toteboard
Giving Hope. Improving Lives.

Financial Statements

TOTE BOARD
ANNUAL REPORT
FY2023/24

Singapore Totalisator Board
and its subsidiaries

Financial Statements
Year ended 31 March 2024

SINGAPORE TOTALISATOR BOARD AND ITS SUBSIDIARIES

ANNUAL FINANCIAL STATEMENTS 31 MARCH 2024

C O N T E N T S

Statement by the Singapore Totalisator Board

In our opinion:

(a) the accompanying financial statements of the Singapore Totalisator Board ("Tote Board" or the "Board") and its subsidiaries (the "Group") as set out on pages FS1 to FS33 are drawn up in accordance with the provisions of Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Singapore Totalisator Board Act 1987 and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and Board as at 31 March 2024, and the results and changes in capital and reserves of the Group and Board and cash flows of the Group for the year ended on that date;

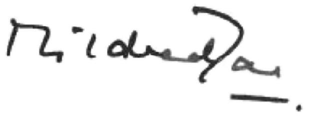
(b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Singapore Totalisator Board Act 1987 and the requirements of any other written law applicable to moneys of or managed by the Board;

(c) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise; and

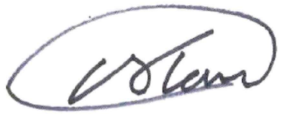
(d) proper accounting records and other records of those subsidiaries incorporated in Singapore have been kept with the provisions of Companies Act 1967.

The Board Members of Tote Board have, on the date of this statement, authorised these financial statements for issue.

On behalf of the Singapore Totalisator Board



Sim Beng Mei Mildred
Chairman



Tan Choon Shian
Chief Executive

25 June 2024

KPMG

KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Member of the Board
Singapore Totalisator Board

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Totalisator Board (the "Board") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Board as at 31 March 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in capital and reserves, the consolidated statement of cash flows of the Group and the statement of profit or loss and other comprehensive income, statement of changes in capital and reserves of the Board for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS33.

In our opinion, the accompanying consolidated financial statements of the Group and statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in capital and reserves of the Board are properly drawn up in accordance with the provisions of Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Singapore Totalisator Board Act 1987 and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and Board as at 31 March 2024 and the results and changes in capital and reserves of the Group and of the Board 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 '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Board in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. The other information obtained at the date of this auditors' report is the Statement by the Singapore Totalisator Board, as set out on page 1, but does not include the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Public Sector (Governance) Act and Statutory Board Financial Reporting Standards, 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 Board'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 Board or for the Board to cease operations.

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Singapore Totalisator Board Act 1987 and the requirements of any other written law applicable to moneys of or managed by the Board;

(b) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise; and

(c) proper accounting records and other records of those subsidiaries incorporated in Singapore of which we are the auditors have been kept with the provisions of Companies Act 1967.

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the compliance audit'* section of our report. We are independent of the Board 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.

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 Singapore Totalisator Board Act 1987 and the requirements of any other written law applicable to moneys of or managed by the Board. This responsibility includes monitoring related compliance requirements relevant to the Board, 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 2018, the Singapore Totalisator Board Act 1987 and the requirements of any other written law applicable to moneys of or managed by the Board.

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 Board's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
25 June 2024

Statements of financial position
As at 31 March 2024

	Note	Group 2024 $ millions	Group 2023 $ millions	Board 2024 $ millions	Board 2023 $ millions
Non-current assets					
Property, plant and equipment	4	363	418	176	230
Right-of-use assets	5	61	56	1	2
Intangible assets	6	98	86	*	*
Investment in subsidiaries	7	–	–	170	170
		522	560	347	402
Current assets					
Financial assets at fair value through profit or loss	8	4,053	3,660	4,053	3,660
Trade and other receivables	9	91	67	44	37
Cash and cash equivalents	10	1,485	1,578	787	900
		5,629	5,305	4,884	4,597
Total assets		6,151	5,865	5,231	4,999
Capital and reserves and liabilities					
Capital account	11	295	295	295	295
Accumulated surpluses		5,055	4,797	4,374	4,231
Total capital and reserves		5,350	5,092	4,669	4,526
Non-current liabilities					
Deferred capital grants	12	105	137	105	137
Lease liabilities	13	46	41	–	1
Other liabilities	14	17	8	17	–
Deferred tax liabilities	15	11	8	–	–
		179	194	122	138
Current liabilities					
Trade payables and other liabilities	14	514	466	439	314
Financial liabilities at fair value through profit or loss	8	*	*	*	*
Government grants received in advance	16	–	20	–	20
Lease liabilities	13	15	15	1	1
Current tax payable		93	78	–	–
		622	579	440	335
Total liabilities		801	773	562	473
Total capital and reserves and liabilities		6,151	5,865	5,231	4,999

* *Amount less than $1 million*

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

Statements of profit or loss and other comprehensive income
Year ended 31 March 2024

	Note	Group 2024 $ millions	Group 2023 $ millions	Board 2024 $ millions	Board 2023 $ millions
Income from betting and gaming activities	17(a)	3,072	2,992	–	928
Other operating income	17(b)	69	63	65	61
Total operating income		3,141	3,055	65	989
Gambling duties		(2,197)	(2,071)	–	(656)
Staff costs	18(a)	(164)	(149)	(47)	(42)
Racing and related expenses	18(b)	(69)	(61)	(38)	(33)
Other operating expenses	18(c)	(171)	(167)	(43)	(47)
Depreciation and amortisation expenses	18(d)	(104)	(67)	(58)	(24)
Cessation-related expenses	21(c)	(29)	–	(29)	–
Agency fees	23	–	–	–	(111)
Total operating expenditure		(2,734)	(2,515)	(215)	(913)
Total operating surplus/(deficit)		**407**	**540**	**(150)**	**76**
Net finance income/(costs)	19	294	(284)	634	(267)
Casino entry levy		149	147	149	147
Amortisation of deferred capital grants	12	32	10	32	10
Other non-operating expenditure, net		(6)	(4)	–	–
Total non-operating surplus/(deficit)		469	(131)	815	(110)
Total surplus/(deficit)		**876**	**409**	**665**	**(34)**
Grant disbursements		(522)	(486)	(522)	(486)
Surplus/(Deficit) before tax and contribution to Consolidated Fund		**354**	**(77)**	**143**	**(520)**
Tax expense	20	(96)	(78)	–	–
Surplus/(Deficit) before contribution to Consolidated Fund		**258**	**(155)**	**143**	**(520)**
Contribution to Consolidated Fund	22	–	–	–	–
Surplus/(Deficit) for the year, representing total comprehensive surplus/(deficit) for the year		**258**	**(155)**	**143**	**(520)**

