

ANNUAL REPORT 2020

BUILDING SKILLS AND AGILITY FOR THE

FUTURE
OF WORK



SINGAPORE INSTITUTE OF
MANAGEMENT GROUP LIMITED

THE SHAPE OF THINGS TO COME

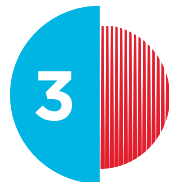
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MESSAGE FROM CHAIRMAN AND PRESIDENT & CHIEF EXECUTIVE OFFICER

• A PANDEMIC THAT SIGNPOSTS THE FUTURE

2020 will go down in record as one of the most tumultuous years in history. As the Covid-19 pandemic caused disruptions in every corner of the world, individuals and businesses had to adapt quickly in order to remain relevant. For many, it was an existential threat.

At SIM, the impact was no less real. We swiftly moved learning and many other activities online. Our students, adult learners, lecturers and trainers likewise had to adapt with speed. Our staff worked hard to ensure that essential services continued smoothly so that our students could study safely and effectively from home.

On work and personal fronts, everyone had their challenges but the pandemic also surfaced the care and support in our community. Our students joined us to organise two 'SIM for Hope' events to bring cheer and raise funds for the less fortunate. For employees whose jobs were displaced by the pandemic, SIM partnered the Government to re-skill them for new careers in manufacturing through the SGUnited Skills Advanced Manufacturing Programme. For our students who were impacted financially, we set up the SIM Covid-19 Support Fund which offered increased financial support through bursaries. The SIM Resilience

Package was also introduced to equip fresh graduates with new skills needed by the changing economy.

More importantly, the pandemic drove home the importance of having relevant skills and agility to thrive in a highly unpredictable and disruptive world. Recognising the importance of this even before the pandemic, in 2018, SIM envisioned a transformation to equip ourselves and all our learners for the reality.



Ms Euleen Goh
Chairman,
SIM Board of Directors



Mr Seah Chin Siong
President and Chief
Executive Officer, SIM

• A MODEST FINANCIAL PERFORMANCE

In 2020, the expected headwinds of change in the industry were exacerbated by the pandemic. The circuit breaker and restrictions on travel and group gatherings have halted or curtailed many of our plans, thus limiting our overseas student admission and the number of training programmes we could conduct.

While we increased efforts to mitigate the revenue impact, we were also careful to contain our costs. With this, we managed to record a Group revenue of \$201m for FY2020 while capping total expenses at \$179m. This rendered a surplus of \$23m before income tax, a modest achievement given the very challenging circumstances. These performances mark the first financial year for the newly incorporated SIM Group Limited.

During the financial year, SIM received \$10.4m under the Jobs Support Scheme provided by the Government to aid businesses through the pandemic. In line with the national agenda for human talent development and our mission to do social good, we have committed \$6m of this fund for supporting Singaporeans in realising their career potential through unique lifelong learning pathways and opportunities. We will do this through the SIM People Development Fund (SIM PDF), an independent institution of public character set up to extend our social mission to more learners. More details on this will be announced soon. The Jobs Support Scheme funding has also been utilised to provide financial assistance to our students impacted by the pandemic in 2020, as well as to develop SIM's own talent pool through the setting up of the SIM Academy in 2021.

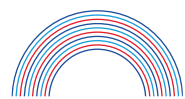
BUILDING TALENT AND ORGANISATIONAL CAPITAL FOR THE FUTURE OF WORK

In our annual report last year, we shared the three pillars of our strategic roadmap to help individuals and organisations thrive in disruptive times and across life stages:

- To build human talent for the future of work through multi-pathway and multi-modal learning;
- To help enterprises build organisational capital through innovative learning solutions that positively impact business goals; and
- To build a vibrant learning ecosystem that facilitates mutually beneficial interactions among our communities of learners.

The true measure of our success in these areas will be when every learner who comes to us – undergraduate and postgraduate students as well as SMEs – has access to the latest in-demand skills that will help him contribute to organisational performance and ensure his employability and mobility throughout his career.

For 2020, we are happy to report that good headway was made in our transformation journey.



Degree Pathways and Continuing Education and Training

Although the enrolment in our degree programmes took a slight dip to 16,000 due to Covid-19, we broadened our suite of degree and postgraduate offerings with new programmes in computer and data science, artificial intelligence and fintech, all to equip learners for Industry 4.0.

A host of career initiatives were also organised, some in partnership with employers, to enhance students' work-readiness and employability. Highlights included students' participation in a six-month internship with iShopChangi, Changi Airport Group's online retail business. This followed an intensive training programme and competitive presentations of proposals to grow the business of iShopChangi. Through another programme with mentorship from McKinsey & Company, a group of students gained hands-on experience in management consultancy by working on real business projects from 500 Startups, a global venture capital firm.

To help SMEs acquire skills to respond at speed to job and skill disruptions and stay competitive, new courses were added to our extensive portfolio of executive and professional courses. These courses cover a wide range of business disciplines and utilise our DASH+ framework to impart skills in design thinking, agile management,

systems leadership, managing for hypergrowth and leadership across all job levels from the executive to the chief executive. We also launched a series of online learning with RMIT Online to help SMEs level up for the future of work with technology and digital skills.

The SIM Centre for Systems Leadership was set up to equip executives, leaders and their organisations with systems leadership skills needed to navigate an increasingly VUCAH (volatile, uncertain, complex, ambiguous and hyper-connected) world. We also hope to train future leaders by exposing our student leaders in penultimate years to systems leadership skills. The Centre's programmes will also be extended to help the social sector nurture leaders who can collaborate and innovate to benefit more people in need.



Value-Adding to Learners' Learning Journeys

Two other initiatives were started to support and enhance learners' learning journeys – the Learner Advisory and Career Centre (LACC) and the Centre for Micro-Credentials. Through profiling, counselling and coaching, the LACC helps learners to identify gaps between their aspirations, skills and market needs. With this knowledge, SIM then supports them in their career planning with personalised learning to bridge the gaps and get matched to the right jobs.

To encourage learners' continual upskilling and reskilling, the Centre for Micro-Credentials will curate short courses for in-demand skills. On acquiring these skills, learners will earn micro-credentials and badging validated and recognised by employers for both job performance and qualifications stacking.

As part of the SIM Digital imperative, we have made good progress on our plan to build a digital ecosystem that offers products, services and tools to help learners learn more effectively and connect better with their learning communities. Value-adding to their learning, there is also a platform that will enable them to own, curate and track their personal learning journeys over their lifetime.



Partnering Enterprises to Build High-Performing Talent

In our outreach to partner enterprises to co-create more sustainable and scalable talent development programmes that significantly benefit business objectives, we worked with new clients from the government, non-profit, and commercial sectors. Among the various programmes designed and delivered for these enterprises are training to equip their leaders with managerial skills, sense-making and systems thinking for innovations. We have also engaged with bigger corporations to marry their industry and specialist knowledge with SIM's infrastructure, design and delivery capabilities to set up or transform their learning academies for greater impact on talent development. We look forward to announcing these landmark partnerships in the coming year.

To cater to the underserved needs of small and medium enterprises, we collaborated with Ngee Ann CET Academy to offer a course that helps SMEs create innovative business models and customer-centric solutions to deliver new value to all stakeholders.

LEADING THE WAY WITH OUR OWN TRANSFORMATION

In reshaping learning and learners for the future, we are leading the way with our own transformation to be a highly agile and effective learning organisation. Integral to this is the setting up of our very own corporate university – the SIM Academy. We have begun with the process of identifying skills needed to drive our new vision and mapping skill gaps that need to be filled. In the new year, we will further invest in learning initiatives that will transform our culture and take our human capital to new heights of achievement.

We have also completed our organisational restructure to ensure speed to market responses that deliver greater learner centricity and value. The integration of technology into our operations and service delivery is well underway to enable the use of technology and data to help learners achieve greater learning outcomes.

To support our new strategic directions, we have embarked on a brand refresh exercise that will position us beyond just a private education institution, but as a strategic learning organisation that partners individuals and enterprises in acquiring skills for the future of work. We look forward to announcing our new brand in the coming year.

In our journey ahead, we remain conscientious of our mission for social good to our community. Through our programmes and initiatives, our purpose is to help all learners acquire knowledge and skills they need not just to make a positive impact on their organisations and society, but which will also enable them to adapt and thrive in a fast changing world.

An exciting new chapter awaits to be fully unfolded in education and skills training – both for SIM and for all our learners. This is a future that can only be co-created with the continuing efforts, feedback and support from our community of students, alumni, faculty, partners and staff, as well as our board and founding members. To all of you, we want to thank you for being on board with us and we look forward to your continued engagement.

ABOUT SIM

The Singapore Institute of Management Group Limited (SIM) is Singapore’s leading private education and lifelong learning institution, recognised for equipping individuals and enterprises to be future-ready and empowering them to fulfil their highest aspirations.

We are fully committed to providing innovative, skills-based learning experiences and opportunities that help learners pick up skills that impact organisational performance and which ensure their employability and mobility throughout their careers.

OUR PURPOSE

To empower individuals and organisations to achieve their highest aspirations, through innovative skills-based learning experiences and opportunities.

OUR VISION

A pioneer of learning ecosystems for the future of work that inspire and fulfil aspirations.

SIM fulfils our purpose through the following brands:

- SIM Global Education
- SIM Professional Development and Enterprise Learning
- Singapore (Cambodia) International Academy

SIM MANAGEMENT TEAM



Mr Seah Chin Siong
President and
Chief Executive Officer

Executive Management Team	 SIM Global Education Professor Wei Kwok Kee <i>Provost</i>	Key Functional Heads	 Strategy and Corporate Planning Mr Alphonsus Pang <i>Director</i>
	 Professional Development and Enterprise Learning; & Customer and Service Group Dr Kevyn Yong <i>Chief Learning Officer</i>		 Finance Ms Shirley Tay <i>Director</i>
	 Digital Solutions, Platform and Infrastructure Mr Ho Seong Kim <i>Chief Digital Solutions, Platform and Infrastructure Officer</i>		 Corporate Communications Ms Jocelyn Pang <i>Director</i>
	 Human Capital Ms Sara Yik <i>Chief Human Capital Officer</i>		 Legal and Governance Mr Brenton Chen <i>Director</i>

ABOUT SIM

SIM BOARD OF DIRECTORS

**Chairman
Ms Euleen Goh**

Non-Executive Chairman,
SATS Ltd

**Vice-Chairman
Professor
Hsieh Tsun-yan**

Chairman and
Lead Counsellor,
LinHart Group

**Treasurer
Ms Madeleine Lee**

Managing Director/
Chief Investment Officer,
Athenaeum Pte Ltd

**Member
Mr Chia Wee Boon**

Advisor,
Singtel Group Enterprise

**Member
Ms Susan Chong**

Chief Executive Officer,
Greenpac (S) Pte Ltd

**Member
Ms Junie Foo**

Group Executive
Director,
Methodist Welfare Services

**Member
Ms Jennifer Lewis**

Head, Communications
and Engagement,
Temasek Foundation

**Member
Mr Nazri Othman**

Senior Vice President,
Cargo Services,
SATS Airport Services Pte Ltd

**Member
Mr Tan Choon Seng**

Chairman,
Truscott Group

**Member
Mr George Thia**

Director,
Asiainc Pte Ltd

**Member
Mr Yuen Kuan Moon**

Chief Executive Officer,
Consumer Singapore
and Group Chief Digital
Officer,
Singapore
Telecommunications Ltd

