR Pte. Ltd.	Provision of infrastructure engineering design and consultancy services, and/or construction of bridge, tunnel, viaduct and elevated highway	Singapore	100	100	1	1
(1), (2)	EV-Electric (EVE) Charging Pte. Ltd.	Provision of management services in relation to electrical infrastructure upgrades, implementation and deployment of electric vehicles charging points	Singapore	100	100	19	19
						39	39
	Held through MSI Global Private Limited						
(3)	MSI (Shanghai) Engineering Consultancy Private Limited	Provision of consultancy services and development of and/or operations of electronic services related to land transport	People's Republic of China	100	100	— (4)	— (4)
(5)	MSI Global QFZ LLC	Provision of consultancy services and development of and/or operations of electronic services related to land transport	State of Qatar	100	100	— (4)	— (4)
(1)	Audited by Ernst & Young LLP, Singapore.						
(2)	Incorporated on 2 December 2022.						
(3)	Financial year end of 31 December. Audited by Shanghai Kunyao Certified Public Accountants.						
(4)	Held through a subsidiary.						
(5)	Financial year end of 31 December. Audited by Adib Al Chaa & Co. Chartered Accountants.						

Land Transport Authority of Singapore and its subsidiaries

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

12. Derivative financial instruments

In \$ millions	Contract/ Notional Amount	Group and Authority	
		Fair value	
		Assets	Liabilities
At 31 March 2024			
<i>Cash-flow hedges</i>			
- Foreign currency contracts	616	1	(67)
Total		1	(67)
Less: Current portion		*	30
Non-current portion		1	(37)
At 31 March 2023			
<i>Cash-flow hedges</i>			
- Foreign currency contracts	576	1	(50)
Total		1	(50)
Less: Current portion		*	20
Non-current portion		1	(30)

* Amount less than \$1,000,000

Foreign currency contracts are entered to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates. The foreign currency contracts have maturity dates that coincide with the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve are transferred to the cost of hedged non-monetary asset upon acquisition of the underlying non-monetary asset.

13. Other non-current assets

Other non-current assets comprise mainly granite aggregates purchased as part of the Authority's long-term plan to build up and maintain a strategic and long-term static stockpile for roadworks.

Land Transport Authority of Singapore and its subsidiaries

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

14. Cash and bank balances

In \$ millions	Note	Group		Authority	
		2024	2023	2024	2023
Cash at bank and on hand		120	128	16	17
Fixed deposits	14(a)	151	139	–	–
Deposits placed with Accountant-General's Department ("AGD")	14(b)	9,022	10,877	8,967	10,846
Cash and bank balances		9,293	11,144	8,983	10,863
Cash at bank (refundable card proceeds)	14(c)	219	208	54	54
Cash held by a subsidiary (refundable card proceeds)	14(d)	–	–	10	8
Less: Amounts due to cardholders		(219)	(208)	(64)	(62)
		–	–	–	–

- (a) During the year, subsidiaries of the Group placed bank deposits which are expected to mature between April 2024 and December 2024 (2023: April 2023 and March 2024) with effective interest rates of 2.20% to 5.50% (2023: 0.14% to 4.00%) per annum.
- (b) Deposits placed with AGD comprise balances of \$9,022,000,000 (2023: \$10,877,000,000) which are centrally managed by AGD under the Centralised Liquidity Management Framework. The Authority's utilisation of \$2,687,000,000 (2023: \$4,527,000,000) of the deposits placed with AGD is subject to approval from the Government.
- (c) Included in cash at bank (refundable card proceeds) is an amount of \$143,000,000 (2023: \$133,000,000) relating to the stored value on the contactless smart cards and prepaid cards issued by a subsidiary. These balances are held by the subsidiary as a Major Payment Institution under the Payment Services Act 2019. These proceeds are safeguarded separately in designated bank accounts and are refundable to cardholders subject to terms and conditions. The remaining balance in the refundable card proceeds relate to the stored value on the concession cards issued which is maintained separately and held by the Authority.
- (d) Cash held by a subsidiary relates to concession card float held for the purpose of facilitating concession card settlement on behalf of the Authority.

