

# Audited financial statements

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## UNIVERSITY OF THE ARTS SINGAPORE LTD.

(Registered in Singapore under the Companies Act 1967 and the Charities Act 1994)  
(Registration No.: 202229746W)

Statement by Trustees and Financial Statements

Reporting Year Ended 30 June 2025



Statement by Trustees and Financial Statements

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Statement by Trustees

The board of trustees are pleased to present the financial statements of UAS Ltd. for the reporting year ended 30 June 2025.

1. Opinion of the trustees

In the opinion of the trustees,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of UAS Ltd. for the reporting year covered by the financial statements; and
- (b) UAS Ltd. has complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations;
- (c) the use of donation monies are in accordance with the objectives of UAS Ltd. as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (d) at the date of this statement, there are reasonable grounds to believe that UAS Ltd. will be able to pay its debts as and when they fall due.

The board of trustees approved and authorised these financial statements for issue.

2. Trustees

The trustees of UAS Ltd. in office at the date of this statement are:

- Mr Camacho Jose Isidro Navato (Chairperson)
- Prof Chan Heng Chee
- Ms Chong Yiun Lin
- Mr Lam Kok Wai, Peter
- Mr Lee Suan Hiang
- Dr Lee Tung Jean
- Ms Low Sin Leng
- Mr Peter Seah Lim Huat
- Mr Sarjit Singh S/O Sarmukh Singh
- Ms Tham Kwang Hsueh Yvonne
- Prof Kwok Kian Woon
- Mr Abdul Wahab Bin Mohamed Yusoff (Appointed on 24 August 2025)
- Mr Chong Tze Chien (Appointed on 24 August 2025)
- Mr Tan Kuan Ern (Appointed on 24 August 2025)

3. Trustees’ interests in shares and debentures

UAS Ltd. is limited by guarantee and has no share capital and debentures.



UNIVERSITY OF THE ARTS SINGAPORE LTD.

4. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

On behalf of the trustees

Mr Camacho Jose Isidro Navato  
Director

10 November 2025

Prof Kwok Kian Woon  
Director

Independent Auditor's Report to the Members of  
UNIVERSITY OF THE ARTS SINGAPORE LTD.

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Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of University of the Arts Singapore Ltd. ("UAS Ltd."), which comprise the statement of financial position as at 30 June 2025, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, and notes to the financial statements including the material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and the Financial Reporting Standards ("FRSs") in Singapore so as to give a true and fair view of the financial position of UAS Ltd. as at 30 June 2025 and of the financial performance, changes in funds and cash flows of UAS Ltd. for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of UAS Ltd. 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 statement by trustees and 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.

**Independent Auditor's Report to the Members of  
UNIVERSITY OF THE ARTS SINGAPORE LTD.**

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**Other information (cont'd)**

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and Regulations and the financial reporting standards, 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 UAS Ltd.'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 UAS Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing UAS Ltd.'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:

- (a) 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.

**Independent Auditor's Report to the Members of  
UNIVERSITY OF THE ARTS SINGAPORE LTD.**

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

- (b) 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 UAS Ltd.'s internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on UAS Ltd.'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 UAS Ltd. to cease to continue as a going concern.
- (e) 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.

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

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

**Independent Auditor's Report to the Members of  
UNIVERSITY OF THE ARTS SINGAPORE LTD.**

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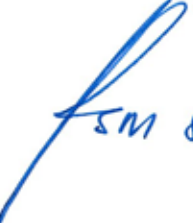
**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required to be kept by UAS Ltd. have been properly kept in accordance with the provisions of the Act, and the Charities Act and Regulations.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Uthaya Chandrikaa D/O Ponnusamy.

 RSM SG ASSURANCE LLP

RSM SG Assurance LLP  
Public Accountants and  
Chartered Accountants  
Singapore