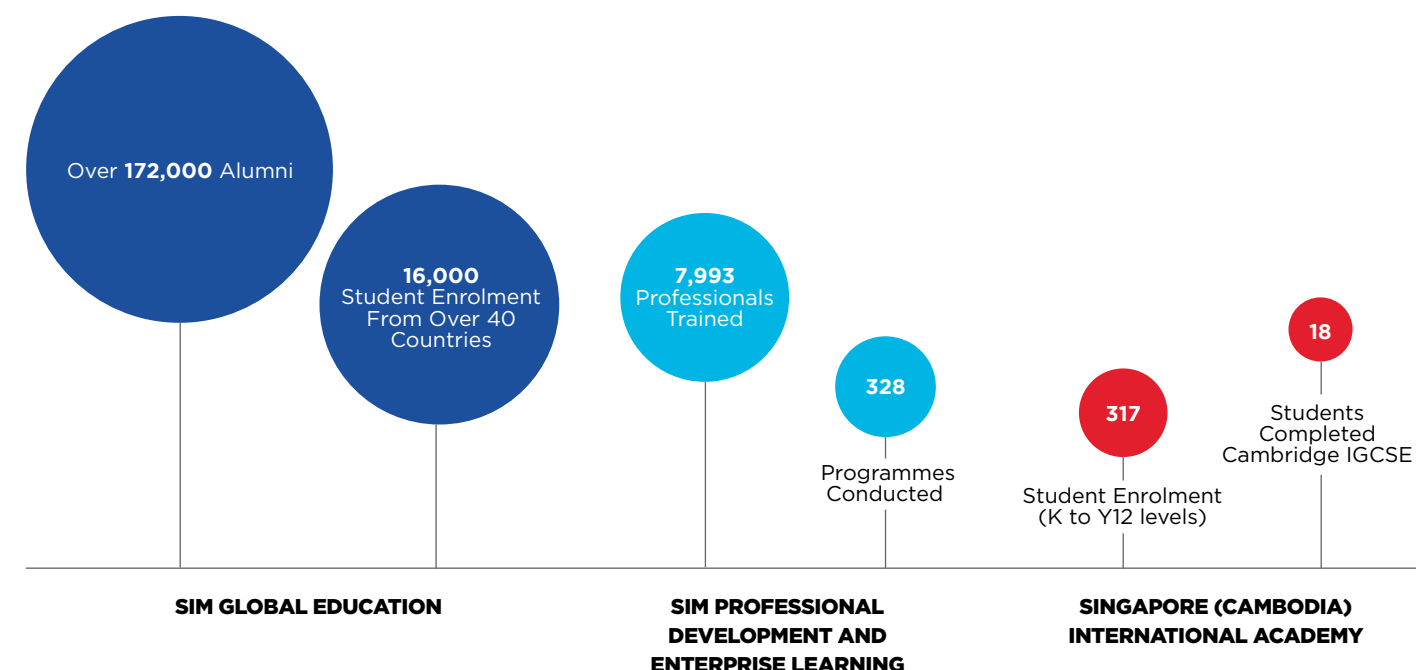
**Ex-Officio
Mr Seah Chin Siong**

President and Chief
Executive Officer,
SIM

 Click to view

KEY HIGHLIGHTS

KEY STATISTICS



KEY FINANCIAL HIGHLIGHTS¹

	GROUP ²	COMPANY ²
	\$'000	\$'000
Income	201,297	160,130
Expenditure	178,515	76,224
Excess of Income over Expenditure	22,782	83,906
Capital Expenditure	4,338	3,632
Reserve Level³	2.1 Years	4.2 Years

¹ For the year ended 31 December 2020. As Singapore Institute of Management Group Ltd is a newly incorporated entity in 2020, its FY2020 financials will serve as the baseline and are not comparable to the past year figures of the old SIM.

² Group comprises Singapore Institute of Management Group Ltd, Singapore Institute of Management Holdings Pte Ltd, Singapore Institute of Management Pte Ltd, Singapore Institute of Management International Pte Ltd, SIM Xtension Pte Ltd, Singapore (Cambodia) International Academy Co. Ltd and SIM AEC Pte Ltd. Company refers to Singapore Institute of Management Group Ltd.

³ Computed based on the formula: bank balances/total annual expenditure including capital expenditure. Singapore Institute of Management Group Ltd will target to maintain a reserve level of one year taking into consideration its future income streams, and future operating and capital expenditure.

EMPOWERING LEARNERS

FOR HIGHER PERFORMANCE AND GREATER EMPLOYABILITY

Whether for students or working professionals, our multiple learning pathways with multi-modal delivery equip them with in-demand skills to excel and thrive through their life stages.

PRE-EMPLOYMENT TRAINING THROUGH SIM GLOBAL EDUCATION

Besides our foundational, diploma and degree programmes, our wide range of career development programmes equips our students with skills that enhance their work readiness and employability.

NEW ACADEMIC PROGRAMMES

In 2020, 13 new programmes were added to help students acquire skills for Industry 4.0:

 [Click to view](#)



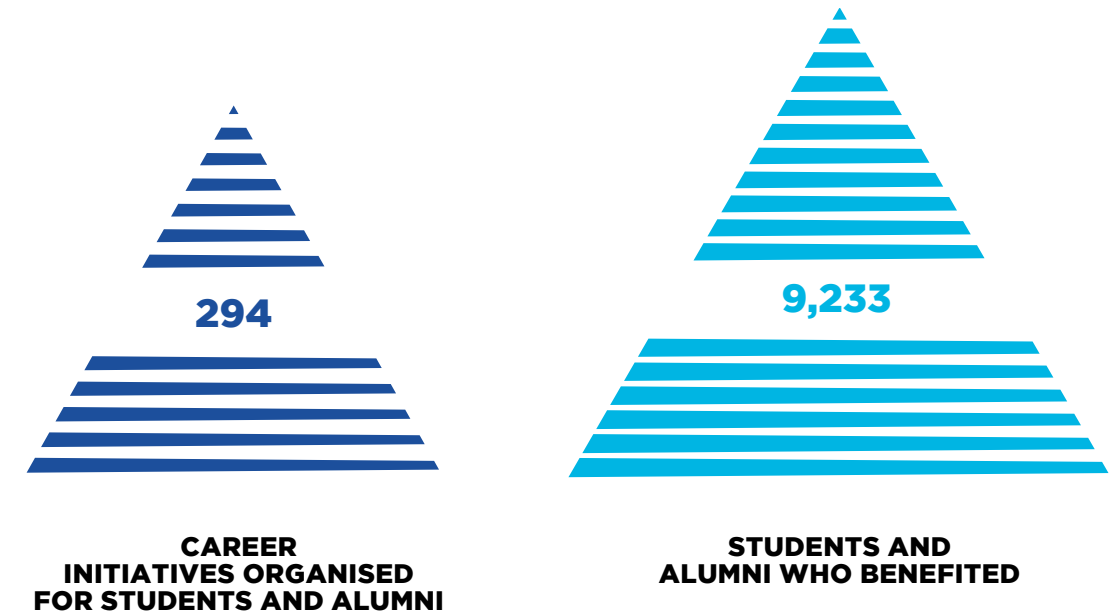
UNIVERSITY OF WOLLONGONG AUSTRALIA

2020 marked the 15th year of partnership between SIM and the University of Wollongong. From just over 60 graduates in 2006, we now have more than 4,000 alumni.

EMPOWERING LEARNERS FOR HIGHER PERFORMANCE AND GREATER EMPLOYABILITY

ENSURING STUDENTS' WORK-READINESS AND EMPLOYABILITY

Career initiatives ranging from in-school training to industry exposure help boost students' job prospects and ensure they succeed at work. Programmes and services are also offered to alumni to help them thrive in the workplace.



NEW LEARNER ADVISORY & CAREER CENTRE (LACC)

Launched in March, the LACC is a one-stop centre offering learner profiling, career counselling and coaching, and job matching services. In the year, some 450 alumni took up free profiling tools to understand how they can enhance their career progression (right).



NEW CENTRE FOR MICRO-CREDENTIALS (CMC)

Set up in July to encourage continual skills learning, the CMC offers bite-sized courses that help learners reskill and upskill, and earn micro-credentials and badging validated and recognised by employers for job performance and qualifications stacking. Initial courses include artificial intelligence, blockchain, fintech, Python programming and robotic process automation.

CAREER CHAMPS

Through career fairs, networking events and industry talks, students connected and engaged with professionals from the industries they are interested in (below).

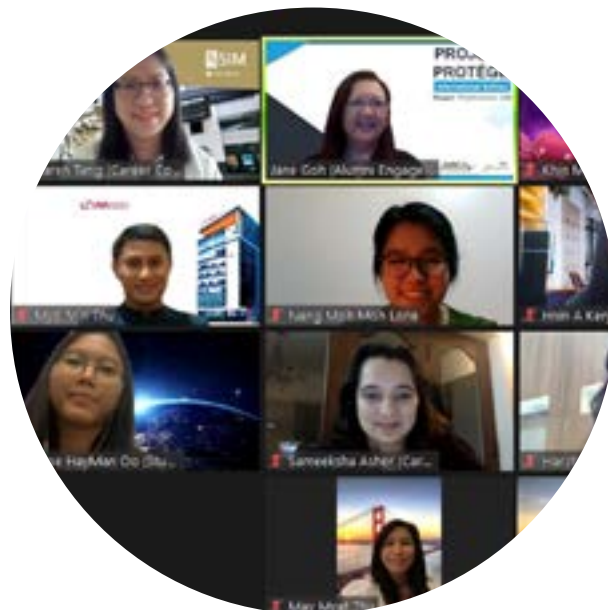


POLARIS INDUSTRY MASTERCLASS WITH MCKINSEY

Through a five-week programme mentored by McKinsey & Company, 18 students gained hands-on management consulting skills by working on real business projects from 500 Startups, a global venture capital firm.

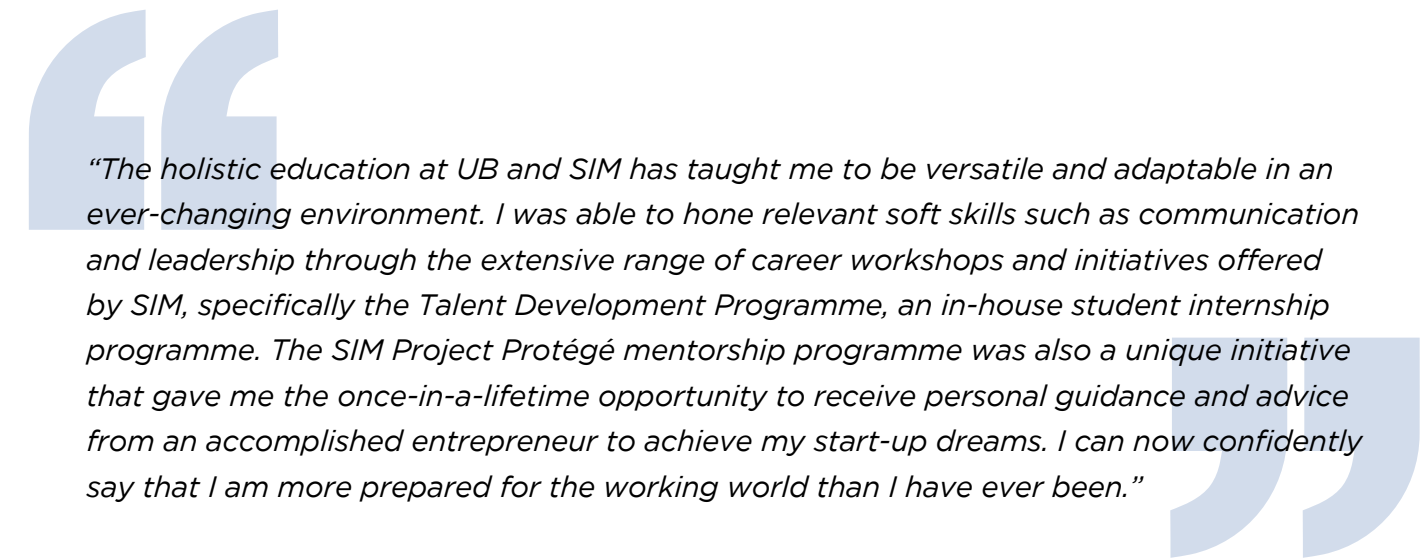
STUDENT MENTORING THROUGH PROJECT PROTÉGÉ

Through this four-month mentorship programme by experienced alumni and industry mentors, 100 students and young graduates received valuable advice on career choices and planning (below).



CHANGI AIRPORT GROUP INTERNSHIP

In August, 24 students participated in a five-day training programme and competitively presented business proposals for iShopChangi, Changi Airport Group’s e-commerce shop. Twelve of them were selected for its much-coveted six-month internship to gain experience in varied roles (below).



“The holistic education at UB and SIM has taught me to be versatile and adaptable in an ever-changing environment. I was able to hone relevant soft skills such as communication and leadership through the extensive range of career workshops and initiatives offered by SIM, specifically the Talent Development Programme, an in-house student internship programme. The SIM Project Protégé mentorship programme was also a unique initiative that gave me the once-in-a-lifetime opportunity to receive personal guidance and advice from an accomplished entrepreneur to achieve my start-up dreams. I can now confidently say that I am more prepared for the working world than I have ever been.”