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

Statement of changes in capital and reserves
Year ended 31 March 2024

	Capital account $'million	Accumulated surpluses $'million	Total $'million
Group			
At 1 April 2022	295	4,952	5,247
Total comprehensive deficit for the year	–	(155)	(155)
At 31 March 2023	295	4,797	5,092
Total comprehensive surplus for the year	–	258	258
At 31 March 2024	295	5,055	5,350
Board			
At 1 April 2022	295	4,751	5,046
Total comprehensive deficit for the year	–	(520)	(520)
At 31 March 2023	295	4,231	4,526
Total comprehensive surplus for the year	–	143	143
At 31 March 2024	295	4,374	4,669

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

Consolidated statement of cash flows
Year ended 31 March 2024

	Note	Group 2024 $' million	Group 2023 $' million
Cash flows from operating activities			
Surplus/(Deficit) before tax and contribution to Consolidated Fund		354	(77)
Adjustments for:			
Amortisation of deferred capital grants	12	(32)	(10)
Amortisation of intangible assets	6	12	10
Depreciation of right-of-use assets	5	18	18
Depreciation of property, plant and equipment	4	74	39
Grant disbursements		522	486
Finance (income)/costs, net	19	(294)	284
Interest expense on lease liabilities	13	1	1
Gain on disposal of property, plant and equipment		–	(2)
Operating profit before movements in working capital		655	749
Trade and other receivables		(20)	8
Trade payables and other liabilities		49	142
Grants received in advance		(20)	(12)
Cash generated from operations		664	887
Grants disbursed		(527)	(486)
Income taxes paid, net		(78)	(12)
Net cash generated from operating activities		59	389
Cash flows from investing activities			
Acquisition of property, plant and equipment	A	(38)	(36)
Proceeds from disposal of property, plant and equipment		–	2
(Acquisition)/Redemption of financial assets at fair value through profit or loss, net		(158)	9
Interest received from cash and cash equivalents	B	39	10
Income received from financial assets at fair value through profit or loss	C	23	13
Net cash used in investing activities		(134)	(2)
Cash flows from financing activity			
Repayment of lease liabilities	13	(18)	(18)
Net cash used in financing activity		(18)	(18)
Net (decrease)/increase in cash and cash equivalents		(93)	369
Cash and cash equivalents at beginning of the year		1,578	1,209
Cash and cash equivalents at end of the year	10	1,485	1,578

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

Consolidated statement of cash flows
Year ended 31 March 2024

Note:

A. During the year, the Group acquired property, plant and equipment with an aggregate cost of $43,000,000 (2023: $41,000,000) of which $12,000,000 (2023: $7,000,000) relates to accruals.

B. During the year, the Group recognised interest income from cash and cash equivalents of $39,000,000 (2023: $22,000,000) of which $14,000,000 (2023: $14,000,000) is not yet received and recorded as interest income receivable.

C. During the year, the Group recognised income derived from financial assets at fair value through profit or loss of $24,000,000 (2023: $16,000,000) of which $5,000,000 (2023: $4,000,000) is not yet received and recorded as income receivable from financial assets at fair value through profit or loss.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements of the Group and Board were authorised for issue by the Board Members of Tote Board on 25 June 2024.

1 Domicile and activities

Singapore Totalisator Board ("Tote Board") was established on 1 January 1988 in the Republic of Singapore under the Singapore Totalisator Board Act 1987. The office of Tote Board is located at 210 Middle Road, #06-01, Singapore 188994.

As a statutory board, Tote Board is subject to the directions of the Ministry of Finance (the "Ministry") and is required to implement policies and policy changes as determined by the Ministry.

Principal activities

From 1 August 2022, the principal activities of Tote Board includes:
(a) the support of public, social or charitable purposes and the promotion of culture, art and sport in Singapore via grant-making;
(b) to work collaboratively with the GRA to foster responsible gambling and reduce the prevalence of unauthorised gambling; and
(c) to conduct equine research and carry on other activities for the improvement of racing generally (these activities will be carried out by Tote Board's agent, the Singapore Turf Club).

Prior to 1 August 2022, the principal activities of Tote Board included those relating to operating totalisators, lotteries and other betting and gaming activities, which was carried out by Tote Board's agent, Singapore Pools (Private) Limited. As these principal activities were relinquished, Singapore Pools (Private) Limited ceased to be an agent for Tote Board on 31 July 2022.

The financial statements of Tote Board, Singapore Turf Club and the agency operations managed by Singapore Pools (Private) Limited up to 31 July 2022 are collectively disclosed and referred to as the "Board".

The consolidated financial statements relate to the Board and its subsidiaries (together referred to as the "Group").

Facility closure of the Singapore Turf Club

On 5 June 2023, the Ministry of Finance together with the Ministry of National Development released a press statement announcing that the Singapore Turf Club will close its facility at the Kranji racecourse by March 2027. Further information is set out in Note 21.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of Public Sector (Governance) Act and the Statutory Board Financial Reporting Standards ("SB-FRS"). SB-FRSs includes Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General's Department. The changes in material accounting policies are described in Note 2.5.