Land Transport Authority of Singapore and its subsidiaries

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

14. Cash and bank balances (cont'd)

For the purposes of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

In \$ millions	Group	
	2024	2023
Cash and bank balances (as above)	9,293	11,144
Less: Fixed deposit pledged to a bank	(1)	(1)
Less: Fixed deposits with more than 3 months to maturity	(49)	(36)
	9,243	11,107

A fixed deposit of \$1,000,000 (2023: \$1,000,000) has been pledged to a bank for the issue of letters of guarantee to customers.

15. Trade and other receivables

In \$ millions	Note	Group		Authority	
		2024	2023	2024	2023
Current					
Due from subsidiaries		–	–	30	20
Due from Government		860	926	860	926
Grants receivable from Government	24	–	212	–	212
Trade receivables		30	62	–	25
Other receivables		88	91	75	83
Advances to contractors		534	573	534	573
Advances due from Government	20	61	–	61	–
Contract assets	16	7	6	–	–
Accrued interest and dividend receivable		189	139	186	137
Prepayments		19	21	14	15
Deposits		9	9	8	8
		1,797	2,039	1,768	1,999
Non-current					
Grants receivable from Government	24	266	–	266	–
Advances to contractors		775	808	775	808
		1,041	808	1,041	808

Land Transport Authority of Singapore and its subsidiaries

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

15. Trade and other receivables (cont'd)

Trade receivables from contracts with customers

In \$ millions	Group		Authority	
	2024	2023	2024	2023
Trade receivables from contracts with customers	30	62	–	25
Less: Allowance for expected credit losses on trade receivables	–	*	–	–
	30	62	–	25

* Amount less than \$1,000,000

16. Balances from revenue contracts with customers

(a) *Contracts assets/(contract liabilities)*

In \$ millions	Note	Group			Authority		
		31 March 2024	31 March 2023	1 April 2022	31 March 2024	31 March 2023	1 April 2022
Contract assets	15	7	6	9	–	–	–
Contract liabilities	19	(26)	(25)	(2)	(23)	(22)	*

* Amount less than \$1,000,000

Contract assets arose from fixed price consultancy, design and build specialised system contracts.

Contract liabilities relate to consideration received from customers for the unsatisfied performance obligation in constructing specialised systems, providing consultancy services and Rapid Transit System licensing fees.

(b) *Revenue recognised in relation to contract liabilities*

In \$ millions	Group		Authority	
	2024	2023	2024	2023
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period	25	2	22	*

* Amount less than \$1,000,000

Land Transport Authority of Singapore and its subsidiaries

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

17. Inventories

In \$ millions	<u>Group</u>		<u>Authority</u>	
	2024	2023	2024	2023
Finished goods	198	18	193	16

The cost of inventories recognised as an expense in the statement of comprehensive income amounted to \$26,000,000 (2023: \$22,000,000).

18. Investment securities

In \$ millions	Note	Group 2024	2023	Authority 2024	2023
At fair value through profit or loss					
Current					
- Quoted equity securities		14	14	14	14
- Quoted debt securities		33	43	33	43
		47	57	47	57
At amortised cost					
Current					
Special Singapore Government Securities	18(i)	3,470	–	3,470	–
Other placements with Monetary Authority of Singapore		15	10	–	–
Singapore Government Treasury Bills		–	5	–	–
		3,485	15	3,470	–
Non-current					
Special Singapore Government Securities	18(i)	5,500	5,500	5,500	5,500
		5,500	5,500	5,500	5,500

(i) The interest rate on these securities is 2.31% (2023: 1.37%) per annum.

The fair value of the financial assets carried at amortised cost approximate their carrying amounts.