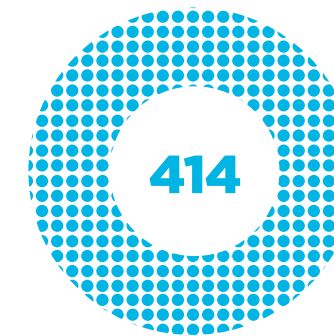
Jonathan Lim (on cover)
Student, Bachelor of Arts (Economics)
University at Buffalo (UB), The State University of New York

DEVELOPING ALL-ROUNDED SKILLS AND CHARACTER

SIM’s 80 student clubs offer a wide range of co-curricular activities that continue holistic learning outside the classroom to nurture confident future leaders.



STUDENT CLUBS IN SIM GLOBAL EDUCATION



STUDENT LIFE ACTIVITIES ORGANISED



STUDENT PARTICIPANTS



SPORTS FOR HEALTHY BODIES AND HEALTHY MINDS

In 2020, our Men's Basketball (left) and Ultimate Frisbee (right) teams emerged as champions at the Institute-Varsity-Polytechnic (IVP) Games 2020, with the Frisbee team's victory the fourth consecutive win.



BUILDING GLOBAL PERSPECTIVES AND CULTURAL SENSITIVITY

Getting our students global-ready means equipping them with skills to harness diversity to collaborate and work in an interconnected yet increasingly divided world.

Despite restrictions due to Covid-19, we organised nine global learning programmes with participation from over 860 local and overseas students.

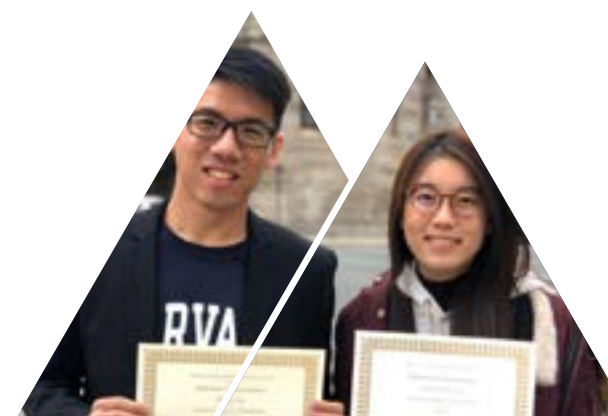


OUR GLOBAL LEARNING SUMMER PROGRAMME

for students from the SIM-University of London Master's programme helped them pick up critical core skills through interactive online classes.

CUSTOMISED PROGRAMMES WITH REGIONAL INSTITUTIONS

such as the Haesung International Convention High School from South Korea gave our students the opportunity to interact with their overseas counterparts and build cultural sensitivity (left).



THE HARVARD NATIONAL MODEL UNITED NATIONS CONFERENCE

in Boston, USA, gave students from the SIM International Affairs Society hands-on experience in negotiating international crises and crafting policy solutions. At the event, two SIM-University of London students were awarded Diplomatic Commendations (above).



AN SIM-UNIVERSITY AT BUFFALO (UB) STUDENT RECEIVED AN SIM-UB SIX-MONTH SCHOLARSHIP

to study in Buffalo, USA, where he learnt to be an analyst through managing a US\$500,000 investment fund (above).

GIVING BACK TO THE COMMUNITY

Nurturing a passion for the community and social responsibility in our students is equally important.



'SIM FOR HOPE' events were organised by students and staff to provide encouragement and support for fellow students and the less privileged during Covid-19. Through two virtual shows in May and December (above), they raised over \$60,000 for The Invictus Fund managed by The Community Chest and the Children-At-Risk Empowerment Association.

A COMMUNITY OUTREACH to the Ling Kwang Home had a group of students from the SIM-University of London Student Representative Council bringing smiles to the elderly through handicrafts and games (right).

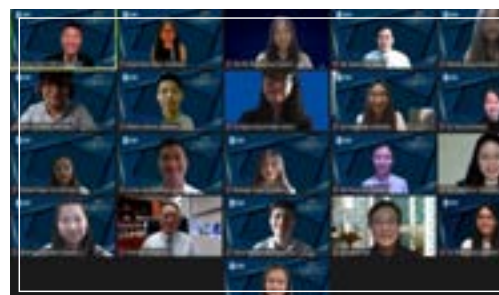


GIVING STUDENTS CARE AND SUPPORT TO ACHIEVE ASPIRATIONS

We believe that every learner at SIM should be supported to achieve his fullest potential.

SIM SCHOLARSHIPS

In 2020, SIM gave out 26 scholarships valued at over \$426,000 for our SIM Global Education degree and diploma students (right).



MASTER'S SCHOLARSHIPS BY THE UNIVERSITY OF LONDON (UOL) -SIM GLOBAL EDUCATION REGIONAL CENTRE

funded two SIM-UOL graduates in 2020 to pursue their Master's programmes at the London School of Economics and Political Science in the UK.

COVID-19 SUPPORT FUND

for financially needy students was set up by topping up our bursary fund to \$600,000. With this, each bursary award was increased from \$2,000 to \$3,000 and 168 students benefited from the bursaries, up from the 105 the year before.

SIM RESILIENCE PACKAGE FOR FRESH GRADUATES

was launched to help our 2020 graduates boost their employability. Graduates could tap on to acquire new skills needed because of market changes.

SIM ICARE STUDENT CLUB

offers help to students to cope with the stresses of life and study through sharing sessions and information on support avenues and helplines. Together with the Caregivers Alliance Limited, iCare also created two videos to empower students to care for their own mental well-being as well as of those around them.



STEM EDUCATION THROUGH THE SINGAPORE (CAMBODIA) INTERNATIONAL ACADEMY (SCIA)

In just two years, SCIA has more than doubled its enrolment to 317 and gained a strong respect for its quality education with a focus on Science, Technology, Engineering and Mathematics (STEM), and Asia. In 2020, close to 80% of its students who took the Cambridge IGCSE were awarded Distinction or Merit.

THE INTERNATIONAL ENGLISH LANGUAGE TEST (IELTS)

- a globally-recognised English language test
- is now available to SCIA students on campus. This equips them with the English language competencies needed to support their aspirations of venturing overseas.

SCIA Principal of Enrichment and Professional Learning, Ms Ng Bee Sun (right), signed the MOU with Mr Neil Wilford from IELTS Cambodia (left) in November to appoint SCIA as an official IELTS Test Venue.



THE CURRICULUM FOR LIFE was launched to promote holistic education to SCIA students. The programme encourages students to undertake physical, skills and volunteering projects that push their boundaries to learn new skills while having fun.

Under the Curriculum for Life, students could participate in activities such as badminton and golf (right).



BRILLE BOOKS FOR THE VISUALLY IMPAIRED

As part of community service, SCIA students embarked on a project to produce Braille books for the School for the Visually Impaired in Phnom Penh by writing short stories for the books and raising funds to produce the Braille books.

THE STREET ART FESTIVAL (KHMER & SINGAPORE EDITION)


was a two-week festival organised by the Singapore Embassy in February to celebrate 55 years of Cambodia-Singapore diplomatic relations. As the key partner, SCIA students and staff participated in the creation of a spectacular mural for the festival (right, top). Students also exhibited art pieces while staff organised a STEM activity for underprivileged children from the Cambodia Children's Fund (right, bottom).



CONTINUING EDUCATION AND TRAINING PROGRAMMES THROUGH SIM PROFESSIONAL DEVELOPMENT AND ENTERPRISE LEARNING

SIM's extensive range of over 300 short courses, workshops and seminars covers all business disciplines and caters to all levels of professionals, managers and executives (PMEs). We equipped almost 8,000 PME's with skills to respond speedily to job and skill disruptions and stay competitive.

ONLINE LEARNING TO IMPART FUTURE OF WORK SKILLS

We launched our online learning in collaboration with RMIT Online with an initial offering of  which come with digital credentials verified by leading industry partners such as IBM, Salesforce and AWS Educate.

These courses impart in-demand skills urgently needed by companies as they move rapidly towards digitalisation. The courses include business analytics, digital marketing strategy, and user experience design.

We also launched  to help PME's acquire in-demand skills for smart businesses.

"The manufacturing sector is seeing great transformation. As a strong believer in lifelong learning, I took up the SIM-SGUnited Skills Advanced Manufacturing programme to augment my engineering background and extensive experience in manufacturing. With the new knowledge gained especially on emerging technologies and digitisation, I look forward to applying my skills to increasingly important sectors like healthcare or personal hygiene."

George Soo

Participant, Job of the Manager for Corporate Services
SIM SGUnited Skills Advanced Manufacturing Programme

 Click to view

In today's highly disruptive world, companies, including SMEs, face the challenge of ensuring their talent remains adaptable and innovative. We partner companies to equip their people to stay ahead of the game through our bespoke talent development programmes.

EXTENDING TALENT TRAINING TO NEW ENTERPRISE CLIENTS

Out of the 36 corporations we partnered with in 2020, 12 of them were first-time clients from the public, private and non-profit sectors.

Corporate training undertaken with the enterprises included programmes on:



Sensemaking

An innovative and collaborative approach to improve systems



Design Thinking

A customer-centric approach in providing solutions



Critical Thinking

Strengthening the thinking process



The Job of the Manager

Essential managerial and leadership skills

SGUNITED SKILLS PROGRAMME FOR ADVANCED MANUFACTURING

The SIM SGUnited Skills programme helped equip over 200 participants for the advanced manufacturing sector (below).



This initiative also involved bringing 70 recruitment and industry partners on board to provide job attachments for participants. Those without a job at the end of the programme will continue to be supported with career advisory and employment assistance.



SIM CENTRE FOR SYSTEMS LEADERSHIP (CSL)

Launched in November, the CSL aims to equip youth, professionals and organisations with systems leadership skills needed to navigate an increasingly VUCAH (volatile, uncertain, complex, ambiguous and hyper-connected) world.

(Above) Minister for Manpower and Second Minister for Home Affairs, Mrs Josephine Teo (middle), attended the launch of the CSL, together with Dr Daniel Kim, a leading authority on the topic.



HELPING SMES INNOVATE

SIM collaborated with Ngee Ann CET Academy to offer a four-day 'Future Visioning' programme targeted at helping SMEs apply design thinking to create customer-centric and innovative solutions that will deliver new value to their stakeholders (above).

SIM APPOINTED AS AUTODESK AUTHORISED TRAINING CENTRE

With this new appointment by Autodesk in August, we now offer training that leads to industry recognised Autodesk certifications. Trainees have access to Autodesk's software in 3D design and engineering, as well as to knowledge resources and a community of other learners.

LEADING LEARNING TRANSFORMATION THROUGH THOUGHT LEADERSHIP

As the world continues to be disrupted by technologies, SIM shares our thought leadership on different platforms on the transformation of learning, learners and learning institutions.



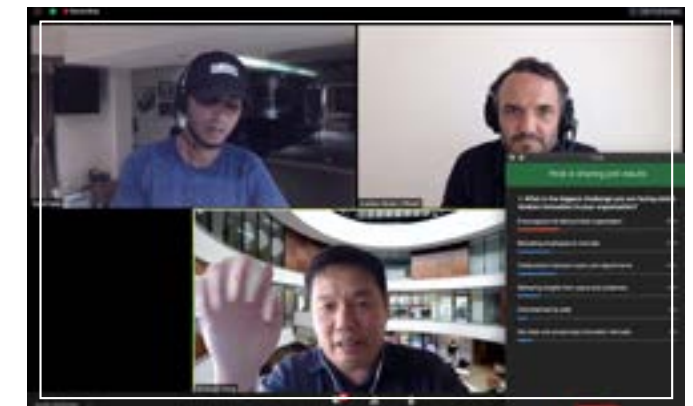
SG FUTURE FORUM

Themed 'Industry 4.0 - Surf the Wave of Change', the inaugural SG Future Forum in September was organised by SIM's Singapore Affairs Society to share insights on how our youth can prepare for the fourth industrial revolution. The panel included guest-of-honour, Minister for Education and Second Minister for Finance, Mr Lawrence Wong; SIM President and CEO, Mr Seah Chin Siong; as well as industry leaders from the government and private sectors (left).



CEO DIALOGUE

In our CEO Dialogue, 'Industry 5.0 - Seizing the Digital Edge in a New Digital Age', in November, our C-suite alumni from five countries in the region joined SIM President and CEO, Mr Seah Chin Siong, to share views on key industry trends and skills needed in this digital age (above). The event was viewed by 200 attendees.



DASH+ WEBINAR SERIES

This six-episode webinar series held from May to August focused on the DASH+ framework: **D**esign Thinking, **A**gile and Transformational Thinking, **S**ystems Thinking, **H**yper Performance Strategies and **L**eadership (+), and how it impacts leadership and organisational performance.