10 November 2025

**UNIVERSITY OF THE ARTS SINGAPORE LTD.**

**Statement of Financial Activities  
Reporting Year Ended 30 June 2025**

	Notes	Unrestricted general fund \$	2025 Endowment fund \$	Total \$	Unrestricted general fund \$	2024 Endowment fund \$	Total \$
<b>Incoming resources:</b>							
Government grants	4	13,294,296	-	13,294,296	6,427,462	-	6,427,462
Rental and service income	5	1,949,526	-	1,949,526	319,341	-	319,341
Recharge of centralised costs	6	12,934,269	-	12,934,269	7,149,896	-	7,149,896
Interest income	7	304,356	143,466	447,822	72,034	46,750	118,784
Donation income	8	400	-	400	-	5,000,000	5,000,000
Other income		1,639	-	1,639	5,395	-	5,395
<b>Total incoming resources</b>		<b>28,484,486</b>	<b>143,466</b>	<b>28,627,952</b>	<b>13,974,128</b>	<b>5,046,750</b>	<b>19,020,878</b>
<b>Resources expended:</b>							
Employee benefits expense	9	22,621,921	-	22,621,921	11,286,211	-	11,286,211
Other operating expenses	10	4,307,990	-	4,307,990	2,158,141	-	2,158,141
Disbursement of bursaries	19	-	120,000	120,000	-	-	-
Depreciation of plant and equipment	12	324,444	-	324,444	96,342	-	96,342
Amortisation of right-of-use-assets	13	690,067	-	690,067	206,183	-	206,183
Finance costs	11	391,684	-	391,684	103,023	-	103,023
<b>Total resources expended</b>		<b>28,336,106</b>	<b>120,000</b>	<b>28,456,106</b>	<b>13,849,900</b>	<b>-</b>	<b>13,849,900</b>
<b>Net surplus for the year</b>		<b>148,380</b>	<b>23,466</b>	<b>171,846</b>	<b>124,228</b>	<b>5,046,750</b>	<b>5,170,978</b>
<b>Balance at beginning of the year</b>		<b>243,026</b>	<b>5,046,750</b>	<b>5,289,776</b>	<b>118,798</b>	<b>-</b>	<b>118,798</b>
<b>Balance at end of the year</b>		<b>391,406</b>	<b>5,070,216</b>	<b>5,461,622</b>	<b>243,026</b>	<b>5,046,750</b>	<b>5,289,776</b>

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

UNIVERSITY OF THE ARTS SINGAPORE LTD.

Statement of Financial Position  
As at 30 June 2025

	Notes	2025 \$	2024 \$
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Plant and equipment	12	1,538,353	656,171
Right-of-use assets	13	3,277,815	3,967,882
Lease receivables	14	1,693,128	2,083,093
<b>Total non-current assets</b>		<u>6,509,296</u>	<u>6,707,146</u>
<b><u>Current assets</u></b>			
Lease receivables	14	389,964	366,944
Trade and other receivables	15	63,113	1,096,040
Other current assets	16	305,208	294,747
Cash and cash equivalents	17	18,218,107	13,341,779
<b>Total current assets</b>		<u>18,976,392</u>	<u>15,099,510</u>
<b>Total assets</b>		<u>25,485,688</u>	<u>21,806,656</u>
<b>FUNDS AND LIABILITIES</b>			
<b><u>Funds</u></b>			
Members' contribution	18	5	5
Endowment fund	19	5,070,216	5,046,750
Unrestricted general fund		391,406	243,026
<b>Total funds</b>		<u>5,461,627</u>	<u>5,289,781</u>
<b><u>Non-current liabilities</u></b>			
Deferred capital grants	20	1,538,353	656,171
Lease liabilities	21	4,767,849	5,865,989
<b>Total non-current liabilities</b>		<u>6,306,202</u>	<u>6,522,160</u>
<b><u>Current liabilities</u></b>			
Grants received in advance	22	5,358,946	4,960,222
Lease liabilities	21	1,098,139	915,116
Trade and other payables	23	7,260,774	4,119,377
<b>Total current liabilities</b>		<u>13,717,859</u>	<u>9,994,715</u>
<b>Total liabilities</b>		<u>20,024,061</u>	<u>16,516,875</u>
<b>Total funds and liabilities</b>		<u>25,485,688</u>	<u>21,806,656</u>

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

UNIVERSITY OF THE ARTS SINGAPORE LTD.

Statement of Changes in Funds  
Reporting Year Ended 30 June 2025

	Members' contribution \$	Endowment fund \$	Unrestricted general fund \$	Total funds \$
<b>Current year:</b>				
Opening balance at 1 July 2024	5	5,046,750	243,026	5,289,781
<b>Changes in funds:</b>				
Surplus for the year	–	23,466	148,380	171,846
<b>Closing balance at 30 June 2025</b>	<u>5</u>	<u>5,070,216</u>	<u>391,406</u>	<u>5,461,627</u>
<b>Previous year:</b>				
Opening balance at 1 July 2023	5	–	118,798	118,803
<b>Changes in funds:</b>				
Surplus for the year	–	5,046,750	124,228	5,170,978
<b>Closing balance at 30 June 2024</b>	<u>5</u>	<u>5,046,750</u>	<u>243,026</u>	<u>5,289,781</u>

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



UNIVERSITY OF THE ARTS SINGAPORE LTD.