Land Transport Authority of Singapore and its subsidiaries

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

19. Trade and other payables - current

In \$ millions	Note	Group		Authority	
		2024	2023	2024	2023
Due to subsidiaries		–	–	–	1
Payable to Government		748	276	748	276
Trade and other payables		2,065	2,005	1,991	1,949
Retention monies due to contractors		117	124	117	124
Advances due to Government	20	–	297	–	297
Grants received in advance - Development projects	21	5,022	3,853	5,022	3,853
Deposits		97	84	96	83
Accrual of annual leave		40	37	38	35
Contract liabilities	16	26	25	23	22
Provision for pensions and gratuities		*	*	*	*
		8,115	6,701	8,035	6,640

* Amount less than \$1,000,000

20. Advances due (from)/to Government

In \$ millions	Note	Group and Authority	
		2024	2023
Beginning of the financial year		297	2
Amounts received during the year		4,449	2,897
Reclassifications from grants received in advance from Government	21	–	429
Amounts utilised during the year		(4,807)	(3,031)
End of the financial year		(61)	297

In the Authority's role as an agent to the Government, it manages projects relating to construction of roads, road-related infrastructure, Rapid Transit Systems, and government buildings on behalf of the Government. Such assets do not form part of the assets of the Authority. Funds are received in advance on a monthly basis from the Government for payments relating to these projects.

Land Transport Authority of Singapore and its subsidiaries

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

21. Grants received in advance from Government – Development Projects

In \$ millions	Note	Group and Authority 2024	2023
Beginning of the financial year		3,853	1,814
Grants received from Government		4,541	5,561
Reclassifications to advances due to Government	20	–	(429)
Grants utilised and transferred to deferred capital grants	25	(3,372)	(3,093)
End of the financial year		5,022	3,853

Grants are received from the Government for the construction of the Rapid Transit Systems, and the development and purchase of depreciable assets. Grants utilised and transferred to deferred capital grants comprise primarily of amounts incurred for the construction of rail and rail-related assets.

22. Borrowings

Borrowings comprise unsecured bonds issued with interest payable on a semi-annual basis and the details are as follows:

Group and Authority Principal		Coupon rate	Tenure	Maturity
2024	2023			
\$ millions	\$ millions	%		
–	200	2.900	20 years	19 June 2023
500	500	3.275	15 years	29 Oct 2025
600	600	3.090	12 years	31 Aug 2027
300	300	2.750	10 years	19 Mar 2028
650	650	3.510	15 years	18 Sep 2030
1,200	1,200	3.350	30 years	19 Mar 2048
1,000	1,000	3.430	35 years	30 Oct 2053
1,400	1,400	3.300	35 years	03 Jun 2054
1,500	1,500	3.450	40 years	30 Jul 2058
1,500	1,500	3.380	40 years	30 Jan 2059
8,650	8,850			

In \$ millions	Group and Authority 2024	2023
Amount payable within one year	–	200
Amount payable after one year	8,650	8,650
	8,650	8,850
Fair value of borrowings		
Unsecured bonds	8,508	8,220

The fair values above were based on quoted market ask prices at the balance sheet date.

Land Transport Authority of Singapore and its subsidiaries

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

23. Trade and other payables - non-current

In \$ millions	Group		Authority	
	2024	2023	2024	2023
Trade and other payables	1	2	–	–
Retention monies due to contractors	336	318	336	318
Provision for pensions and gratuities	1	1	1	1
	338	321	337	319

24. Other development grants receivable/(received in advance) from Government

Certain land transport infrastructure development projects of the Authority are financed through external borrowings in the form of unsecured bonds issued by the Authority (Note 22). Upon maturity of these unsecured bonds, the Government provides the funds for repayment of these unsecured bonds, including interest.