For the purpose of the audit of Tote Board's compliance with Public Sector (Governance) Act in connection with the receipts, expenditure, investment of moneys and the acquisition and disposal of assets in accordance with Audit Guidance Statement 9 ("AGS 9"), the Singapore Turf Club and the agency operations managed by Singapore Pools (Private) Limited up to 31 July 2022 are not within the reporting scope of AGS 9.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value as stated in the respective accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Group's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest million, unless otherwise stated.

2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised on a prospective basis.

Measurement of fair values

The Group has financial assets and liabilities which are classified as measured at fair value through profit or loss and require the measurement of fair values. Information about the assumptions made in measuring fair values are disclosed in Note 25.

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied the following SB-FRS, INT SB-FRS, amendments to and interpretations of SB-FRS for the first time for the annual period beginning on 1 April 2023:

- Amendments to SB-FRS 1 and SB-FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SB-FRS 8: *Definition of Accounting Estimates*
- Amendments to SB-FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transact*ion
- Revised SB-FRS 1002 *Impairment of Non-Cash-Generating Assets*

Other than described below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Material accounting policy information

The Group adopted Amendments to SB-FRS 1 and SB-FRS Practice Statement 2: Disclosure of Accounting Policies for the first time in 2024. The amendments require the disclosure of "material", rather than "significant", accounting policies in the financial statements. The amendments also provide guidance on the application of materiality to accounting policy disclosures, to help entities provide useful, entity-specific accounting policy information to users of the financial statements.

Although the amendments do not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements. Management has exercised judgement in the review of accounting policy disclosures, and made updates to the information disclosed in Note 3 Material accounting policies (2023: Significant accounting policies) in certain instances, in line with the amendments.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements by the Group entities, except as explained in Note 2.5, which addresses changes in material accounting policies.

3.1 Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are classified as measured at fair value through profit or loss. These assets and liabilities are measured at fair value, with the net change in carrying value recognised in profit or loss.

3.2 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses. The value of leasehold land includes the leasehold land situated at Kranji which was ascribed the same value as that of the freehold land situated at Bukit Timah given up in 1999 during a land exchange.

Capital work-in-progress is stated at cost, which consists of construction costs incurred during the period of construction, less accumulated impairment losses. No depreciation is provided on capital work-in-progress until the construction is completed and the properties and assets are ready for use.

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

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

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

Group	
Leasehold land	- 84 years (2023: 20 to 99 years)
Buildings	- 11 to 74 years
Computer and betting equipment	- 3 to 10 years
Other assets (including furniture & fittings, office equipment, renovations, motor vehicles, and others)	- 3 to 10 years (2023: 3 to 15 years)

* Excludes the useful life of property, plant and equipment used by the Singapore Turf Club, which is separately disclosed in Note 21.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

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

3.3 Goodwill arising on consolidation

Upon the acquisition of a subsidiary, the excess of the purchase consideration over the fair values of attributable net assets acquired is recorded as goodwill.

Goodwill is not amortised but is reviewed for impairment at least annually. The impairment testing of goodwill is described in Note 6.

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.4 Government grants

(i) Deferred capital grants

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred capital grants in the statement of financial position.

These grants are transferred to profit or loss on a systematic basis over the periods necessary to match the depreciation and/or disposal of the related assets purchased with the grants.

Other government grants

Government grants received in advance are recognised in profit or loss on a systemic basis over the periods necessary to match them with the costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured.

(i) Income from betting and gaming activities

Under SB-FRS 115, a customer is a party that has entered into a contract with the Group for betting services. Customers mainly comprise private individuals, who have placed the bet through betting counters or the online betting system. When customers wager in advance, the revenue is not recognised and deferred until the draw or match has taken place.

The Group recognises revenue on a net basis, which is defined as wagered amounts received from bets less dividends or prizes.

Totalisator revenue

Revenue from the totalisator is recognised upon the completion of each race.

Lotteries and Sports revenue

Revenue from lotteries is recognised as revenue at the point the draw takes place. Revenue from sports betting is recognised at the point when the event completes.

(ii) Gate admission income

Revenue is recognised at the point of sale of the admission tickets. There are no advance sales of admission tickets and hence revenue is recognised when control of the ticket is passed to the customer.

(iii) Racing management and other revenue

Revenue is recognised on an accrual basis unless collectability is in doubt.

(iv) Dividend income from a subsidiary

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

(v) Interest income from cash and cash equivalents

Interest income is recognised using the effective interest method.

(vi) Income derived from financial assets at fair value through profit or loss

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

(vii) Casino entry levy

Casino entry levy is recognised when the Board obtains control of the resources or has an enforceable claim to the resources.

3.6 Grant disbursements

Grants are taken to profit or loss when there is an obligation to disburse.

3.7 New standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 April 2023 and earlier application is permitted. However, the Group and the Board have not early adopted the new or amended standards in preparing these financial statements.

The following new SB-FRSs are not expected to have a significant impact on the Group's consolidated financial statements and the Board's statement of financial position.

- *Classification of Liabilities as Current or Non-current (Amendments to SB-FRS 1)*
- *Non-current Liabilities with Covenants (Amendments to SB-FRS 1)*
- *Supplier Finance Arrangements (Amendments to SB-FRS 7 and SB-FRS 107)*
- *Lease Liability in a Sale and Leaseback (Amendments to SB-FRS 116)*
- *Lack of Exchangeability (Amendments to SB-FRS 21)*