Statement of Cash Flows  
Reporting Year Ended 30 June 2025

	2025 \$	2024 \$
<b>Cash flows from operating activities</b>		
Net income	148,380	124,228
Adjustments for:		
Amortisation of right-of-use assets	690,067	206,183
Amortisation of deferred capital grant	(324,444)	(188,428)
Depreciation of plant and equipment	324,444	96,342
Government grant income	(11,173,700)	(4,645,776)
Interest income	(447,822)	(118,784)
Allowance for impairment of trade receivables	17,906	—
Interest expense	391,684	103,023
Operating cash flows before changes in working capital	(10,373,485)	(4,423,212)
Lease receivables	366,945	88,300
Trade and other receivables	1,015,021	(1,096,040)
Other current assets	(10,461)	(203,380)
Trade and other payables	3,141,397	3,382,667
Grants received – operating grants	11,572,424	6,870,803
Net cash flows from operations	5,711,841	4,619,138
Interest received	447,822	118,784
Net cash from operating activities	6,159,663	4,737,922
<b>Cash flows used in investing activities</b>		
Purchase of plant and equipment	(1,206,626)	(718,347)
Capital grant received	1,206,626	718,347
Net cash used in investing activities	—	—
<b>Cash flows used in financing activities</b>		
Payment of lease liabilities	(1,306,801)	(35,351)
Net cash used in financing activities	(1,306,801)	(35,351)
<b>Net increase in cash and cash equivalents</b>	4,852,862	4,702,571
Cash and cash equivalents, beginning balance	8,295,029	3,592,458
<b>Cash and cash equivalents, ending balance (Note 17)</b>	13,147,891	8,295,029

UNIVERSITY OF THE ARTS SINGAPORE LTD.

Notes to the Financial Statements  
30 June 2025

1. General information

University of the Arts Singapore Ltd. (“UAS Ltd.”) (Registration No.: 202229746W) is incorporated in Singapore as a company limited by guarantee under the Companies Act 1967.

UAS Ltd. is a registered charity under the Charities Act 1994 since 19 May 2023. It has been accorded IPC (Institutions of a Public Character) status that is valid up to 18 May 2026.

The members of UAS Ltd. have guaranteed to contribute amounts not exceeding \$5 to the assets of the company in the event of it being wound up and the monies are required to settle the liabilities of UAS Ltd. It cannot make payment of dividends or distributions to its members. Any assets left after the winding-up shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of UAS Ltd.

The financial statements are presented in Singapore dollars, the functional currency.

The board of trustees authorised these financial statements for issue on the date of the statement by trustees. They have the power to amend and reissue the financial statements.

The principal activity of UAS Ltd is providing advance arts and design education. UAS Ltd is founded on an alliance between UAS Ltd. and Singapore's leading arts institutions, LASALLE College of the Arts (“LASALLE”) and Nanyang Academy of Fine Arts (“NAFA”). LASALLE and NAFA will offer undergraduate and postgraduate programmes, with degrees awarded by UAS Ltd., with the first intake in 2024.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRSs”) and the related interpretations to FRS (“INT FRS”) as issued by the Accounting Standards Committee under ACRA (“ASC”). They are in compliance with the provisions of the Companies Act 1967 and the Charities Act 1994.

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

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

**2. Material accounting policy information and other explanatory information****2A. Material accounting policy information****Foreign currency transactions**

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which UAS Ltd operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss. Such fluctuations are reported on a net basis within the net realised and unrealised gains or losses on financial assets and financial liabilities held at fair value through profit or loss. The presentation is in the functional currency.

**Fair value measurement**

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances).

Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. UAS Ltd's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

**Income**

General - Revenue / income is recognised when UAS Ltd. has entitlement to the income, it is probable that the economic benefits associated with the transaction or gift will flow to UAS Ltd. and the amount can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**2. Material accounting policy information and other explanatory information (cont'd)****2A. Material accounting policy information (cont'd)**

Donations - Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Recognition of donations income subject to conditions is deferred until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of UAS Ltd and there is unconditional entitlement to the receipts.

Government grants - Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred capital grant that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Rental income - Rental income is recognised on a straight-line basis over the term of the relevant lease, even if the payments are not on that basis.