The grants receivable/(received in advance) from Government relating to the above Government grants are as follows:

In \$ millions	Note	Group and Authority	
		2024	2023
Beginning of the financial year		212	(885)
Government grants received		(266)	(366)
Government grants utilised and transferred to deferred capital grants	25	320	1,463
End of the financial year		266	212
Included in trade and other receivables			
Non-current		266	–
Current		–	212

25. Deferred capital grants

In \$ millions	Note	Group		Authority	
		2024	2023	2024	2023
Beginning of the financial year		59,447	58,530	59,461	58,544
Capital grants received and utilised	21,24	3,692	4,556	3,692	4,556
		63,139	63,086	63,153	63,100
Less:					
- Amortisation to income or expenditure		(1,369)	(1,111)	(1,369)	(1,111)
- Derecognition*		–	(2,528)	–	(2,528)
End of the financial year		61,770	59,447	61,784	59,461

Land Transport Authority of Singapore and its subsidiaries

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

25. Deferred capital grants (cont'd)

- * During the financial year ended 31 March 2023, property, plant and equipment of \$2,528,000,000 were transferred back to the Government under the direction of the Government. Accordingly, the corresponding deferred capital grants of the same amount were derecognised.

Deferred capital grants are government grants received mainly for the purchase or the construction of depreciable assets. These grants will be amortised to income or expenditure over the useful lives of the related assets.

During the financial year, government grants amortised to match the depreciation expense of property, plant and equipment amounted to \$1,369 million (2023: \$1,111 million).

26. Capital account – General fund

The capital account comprises the net book value of property, plant and equipment transferred from the Roads and Transportation Division of the former Public Works Department, the Land Transport Division of the former Ministry of Communications and the then Registry of Vehicles.

27. Share capital and dividends

(a) *Share capital*

	Group and Authority	
	<u>No. of shares</u> Mil	<u>Amount</u> \$ millions
At 1 April 2022	5,133	5,133
Shares issued		
- General fund	14	14
- Bus and Rail Contracting	2	2
At 31 March 2023 and 1 April 2023	5,149	5,149
Shares issued		
- General fund	15	15
- Bus and Rail Contracting	24	24
At 31 March 2024	5,188	5,188

During the financial year, the Authority issued 39,000,000 (2023: 16,000,000) shares for cash consideration of \$39,000,000 (2023: \$16,000,000).

All issued shares are issued to the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act 1959. The shares carry neither voting rights nor par value.

Land Transport Authority of Singapore and its subsidiaries

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

27. Share capital and dividends (cont'd)

(b) Dividends

In \$ millions	Group and Authority	
	2024	2023
<i>Ordinary dividends paid</i>		
Final dividend paid in respect of financial year ended 31 March 2023 is 0.2 (2022: 0.1) cent per share	10	6

Out of the total dividends declared and paid, \$8,000,000 (2023: \$5,000,000) was contributed by the Ministry of Transport and reflected in the statements of changes in equity of the Group and the Authority.

28. Accumulated surplus/(deficit)

(a) Restricted fund - Railway Sinking Fund

The Railway Sinking Fund is established under Section 13A of the Land Transport Authority of Singapore Act 1995 (the "Act"). The Railway Sinking Fund is ring-fenced for the purposes defined under the Act, primarily to meet expenditure for the cost (or part thereof) of any capital equipment including new works, plant, equipment, trains, vessels or appliances related to the operation and maintenance of the railway network under the Rapid Transit Systems Act 1995.

Details of the fund are as follows:

In \$ millions	Group and Authority	
	2024	2023
Equity		
Share capital	2,583	2,583
Accumulated deficit:		
Beginning of the financial year	(516)	(454)
Net surplus/(deficit) for the financial year	40	(62)
End of the year	(476)	(516)
Other reserves:		
Beginning of the financial year	(40)	(4)
Other comprehensive income for the financial year	(22)	(36)
End of the financial year	(62)	(40)
	2,045	2,027

Land Transport Authority of Singapore and its subsidiaries

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

28. Accumulated surplus/(deficit) (cont'd)

(a) Restricted fund - Railway Sinking Fund (cont'd)