Featuring SIM Chief Learning Officer, Dr Kevyn Yong, and 11 other thought leaders and industry experts, the series was attended by over 1,000 participants from 530 companies (above).



YOUNG NTUC'S LIT DISCOVERY

SIM President and CEO Mr Seah Chin Siong gave the keynote address on 'Will You Be Relevant Tomorrow?' at this virtual symposium organised by Young NTUC in June. Mr Seah shared on how young Singaporeans can improve their career prospects in a post-pandemic world (above).

LIBRARY ASSOCIATION OF SINGAPORE (LAS) VIRTUAL PROFESSIONAL SHARING

SIM librarians shared their experiences on digitalising, optimising and creating in-house library resources to support a new era of learning at a national sharing session organised by LAS in November (above). The SIM Head Librarian opened the session as LAS Vice-President.

SIM REGIONAL EDUCATORS CONFERENCE

Organised for regional principals and school leaders, this conference featured speakers from University of London, RMIT University and the industry to share knowledge and best practices on the latest teaching pedagogies.

EDUCATION AND CAREER GUIDANCE FOR CAMBODIAN YOUTH

In September, the SIM's Singapore (Cambodia) International Academy co-organised an education and career guidance event with the Cambodia's International Business Chamber.

Titled 'What Emerging Employability Skills Are Considered Most Critical over the Next 5 Years?', the forum featured distinguished speakers sharing insights on viable education and career options with 150 youth participants (right).



LEARNING OUTCOMES

The infrastructure and support, use of in-person interactions and technology, as well as the exchanges among learners and teachers in the learning community all contribute to transformative learning.

DIGITALISING FOR ACCESSIBLE, FLEXIBLE AND EFFECTIVE LEARNING

SIM Digital - our strategic initiative to transform how our learners learn - has made good progress during the year.



SIM Digital will enable us to achieve learning reach and richness by:

- ▲ Providing learning at scale for increased accessibility
- ▲ Providing blended learning that combines physical and online delivery
- Making learning experiences more engaging and effective
- Enabling learners to connect easily with communities of learners in the ecosystem

ONLINE PLATFORM FOR LEARNING PRODUCTS, SERVICES AND RESOURCES

As part of efforts to accelerate our digital capabilities and offer better learning services, we are developing an online learning platform that will support lifelong learning to boost learners' career readiness, employability and mobility across their life stages.



FUTURE-PROOFING CAMPUS FACILITIES

To expand the reach of our learning to the region, a new virtual classroom has been set up at the SIM Management House to offer a high level of visual interactivity for online learning (below).



We also started a review to re-purpose the space at our campuses at Clementi and Management House to make them more conducive for learners and staff.

BUILDING SIM AS A LEARNING ORGANISATION

To inspire and support lifelong learning for our learners, SIM is committed to be a living model of a learning organisation. We are invested in developing our human talent to support the transformation in our learners.

BUILDING INTERNAL TALENT THROUGH THE SIM ACADEMY

Launching in 2021, our SIM Academy will ensure that all staff are equipped with the requisite skills to support SIM's business objectives.

In 2020, we spent close to \$1m on staff training in courses such as design thinking and data analytics, with every staff clocking an average of 40 training hours.



BUILDING CULTURE AND CAMARADERIE

With staff mostly working from home, we spared no efforts to engage them virtually, including at our organisation-wide team bonding event (above). We also conducted a Shared Vision Exercise where staff joined virtual focus group sessions to co-create SIM's purpose and vision.

NEW APPOINTMENTS

The year saw us appointing two key C-level appointment holders in SIM.



Professor Wei Kwok Kee,
as SIM Global Education Provost, is spearheading SIM's academic vision to equip and empower our learners for the future of work.



Mr Ho Seong Kim,
as the Chief Digital Solutions, Platform & Infrastructure Officer, is leading SIM's digital and infrastructural capabilities to strengthen, differentiate and grow our learning programmes and solutions.



EQUIPPING OUR FACULTY FOR THE FUTURE OF LEARNING AND TEACHING

During the year, a series of professional development workshops were conducted to equip our faculty members and associate lecturers with state-of-the-art knowledge and skills on teaching and learning. These included virtual education technologies from Kaltura and Blackboard, webinars by the University of London’s Centre for Distance Education and specialised workshops by the National Institute of Education.

The annual SIM Faculty Learning Conference was combined with the Faculty Appreciation Event as

a virtual event in December. Themed ‘Thriving in the Age of Digital Learning’, the Faculty Learning and Appreciation event had world experts sharing with faculty members the latest in online teaching that positively impacts learning outcomes.

Teaching Excellence, Teaching Merit and Lecturer Service Awards were also presented to our teaching associates at the event (above).

PURSUING ORGANISATIONAL EXCELLENCE

Besides investing in our human talent and systems, we set up an Organisational Excellence taskforce to improve our structure, processes and operations to support our goals.

In 2020, we reviewed our internal processes with the aim to streamline and digitalise them for higher productivity and a better experience for our learners.



**C O R P O R A T E
G O V E R N A N C E**
AND INFORMATION

As a not-for-profit organisation under the purview of the Charities Act, SIM enforces stringent corporate governance guidelines to ensure that we are transparent and are compliant with legal regulatory requirements.

Assuming the overall governance of SIM is the Board of Directors. Comprising independent elected members, the Board is responsible for the strategic direction of SIM, provides governance oversight on all financial, remuneration, risk and audit matters, and closely monitors compliance with control measures.

SIM adopts an enterprise-wide, systematic and integrated approach to risk management in identifying key risks and ensuring appropriate risk mitigation measures are in place, reviewed and monitored.

The Internal Audit Division, as part of SIM’s corporate governance framework, supports the Board to oversee SIM’s functions in whistle-blowing, internal and external audits.

As part of good corporate governance, SIM has in place the Whistle-Blowing Policy and Conflict of Interest best practices. Under the latter, Board members or staff who have personal interests in business transactions or contracts that SIM may enter into or have vested interest in any organisation that SIM has dealings with,

are required to declare such conflicts of interest to the Board or senior management immediately, and to abstain from any discussion or decision making on the matter of interest.

The Whistle-Blowing Policy extends the notion of corporate governance to all staff and vendors, allowing them to take responsibility in playing their part to help SIM achieve a greater level of public confidence in our corporate governance.

COMMITTEES

Committee	Chairman and Members	
Executive Committee	Chairman Ms Euleen Goh	Members Professor Hsieh Tsun-yan Ms Madeleine Lee Mr Yuen Kuan Moon
Audit & Risk Committee	Chairman Mr Chia Wee Boon	Members Ms Junie Foo Mr Nazri Othman Mr George Thia
Finance & Investment Committee	Chairman Ms Madeleine Lee	Members Ms Euleen Goh Mr Tan Choon Seng Mr Yuen Kuan Moon
Human Capital Committee	Chairman Professor Hsieh Tsun-yan	Members Ms Susan Chong Ms Euleen Goh
Nomination Committee	Chairman Ms Euleen Goh	Members Ms Susan Chong Professor Hsieh Tsun-yan

RELATED ENTITIES OF

SIM

Entity	Board of Directors	
Singapore Institute of Management Holdings Pte Ltd	Mr Seah Chin Siong President and Chief Executive Officer, SIM	Ms Shirley Tay Director, Finance, SIM
SIM AEC Pte Ltd	Mr Seah Chin Siong President and Chief Executive Officer, SIM (from 15 October 2020)	Mr Ho Seong Kim Chief Digital Solutions, Platform and Infrastructure Officer, SIM (from 15 October 2020)
	Dr Kevyn Yong Chief Learning Officer, SIM (from 15 October 2020)	Ms Shirley Tay Director, Finance, SIM (until 16 October 2020)

MEETING

ATTENDANCE

Board of Directors ¹			Meeting Attendance in 2020		
Name and Occupation	Designation in Board of Directors	Date of Appointment to Board of Directors	Board of Directors Meetings ²	Board of Directors Committee Meetings	Total
Ms Euleen Goh Non-Executive Chairman, SATS Ltd	Chairman	14 Oct 2020	4	11	15
Professor Hsieh Tsun-yan Chairman and Lead Counsellor, LinHart Group	Vice-Chairman	14 Oct 2020	4	6	10
Ms Madeleine Lee Managing Director/Chief Investment Officer, Athenaeum Pte Ltd	Treasurer	14 Oct 2020	3	7	10
Mr Chia Wee Boon Advisor, Singtel Group Enterprise	Member	14 Oct 2020	3	3	6
Ms Susan Chong Chief Executive Officer, Greenpac (S) Pte Ltd	Member	14 Oct 2020	4	4	8
Ms Junie Foo Group Executive Director, Methodist Welfare Services	Member	14 Oct 2020	4	3	7
Mr Nazri Othman Senior Vice President, Cargo Services, SATS Airport Services Pte Ltd	Member	14 Oct 2020	4	2	6
Mr Tan Choon Seng Chairman, Truscott Group	Member	14 Oct 2020	3	5	8
Mr George Thia Director, Asiainc Pte Ltd	Member	14 Oct 2020	4	1	5
Mr Yuen Kuan Moon Chief Executive Officer, Consumer Singapore and Group Chief Digital Officer, Singapore Telecommunications Ltd	Member	14 Oct 2020	3	5	8
Ms Jennifer Lewis Head, Communications and Engagement, Temasek Foundation	Member	18 Nov 2020	1	N.A	1
Mr Seah Chin Siong³ President and Chief Executive Officer, SIM	Ex-Officio	14 Oct 2020	4	14	18

¹ No member of the Board of Directors was remunerated for his/her Board services in FY2020. SIM has no paid staff who are close members of the family of the Board of Directors or President and Chief Executive Officer.

² A total of four Board of Directors meetings were conducted in FY2020.

³ Mr Seah Chin Siong was appointed as President and Chief Executive Officer of SIM on 1 March 2020.

- **SIM is a not-for-profit company limited by guarantee. It was incorporated on 4 October 2019, and was registered as a charity under the Charities Act (Chapter 37) since 16 December 2019.**

SIM has its Constitution as its governing instrument. The principal activities of SIM include the provision of pre-employment and continuing education and training as well as other human capital development services for different segments of individual learners and organisations in Singapore and the region.

- **UNIQUE ENTITY NUMBER**

201933324M

- **REGISTERED ADDRESS**

SIM Headquarters
461 Clementi Road, Singapore 599491

- **AUDITOR**

Ernst & Young LLP
Level 18, North Tower, One Raffles Quay, Singapore 048583

- **INVESTMENT FUND MANAGERS**

Fullerton Fund Management Company Ltd
3 Fraser St, #09-28, DUO Tower, Singapore 189352

Lion Global Investors Ltd
65 Chulia Street, #18-01, OCBC Centre, Singapore 049513

- **LAWYERS**

K&L Gates Straits Law LLC
9 Raffles Place, #32-00, Republic Plaza, Singapore 048619

Rodyk & Davidson LLP
80 Raffles Place, #33-00, UOB Plaza 1, Singapore 048624

- **PRINCIPAL BANKER**

DBS Bank Ltd
12 Marina Boulevard, DBS Asia Central, Marina Bay Financial Centre Tower 3, Singapore 018982

Singapore Institute of Management Group Limited and its Subsidiaries

Annual Financial Statements
For the financial period from
4 October 2019 (date
of incorporation) to
31 December 2020

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Directors' statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Singapore Institute of Management Group Limited (the "Company") and its subsidiaries (collectively, "the Group") and the statement of comprehensive income, statement of financial position and statement of changes in reserve and funds of the Company for the financial year ended 31 December 2020.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in reserves and funds of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and the financial performance, changes in reserves and funds and cash flows of the Group and financial performance and changes in reserves and funds of the Company for the financial period from 4 October 2019 (date of incorporation) to 31 December 2020; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Ms Goh Yiu Kiang Euleen	(Appointed on 14 October 2019)
Mr Hsieh Tsun Yan	(Appointed on 14 October 2019)
Mr Chia Wee Boon	(Appointed on 14 October 2019)
Ms Chong Suk Shien	(Appointed on 14 October 2019)
Ms Foo Kwee Joen Junie	(Appointed on 14 October 2019)
Ms Madeleine Lee Suh Shin	(Appointed on 14 October 2019)
Mr Tan Choon Seng	(Appointed on 14 October 2019)
Mr Thia Peng Heok George	(Appointed on 14 October 2019)
Mr Yuen Kuan Moon	(Appointed on 14 October 2019)
Mr Nazri bin Othman	(Appointed on 14 October 2019)
Ms Lewis Jennifer Theresa	(Appointed on 18 November 2020)

Arrangements to enable directors to acquire shares or debentures

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

The Company is a public company limited by guarantee and does not have a share capital. There are no matters to be disclosed under Section 9, Twelfth Schedule of the Companies Act, Chapter 50.