Distinct goods or services in a series - For distinct goods or services in a series such as routine or recurring service contracts if the nature of each good or service is distinct such as the recharge of centralised costs, then revenue is recognised at the amount that UAS Ltd has the right to bill a fixed amount for each unit of goods or service provided.

Interest income is recognised using the effective interest method.

**Employee benefits**

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. UAS Ltd's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where UAS Ltd is contractually obliged or where there is constructive obligation based on past practice.

**Income tax**

As a charity registered under the Charities Act 1994, UAS Ltd.'s income is exempted from Singapore income tax under Section 13(1)(zm) of the Income Tax Act 1947.

**Plant and equipment**

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.



**2. Material accounting policy information and other explanatory information (cont'd)****2A. Material accounting policy information (cont'd)****Right-of-use assets**

The right-of-use assets are accounted and presented as if they were owned such as investment property. Investment property is property held by the owner or by the lessee as a right-of-use asset under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses (see Note 13).

**Financial assets - lease receivables and leases of lessor**

For a lessor, a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease, the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

**Leases of lessee**

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

**Financial instruments****Recognition and derecognition of financial instruments**

A financial asset or a financial liability is recognised when, and only when, UAS Ltd becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which UAS Ltd neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**2. Material accounting policy information and other explanatory information (cont'd)****2A. Material accounting policy information (cont'd)****Financial instruments (cont'd)****Categories of financial assets and financial liabilities:**

The financial reporting standard on financial instruments has four categories of financial assets and two categories for liabilities. At the end of the reporting year, UAS Ltd. had the following categories of financial assets and financial liabilities:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade receivables, bank and cash balances are classified in this category.
- Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

**Cash and cash equivalents**

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

**2B. Other explanatory information****Provisions**

A liability or provision is recognised when there is 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 a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in the statement of financial activities in the reporting year they occur.

**2. Material accounting policy information and other explanatory information (cont'd)****2B. Other explanatory information (cont'd)****Funds**

Funds balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated for specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

**Endowment funds**

Endowed donations received during the year, which are required to be kept intact as capital, are taken directly to the endowment fund. Income and expenditure arising from the management of the endowment funds are taken to the statement of financial activities of the endowment funds.

**2C. Judgements and sources of estimation uncertainties**

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or in the in the corresponding notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessing the terms of lease term or lease with extension or renewal options:

The lease liabilities are initially measured by discounting the lease payments over the lease terms. For leases with extension or renewal options, management applied judgement in determining whether such extension or renewal options should be reflected in measuring the lease liabilities. This requires the consideration of whether the facts and circumstances created an economic incentive for the exercise of the lease extension or renewal option. The amount of the lease liabilities at the end of the reporting year is \$5,865,988 (2024: \$6,781,105).

**3. Related party relationships and transactions**

The financial reporting standard on related party disclosures requires UAS Ltd. to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

**3. Related party relationships and transactions (cont'd)****3A. Related party transactions and balances**

All governing board members and staff members of UAS Ltd. are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holdings that could potentially result in conflict of interests. When a conflict of interest situation arises, the governing board member or staff shall abstain from participating in the discussion, decision making and voting on the matter.

There are no transactions and arrangements between UAS Ltd. and its related parties during the reporting years ended 30 June 2025 and 30 June 2024.

**3B. Key management compensation**

	<u>2025</u> \$	<u>2024</u> \$
Salaries and other short-term employee benefits	1,106,656	972,841
Contributions to defined contribution plan	27,124	39,549
	<u>1,133,780</u>	<u>1,012,390</u>

The above amounts are included under employee benefits expense (Note 9).

It is not the practice for the non-executive governing board members, or people connected with them, to receive remuneration or other benefits from UAS Ltd. for which they are responsible, or from parties connected with UAS Ltd.

Key management personnel include the governing board members and those persons having authority and responsibility for planning, directing and controlling the activities of UAS Ltd, directly or indirectly. All the non-executive governing board members give of their time freely and no remuneration was paid to them in the reporting year. There were no reimbursement of expenses claimed by them.