4 Property, plant and equipment

Group	Leasehold land $'million	Buildings $'million	Computer and betting equipment $'million	Other assets $'million	Capital work-in-progress $'million	Total $'million
Cost						
At 1 April 2022	141	539	135	522	8	1,345
Additions	–	–	10	9	22	41
Disposals	–	–	(22)	(10)	–	(32)
Transfers to intangible assets (Note 6)	–	–	–	–	(10)	(10)
Reclassifications	–	–	2	4	(6)	–
At 31 March 2023	141	539	125	525	14	1,344
Additions	–	–	13	6	24	43
Disposals	–	–	(32)	(51)	–	(83)
Transfers to intangible assets (Note 6)	–	–	–	–	(24)	(24)
Reclassifications	–	–	2	3	(5)	–
At 31 March 2024	141	539	108	483	9	1,280
Accumulated depreciation						
At 1 April 2022	18	296	110	495	–	919
Depreciation for the year	2	15	10	12	–	39
Disposals	–	–	(22)	(10)	–	(32)
At 31 March 2023	20	311	98	497	–	926
Depreciation for the year (Note 21)	2	50	12	10	–	74
Disposals	–	–	(32)	(51)	–	(83)
At 31 March 2024	22	361	78	456	–	917
Carrying amounts						
At 1 April 2022	123	243	25	27	8	426
At 31 March 2023	121	228	27	28	14	418
At 31 March 2024	119	178	30	27	9	363

As at 31 March 2024, capital work-in-progress includes $3,000,000 (2023: $11,000,0000) of work-in-progress that will be transferred to intangible assets upon becoming ready for use.

Board	**Leasehold land $'million**	**Buildings $'million**	**Computer and betting equipment $'million**	**Other assets $'million**	**Capital work-in-progress $'million**	**Total $'million**
Cost						
At 1 April 2022	2	499	17	413	1	932
Additions	–	–	–	1	5	6
Disposals	–	–	(2)	(5)	–	(7)
Reclassifications	–	–	2	4	(6)	–
At 31 March 2023	2	499	17	413	–	931
Additions	–	–	–	–	3	3
Disposals	–	–	–	(7)	–	(7)
Reclassifications	–	–	–	3	(3)	–
At 31 March 2024	2	499	17	409	–	927
Accumulated depreciation						
At 1 April 2022	1	274	15	395	–	685
Depreciation for the year	*	15	1	7	–	23
Disposals	–	–	(2)	(5)	–	(7)
At 31 March 2023	1	289	14	397	–	701
Depreciation for the year (Note 21)	*	49	1	7	–	57
Disposals	–	–	–	(7)	–	(7)
At 31 March 2024	1	338	15	397	–	751
Carrying amounts						
At 1 April 2022	1	225	2	18	1	247
At 31 March 2023	1	210	3	16	–	230
At 31 March 2024	1	161	2	12	–	176

* *Amount less than $1 million*

5 Right-of-use assets

The Group has lease contracts for buildings and IT equipment.

	Buildings $'million	IT equipment $'million	Total $'million
Group			
At 1 April 2022	65	–	65
Depreciation charge for the year	(18)	–	(18)
Modifications to right-of-use assets	9	–	9
Additions to right-of-use assets	*	–	*
At 31 March 2023	56	–	56
At 1 April 2023	56	–	56
Depreciation charge for the year	(18)	–	(18)
Modifications to right-of-use assets	7	–	7
Additions to right-of-use assets	1	15	16
At 31 March 2024	46	15	61

* *Amount less than $1 million*

6 Intangible assets

	Group	
	2024 $'million	**2023 $'million**
Software development expenditure	40	28
Goodwill arising on consolidation	58	58
	98	86

Software development expenditure

	2024 $'million	2023 $'million
Cost		
At 1 April	111	113
Transfers from capital work-in-progress (Note 4)	24	10
Disposals/write-offs	(11)	(12)
At 31 March	124	111
Accumulated amortisation		
At 1 April	83	85
Amortisation charged during the year	12	10
Disposals/write-offs	(11)	(12)
At 31 March	84	83
Carrying amounts		
At 1 April	28	28
At 31 March	40	28

Software development expenditure is amortised on a straight-line basis over their estimated useful lives of 5 to 10 years.

Goodwill arising on consolidation

Goodwill is from the acquisition of Singapore Pools (Private) Limited, a subsidiary which is considered as a separate cash-generating unit ("CGU").

Impairment testing of goodwill

The recoverable amount of the CGU was determined based on value-in-use calculations. The following describes the key assumptions on which management has based its cash flow projection:

- Budgeted gross margins of 7.0% (2023: 7.0%)
- Pre-tax discount rate of 5.5% (2023: 4.8%).

The cash flow projections are based on actual operating results and management's 3-year financial projection of the operations for the years 2025 to 2027. The financial projection is based on management's past experience and future expectations.

The pre-tax discount rate applied reflects specific risks relating to the relevant business activities.

The recoverable amount is determined to be in excess of the CGU's operating assets carrying value as at 31 March 2024. Management believes that any reasonable possible change in the above key assumptions is not likely to cause the recoverable amount to be materially lower than its carrying amount.

No impairment loss has been recognised for the financial years ended 31 March 2024 and 2023.

7 Investment in subsidiaries

	Board	
	2024 $'million	**2023 $'million**
Unquoted equity shares, at cost	170	170

Details of the Board's subsidiaries are as follows:

Name of subsidiaries	**Place of incorporation and business**	**Principal activity**	**Board's Effective Equity Interest 2024 %**	**Board's Effective Equity Interest 2023 %**
Held by the Board				
Singapore Pools (Private) Limited	Singapore	To operate lotteries, sports and totalisator betting	100	100
Held by Singapore Pools (Private) Limited				
Selegie Management Pte. Ltd.	Singapore	Dormant	100	100

8 Financial assets and liabilities at fair value through profit or loss

	Group and Board	
	2024	**2023**
	$'million	**$'million**
Financial assets at fair value through profit or loss		
Unit trust investments	3,653	3,280
Quoted debt investments	400	380
Derivative financial instruments	–	*
	4,053	3,660
Financial liabilities at fair value through profit or loss		
Derivative financial instruments	*	*
Net financial assets at fair value through profit or loss	4,053	3,660

* *Amount less than $1 million*

Financial assets and liabilities at fair value through profit or loss are managed by professional fund managers recommended by the Board's investment consultant, and held with an external custodian bank.