Directors' contractual benefits

Since the date of incorporation, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

Directors' statement

Auditor

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

On behalf of the Board of Directors,

Ms Euleen Goh
Director

Ms Madeleine Lee
Director

5 May 2021

Independent auditor's report

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Institute of Management Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2020, the statements of changes in reserves and funds and statements of comprehensive income of the Group and the Company and the consolidated statement of cash flows of the Group for the period from 4 October 2019 (date of incorporation) to 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of the financial position, statement of comprehensive income and statement of changes in reserves and funds of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act), Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in reserves and funds and consolidated cash flows of the Group and financial performance and changes in reserves and funds of the Company for the period from 4 October 2019 (date of incorporation) to 31 December 2020.

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.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

Independent auditor's report

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

Responsibilities of management and directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include 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.

Independent auditor's report

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

5 May 2021

Statements of comprehensive income

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

	Group	Company
Note	4.10.2019 to 31.12.2020	4.10.2019 to 31.12.2020
	\$'000	\$'000
Income		
Course, conference and consultancy fees	4 143,242	3,999
Grant income	5 11,463	6,180
Rental income	6 24,337	24,258
Group corporate service income from subsidiaries	–	25,823
Group corporate service income from third party	4 9,204	9,199
Investment income	7 11,502	11,978
Other income	8 1,549	78,693
Total income	201,297	160,130
Expenditure		
Course, conference and consultancy expenses	65,936	3,187
Donations to outside parties	6,162	143
Investment expenses	7 1,462	1,462
Finance expenses	9 1,072	–
Administrative and other expenses	10 103,883	71,432
Total expenditure	178,515	76,224
Excess of income over expenditure before income tax	22,782	83,906
Income tax expenses	12 4,313	–
Excess of income over expenditure after income tax	18,469	83,906
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to income and expenditure:</i>		
Funds utilised	(12)	–
<i>Items that may be reclassified subsequently to income and expenditure:</i>		
Foreign currency translation	2,135	–
Other comprehensive income for the period, net of tax	2,123	–
Total comprehensive income for the period	20,592	83,906

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

Statements of financial position

As at 31 December 2020

	Note	Group 31.12.2020 \$'000	Company 31.12.2020 \$'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	176,175	154,099
Investment properties	14	323	323
Investment in subsidiaries	15	–	3,500
Trade and other receivables	16	686	–
Loan to a subsidiary	20	–	37,014
Total non-current assets		177,184	194,936
CURRENT ASSETS			
Trade and other receivables	16	14,473	28,876
Unbilled receivables		236	236
Grant receivables		2,237	1,601
Prepayments		2,145	1,149
Derivatives	17	625	625
Financial assets at fair value through profit or loss	18	94,608	94,608
Cash and bank balances	19	323,024	234,672
Total current assets		437,348	361,767
TOTAL ASSETS		614,532	556,703
LIABILITIES, RESERVES AND FUND BALANCES			
CURRENT LIABILITIES			
Trade and other payables	21	43,835	22,394
Course fees received in advance	4(b)	31,434	178
Grant received in advance		2,171	877
Deferred capital grants	22	1,259	1,259
Derivatives	17	199	15
Lease liabilities	23	904	–
Income tax payable		5,994	–
Total current liabilities		85,796	24,723

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

Statements of financial position

As at 31 December 2020

	Note	Group 31.12.2020 \$'000	Company 31.12.2020 \$'000
NET CURRENT ASSETS			
NON-CURRENT LIABILITIES			
Trade and other payables	21	298	–
Course fees received in advance	4(b)	881	–
Deferred capital grants	22	5,562	5,562
Lease liabilities	23	19,078	–
Deferred tax liabilities	24	207	–
Total non-current liabilities		26,026	5,562
TOTAL LIABILITIES		111,822	30,285
NET ASSETS		502,710	526,418
RESERVES AND FUND BALANCES			
General fund:			
Accumulated surplus		18,469	83,906
Merger reserve	25	482,542	442,512
Foreign currency translation reserve		1,252	–
Total reserves and fund balances		502,263	526,418
Other restricted funds	26	447	–
Total reserves and fund balances		502,710	526,418
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		614,532	556,703

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

Statements of changes in reserves and funds

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

	Note	General fund			Other restricted funds	Total
		Accumulated surplus	Merger reserve	Foreign currency reserve		
		\$'000	\$'000	\$'000	\$'000	\$'000
Group						
At 4 October 2019 (date of incorporation)		-	-	-	-	-
Excess of income over expenditure for the period		18,469	-	-	18,469	18,469
<u>Other comprehensive income</u>						
Funds utilised, net		-	-	-	-	(12)
Foreign currency translation		-	-	2,135	2,135	-
Other comprehensive income for the period		-	-	2,135	2,135	(12)
Total comprehensive income for the period		18,469	-	2,135	20,604	(12)
Transferred of assets and liabilities from an entity under common control	15	-	439,012	-	439,012	-
Acquisition of subsidiaries under common control	15	-	43,530	(883)	42,647	459
Balance at 31 December 2020		18,469	482,542	1,252	502,263	447

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

Statements of changes in reserves and funds

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

	Note	Accumulated surplus	Merger reserve	Total
		\$'000	\$'000	\$'000
Company				
At 4 October 2019 (date of incorporation)		-	-	-
Excess of income over expenditure for the period, representing total comprehensive income for the period		83,906	-	83,906
Transferred of assets and liabilities from an entity under common control	15	-	442,512	442,512
Balance at 31 December 2020		83,906	442,512	526,418

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

Consolidated statement of cash flows

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

	Note	4.10.2019 to 31.12.2020
		\$'000
Operating activities		
Excess of income over expenditure before income tax		22,782
Adjustments for:		
Depreciation of property, plant and equipment (including right-of-use assets) and investment properties		28,535
Gain on disposal of property, plant and equipment	8	(8)
Impairment loss on trade and other receivables, net	16	52
Investment income		(3,516)
Dividend income from quoted equity securities	7	(273)
Fair value changes arising from financial assets at fair value through profit or loss	7	(6,251)
Fair value changes arising from derivatives		184
Amortisation of deferred capital grants	5	(1,049)
Finance expenses	9	1,072
Foreign currency translation difference		2,154
Operating cash flows before movements in working capital		43,682
Trade and other receivables		8,229
Unbilled receivables		(236)
Grant receivables		(2,008)
Prepayments		2,641
Trade and other payables		13,705
Course fees received in advance		(15,338)
Grants received in advance		1,648
Other restricted funds		(12)
Cash flows from operations		52,311
Income tax paid		(3,284)
Net cash flows generated from operating activities		49,027
Investing activities		
Purchase of property, plant and equipment		(4,338)
Proceeds from disposal of property, plant and equipment		1,024
Cash proceeds from transfer of assets and liabilities		288,876
Placement with fund manager		(12,717)
Interest received		1,722
Net cash flows generated from investing activities		274,567

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

Consolidated statement of cash flows

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

	Note	4.10.2019 to 31.12.2020
		\$'000
Financing activity		
Payment of lease liabilities		(570)
Net cash flows used in financing activity		(570)
Net increase in cash and cash equivalents		323,024
Cash and cash equivalents at the date of incorporation		–
Cash and cash equivalents at the end of financial period	19	323,024

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

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

1. General information

Singapore Institute of Management Group Limited (the "Company") is a limited by guarantee company incorporated and domiciled in Singapore. The Company is a registered charity under the Charities Act, Chapter 37.

The registered office and principal place of operations is located at 461 Clementi Road, Singapore 599491.

The principal activities of the Company are the provision of professional development, continuous education and training. It also functions as a Group Corporate Services Centre providing support services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Singapore Charities Act, Chapter 37 and Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 Adoption of new and amended standards

The Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2020. The Group has also early adopted the amendment to FRS 116 Leases: Covid-19 Related Rent Concessions standard which is effective on 1 June 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
Amendments to FRS 109: <i>Financial Instruments</i> , FRS 39: <i>Financial Instruments: Recognition and Measure</i> , FRS 107: <i>Financial Instruments: Disclosures</i> , FRS 104: <i>Insurance Contracts</i> , FRS 116: <i>Leases: Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to FRS 16: <i>Property, Plant and Equipment-Proceeds before Intended Use</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 103: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to FRS 37: <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to FRS 1: <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as a reserves and funds transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in reserves and funds;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the statement of comprehensive income;
- re-classifies the Group's share of components previously recognised in other comprehensive income to income and expenditure or accumulated surplus, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which an asset or liability, will be recognised in the statement of comprehensive income.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the statement of comprehensive income.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share or net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the statement of comprehensive income on the acquisition date.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations (cont'd)

Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling-of-interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities;
- No additional goodwill is recognised as a result of the combination;
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve; and
- The statement of comprehensive income reflects the results of the combining entities from the day of the business combination.

2.5 Foreign currencies

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in income and expenditure.

On consolidation, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income ("OCI"). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to income or expenditure.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land, building and improvements	2% to 25%
Office equipment, furniture and fittings (excluding artifacts and paintings)	25%
Motor vehicles	20%
Computers	33.33%

Artifacts and paintings are not depreciated and are carried at cost less accumulated impairment loss.

Assets under construction included in computers are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in income and expenditure in the year the asset is derecognised.

2.7 Investment properties

Investment properties are properties that are owned by the Group that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed on a straight-line basis over the estimated useful life of the investment property. The depreciation rate is 2%.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income and expenditure in the year of retirement or disposal.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.8 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in income and expenditure.

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

2.9 Subsidiaries

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

In the Company's financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

The consolidated financial statements incorporated the financial statements of the Company and corporations controlled by the Company (its subsidiaries).

2.10 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 ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in income and expenditure.

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

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.10 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

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, fair value through other comprehensive income ("FVOCI") and FVPL. The Company only have debt instruments at amortised cost and FVPL.

Amortised cost

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

Derivative

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value of the derivative are recognised in the income and expenditure.

De-recognition

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

(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 FVPL, directly attributable transaction costs.

Subsequent measurement

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

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.10 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income and expenditure.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.11 Impairment of financial assets

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

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

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

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

2.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and on hand, fixed deposits, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.13 Provisions

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

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

2.14 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

2.15 Leases

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

(a) As lessee

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets between 12 and 50 years.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.15 Leases (cont'd)

(a) As lessee (cont'd)

Right-of-use assets (cont'd)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

The Group's right-of-use assets are presented within Property, Plant and Equipment (Note 13).

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.15 Leases (cont'd)

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.16(f). Contingent rents are recognised as revenue in the period in which they are earned.

2.16 Revenue recognition

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

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

(a) Course, conference and consultancy fees

Course, conference and consultancy fees are recognised over the duration of the programs. Included in the course fees are application fees, boarding fees and admission package fees which are recognised over the duration of the programs.

(b) Group corporate service income

Revenue from provision of group corporate services are recognised over the period of service.

(c) Donations

Donations are recognised in the financial year they are received.

(d) Interest income

Interest income is recognised on an accrual basis, by reference to the principal outstanding and at the effective interest rate applicable.

(e) Dividend income

Dividend income is recognised when the shareholders' rights to receive payment have been established.

(f) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.17 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) Other employee benefits for Cambodia

Seniority pay

In 2018, the Cambodia Ministry of Labour and Vocational Training's ("MoLVT") Prakas No 443 dated 21 September 2018 mandated the payment of seniority indemnity for unspecified duration contracted employees with implementation guidelines issued on 22 March 2019. The said Prakas requires seniority payment equal to fifteen days per year payable as follows:

- Equal to 7.5 days in June; and
- Equal to 7.5 days in December.

For fixed duration contract, the Group provides employees with severance pay equivalent to 5% of the salary paid during the length of the contract.

2.18 Taxes

(a) Current income tax

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

Current income taxes are recognised in income and expenditure except to the extent that the tax relates to items recognised outside income and expenditure, either in other comprehensive income or directly in reserves and funds. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.18 Taxes (cont'd)

(b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income and expenditure; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income and expenditure; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside income and expenditure is recognised outside income and expenditure. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in reserves and funds and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

2. Summary of significant accounting policies (cont'd)

2.18 Taxes (cont'd)

(c) Goods and services tax ("GST")

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.19 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

3. Significant accounting judgements and estimates (cont'd)

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no critical judgement involved that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated 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.