In \$ millions	Group and Authority	
	2024	2023
Represented by:		
Assets		
Property, plant and equipment	3,245	2,647
Cash and cash equivalents	4,133	4,028
Trade and other receivables	824	604
Financial assets at amortised cost	1,720	500
	9,922	7,779
Liabilities		
Derivative financial instruments	(62)	(40)
Trade and other payables	(103)	(125)
Grants received in advance	(5,544)	(4,072)
Deferred capital grants	(2,168)	(1,515)
	(7,877)	(5,752)
Net assets	2,045	2,027

(b) Restricted fund – Bus and Rail Contracting

The accumulated surplus of Bus and Rail Contracting includes:

In \$ millions	Note	Group and Authority	
		2024	2023
Bus Contracting	28(b)(i)	117	81
Rail Contracting	28(b)(ii)	*	*
		117	81

Land Transport Authority of Singapore and its subsidiaries

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

28. Accumulated surplus/(deficit) (cont'd)

(b) *Restricted fund – Bus and Rail Contracting (cont'd)*

(i) Bus Contracting

The bus industry in Singapore had fully transitioned into the Bus Contracting Model (“BCM”) in September 2016. Under BCM, the Authority collects all fare revenue and pays the public bus operators a service fee for the provision of bus services. The bus and bus related lease income received under Bus Contracting and the interest earned from the accumulation of bus and bus related lease income will be used to fund future bus and related operating assets renewal.

Details of the fund are as follows:

In \$ millions	Group and Authority 2024	2023
Operating income		
- Fare revenue	898	821
- Bus and bus related lease income	98	103
- Other operating income	7	8
	1,003	932
Operating expenditure		
- Depreciation of property, plant and equipment	187	193
- Service fees and incentives	1,606	1,679
- Employee compensation	5	5
- Information technology expenses	–	1
- Interest expense on lease liabilities	14	14
- Loss on disposal and write-off of property, plant and equipment	*	*
- Other	66	74
Total operating expenditure	1,878	1,966
Operating deficit	(875)	(1,034)
Other gains and income - net	23	9
Deficit before Government grants	(852)	(1,025)
Government grants:		
Deferred capital grants amortised	5	12
Operating grants	883	1,038
	888	1,050
Surplus before contribution to Consolidated Fund	36	25
Contribution to Consolidated Fund	–	–
Net surplus for the year	36	25

* Amount less than \$1,000,000

Land Transport Authority of Singapore and its subsidiaries

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

28. Accumulated surplus/(deficit) (cont'd)

(b) Restricted fund – Bus and Rail Contracting (cont'd)

(i) Bus Contracting (cont'd)

Details of the fund are as follows (cont'd):

In \$ millions	Group and Authority 2024 2023	
Equity		
Share capital:		
Beginning of the financial year	1,271	1,269
Share capital issued during the financial year	24	2
End of the year	1,295	1,271
Accumulated surplus:		
Beginning of the financial year	81	56
Net surplus for the financial year	36	25
End of the financial year	117	81
	1,412	1,352
Represented by:		
Assets		
Property, plant and equipment	924	1,030
Cash and cash equivalents	527	801
Trade and other receivables	148	200
Other current asset	460	–
	2,059	2,031
Liabilities		
Trade and other payables	(426)	(412)
Lease liabilities	(221)	(262)
Deferred capital grants	–	(5)
	(647)	(679)
Net assets	1,412	1,352

(ii) Rail Contracting

Rail Contracting consists of the operations of the Thomson-East Coast Line (“TEL”). As at the balance sheet date, the TEL has commenced revenue services in 3 stages with a total of 20 stations opened. Stage 4 of the TEL, with 7 new stations, will begin services on 23 June 2024. The commencement date of the TEL stage 5, with additional 5 stations, will be announced on a later date. Under the Rail Contracting, fare and non-fare revenue collected from Rail Operations can only be used to pay the rail operator service fees and other expenses for provision of rail services. In the event that the rail operations result in a deficit, the net operating costs will be funded by operating grants from the Government.