Net financial assets at fair value through profit or loss includes $1,071,000,000 (2023: $995,000,000) which is denominated in US dollar.

Derivative financial instruments

Derivative financial instruments are entered into for efficient portfolio management and hedging purposes to manage currency risk and interest rate risk of the investment portfolio. The following table sets out the notional amount, which is the value of the underlying bond futures and forward foreign exchange contracts translated into Singapore dollar at the financial year-end rate.

	Derivative financial instruments		
	Notional Amount $'million	**Assets $'million**	**Liabilities $'million**
Group and Board			
2024			
Forward foreign exchange contracts	154	–	*
2023			
Bond futures contracts	6	–	*
Forward foreign exchange contracts	148	*	*
	154	*	*

* *Amount less than $1 million*

The Group's and the Board's exposure to credit and market risk is disclosed in Note 25.

9 Trade and other receivables

	Group		Board	
	2024	2023	2024	2023
	$'million	$'million	$'million	$'million
Trade receivables	18	8	–	–
Advances to retailers	14	4	–	–
Casino entry levy receivable	13	12	13	12
Interest income receivable from cash and cash equivalents	14	14	12	12
Deposits and other receivables	2	4	1	3
Amounts due from a subsidiary	–	–	3	3
Grant refunds receivable from beneficiaries	5	–	5	–
Grants receivable (Note 16)	4	–	4	–
Receivables relating to financial assets at fair value through profit or loss				
- Income receivable	5	4	5	4
- Amounts receivable from sales transactions	–	2	–	2
	75	48	43	36
Prepayments	16	19	1	1
	91	67	44	37

Trade and other receivables are primarily denominated in Singapore dollar.

The amounts due from a subsidiary, Singapore Pools (Private) Limited, are unsecured and interest-free.

The Group's and the Board's exposure to credit risk is disclosed in Note 25.

10 Cash and cash equivalents

	Group		Board	
	2024	2023	2024	2023
	$'million	$'million	$'million	$'million
Cash placed with custodian bank	6	3	6	3
Short-term fixed deposits	387	340	22	20
Cash at bank and in hand	343	367	10	9
Cash with AGD	749	868	749	868
	1,485	1,578	787	900

Cash and cash equivalents are primarily denominated in Singapore dollar.

Short-term fixed deposits bear interest ranging from 2.50% to 3.95% (2023: 2.70% to 4.10%) per annum and have a tenure of approximately 31 to 105 days (2023: 31 to 189 days).

Cash with the Accountant-General's Department ("AGD") refers to cash that is managed by AGD under Centralised Liquidity Management, as set out in the Accountant-General's Circular No. 4/2009 Centralised Liquidity Management for Statutory Boards and Ministries.

Cash with AGD earned interest ranging from 2.62% to 3.65% (2023: 0.49% to 2.85%) per annum during the financial year.

The Group's and the Board's exposure to credit, liquidity and market risk is disclosed in Note 25.

11 Capital account

The capital account consists of the value of net assets transferred from the former Singapore Turf Club on the establishment of the Board on 1 January 1988 and a Government grant of $500,000.

12 Deferred capital grants

Deferred capital grants relate to grants received from the Government for the purchase of certain property, plant and equipment used by the Singapore Turf Club.

	Group and Board	
	2024	**2023**
	$'million	**$'million**
At 1 April	137	147
Amortisation for the year (Note 21)	(32)	(10)
At 31 March	105	137

13 Lease liabilities

As a lessee, the Group has lease contracts for betting outlets, off-course betting centres and IT equipment. The leases typically run for a period of two to seven years (2023: two to six years), with an option to renew the lease after that date.

	Group	
	2024	**2023**
	$'million	**$'million**
At 1 April	56	64
Payment of lease liabilities (Financing cash flows)	(18)	(18)
Modifications to lease liabilities	6	9
Additions to lease liabilities	16	*
Interest expense on lease liabilities	1	1
At 31 March	61	56
Classified as:		
Non-current	46	41
Current	15	15
	61	56

* *Amount less than $1 million*

14 Trade payables and other liabilities

	Group		Board	
	2024	**2023**	**2024**	**2023**
	$'million	**$'million**	**$'million**	**$'million**
Non-current				
Other provisions	17	8	17	–
Current				
Trade payables	142	128	4	5
Other payables and accruals	350	298	28	25
Payables relating to financial assets at fair value through profit or loss	5	3	5	3
	497	429	37	33
Advances from a subsidiary	–	–	402	281
Advance sales	17	37	–	–
	514	466	439	314
Total trade payables and other liabilities	531	474	456	314

Trade payables and other liabilities are primarily denominated in Singapore dollar.

Payables relating to financial assets at fair value through profit or loss include outstanding amounts payable on purchase transactions as at the end of the reporting period.

Advances from a subsidiary, Singapore Pools (Private) Limited, are unsecured and interest-free. The advances will be recognised in profit or loss as dividend income in subsequent reporting periods, when the right to receive the payment is established.

Advance sales relate to collections for draws and matches that are held subsequent to the year end.

The Group's and the Board's exposure to liquidity risk is disclosed in Note 25.

15 Deferred tax liabilities

Deferred tax liabilities arise from subsidiaries of the Board, which are subject to tax under Singapore income tax legislation.

Group	Lease liabilities $'million	Right-of-use assets $'million	Accelerated tax depreciation $'million	Provisions $'million	Total $'million
At 1 April 2022	(10)	10	10	(2)	8
Debit/(Credit) to profit or loss for the year (Note 20)	1	(1)	*	*	*
At 31 March 2023	(9)	9	10	(2)	8
Debit/(Credit) to profit or loss for the year (Note 20)	(1)	1	3	*	3
At 31 March 2024	(10)	10	13	(2)	11

* *Amount less than $1 million*

16 Government grants received in advance

	Group and Board 2024 $'million	2023 $'million
At 1 April	20	32
Grants received from the Ministry	14	24
Grants receivable from the Ministry (Note 9)	4	–
Recognised in profit or loss during the year	(38)	(36)
At 31 March	–	20

As a relief measure to ease the impact of COVID-19 on the community, the Ministry of Finance (the "Ministry") will provide up to $200,000,000 to support charities through the Board's Enhanced Fund-Raising ("EFR") Programme. The Ministry's support will extend until 31 March 2025.