(a) Impairment of investment in subsidiaries

An impairment exists when the carrying value of an investment in subsidiaries exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years. The recoverable amount is most sensitive to the annual growth rate of the business, the budgeted gross profit margin, the discount rate and the terminal growth rate used for the discounted cash flow model. The carrying amount of the investment as at 31 December 2020 is disclosed in Note 15.

(b) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

4. Revenue

(a) Disaggregation of revenue

4.10.2019 to 31.12.2020	Course, conference and consultancy fees	Group corporate service income from third party	Other income*	Total
	\$'000	\$'000	\$'000	\$'000
Group Segments				
<u>Geographical markets</u>				
Singapore	139,477	9,204	12,879	161,560
Cambodia	3,765	–	172	3,937
	143,242	9,204	13,051	165,497
Major service lines				
Course, conference and consultancy fees	143,242	–	–	143,242
Group corporate service income from third party	–	9,204	–	9,204
Other income	–	–	13,051	13,051
	143,242	9,204	13,051	165,497
Timing of transfer of services				
At a point in time	–	–	13,051	13,051
Over time	143,242	9,204	–	152,446
	143,242	9,204	13,051	165,497

* Other income excludes grant and rental income

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

4. Revenue (cont'd)

(a) Disaggregation of revenue (cont'd)

4.10.2019 to 31.12.2020	Course, conference and consultancy fees \$'000	Group corporate service income \$'000	Other income* \$'000	Total \$'000
Company Segments				
<u>Geographical markets</u>				
Singapore	3,999	35,022	90,671	129,692
	3,999	35,022	90,671	129,692
Major service lines				
Course, conference and consultancy fees	3,999	–	–	3,999
Group corporate service income from subsidiaries	–	25,823	–	25,823
Group corporate service income from third party	–	9,199	–	9,199
Other income	–	–	90,671	90,671
	3,999	35,022	90,671	129,692
Timing of transfer of services				
At a point in time	–	–	90,671	90,671
Over time	3,999	35,022	–	39,021
	3,999	35,022	90,671	129,692

* Other income excludes grant and rental income

(b) Course fees received in advance

Information about course fees received in advance from contracts with customers are disclosed as follows:

	Group 31.12.2020 \$'000	Company 31.12.2020 \$'000
Course fees received in advance:		
- Current	31,434	178
- Non-current	881	–
	32,315	178

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

4. Revenue (cont'd)

(b) Course fees received in advance (cont'd)

Course fees received in advance relate to the Group's obligation to transfer services to students for which the Group has received advance payment from students for sale of course services. Course fees received in advance are recognised as revenue as the Group performs under the contract.

5. Grant income

	Group 4.10.2019 to 31.12.2020 \$'000	Company 4.10.2019 to 31.12.2020 \$'000
Jobs support scheme ("JSS") grant	10,414	5,131
Deferred capital grant amortised (Note 22)	1,049	1,049
	11,463	6,180

The JSS is a cash grant provided from the government in response to Covid-19 pandemic. JSS provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

The Group recognised the related grant receivables when there is reasonable assurance that the grant conditions are satisfied. Grant received in advance is recognised as grant income in the income and expenditure on a systematic basis over the months in which the related salary costs are recognised as expenses.

6. Rental income

	Group 4.10.2019 to 31.12.2020 \$'000	Company 4.10.2019 to 31.12.2020 \$'000
Rental income	24,337	24,258

The Group recognised property tax rebate and rental relief transferred to the tenant as a reduction of rental income.

Property tax rebate

The Singapore Government had given remission of property tax (property tax rebates) under section 6(8) of the Property Tax Act (Cap. 254) to qualifying non-residential properties in response to the Covid-19 pandemic. For the portion of a non-residential property leased out to a lessee (tenant), the Group (landlord) must transfer the benefit from the property tax rebate under section 29 of the Covid-19 (Temporary Measures) Act 2020 to the tenant. For the vacant portion of the property, the Group itself will benefit from the property tax rebate.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

6. Rental income (cont'd)

Property tax rebate (cont'd)

The Group has fully passed on the property tax rebate to tenants and recognised the property tax rebates as a reduction of rental income during the period.

Rental Relief Framework ("RRF")

The Singapore Government had introduced RRF on 31 July 2020 for Small and Medium Enterprises (SMEs) and Non-Profit organisations (NPOs). RRF provides rental relief to SMEs and NPOs who are tenant-occupiers for qualifying commercial properties and non-residential properties based on the contractual rent, excluding any maintenance fee and service charges. Landlords and property-owners will be required to waive the contractual rent for the tenant, excluding any maintenance fee and service charges.

The Group has waived the contractual rent income on the specified months and recognised the RRF grant as a reduction of rental income during the period.

7. Investment (income)/expenses

The following items have been included in arriving at the investment (income)/expenses:

	Group 4.10.2019 to 31.12.2020	Company 4.10.2019 to 31.12.2020
	\$'000	\$'000
<i>Investment income</i>		
Dividend income from quoted equity securities	(273)	(273)
Fair value changes arising from investments in quoted equity and debt securities	(6,251)	(6,251)
(Gain)/loss from sale of investments:		
- Quoted equity securities	(2,442)	(2,442)
- Quoted debt securities	79	79
Interest income from:		
- Quoted debt securities	(1,097)	(1,097)
- Deposits	(1,518)	(582)
- Loan to a subsidiary	-	(1,412)
	(11,502)	(11,978)
<i>Investment expenses</i>		
Foreign exchange loss, net	1,103	1,103
Fund manager's fee	322	322
Others	37	37
	1,462	1,462

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

8. Other income

	Group 4.10.2019 to 31.12.2020	Company 4.10.2019 to 31.12.2020
	\$'000	\$'000
Carpark	144	145
Donations	33	-
Gain on disposal of property, plant and equipment	8	5
Sundry income	1,364	543
Dividend income from a subsidiary	-	78,000
	1,549	78,693

9. Finance expenses

	Group 4.10.2019 to 31.12.2020	Company 4.10.2019 to 31.12.2020
	\$'000	\$'000
Interest expense on lease liabilities	1,072	-

10. Administrative and other expenses

	Group 4.10.2019 to 31.12.2020	Company 4.10.2019 to 31.12.2020
	\$'000	\$'000
Employee benefits expense (Note 11)	49,738	28,903
Depreciation of property, plant and equipment (Note 13)	28,267	23,836
Depreciation of investment properties (Note 14)	268	268
Utilities and facility management expenses	11,096	7,888
Professional fees	2,655	2,044
Property tax expenses	7,367	7,367
Foreign exchange loss, net	2,497	32
Others	1,995	1,094
	103,883	71,432

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

11. Employee benefits expense

	Group 4.10.2019 to 31.12.2020	Company 4.10.2019 to 31.12.2020
	\$'000	\$'000
Wages and salaries	43,107	24,944
Defined contribution plans	4,843	3,016
Other short-term benefits	1,788	943
	49,738	28,903
	49,738	28,903

12. Income tax expenses

The Company is a registered charity and enjoys automatic income tax exemption under section 13(1)(zm) of the Income Tax Act.

(a) Major components of income tax expense

The major components of income tax expense for the period ended 31 December 2020 is:

	Group 4.10.2019 to 31.12.2020
	\$'000
<i>Current income tax</i>	
- Current period	4,850
- Over provision in respect of prior years	(537)
	4,313
	4,313

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

12. Income tax expenses (cont'd)

(b) Relationship between tax expense and excess of income over expenditure before tax

The reconciliation between the tax expense and the product of accounting profit before tax multiplied by the applicable corporate tax rate for the period ended 31 December 2020 is as follows:

	Group 4.10.2019 to 31.12.2020
	\$'000
Excess of income over expenditure before tax	22,782
	22,782
Tax at the domestic rates applicable to profits in the countries where the Group operates	3,579
<i>Adjustments:</i>	
Income not subject to tax	(2,144)
Non-deductible expenses	1,545
Effect of partial tax exemption and tax relief	(41)
Over provision in respect of prior years	(537)
Deferred tax assets not recognised	1,945
Others	(34)
	4,313
	4,313

At the end of the reporting period, the Group has unutilised tax losses of approximately \$36,278,000, for which \$26,543,000 were transferred on 1 March 2020, that are available for offset against future taxable profits for which no deferred tax asset has been recognised due to uncertainty of its recoverability. Deferred tax assets arisen in subsidiaries that have been loss-making for some time. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

13. Property, plant and equipment

	Leasehold land	Building and improvements	Office equipment, furniture and fittings	Motor vehicles	Computers	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Cost:						
At 4 October 2019 (date of incorporation)	-	-	-	-	-	-
Acquisition of subsidiaries under common control (Note 15)	-	21,238	4,787	303	1,586	27,914
Transferred of assets from an entity under common control (Note 15)	7,100	163,260	2,597	27	1,322	174,306
Additions	-	296	2,149	-	1,893	4,338
Disposals	-	-	(2,566)	-	(300)	(2,866)
Reclassification	-	(1,252)	1,068	-	184	-
Exchange differences	-	(1,211)	(172)	(28)	(43)	(1,454)
At 31 December 2020	7,100	182,331	7,863	302	4,642	202,238
Accumulated depreciation:						
At 4 October 2019 (date of incorporation)	-	-	-	-	-	-
Depreciation for the period	601	22,882	2,994	101	1,689	28,267
Disposals	-	-	(1,589)	-	(261)	(1,850)
Exchange differences	-	(214)	(92)	(15)	(33)	(354)
At 31 December 2020	601	22,668	1,313	86	1,395	26,063
Net carrying amount:						
At 31 December 2020	6,499	159,663	6,550	216	3,247	176,175

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

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

	Leasehold land	Building and improvements	Office equipment, furniture and fittings	Motor vehicles	Computers	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company						
Cost:						
At 4 October 2019 (date of incorporation)	-	-	-	-	-	-
Transferred of assets from an entity under common control (Note 15)	7,100	163,260	2,597	27	1,322	174,306
Additions	-	-	2,038	-	1,594	3,632
Disposals	-	-	-	-	(3)	(3)
Reclassification	-	(221)	59	-	162	-
At 31 December 2020	7,100	163,039	4,694	27	3,075	177,935
Accumulated depreciation:						
At 4 October 2019 (date of incorporation)	-	-	-	-	-	-
Depreciation for the period	601	21,024	1,307	15	889	23,836
At 31 December 2020	601	21,024	1,307	15	889	23,836
Net carrying amount:						
At 31 December 2020	6,499	142,015	3,387	12	2,186	154,099

Assets under construction

The Group's and the Company's property, plant and equipment included \$1,060,000 and \$908,000 which relate to expenditure for improvement of information technology applications. Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 23.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

14. Investment properties

	Group	Company
	31.12.2020	31.12.2020
	\$'000	\$'000
Cost		
At 4 October 2019 (date of incorporation)	–	–
Transferred of assets from an entity under common control	591	591
At 31 December	591	591
Accumulated depreciation:		
At 4 October 2019 (date of incorporation)	–	–
Depreciation for the period	268	268
At 31 December	268	268
Net carrying amount	323	323
	Group	Company
	4.10.2019 to	4.10.2019 to
	31.12.2020	31.12.2020
	\$'000	\$'000
Statement of comprehensive income		
Direct operating expenses (including repairs and maintenance) arising from revenue generating properties	195	195
Rental income from investment properties	348	348

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

The fair value of the investment properties as at 31 December 2020 approximates \$34,000,000. The independent valuation was performed by an independent professional valuation firm on 31 December 2020. Details of valuation techniques and inputs used are disclosed in Note 29.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

15. Investment in subsidiaries

	Company
	31.12.2020
	\$'000
Unquoted equity shares, at cost	3,500

Details of the Company's subsidiaries at 31 December 2020 are as follows:

Name of subsidiary	Country of incorporation/ registration and operation	Principal activities	Proportion (%) of ownership interest and voting power
			31.12.2020
			%
Held by the Company			
Singapore Institute of Management Holdings Pte. Ltd. *	Singapore	Investment holding	100
SIM AEC Pte. Ltd. *	Singapore	Engaged in course programs to train future entrepreneurs	100
Held through Singapore Institute of Management Holdings Pte. Ltd.			
Singapore Institute of Management Pte. Ltd. *	Singapore	Engaged in higher and continuing education	100
Singapore Institute of Management International Pte. Ltd. *	Singapore	Investment holding and providing management services for overseas ventures	100
SIM Xtension Pte. Ltd. *	Singapore	Engaged in corporate training services and motivational course providers	100
Held through Singapore Institute of Management International Pte. Ltd.			
Singapore (Cambodia) International Academy Co., Ltd. #	Kingdom of Cambodia	Engaged in operating international schools and providing enrichment programs	100

* Audited by Ernst & Young LLP, Singapore

Audited by member firms of EY Global in the respective countries

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

15. Investment in subsidiaries (cont'd)

On 1 March 2020, the Group undertook the following restructuring exercises:

(a) *Transfer of assets and liabilities from Singapore Institute of Management Society ("SIM Soc") to the Company*

On 1 March 2020, SIM Soc, an entity registered in Singapore under the Societies Act transferred its existing identifiable assets and liabilities as at 29 February 2020 to the Company at \$0 consideration. Both SIM Soc and the Company are managed by the same parties, the transfer is between the Common Control entities and the pooling-of-interest method was used to account for the transfer of assets and liabilities. Under the pooling-of-interest method as described in Note 2.4, the assets and liabilities transferred are brought into the financial statements of the Group and the Company at the carrying amounts as at 1 March 2020.