Disclosure of remuneration of the 3 (2024: 3) highest paid staff who each received more than \$100,000, in bands of \$100,000:

	<u>2025</u> Number	<u>2024</u> Number
Remuneration band:		
Between \$301,000 to \$400,000	1	1
Between \$401,000 to \$500,000	—	1
Between \$501,000 to \$600,000	<u>2</u>	<u>1</u>

**UNIVERSITY OF THE ARTS SINGAPORE LTD.**
**4. Government grants**

	<u>2025</u>	<u>2024</u>
	\$	\$
Operating grants (Note 22)	11,173,700	4,645,776
Capital grants utilised during the year (Note 20)	124,450	92,086
Amortisation of deferred capital grants (Note 20)	324,444	96,342
Communication and development grants	<u>1,671,702</u>	<u>1,593,258</u>
	<u>13,294,296</u>	<u>6,427,462</u>

**5. Rental and service income**

	<u>2025</u>	<u>2024</u>
	\$	\$
Rental income (Note 25)	1,724,526	263,091
Service income	<u>225,000</u>	<u>56,250</u>
	<u>1,949,526</u>	<u>319,341</u>

**6. Recharge of centralised costs**

	<u>2025</u>	<u>2024</u>
	\$	\$
Recharge of centralised costs	<u>12,934,269</u>	<u>7,149,896</u>

Under the terms agreed in the Alliance Statement of Commitment and Partnership with LASALLE and NAFA that was effective from 1 January 2024, certain staff of UAS Ltd provide administrative and student management services to LASALLE and NAFA.

The above recharge of centralised costs relates to manpower costs for provision of such services.

**7. Interest income**

	<u>2025</u>	<u>2024</u>
	\$	\$
Interest income from lease receivables	139,305	38,262
Interest income from banks	<u>308,517</u>	<u>80,522</u>
	<u>447,822</u>	<u>118,784</u>

**8. Tax exempt receipt**

UAS Ltd. enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to UAS Ltd.

	<u>2025</u>	<u>2024</u>
	\$	\$
UAS Ltd. issued tax-exempt receipts for donations collected	<u>400</u>	<u>5,000,000</u>

**UNIVERSITY OF THE ARTS SINGAPORE LTD.**
**9. Employee benefits expense**

	<u>2025</u>	<u>2024</u>
	\$	\$
Short-term employee benefits expense	19,623,960	10,068,995
Contributions to defined contribution plan	<u>2,997,961</u>	<u>1,217,216</u>
	<u>22,621,921</u>	<u>11,286,211</u>

Included in the above are wages and salaries of \$700,029 (2024: \$700,748) charged by MOE for staff secondment.

**10. Other operating expenses**

The major and other selected components include the following:

	<u>2025</u>	<u>2024</u>
	\$	\$
Professional fee	554,546	456,163
Marketing expenses	311,733	508,629
Goods and services tax	—	82,050
Maintenance charges	<u>2,260,116</u>	<u>541,081</u>

**11. Finance costs**

	<u>2025</u>	<u>2024</u>
	\$	\$
Interest on lease liabilities	<u>391,684</u>	<u>103,023</u>

**12. Plant and equipment**

	<u>Computer equipment</u>	<u>Office equipment</u>	<u>Renovation</u>	<u>Total</u>
	\$	\$	\$	\$
<u>Cost:</u>				
At 1 July 2023	40,942	1,726	—	42,668
Additions	<u>129,324</u>	<u>89,141</u>	<u>499,882</u>	<u>718,347</u>
At 30 June 2024	170,266	90,867	499,882	761,015
Additions	<u>473,339</u>	<u>150,825</u>	<u>582,462</u>	<u>1,206,626</u>
At 30 June 2025	<u>643,605</u>	<u>241,692</u>	<u>1,082,344</u>	<u>1,967,641</u>
<u>Accumulated depreciation:</u>				
At 1 July 2023	8,186	316	—	8,502
Depreciation for the period	<u>35,858</u>	<u>10,510</u>	<u>49,974</u>	<u>96,342</u>
At 30 June 2024	44,044	10,826	49,974	104,844
Depreciation for the year	<u>117,971</u>	<u>33,198</u>	<u>173,275</u>	<u>324,444</u>
At 30 June 2025	<u>162,015</u>	<u>44,024</u>	<u>223,249</u>	<u>429,288</u>
<u>Carrying value:</u>				
At 1 July 2023	32,756	1,410	—	34,166
At 30 June 2024	<u>126,222</u>	<u>80,041</u>	<u>449,908</u>	<u>656,171</u>
At 30 June 2025	<u>481,590</u>	<u>197,668</u>	<u>859,095</u>	<u>1,538,353</u>

**12. Plant and equipment (cont'd)**

The annual rates of depreciation are as follows:

Computer equipment	–	33.3%
Office equipment	–	20.0%
Renovation	–	16.6%

**13. Right-of-use assets**

The right-of-use assets in the statement of financial position are as follows:

	Office premises \$
<u>Cost:</u>	
At 1 July 2023	61,418
Additions	6,678,735
Reclassified to lease receivable	(2,538,337)
At 30 June 2024	4,201,816
Written off due to end of lease term	(61,418)
At 30 June 2025	4,140,398
<u>Accumulated amortisation:</u>	
At 1 July 2023	27,751
Amortisation for the period	206,183
At 30 June 2024	233,934
Amortisation for the year	690,067
Written off due to end of lease term	(61,418)
At 30 June 2025	862,583
<u>Carrying value:</u>	
At 1 July 2023	33,667
At 30 June 2024	3,967,882
At 30 June 2025	3,277,815

The annual rates of amortisation are as follows:

Office premises	–	16.6%
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As the lessor, UAS Ltd has leased out certain assets under operating leases. Also see Note 25 on operating lease income commitments. The management has not entered into contractual obligations for the maintenance or enhancement of the right-of-use assets or contractual obligations to purchase, construct or develop right-of-use assets or for repairs, maintenance or enhancements. Rent may be adjusted during the lease term if the Singapore Land Authority, the landlord in the head lease, revises the payable rent after the initial three years of the term, or if the Ministry of Education reduces its funding to UAS Ltd.

For disclosure purposes, management has estimated the fair value of the asset using the latest average market rental yield per square foot of comparable nearby offices. Management has assessed that the fair value exceeds the carrying amount as UAS Ltd is charged a lower rental rate in support of its not-for-profit operations.

**14. Lease receivables**

The interest rate inherent in the leases is fixed at the contract date for the lease terms. The weighted average interest rate on finance lease receivables at end of the reporting year was 6.10% per year. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease, the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

A summary of the maturity analysis of lease payments receivable that shows undiscounted lease payments to be received on an annual basis is as follows:

	2025 \$	2024 \$
Minimum lease payments receivable:		
Not later than one year	506,250	506,250
Between 2 and 5 years	1,898,437	2,025,000
Later than five years	–	379,687
Total	2,404,687	2,910,937
Unearned finance income	(321,595)	(460,900)
Net investment in the leases	2,083,092	2,450,037

Lease receivables are presented in the statement of financial position as follows:

	2025 \$	2024 \$
Current	389,964	366,944
Non-current	1,693,128	2,083,093
	2,083,092	2,450,037

The finance leasing arrangements are for office premises. The term of the finance lease entered is 6 years. The finance lease receivables do not include amounts receivable under an operating lease.

Sublease covering the major part of the lease term in the head-lease are classified as finance subleases. The portion of the right-of-use asset subject to sublease is de-recognised and a sublease receivable is recognised in the statement of financial position when the sublease commences. The sublease will result in interest income and lower right-of-use depreciation, rather than lease revenue.

**UNIVERSITY OF THE ARTS SINGAPORE LTD.**
**15. Trade and other receivables**

	<u>2025</u> \$	<u>2024</u> \$
<u>Trade receivables:</u>		
Rental receivables	60,921	81,236
Less: Allowance for impairment	(17,906)	–
Outside parties	–	578,988
Grant receivables	–	429,129
Net trade receivables – subtotal	<u>43,015</u>	<u>1,089,353</u>
<u>Other receivables:</u>		
Outside parties	20,098	6,687
Net other receivables – subtotal	<u>20,098</u>	<u>6,687</u>
Total trade and other receivables	<u>63,113</u>	<u>1,096,040</u>
 Movements in above allowance on trade receivables:		
At beginning of the year	–	–
Charge for trade receivables to profit or loss included in other operating expenses	(17,906)	–
At end of the year	<u>(17,906)</u>	<u>–</u>

The expected credit losses (“ECL”) on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all such assets recognised from the initial recognition of these assets. These assets are grouped based on shared credit risk characteristics (i.e. Rental customers and grant receivables from the government) and the days past due for measuring the ECL including the impact of the current economic conditions. The receivables are generally settled within a month and no ECL has been deemed necessary.