In line with the accounting policy for government grants described in Note 3.4(i), the Board recognises government grants received from the Ministry in profit and loss, on a matching basis against grants disbursed by the Board to qualifying charities. The amounts as at financial year-end represent the unutilised portion of the grants received from the Ministry.

17 Operating income

(a) Income from betting and gaming activities

	Totalisator $'million	Lotteries and Sports betting $'million	Total $'million
2024			
Group and Board			
Turnover^	1,202	11,012	12,214
Dividends or prizes	(950)	(8,192)	(9,142)
Income from betting and gaming activities	252	2,820	3,072
2023			
Group			
Turnover^	1,117	10,292	11,409
Dividends or prizes	(882)	(7,535)	(8,417)
Income from betting and gaming activities	235	2,757	2,992
Board#			
Turnover^	369	3,089	3,458
Dividends or prizes	(292)	(2,238)	(2,530)
Income from betting and gaming activities	77	851	928

^ *Turnover represents wagered amounts received in respect of bets placed by customers during the financial year.*

As mentioned in Note 1, Singapore Pools (Private) Limited ceased to be an agent for Tote Board on 31 July 2022. The license to operate the wagering operations is granted directly by the Gambling Regulatory Authority to Singapore Pools (Private) Limited. Consequently, from 1 August 2022, income from betting and gaming activities accrues to Singapore Pools (Private) Limited directly instead of the Board.

(b) Other operating income

	Group		Board	
	2024 $'million	2023 $'million	2024 $'million	2023 $'million
Gate admission income	5	4	1	1
Racing management and other revenue	12	13	16	16
Government grants and rebates	41	37	38	36
Others	11	9	10	8
	69	63	65	61

Racing management and other revenue includes royalty fees collected for the sale of broadcasting rights of Singapore races, equine hospital charges and miscellaneous revenue.

Government grants and rebates includes grant income recognised in respect of the Enhanced Fund-Raising ("EFR") Programme (Note 16).

18 Operating expenditure

(a) Staff costs

	Group 2024 $'million	Group 2023 $'million	Board 2024 $'million	Board 2023 $'million
Wages and salaries	142	130	41	37
Contributions to defined contribution scheme	16	14	4	4
Others	6	5	2	1
	164	149	47	42

(b) Racing and related expenses

Included in Racing and related expenses is $30,000,000 (2023: $28,000,000) of prize money paid to horse owners, trainers and jockeys of the winning horses.

(c) Other operating expenses

	Group 2024 $'million	Group 2023 $'million	Board 2024 $'million	Board 2023 $'million
Commission expenses	46	42	–	–
General administrative expenses	45	45	7	11
Office and property related expenses	24	20	17	13
Upkeep of property, plant and equipment	22	22	9	11
Information technology expenses	34	38	10	12
	171	167	43	47

(d) Depreciation and amortisation expenses

	Group 2024 $'million	Group 2023 $'million	Board 2024 $'million	Board 2023 $'million
Depreciation of property, plant and equipment (Note 4)	74	39	57	23
Depreciation of right-of-use assets (Note 5)	18	18	1	1
Amortisation of intangible assets (Note 6)	12	10	–	–
	104	67	58	24

19 Finance income/(costs), net

	Group		Board	
	2024	**2023**	**2024**	**2023**
	$'million	**$'million**	**$'million**	**$'million**
Dividend income from a subsidiary	–	–	353	23
Interest income from cash and cash equivalents	39	22	26	16
Income derived from financial assets at fair value through profit or loss	24	16	24	16
Net change in carrying values of financial assets and liabilities at fair value through profit or loss	231	(322)	231	(322)
	294	(284)	634	(267)

Income derived from financial assets at fair value through profit or loss includes investment management fee rebate, dividend income, interest and other income.

20 Tax expense

The Board is a tax exempt institution under the provision of the Income Tax Act 1947. The Board has withholding tax expense on interest income from quoted debt investments domiciled in certain foreign jurisdictions.

The subsidiaries of the Board are subject to tax under Singapore income tax legislation.

	Group	
	2024	**2023**
	$'million	**$'million**
Current tax expense		
Current year	93	78
Withholding tax	*	*
	93	78
Deferred tax benefit		
Net origination and reversal of temporary differences	3	1
Over-provision in respect of prior years	–	(1)
	3	*
Tax expense	96	78

* *Amount less than $1 million*

Reconciliation of effective tax rate

	Group	
	2024	**2023**
	$'million	**$'million**
Surplus/(Deficit) before tax	354	(77)
Tax using Singapore tax rate of 17% (2023: 17%)	60	(13)
(Surplus)/Deficit of the Board exempted from tax	(24)	88
Non-deductible expenses	63	6
Income not subject to tax	(3)	(2)
Over-provision in prior years	–	(1)
Withholding tax	*	*
Tax expense	96	78

* *Amount less than $1 million*

21 Facility closure of the Singapore Turf Club

On 5 June 2023, the Ministry of Finance together with the Ministry of National Development released a press statement announcing that the Singapore Turf Club will close its facility at the Kranji racecourse by March 2027. The land will be returned to the Singapore Government for redevelopment.

The last race meeting at the Singapore Turf Club is scheduled to take place in October 2024. The winding down exercise of the Singapore Turf Club will continue until March 2027. The financial impact of the winding down exercise on the Group is described in notes (a) – (c) below.

(a) Property, plant and equipment (Note 4)

The carrying amount of property, plant and equipment used by the Singapore Turf Club will be recovered principally through continuing use, unless a credible purchase offer has been received for specific assets or other grounds to justify residual value.