The difference between the consideration paid and the net assets acquired by the Company is reflected as merger reserve.

	Carrying amounts as of 01.03.2020
	\$'000
Assets	
Property, plant and equipment	174,306
Investment properties	591
Investment in subsidiaries	3,500
Trade and other receivables	30,062
Loan to a subsidiary	30,095
Unbilled receivables	5,300
Grant receivables	229
Prepayments	960
Financial assets at fair value through profit or loss	74,294
Cash and bank balances	138,843
	458,180
Liabilities	
Trade and other payables	(7,187)
Course fees received in advance	(116)
Grant received in advance	(218)
Deferred capital grants	(7,870)
Derivatives	(277)
	(15,668)
Total identifiable net assets	442,512
Consideration paid	-
Merger reserve (Company)	442,512
Less: Investment in subsidiaries	(3,500)
Merger reserve (Group)	439,012

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

15. Investment in subsidiaries (cont'd)

(a) *Transfer of assets and liabilities from Singapore Institute of Management Society ("SIM Soc") to the Company (cont'd)*

	Carrying amounts as of 01.03.2020
	\$'000
<u>Effect of the transfer on cashflow</u>	
Total consideration paid	-
Less: Cash and bank balances acquired	(138,843)
Net cash inflow on the transfer date	(138,843)

(b) *Acquisition of subsidiaries under common control*

On 1 March 2020, the Company acquired 100% of equity interest of SIM Soc's subsidiaries as listed below:

- (i) 100% equity interests representing 2,500,001 shares of Singapore Institute of Management Holding Pte. Ltd. ("SIMH"), a subsidiary held by SIM Soc.
- (ii) 100% equity interest representing 1,000,000 shares of SIM AEC Pte. Ltd., a subsidiary held by SIM Soc.
- (iii) 100% equity interest representing 2,500,000 share of Singapore Institute of Management Pte. Ltd., a subsidiary held by SIMH.
- (iv) 100% equity interest representing 1 share of Singapore Institute of Management International Pte. Ltd. ("SIMI"), a subsidiary held by SIMH.
- (v) 100% equity interest representing 1 share of SIM Xtension Pte. Ltd., a subsidiary held by SIMH.
- (vi) 100% equity interest representing 25,000 shares of Singapore (Cambodia) International Academy Co., Ltd., a subsidiary held by SIMI.

As all the above companies are managed by SIM Soc, and SIM Soc and the Company are managed by the same Governing Council, the above acquisitions were considered as being between the Common Control entities and the pooling-of-interest method was used to consolidate the new acquired entities. Under the pooling-of-interest method as described in Note 2.4, the financial statements of the Group were consolidated from 1 March 2020 and the assets and liabilities are brought into the financial statements of the Group at the carrying amounts as at 1 March 2020.

The above acquisition is at \$0 consideration. The difference between the consideration paid and the net assets acquired is reflected as merger reserve.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

15. Investment in subsidiaries (cont'd)

(b) Acquisition of subsidiaries under common control (cont'd)

The carrying values of the identifiable assets and liabilities transferred as at 1 March 2020 are as shown below:

	Carrying amounts as of 01.03.2020
	\$'000
Assets	
Property, plant and equipment	27,914
Trade and other receivables	2,937
Prepayments	3,826
Cash and bank balances	150,033
	184,710
Liabilities	
Trade and other payables	(68,030)
Course fees received in advance	(47,537)
Grants received in advance	(305)
Lease liabilities	(20,560)
Income tax payable	(4,965)
Deferred tax liabilities	(207)
	(141,604)
Total identifiable net assets	43,106
Add: Foreign currency reserve	883
Less: Other restricted funds	(459)
Merger reserve	43,530
Effect of the transfer on cashflow	
Total consideration paid	-
Less: Cash and bank balances acquired	(150,033)
Net cash inflow on acquisition date	(150,033)

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

16. Trade and other receivables

	Group 31.12.2020	Company 31.12.2020
	\$'000	\$'000
Course fees receivable	2,004	809
Less: Expected credit loss	(315)	-
Course fees receivable, net	1,689	809
Other debtors	3,346	1,772
Group corporate services income due from third party	8,840	8,840
Amount due from subsidiaries	-	16,946
Interest receivable	514	490
Deposits	770	19
Total trade and other receivables	15,159	28,876
Add: Cash and bank balances (Note 19)	323,024	234,672
Add: Unbilled receivables	236	236
Add: Loan to a subsidiary (Note 20)	-	37,014
Total financial assets carried at amortised cost	338,419	300,798
Total trade and other receivables represented by:		
Current	14,473	28,876
Non-current	686	-
	15,159	28,876

Course fees receivable, other debtors and group corporate services income due from third party are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amount due from subsidiaries are trade and non-trade, repayable on demand and are to be settled in cash.

Deposits consists an amount due from landlord for the lease of building in Cambodia for 14 years 11 months and 29 days which included a security deposit amounting to \$1,327,000 to secure its full and faithful performance, which will be refunded to the Group upon termination or earlier expiration of the lease. At the initial recognition, fair value of the security deposit was computed based on interest rate at 6%.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

16. Trade and other receivables (cont'd)

Expected credit loss model

The movement in allowance for expected credit losses of trade receivables and unbilled receivables computed based on lifetime ECL are as follows:

	Group 31.12.2020 \$'000
<u>Movement in allowance accounts:</u>	
At beginning of the period	–
Acquisition of subsidiaries under common control	263
Charge for the period	63
Written off	(11)
At end of the period	<u>315</u>

Trade and other receivables denominated in foreign currencies as at 31 December are as follows:

	Group 31.12.2020 \$'000
Euro	71
United States Dollar	<u>1,544</u>

17. Derivatives

The Group and Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions. The derivatives will mature within one year.

	31.12.2020		
	Contract/ Notional amount	Assets	Liabilities
	\$'000	\$'000	\$'000
Group			
Forward foreign exchange contracts			
- Buy USD/Sell SGD	6,949	–	199
- Buy SGD/Sell USD	27,602	625	–
		<u>625</u>	<u>199</u>

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

17. Derivatives (cont'd)

	31.12.2020		
	Contract/ Notional amount	Assets	Liabilities
	\$'000	\$'000	\$'000
Company			
Forward foreign exchange contracts			
- Buy USD/Sell SGD	1,456	–	15
- Buy SGD/Sell USD	27,602	625	–
		<u>625</u>	<u>15</u>

Foreign currency risk

Forward foreign exchange contracts entered into by the Group and Company are used to hedge foreign currency risk arising from the Group and Company's investments and future payments denominated in foreign currency.

While the Group enters into forward foreign exchange contracts with the intention to reduce the foreign exchange risk of expected receipts and payments, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss. The maturity dates of these contracts ranged from 4 January 2021 to 14 May 2021.

18. Financial assets at fair value through profit or loss

	Group 31.12.2020 \$'000	Company 31.12.2020 \$'000
Quoted debt securities	47,400	47,400
Quoted equity securities	25,090	25,090
Unit trusts	22,118	22,118
	<u>94,608</u>	<u>94,608</u>

In 2020, the quoted debt securities managed by the fund managers earned interest at rates ranging from 1.25% to 5.0% per annum as at the balance sheet date. Interest was received on a semi-annual basis. The maturity dates of these financial assets ranged from February 2021 to April 2027.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

19. Cash and bank balances

	Group	Company
	31.12.2020	31.12.2020
	\$'000	\$'000
Cash and bank balances	122,609	92,807
Cash held by fund manager	5,053	5,053
Fixed deposits	195,362	136,812
	<u>323,024</u>	<u>234,672</u>

Fixed deposits are interest bearing at average rates ranging from 0.14% to 0.46% per annum and are for a tenure of approximately 62 days to 190 days.

Cash and cash equivalents comprise cash on hand and at bank, cash held by fund manager and short-term fixed deposits with maturity period of up to 3 months.

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	Group	Company
	31.12.2020	31.12.2020
	\$'000	\$'000
Cash on hand and at bank	122,609	92,807
Cash held by fund manager	5,053	5,053
Fixed deposits (with maturity period of up to 3 months)	195,362	136,812
	<u>323,024</u>	<u>234,672</u>

Cash and bank balances denominated in foreign currencies as at 31 December are as follows:

	Group	Company
	31.12.2020	31.12.2020
	\$'000	\$'000
Australian Dollar	145	–
Sterling Pound	227	–
Euro	21	–
United States Dollar	654	152
	<u>654</u>	<u>152</u>

20. Loan to a subsidiary

Loan to a subsidiary of \$37,014,000 is unsecured, bear interests of 5% per annum and are to be settled in cash. The first repayment of the loans will be on July 2024 and the final repayment on December 2031.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

21. Trade and other payables

	Group	Company
	31.12.2020	31.12.2020
	\$'000	\$'000
Trade payables	7,309	1,330
Other payables	13,108	10,244
Amount due to subsidiaries	–	1,170
Accruals	23,241	9,187
Deposits received	475	463
	<u>44,133</u>	<u>22,394</u>
Total trade and other payables	44,133	22,394
Less: GST payable, net	(2,659)	(1,002)
Less: Deposits received	(475)	(463)
	<u>40,999</u>	<u>20,929</u>
Total financial liabilities carried at amortised cost	40,999	20,929
Total trade and other payables represented by:		
Current	43,835	22,394
Non-current	298	–
	<u>44,133</u>	<u>22,394</u>

Trade and other payables are non-interest bearing and normally settled on 30 to 90 days' term.

Amounts due to subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand.

Non-current liabilities mainly related to the obligation arising from sponsorship income received.

As at 31 December 2020, the Group has outstanding liability on seniority payment and severance payment amounting to \$157,000 and \$82,000 respectively.

Trade and other payables denominated in foreign currencies as at 31 December are as follows:

	Group	Company
	31.12.2020	31.12.2020
	\$'000	\$'000
Australian Dollar	128	–
Euro	(2)	–
Sterling Pound	194	–
United States Dollar	113	–
	<u>113</u>	<u>–</u>

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

22. Deferred capital grants

	Group	Company
	31.12.2020	31.12.2020
	\$'000	\$'000
At 1 January	–	–
Transfer of liabilities from an entity under common control	7,870	7,870
Amortisation of deferred capital grants (Note 5)	(1,049)	(1,049)
At 31 December	<u>6,821</u>	<u>6,821</u>
Represented by:		
Current	1,259	1,259
Non-current	5,562	5,562
	<u>6,821</u>	<u>6,821</u>

23. Right-of-use assets/lease liabilities

Group as a lessee

The Group has lease contract for property used in its operations. Lease of properties have lease terms of 15 to 25 years. The Group's obligations under its lease are secured by the lessor's title to the leased assets. This lease contract that include extension and termination options and variable lease payments.