**16. Other current assets**

	<u>2025</u> \$	<u>2024</u> \$
Deposits to secure services	86,691	115,230
Prepayments	<u>218,517</u>	<u>179,517</u>
	<u>305,208</u>	<u>294,747</u>

**17. Cash and cash equivalents**

	<u>2025</u> \$	<u>2024</u> \$
Cash and bank balances	3,508,222	5,284,032
Short-term bank deposits	<u>14,709,885</u>	<u>8,057,747</u>
	<u>18,218,107</u>	<u>13,341,779</u>

The rates of interest for the short-term bank deposits which have a tenure of one to three months (2024: one month) ranged between 1.4% and 3.0% (2024: 3.0% and 3.4%).

**UNIVERSITY OF THE ARTS SINGAPORE LTD.**
**17. Cash and cash equivalents (cont'd)**
**17A. Cash and cash equivalents in the statement of cash flows**

	<u>2025</u> \$	<u>2024</u> \$
Amount as shown above	18,218,107	13,341,779
Endowment fund	<u>(5,070,216)</u>	<u>(5,046,750)</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>13,147,891</u>	<u>8,295,029</u>

**17B. Reconciliation of liabilities arising from financing activities**

	<u>At beginning of the year</u> \$	<u>Cash flows</u> \$	<u>Non-cash changes</u> \$	<u>At end of the year</u> \$
<u>2025:</u>				
Lease liabilities	<u>6,781,105</u>	<u>(1,306,801)</u>	<u>391,684<sup>(a)</sup></u>	<u>5,865,988</u>
<u>2024:</u>				
Lease liabilities	<u>34,698</u>	<u>(35,351)</u>	<u>6,781,758<sup>(b)</sup></u>	<u>6,781,105</u>

<sup>(a)</sup> Accretion of interest of \$391,684.

<sup>(b)</sup> Accretion of interest of \$103,023 and additions of \$6,678,735.

**18. Members' contribution**

	<u>2025</u> \$	<u>2024</u> \$
As at 1 July 2023, 30 June 2024 and 30 June 2025	<u>5</u>	<u>5</u>

**19. Endowment fund**

	<u>Endowment fund</u> \$
As at 1 July 2023	–
Donation received	5,000,000
Interest income	<u>46,750</u>
As at 30 June 2024	<u>5,046,750</u>
Interest income	143,466
Utilisation	<u>(120,000)</u>
As at 30 June 2025	<u>5,070,216</u>

The endowment fund arose from a \$5,000,000 donation from an external institution. The income generated from investing this initial donation will be used to finance bursary awards. The endowment fund is fully represented by cash at the end of the reporting year.

**UNIVERSITY OF THE ARTS SINGAPORE LTD.**
**20. Deferred capital grant**

	<u>2025</u>	<u>2024</u>
	\$	\$
At beginning of the year	656,171	34,166
Transferred from grants received in advance (Note 22)	1,331,076	810,433
Utilised during the year (Note 4)	(124,450)	(92,086)
	1,206,626	718,347
Amortisation of deferred capital grants (Note 4)	(324,444)	(96,342)
At end of the year	<u>1,538,353</u>	<u>656,171</u>

Deferred capital grants represent funding received for the acquisition of plant and equipment. The grants are subsequently amortised to the income statement over the useful life of the asset in line with the depreciation of the asset for which the grant was provided.

**21. Lease liabilities**

Lease liabilities are presented in the statement of financial position as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Current	1,098,139	915,116
Non-current	4,767,849	5,865,989
	<u>5,865,988</u>	<u>6,781,105</u>

A summary of the maturity analysis of lease liabilities is disclosed in Note 26E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use assets are disclosed in Note 13.

Lease for right-of-use asset - UAS Ltd. has a lease relating to the office premises. Other information about the leasing activities are summarised as follows - The lease prohibits the lessee from selling or pledging the underlying leased asset as security unless permitted by the owner. There are no variable payments linked to an index. The lease is for 3 years. There is an option to extend the lease for a further 3 years which the management has assessed that will be exercised.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments that do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

The weighted average incremental borrowing rate applied to lease liabilities recognised is 6.1% (2024: 6.1%) per year.

**UNIVERSITY OF THE ARTS SINGAPORE LTD.**
**22. Grants received in advance**

	<u>2025</u>	<u>2024</u>
	\$	\$
At beginning of the year	4,960,222	2,827,281
Grants received during the year	12,903,500	7,589,150
Recognised as income (Note 4)	(11,173,700)	(4,645,776)
Transferred to deferred capital grant (Note 20)	(1,331,076)	(810,433)
At end of the year	<u>5,358,946</u>	<u>4,960,222</u>

Grants received in advance from the Ministry of Education are designated to support the operating activities of UAS Ltd. These grants are expected to be utilised by the end of the reporting year.