With the facility closure by March 2027, the useful life of the related assets has been reduced accordingly to end between October 2024 and March 2027, in accordance with the intended use and planned winding down phase of the assets.

The effect of the revisions to accounting estimates are recognised on a prospective basis from June 2023. The resulting increase in depreciation of property, plant and equipment for 2024 was $35,000,000.

(b) Deferred capital grants (Note 12)

In line with the accounting policy for deferred capital grants described in Note 3.4(i), the amortisation of deferred capital grants is increased to match the depreciation and/or disposal of the related assets purchased with the grants. The resulting increase in amortisation of deferred capital grants for 2024 was $22,000,000.

(c) Cessation-related expenses

Following the announcement of the facility closure, the Singapore Turf Club has rolled out a series of initiatives to support stakeholders and ease the transition. This includes:

- Provision for employee offboarding, which will be conducted in phases from November 2024 to April 2027.
- Racing transition support and horse export incentives, which are provided to racehorse owners and trainers for horse welfare and maintenance during the transition, as well as to ensure proper exportation and relocation of the racehorses.
- Heritage commemoration & community engagement, which includes community outreach and commemoration initiatives to celebrate the Club's history and heritage of horse racing in Singapore.

22 Provision for contribution to Consolidated Fund

The Board contributes to the Consolidated Fund in accordance with Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989. The contribution is based on the Board’s net surplus for the financial year, after netting off any prior years’ accounting deficit, at the applicable corporation tax rate of 17% (2023: 17%).

There was no provision for contribution in the current or prior year, as the Board has unutilised accounting deficit carried forward from prior years, available for offset against current year net surplus (2023: the Board was in a net deficit position). As of 31 March 2024, the Board has $377,000,000 (2023: $520,000,000) unutilised accounting deficit to be carried forward.

23 Related company and party transactions

(a) Related company transaction

<u>Agency arrangement with a subsidiary</u>

Up to 31 July 2022, the Board incurred an agency fee expense in return for the agency services rendered by Singapore Pools (Private) Limited in relation to betting and gaming activities. The agency fee was computed based on a rate and composition as agreed by the parties concerned.

As mentioned in Note 1, Singapore Pools (Private) Limited ceased to be an agent for Tote Board on 31 July 2022.

(b) Related party transactions

The Board is a statutory board established under the Singapore Totalisator Board Act 1987. As a statutory board, all government ministries, organs of state and other statutory boards are deemed related parties to the Group.

During the financial year, the Group engaged in various transactions with entities related to the Group, at terms agreed between the parties. These transactions include procurement of services and grants disbursed in the ordinary course of the Group’s operations.

(c) Compensation of key management personnel

The remuneration of the Board members and committee members of Tote Board, directors of a subsidiary and other members of key management are as follows:

	Group	
	2024	**2023**
	\$'million	**\$'million**
Short-term benefits	8	7
Post-employment benefits - contribution to CPF	*	*
	8	7

* *Amount less than $1 million*

24 Commitments

Commitments authorised and contracted as at 31 March but not provided for in the financial statements are as follows:

	Group	
	2024	**2023**
	\$'million	**\$'million**
Acquisition of property, plant and equipment	5	24
Grants committed but not disbursed	2,705	3,265

25 Financial instruments

Financial risk management

Overview

The Group's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and market price risk).

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

Risk management framework

Each entity within the Group has a Management Board or Committee which reviews and agrees policies and procedures for the management of these risks, which are executed by the respective management team of each entity. It has been through the current and previous financial year, the Group's policy that no trading in derivatives for speculative purpose shall be undertaken.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and their exposure to credit risk are set out below.

<u>Financial assets and liabilities at fair value through profit or loss</u>

Financial assets and liabilities at fair value through profit or loss are managed by professional fund managers recommended by the Board's investment consultant.

The Group manages its credit risk by transacting with entities of acceptable creditworthiness. Credit risks are also mitigated by diversifying credit exposures across counterparties and issuers.

The Group's unit trust investments are regulated by the respective regulators of the jurisdictions in which they are domiciled. The professional fund managers of the Group's quoted debt investments are regulated by the Monetary Authority of Singapore.

<u>Trade receivables and advances to retailers</u>

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group has policies in place to only deal with counterparties who meet certain credit requirements and requires banker's guarantee to reduce its risks.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the respective management team of each entity based on ongoing evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management team.

The Group's maximum exposure to credit risk for trade receivables and advances to retailers at the reporting date by type of counterparty was:

	Group	
By type of counterparty	**2024 \$'million**	**2023 \$'million**
Retailers	20	9
Others	12	3
	32	12

In order to manage the Group's credit risk for trade receivables and advances to retailers, the Group obtains bankers' guarantees issued by their customers' banks for most of the customers. These bankers' guarantees are used as a form of security against the outstanding trade receivables and advances to retailers. As at the statement of financial position date, the bankers' guarantees amounted to \$19,000,000 (2023: \$19,000,000).

As at the end of the financial year, there is no significant concentration of credit risk on the trade receivables and advances to retailers of the Group. All trade receivables are not credit impaired, and all advances to retailers are not past due. The average credit period is 30 days (2023: 30 days).

For purpose of impairment assessment, the Group's debtors are considered to have low credit risk as they mainly relate to counterparties that have a good record with the Group with no instances of default historically. There is no impairment arising from the outstanding balances.

Cash and cash equivalents

The Group held cash and cash equivalents of $1,485,000,000 at 31 March 2024 (2023: $1,578,000,000), and this represents its maximum credit exposures on these assets. Short-term fixed deposits and cash at bank are held with bank and financial institution counterparties which are rated A3 to Aa1 based on Moody's ratings. The cash with AGD under Centralised Liquidity Management, and with custodian bank are placed with reputable and regulated financial institutions.