The Group also has certain leases with lease terms of 12 months or less and leases of low-value assets. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group	
	Leasehold land	Building
	\$'000	\$'000
At 4 October 2019 (date of incorporation)	–	–
Transfer of assets from an entity under common control	7,100	–
Acquisition of subsidiaries under common control	–	18,074
Depreciation for the period	(601)	(1,120)
Exchange differences	–	(865)
At 31 December 2020	<u>6,499</u>	<u>16,089</u>

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

23. Right-of-use assets/lease liabilities (cont'd)

Group as a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period and reconciliation of liabilities arising from financing activities:

	Group
	\$'000
At 4 October 2019	–
Transfer of assets from an entity under common control	20,561
Accretion of interest	1,072
Exchange differences	(1,081)
Payments	(570)
At 31 December 2020	<u>19,982</u>
Represented by:	
Current	904
Non-current	19,078
	<u>19,982</u>

The following are the amounts recognised in income and expenditure:

	Group
	\$'000
Depreciation expense of right-of-use assets	1,721
Interest expenses on lease liabilities	1,072
Expenses relating to short-term leases (included in administrative expenses and course, conference and consultancy fee)	65
Expenses relating to leases of low-value assets (included in course, conference and consultancy fee)	126
Total amount recognised in income and expenditure	<u>2,984</u>

The Group had total cash outflows for leases of \$570,000 in 2020.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

24. Deferred tax liabilities

Deferred tax liabilities as at 31 December relates to the following:

	Statement of financial position	Statement of comprehensive income
	31.12.2020	4.10.2019 to 31.12.2020
	\$'000	\$'000
Group		
Deferred tax liabilities		
Differences in depreciation for tax purposes	207	–
Net deferred tax liabilities	207	–
Deferred tax expense		–

25. Merger reserve

The merger reserve represents the difference between the consideration paid and net identified assets acquired pursuant to the Restructuring Exercise as described in Note 15 to the financial statement.

26. Other restricted funds

Name of fund	Purpose
Sponsorship awards fund	To receive sponsorships for the purpose of awarding scholarships, medals, prizes to deserving students.

27. Related parties transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and subsidiaries took place on terms agreed between the parties during the financial period:

	Company
	4.10.2019 to 31.12.2020
	\$'000
Group corporate service income from subsidiaries (Note 4)	25,823
Interest income from loan to a subsidiary	1,412
Course, conference and consultancy fees paid by subsidiaries	206

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

27. Related parties transactions (cont'd)

Compensation of key management personnel

The remuneration of key management during the period was as follows:

	Group	Company
	4.10.2019 to 31.12.2020	4.10.2019 to 31.12.2020
	\$'000	\$'000
Short-term employee benefits	7,266	4,994
Contributions to Central Provident Fund	357	235
	7,623	5,229

The Human Capital Committee annually reviews and approves on behalf of the Company's directors the guidelines and quantum of incentive payments and annual increments for all staff.

Key management personnel comprises chief executive officers, directors and equivalent.

Number of key management personnel and immediate family members in remuneration bands for the Group is shown below:

	4.10.2019 to 31.12.2020
\$900,001 to \$1,000,000	1
\$800,001 to \$900,000	–
\$700,001 to \$800,000	–
\$600,001 to \$700,000	–
\$500,001 to \$600,000	2
\$400,001 to \$500,000	1
\$300,001 to \$400,000	1
\$200,001 to \$300,000	11
\$100,001 to \$200,000	11
\$100,000 and below	9
	36

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

28. Operating lease and commitments

(a) Capital commitments

Commitments contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	Company
	31.12.2020	31.12.2020
	\$'000	\$'000
Capital commitments in respect of property, plant and equipment	1,703	1,476

(b) Operating lease commitments – As lessors

The Group and the Company have entered into commercial property leases on its premises. These non-cancellable leases have remaining lease terms of between three months and three years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Minimum lease payments recognised as rental income in income and expenditure for the financial period ended 31 December 2020 of the Group and the Company amounted to \$24,337,000 and \$24,258,000 respectively.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	Company
	31.12.2020	31.12.2020
	\$'000	\$'000
Not later than one year	29,154	29,081
Later than one year but not later than five years	16,309	16,040
More than five years	460	396
	<u>45,923</u>	<u>45,517</u>

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

29. Fair value of financial assets and liabilities

(a) Fair value hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

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.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period.

	Note	Fair value measurements at the end of the reporting period using			Total
		Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	
		\$'000	\$'000	\$'000	\$'000
Group					
2020					
Assets measured at fair value					
<i>Financial assets:</i>					
<u>Derivatives</u>	17				
Forward foreign exchange contracts		–	625	–	625
<u>Financial assets at fair value through profit or loss</u>	18				
Quoted debt securities		47,400	–	–	47,400
Quoted equity securities		25,090	–	–	25,090
Unit trusts		–	22,118	–	22,118
Financial assets as at 31 December 2020		<u>72,490</u>	<u>22,743</u>	<u>–</u>	<u>95,233</u>

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

29. Fair value of financial assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Note	Fair value measurements at the end of the reporting period using			Total \$'000
		Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	
		\$'000	\$'000	\$'000	
Group					
2020					
Liabilities measured at fair value					
<i>Financial liabilities:</i>					
<u>Derivatives</u>	17				
Forward foreign exchange contracts		–	199	–	199
Financial liabilities as at 31 December 2020		–	199	–	199
Company					
2020					
Assets measured at fair value					
<i>Financial assets:</i>					
<u>Derivatives</u>	17				
Forward foreign exchange contracts		–	625	–	625
<u>Financial assets at fair value through profit or loss</u>	18				
Quoted debt securities		47,400	–	–	47,400
Quoted equity securities		25,090	–	–	25,090
Unit trusts		–	22,118	–	22,118
Financial assets as at 31 December 2020		72,490	22,743	–	95,233
Liabilities measured at fair value					
<i>Financial liabilities:</i>					
<u>Derivatives</u>	17				
Forward foreign exchange contracts		–	15	–	15
Financial liabilities as at 31 December 2020		–	15	–	15

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

29. Fair value of financial assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within level 2 of the fair value hierarchy:

Forward foreign exchange contracts

Derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique includes a forward pricing model, using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates and interest rate curves. There were no credit value or debit value adjustments made in the determination of fair value of these securities.

Unit trusts

Investment in the unit trusts offers the Group the opportunity for return through the funds from interest and dividend income from the underlying securities assets and fair value gains. The fair values of the unit trusts are determined as the fund net asset values provided by the fund managers at the last market day of the financial year. The net asset values approximate the fair values as the funds which comprise mainly financial assets at fair value through profit and loss and other monetary assets.

(c) Assets and liabilities not measured at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value, for which fair value is disclosed:

	Note	Fair value measurements at the end of the reporting period using			Total \$'000	Carrying amount \$'000
		Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)		
		\$'000	\$'000	\$'000		
Group and Company						
2020						
Assets						
Investment properties	14	–	34,000	–	34,000	323

Determination of fair value

Investment properties

The valuation of commercial investment properties are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

29. Fair value of financial assets and liabilities (cont'd)

(d) *Financial instruments whose carrying amount approximates fair value*

The carrying amounts of cash and bank balances, trade and other receivables (current), unbilled receivables, course fees received in advance and trade and other payables (current), based on their notional amounts, reasonably approximate their fair values because they are short-term in nature.

30. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign exchange risk, interest rate risk, credit risk, liquidity risk and market price risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the Head of Treasury. The Audit and Risk Committee of the Group provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current financial period, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Foreign exchange risk*

The Group's foreign currency exposures arise mainly from the exchange rate movements of the Australian Dollar, Euro, Sterling Pound and United States Dollar against the Singapore Dollar.

At the end of the reporting period, the carrying amounts of monetary assets and liabilities denominated in currencies other than the Group's and Company's functional currency are as follows:

	Group	
	Assets 31.12.2020	Liabilities 31.12.2020
	\$'000	\$'000
Australian Dollar	145	128
Euro	92	(2)
Sterling Pound	227	194
United States Dollar	2,198	113
	<hr/>	
	Company	
	Assets 31.12.2020	Liabilities 31.12.2020
	\$'000	\$'000
United States Dollar	152	-
	<hr/>	

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

30. Financial risk management objectives and policies (cont'd)

(a) *Foreign exchange risk (cont'd)*

Sensitivity analysis for foreign currency risk

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, without considering the effect of the derivative financial instruments, income and expenditure will increase/(decrease) by:

	Income and expenditure	
	Group 4.10.2019 to 31.12.2020	Company 4.10.2019 to 31.12.2020
	\$'000	\$'000
Australian Dollar	2	-
Euro	9	-
Sterling Pound	3	-
United States Dollar	209	15
	<hr/>	

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, there will be an equal and opposite impact on income and expenditure.

In the directors' opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their cash at bank, fixed deposits and quoted debt securities.

The Group does not expect any significant effect on the Group's income and expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

At the reporting date, if the interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's and Company's profit before tax would have been \$3.48 million and \$2.6 million higher/lower respectively, arising mainly as a result of higher/lower interest income/expenses on floating rate cash at bank and floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and Company's exposure to credit risk arises primarily from course fees receivables, other receivables, unbilled receivables and other related parties. For other financial assets (including cash at bank and derivatives), the Group and Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

The Group and Company has adopted a policy of only dealing with creditworthy counterparties. The Group and Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group and Company considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis throughout each reporting period.

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

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

Financial assets are written off when there is evidence indicating that the debtor meets the above credit-impaired conditions and has no realistic prospect of recovery.

The Group and Company provides for lifetime expected credit losses for all course fees receivables, unbilled receivables and other receivables using a provision matrix. The provision rates are determined based on the Group and Company's historical observed default rates and adjusted as appropriate to reflect the current conditions and estimates of future economic conditions.

Summarised below in the information about the credit risk exposure on the Group and Company's trade and other receivables and unbilled receivables using provision matrix:

	Current	Less than 90 days	More than 90 days	Total
	\$'000	\$'000	\$'000	\$'000
2020				
Gross carrying amount	7,315	5,590	2,805	15,710
Loss allowance provision	(5)	(2)	(308)	(315)

Amount due from related companies and loan to a subsidiary

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

30. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group and the Company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Note	Within one year	Between one to five years	More than five years	Total
		\$'000	\$'000	\$'000	\$'000
Group					
2020					
Financial assets:					
Trade and other receivables	16	14,473	–	686	15,159
Unbilled receivables		236	–	–	236
Derivatives	17	625	–	–	625
Financial assets at fair value through profit or loss	18	94,608	–	–	94,608
Cash and bank balances	19	323,024	–	–	323,024
Total undiscounted financial assets		432,966	–	686	433,652
Financial liabilities:					
Trade and other payables	21	40,701	298	–	40,999
Derivatives	17	199	–	–	199
Lease liabilities	23	904	8,358	20,837	30,099
Total undiscounted financial liabilities		41,804	8,656	20,837	71,297
Total net undiscounted financial assets/(liabilities)		391,162	(8,656)	(20,151)	362,355

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

30. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

	Note	Within one year \$'000	Between one to five years \$'000	More than five years \$'000	Total \$'000
Company					
2020					
Financial assets:					
Trade and other receivables	16	28,876	–	–	28,876
Loan to a subsidiary	20	–	7,493	29,521	37,014
Unbilled receivables		236	–	–	236
Derivatives	17	625	–	–	625
Financial assets at fair value through profit or loss	18	94,608	–	–	94,608
Cash and bank balances	19	234,672	–	–	234,672
Total undiscounted financial assets		359,017	7,493	29,521	396,031
Financial liabilities:					
Trade and other payables	21	20,929	–	–	20,929
Derivatives	17	15	–	–	15
Total undiscounted financial liabilities		20,944	–	–	20,944
Total net undiscounted financial assets		338,073	7,493	29,521	375,087

(e) Market price risk

The Group is exposed to price risk arising from quoted debt and equity securities held by the fund manager.

Further details of these investments can be found in Note 18 to the financial statements.

Price sensitivity analysis

In respect of the investment in quoted debt and equity securities, if the prices had been 10% higher/lower, this would increase/decrease the Group's income and expenditure by \$2.5 million.

Notes to the financial statements

For the financial period from 4 October 2019 (date of incorporation) to 31 December 2020

30. Financial risk management objectives and policies (cont'd)

(f) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group 31.12.2020 \$'000	Company 31.12.2020 \$'000
Financial assets:		
Financial assets at fair value through profit or loss	94,608	94,608
Derivatives	625	625
Other financial assets carried at amortised cost (Note 16)	338,419	300,798
	<u>433,652</u>	<u>396,031</u>
Financial liabilities		
Other financial liabilities at amortised cost (Note 21)	40,999	20,929
Derivatives	199	15
Lease liabilities	19,982	–
	<u>61,180</u>	<u>20,944</u>

31. Capital management

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

The Group is mainly funded from revenue generated from operations. A portion of the accumulated surplus is invested so as to further enhance its value, and can be drawn on for operation and development.

32. Comparative information

The consolidated financial statements of the Group and the financial statement of the Company cover the financial period since incorporation on 4 October 2019 to 31 December 2020. These being the first set of accounts, there are no comparative figures.

33. Authorisation of financial statements for issue

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in reserves and funds of the Company for the year ended 31 December 2020 were authorised for issue by the board of directors on 5 May 2021.