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

28. Accumulated surplus/(deficit) (cont'd)

(b) Restricted fund – Bus and Rail Contracting (cont'd)

(ii) Rail Contracting (cont'd)

Details of the fund are as follows:

In \$ millions	Group and Authority	
	2024	2023
Operating income		
- Fare revenue	43	20
- Other operating income	3	2
	46	22
Operating expenditure		
- Depreciation of property, plant and equipment	236	166
- Service fees and incentives	191	189
- Maintenance and upkeep	3	9
- Information technology expenses	–	1
- Loss on disposal and write-off of property, plant and equipment	3	*
- Other	13	16
Total operating expenditure	446	381
Operating deficit	(400)	(359)
Other gains and income – net	–	–
Deficit before Government grants	(400)	(359)
Government grants:		
Deferred capital grants amortised	244	181
Operating grants	156	178
	400	359
Surplus before contribution to Consolidated Fund	*	*
Contribution to Consolidated Fund	–	–
Net surplus for the year	*	*

* Amount less than \$1,000,000

Land Transport Authority of Singapore and its subsidiaries

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

28. Accumulated surplus/(deficit) (cont'd)

(b) Restricted fund – Bus and Rail Contracting (cont'd)

(ii) Rail Contracting (cont'd)

In \$ millions	Group and Authority 2024	2023
Equity		
Accumulated surplus:		
Accumulated surplus at the beginning of the year	*	*
Net surplus for the year	*	*
Accumulated surplus at the end of the year	*	*
Represented by:		
Assets		
Property, plant and equipment	23,232	22,216
Cash and cash equivalents	13	2
Grants receivable from Government	482	389
Trade and other receivables	2,649	2,841
	26,376	25,448
Liabilities		
Trade and other payables	(3,144)	(3,232)
Deferred capital grants	(23,232)	(22,216)
	(26,376)	(25,448)
Net assets	*	*

* Amount less than \$1,000,000

Land Transport Authority of Singapore and its subsidiaries

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

29. Other reserves

In \$ millions	Group and Authority 2024	2023
(a) <u>Composition:</u>		
Hedging reserve	(66)	(49)
	(66)	(49)
<u>Included in:</u>		
- General fund	(4)	(9)
- Railway Sinking Fund	(62)	(40)
	(66)	(49)
(b) <u>Movements:</u>		
Hedging reserve		
Beginning of the financial year	(49)	(10)
Net movement in cash flow hedges		
- General fund	5	(3)
- Railway Sinking Fund	(22)	(36)
End of the financial year	(66)	(49)

Other reserves are non-distributable.

30. Capital commitments

Capital expenditures approved and/or contracted for property, plant and equipment at the balance sheet date but not recognised in the financial statements are as follows:

In \$ millions	Group and Authority 2024	2023
Amounts approved and contracted for	7,078	10,959

31. Financial risk management

The Group's activities expose it to a variety of financial risks such as 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 Group uses derivative financial instruments such as foreign currency contracts to manage certain financial risk exposures. Derivatives are used strictly for risk management purposes and they are designated as fair value through profit or loss at inception unless they are designated as hedging instruments.

Risk management is carried out under policies approved by the management. Management approves guidelines for overall risk management, as well as policies covering these specific areas, such as currency risk, interest rate risk, credit use, use of derivative financial instruments.

The Group's investments in financial assets at fair value through profit or loss are managed internally.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Group. The major classes of financial assets of the Group and the Authority are cash and cash equivalents, trade and other receivables and financial assets at fair value through profit or loss.

For trade receivables and contract assets, the Group adopts the general policy of dealing with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. There is insignificant credit risk on the amount due from Government. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties such as reputable financial institutions. Concentrations of credit risk with respect to trade receivables and contract assets are limited due to the Group adopting the policy of dealing only with high credit quality counterparties. Due to these factors, management believes that no additional credit risk beyond the amount of allowance for impairment made is inherent in the Group's trade receivables and contract assets.