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(b) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations as and when they fall due. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

At the end of the reporting period, the Group does not maintain any interest-bearing financial liabilities that expose the Group to fluctuations in interest rates and the possible future cash flows attributable to the carrying amount of the financial liabilities on the statement of financial position.

(c) Market risk

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

Foreign exchange risk

The Group operates solely in Singapore. The Group's business operations are not exposed to significant foreign exchange risks as the majority of the Group's transactions are denominated in Singapore dollar. The Group does not engage in speculative foreign exchange transactions.

The Group's primary exposure to foreign exchange risk is from unit trust investments managed by professional fund managers and denominated in US dollar. The Group's quoted debt investments denominated in US dollar are hedged to Singapore dollar via forward foreign exchange contracts as at the end of the financial year.

Foreign exchange risk sensitivity

The sensitivity analyses below have been determined based on the risk exposure at the end of the reporting period.

In respect of unit trust investments, a reasonably possible strengthening/(weakening) of the Singapore dollar, while all other variables were held constant, would (decrease)/increase the Group's and the Board's surplus before tax and Consolidated Fund by the following amounts:

	Group and Board	
	2024	**2023**
	$'million	**$'million**
Surplus before tax and Consolidated Fund		
US dollar (5% strengthening of the Singapore dollar)	(46)	(42)
US dollar (5% weakening of the Singapore dollar)	46	42

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to short-term fixed deposits, cash with AGD, and quoted debt investments managed by professional fund managers. The interest rates for cash with AGD are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements. Changes in interest rates may also result in market price fluctuations for the Group's quoted debt investments and bond futures contracts.

The Group does not have any borrowings as at the end of the financial year.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		**Board**	
	2024	**2023**	**2024**	**2023**
	$'million	**$'million**	**$'million**	**$'million**
Variable rate instruments				
Short-term fixed deposits	387	340	22	20
Cash with AGD	749	868	749	868
	1,136	1,208	771	888
Fixed rate instruments				
Quoted debt investments	400	380	400	380
	1,536	1,588	1,171	1,268

Interest rate sensitivity for variable rate instruments

The sensitivity analyses below have been determined based on the risk exposure at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

In respect of variable rate instruments, a reasonably possible change in interest rates, while all other variables were held constant, would increase/(decrease) the Group's and the Board's surplus/(deficit) before tax and Consolidated Fund by the following amounts:

	Group		**Board**	
	2024	**2023**	**2024**	**2023**
	\$'million	**\$'million**	**\$'million**	**\$'million**
Surplus before tax and Consolidated Fund				
100 bp increase	11	12	8	9
100 bp decrease	(11)	(12)	(8)	(9)

Interest rate sensitivity for fixed rate instruments

As the interest rates of such interest-bearing financial instruments are fixed over the contractual period, a change in interest rates at the reporting date would not affect profit or loss.

<u>Market price risk</u>

At the reporting date, the Group's exposure to market price risk arises from:

	Group and Board	
	2024	**2023**
	\$'million	**\$'million**
Unit trust investments	3,653	3,280
Quoted debt investments	400	380
Bond futures contracts (Notional amount)	–	(6)
	4,053	3,654

The Group's portfolio is managed by professional fund managers and is diversified in accordance with its investment mandate to manage exposure to fluctuation in market prices. The Group's investment strategies and policies are determined by Tote Board's Investment Committee and approved by the Board members of Tote Board.

Market price risk sensitivity

The sensitivity analyses below have been determined based on the risk exposure at the end of the reporting period.

In respect of financial assets and liabilities at fair value through profit or loss, a reasonably possible change in underlying market prices, while all other variables were held constant, would increase/(decrease) the Group's and the Board's surplus/(deficit) before tax and Consolidated Fund by the following amounts:

	Group and Board	
	2024	**2023**
	$'million	**$'million**
Surplus before tax and Consolidated Fund		
500 bp increase	203	183
500 bp decrease	(203)	(183)

Capital management policies and objectives

The Board manages its capital to ensure that it will be able to continue as a going concern while fulfilling its objective as a statutory board.

The capital structure of the Group consists of capital and accumulated surplus. There were no changes in the capital management approach during the financial year.

26 Classification and fair value of financial instruments

Carrying amount

The carrying amounts of financial assets and financial liabilities are as follows:

	Group		Board	
	2024	**2023**	**2024**	**2023**
	$'million	**$'million**	**$'million**	**$'million**
Financial assets measured at amortised cost				
Trade and other receivables (Note 9)	75	48	43	36
Cash and cash equivalents (Note 10)	1,485	1,578	787	900
	1,560	1,626	830	936
Financial assets and liabilities measured at FVTPL				
Net financial assets at fair value through profit or loss (Note 8)	4,053	3,660	4,053	3,660

	Group		Board	
	2024	**2023**	**2024**	**2023**
	$'million	**$'million**	**$'million**	**$'million**
Financial liabilities measured at amortised cost				
Trade payables and other liabilities (Note 14)	497	429	37	33

Fair value

The Group has an established approach with respect to the measurement of fair values.

Fair value hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1* : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3* : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 (with Level 3 being the lowest).

Financial assets and liabilities measured at fair value

The following table shows the levels of fair value hierarchy and the respective valuation technique used in measuring the fair values:

	Types of financial instruments	Valuation method
Level 1	**Financial assets and liabilities at fair value through profit or loss (Note 8)** - Quoted debt investments - Exchange-traded bond futures contracts	The fair value is based on quoted prices in active markets for identical assets or liabilities.
Level 2	**Financial assets and liabilities at fair value through profit or loss (Note 8)** - Unit trust investments - Forward foreign exchange contracts	Unit trust investments The fair value is based on valuation provided by professional fund managers. Forward foreign exchange contracts The fair value is determined using valuation techniques with market observable inputs, such as forward pricing using present value calculations.

Measurement of fair values

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the Group assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SB-FRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. There were no transfers between Level 1, Level 2 and Level 3 during 2024 and 2023.

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables) approximate their fair values because of the short period to maturity.