**23. Trade and other payables**

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Trade payables:</u>		
Outside parties and accrued liabilities	634,950	225,495
Trade payables – subtotal	<u>634,950</u>	<u>225,495</u>
<u>Other payables:</u>		
Provision for unutilised leave	977,118	700,444
Outside parties and accrued liabilities	5,648,706	3,193,438
Other payables – subtotal	<u>6,625,824</u>	<u>3,893,882</u>
Total trade and other payables	<u>7,260,774</u>	<u>4,119,377</u>

**24. Capital commitments**

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Commitments to purchase plant and equipment	<u>712,102</u>	<u>–</u>



**25. Operating lease income commitments – as lessor**

	<u>2025</u>	<u>2024</u>
	\$	\$
Rental income for the year	<u>1,724,526</u>	<u>263,091</u>

A maturity analysis of the undiscounted non-cancellable lease amounts to be received on an annual basis and a total of the amounts for the remaining years is as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Not later than one year	2,024,505	406,684
Between 1 and 2 years	1,699,421	406,684
Between 2 and 5 years	<u>2,010,938</u>	<u>305,013</u>
Total	<u>5,734,864</u>	<u>1,118,381</u>

**26. Financial instruments: information on financial risks and other explanatory information****26A. Categories of financial assets and financial liabilities**

The following table categorises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year / period:

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Financial assets:</u>		
At amortised cost	<u>20,364,312</u>	<u>16,887,856</u>
<u>Financial liabilities:</u>		
At amortised cost	<u>12,149,644</u>	<u>10,200,038</u>

Further quantitative disclosures are included throughout these financial statements.

**26B. Financial risk management**

The main purpose for holding financial instruments is to raise and manage the finances for UAS Ltd's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate and price risk exposures. Management has certain written policies and procedures for the management of financial risks.

**26C. Fair values of financial instruments**

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

**26. Financial instruments: information on financial risks and other explanatory information (Cont'd)****26D. Credit risk on financial assets**

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit loss ("ECL") allowance on financial assets. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when UAS Ltd. applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 17 discloses the cash balances. There was no identified impairment loss.

**26E. Liquidity risk – financial liabilities maturity analysis**

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle current trade payables is about 30 days (2024: 30 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than <u>1 year</u>	<u>2 – 5 years</u>	<u>Total</u>
	\$	\$	\$
<u>Non-derivative financial liabilities:</u>			
<u>2025:</u>			
Gross lease liabilities	1,425,600	5,346,000	6,771,600
Trade and other payables	<u>6,283,656</u>	<u>–</u>	<u>6,283,656</u>
	<u>7,709,256</u>	<u>5,346,000</u>	<u>13,055,256</u>
	Less than <u>1 year</u>	<u>2 – 5 years</u>	<u>After 5 years</u>
	\$	\$	\$
<u>Non-derivative financial liabilities:</u>			
<u>2024:</u>			
Gross lease liabilities	1,306,800	5,702,400	1,069,200
Trade and other payables	<u>3,418,933</u>	<u>–</u>	<u>–</u>
	<u>4,725,733</u>	<u>5,702,400</u>	<u>1,069,200</u>
	<u>11,497,333</u>		

The undiscounted amounts on lease liabilities which are at fixed interest rates are determined by reference to the conditions existing at the reporting date.

26. Financial instruments: information on financial risks and other explanatory information (cont'd)

26F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The following table analyses the breakdown of the material financial instruments by type of interest rate:

	<u>2025</u>	<u>2024</u>
	\$	\$
Financial assets with interest:		
Fixed rates	<u>20,301,199</u>	<u>15,791,816</u>
Financial liabilities with interest:		
Fixed rates	<u>5,865,988</u>	<u>6,781,105</u>

Sensitivity analysis: The effect on pre-tax profit is not material.

26G. Foreign currency risks

UAS Ltd. is not exposed to foreign currency risk.

27. Changes and adoption of financial reporting standards

For the current reporting year, the ASC issued certain new or revised financial reporting standards. None had a material impact on the reporting entity.

28. New or amended standards in issue but not yet effective

The ASC issued certain new or revised financial reporting standards for the future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the reporting entity for future reporting years are listed below.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 109 and 107	Classification and Measurement of Financial Instruments – Amendments	1 January 2026
FRS 118	Presentation and disclosures in financial statements	1 January 2027