The Group has no significant concentrations of credit risk. The Group and Authority do not hold any collateral. 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.

Cash and cash equivalents, receivables due from government, other receivables and deposits are subject to immaterial credit loss.

(b) Liquidity risk

Liquidity risk arises in the general funding of the Group's operating activities. It includes the risks of not being able to fund operating activities in a timely manner. The Group monitors and maintain a level of cash and cash equivalents deemed adequate to finance its operations.

31. Financial risk management (cont'd)

(c) Fair value measurements

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

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) 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 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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

The quoted equity and debt securities as disclosed in Note 18 to the financial statements are included as Level 1 as the fair value is based on quoted market prices at the balance sheet date. The quoted market price used for these financial assets is the current bid price.

Derivatives designated as hedging instruments arising from cash flow hedges as disclosed in Note 12 to the financial statements are included as Level 2 as the Group uses price quotes by dealers and/or valuation by banks. Valuation techniques, such as discounted cash flow analyses, are used to determine the fair values of these financial instruments.

There are no financial instruments included under Level 3 as at the balance sheet date. There are no movements between the different levels during the financial year.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities or based on quoted market prices at the balance sheet date.

The fair values of foreign currency contracts are determined using actively quoted forward currency rates.

The carrying value less impairment provision of trade receivables and payables and investment securities carried at amortised cost, are assumed to approximate their fair values. The fair values of borrowings are disclosed in Note 22 to the financial statements.

Land Transport Authority of Singapore and its subsidiaries

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

32. Related party transactions

Except as already disclosed elsewhere in the financial statements, there are no significant transactions with related parties.

Compensation of key management personnel

The key management personnel compensation is analysed as follows:

In \$ millions	Group and Authority 2024	2023
Salaries	14	14
Employer CPF contributions	*	*
	14	14

* Amount less than \$1,000,000

33. Other funds held and managed by the Authority

The Authority holds and manages the following funds on behalf of the Government:

In \$ millions	Note	Group and Authority 2024	2023
Rail Infrastructure Fund	33(a)	7,560	7,444
Bus Service Enhancement Fund	33(b)	400	396
Funds to support Research and Development	33(c)	*	*
		7,960	7,840

* Amount less than \$1,000,000

(a) ***Rail Infrastructure Fund***

The Rail Infrastructure Fund ("RIF") was established in accordance with Section 13C of the Act which came into effect on 15 January 2019. The Authority was given the authority to manage and administer RIF in accordance to Section 6 of the Act. The moneys in the RIF may be withdrawn by the Authority for the specific purpose of expansion of the domestic rail network. Upon dissolution of the Fund, the remaining balance would be transferred back to the Consolidated Fund and the past reserves of the Government.

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

33. Other funds held and managed by the Authority (cont'd)

(a) Rail Infrastructure Fund (cont'd)

Details of the fund are as follows:

In \$ millions	Group and Authority	
	2024	2023
Income		
Interest income from investment in financial assets at amortised cost	108	94
Interest income from bank deposits	8	8
Net surplus for the year	116	102
Equity		
Accumulated surplus:		
Accumulated surplus at the beginning of the year	7,444	7,342
Net surplus for the financial year	116	102
Accumulated surplus at the end of the year	7,560	7,444
Represented by:		
Assets		
Financial assets at amortised cost	7,300	6,900
Deposit placed with AGD	220	506
Other receivables	40	38
	7,560	7,444

(b) Bus Service Enhancement Fund

A sum of \$1.1 billion was set up by the Government in September 2012 for the Bus Service Enhancement Fund ("BSEF") introduced by the Government. The balance of this fund as at 31 March 2024 is \$0.4 billion as set out below. The Fund is ring-fenced for the specific purpose of improving and expanding the reliability of the bus services provided by bus service licensees and bus service operator licensees. The Land Transport Authority was given the authority to administer the Fund under Section 13B of the Land Transport Authority of Singapore Act 1995 which came into effect on 12 September 2012. Upon dissolution of the Fund, the remaining balance would be transferred back to the Consolidated Fund and the past reserves of the Government.

Land Transport Authority of Singapore and its subsidiaries

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

33. Other funds held and managed by the Authority (cont'd)

(b) *Bus Service Enhancement Fund (cont'd)*

Details of the fund are as follows:

In \$ millions	Group and Authority	
	2024	2023
Income		
Interest income from investment in financial assets at amortised cost	1	1
Interest income from bank deposits	3	1
	4	2
Net surplus for the year	4	2
Equity		
Accumulated surplus:		
Accumulated surplus at the beginning of the year	396	394
Net surplus for the year	4	2
Accumulated surplus at the end of the year	400	396
Represented by:		
Assets		
Financial assets at amortised cost	323	323
Deposit placed with AGD	69	72
Other receivables	2	1
	394	396
Non-current assets		
Buses and bus related assets	18	–
	18	–
Total assets	412	–
Liabilities		
Other payables	12	–
	12	–
Net assets	400	396

* Amount less than \$1,000,000

- (i) To increase bus capacity and bus service levels through additional bus procurement, new electric buses would be progressively deployed for passenger service from December 2024, replacing existing diesel buses which are reaching end of asset useful life.
- (ii) The assets and liabilities of the fund are excluded from the assets and liabilities of the Group and the Authority.

Land Transport Authority of Singapore and its subsidiaries

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

33. Funds held and managed on behalf by the Authority (cont'd)

(c) Funds to support Research and Development

The Authority receives funding from the National Research Fund to support research and development in the area of urban mobility.

Details of the fund are as follows:

In \$ millions	Group and Authority 2024	2023
Expenditure		
Grants disbursed to external parties	(24)	(14)
Net deficit for the year	(24)	(14)
Equity		
Accumulated surplus:		
Accumulated surplus at the beginning of the year	*	*
Funds from National Research Fund	24	14
Net surplus for the year	(24)	(14)
Accumulated surplus at the end of the year	*	*
Represented by:		
Assets		
Receivable from National Research Fund	24	12
	24	12
Liabilities		
Payable to the Authority	(4)	(1)
Payable to third parties	(20)	(11)
	(24)	(12)
Net assets	*	*

* Amount less than \$1,000,000

34. Collection of Government taxes, fees and charges

The Authority acts as an agent of the Government and provides service in administering, assessing, collecting and enforcing payment of various Government taxes, fees and charges such as Additional Registration Fees, Vehicle Quota Premium, Road Tax and ERP Charges. These Government taxes, fees and charges collected are paid into the Government Consolidated Fund and are not reflected in the Authority's financial statements.

35. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to carry out its statutory functions. To achieve these objectives, the Group may secure grants from the Government, return capital to shareholders, issue new shares or obtain new borrowings.

The Group defines capital as its equity, deferred capital grants and borrowings. The Group monitors the 'net operating deficits'. There were no changes in the Group approach to capital management during the year.

A subsidiary is required to maintain a base capital of at least \$250,000 as part of its obligations under the Payment Services Act 2019.

The Group is not subject to any other externally imposed capital requirements.

36. Events occurring after balance sheet date

Subsequent to year end, two of the Authority's wholly-owned subsidiaries, Transit Link Pte Ltd and EZ-Link Pte Ltd, will be amalgamated into a single entity. This is to simplify and streamline the ticketing experience by providing commuters with a single point of contact for all transit ticketing and travel card-related services.

37. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the Group. 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.

38. Comparative figures

The financial statements for the financial year ended 31 March 2023 were audited by another firm of Public Accountants and Chartered Accountants.

39. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Land Transport Authority of Singapore and its subsidiaries on 18 July 2024.