NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

(INCORPORATED IN SINGAPORE. REGISTRATION NUMBER: 200604346E)

FULL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019

NUS
National University of Singapore

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

TRUSTEES' STATEMENT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

TRUSTEES' STATEMENT

The Trustees are pleased to present their statement to the members together with the audited consolidated financial statements of the National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group") and statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company, as of and for the financial year ended 31 March 2019.

OPINION OF THE TRUSTEES

In the opinion of the Trustees,

a) the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2019, and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and the financial performance and changes in funds and reserves of the Company for the financial year then ended; and

b) 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.

TRUSTEES

The Trustees of the Company in office at the date of this report are:

Mr Hsieh Fu Hua – Chairman
Professor Tan Eng Chye
Ambassador Chan Heng Chee
Dr Cheong Koon Hean
Mr Goh Choon Phong
Mr Peter Ho Hak Ean
Professor Ho Teck Hua
Mdm Kay Kuok Oon Kwong
Mr Lai Chung Han
Mr Lee Ming San
Mr Michael Lien Jown Leam
Mr Andrew Lim Ming-Hui
Mr Loh Chin Hua
Mr Chaly Mah Chee Kheong
Mr Ng Wai King
Mr Abdullah Tarmugi
Ms Elaine Yew Wen Suen
Ms Tan Hooi Ling *(Appointed on 1 June 2019)*

ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE SHARES AND 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 object is, to enable the Trustees of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

TRUSTEES' STATEMENT

TRUSTEES' INTERESTS IN SHARES OR DEBENTURES

The Company is a public company limited by guarantee and does not have a share capital.

At the end of the financial year, the Trustees of the Company have no interest in the share capital (including any share options) and debentures of the Company's related corporations as recorded in the register of the directors' shareholdings kept by the Company's related corporations under Section 164 of the Singapore Companies Act.

AUDITOR

Deloitte & Touche LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Trustees

MR HSIEH FU HUA
Trustee

PROFESSOR TAN ENG CHYE
Trustee

31 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATIONAL UNIVERSITY OF SINGAPORE

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2019, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Company and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 93.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), the 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 financial position of the Group and the Company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and the financial performance and changes in funds and reserves of the Company for the year ended on that date.

Basis for Opinion

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

Other Matters

The financial statements of the Group and statement of financial position, the statement of comprehensive income and statement of changes in funds and reserves of the Company for the year ended 31 March 2018 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements in their report dated 26 July 2018.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises the Trustees' statement 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 TRUSTEES OF NATIONAL UNIVERSITY OF SINGAPORE

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Information other than the Financial Statements and Auditor's Report Thereon *(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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Trustees for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 Trustees' 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATIONAL UNIVERSITY OF SINGAPORE

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Auditor's Responsibilities for the Audit of the Financial Statements *(cont'd)*

- 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.

- 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 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 the Trustees 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 TRUSTEES OF NATIONAL UNIVERSITY OF SINGAPORE

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act 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 the Charities Act and Regulations.

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

a) the Company has not used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

b) the Company has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Deloitte & Touche LLP

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
31 July 2019

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2019

		GROUP		COMPANY	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Note	S$'000	S$'000	S$'000	S$'000
			(Restated)		(Restated)
NON-CURRENT ASSETS					
Subsidiary companies	5	–	–	128	128
Associated companies	6	139,763	131,822	66,118	77,330
Fixed assets	8	3,453,261	3,477,796	3,451,062	3,475,741
Investment properties	9	44,869	41,463	44,869	41,463
Intangible assets	10	10,652	10,645	10,652	10,644
Investments at fair value through other comprehensive income (FVTOCI)	11a	5,303	–	2,673	–
Available-for-sale investments	11b	–	5,903	–	3,881
Student loans	14	3,854	5,087	3,854	5,087
Long-term loan to subsidiary company	15	–	–	–	250
Prepayments	17	1,136	1,776	1,136	1,776
Total Non-Current Assets		**3,658,838**	**3,674,492**	**3,580,492**	**3,616,300**
CURRENT ASSETS					
Student loans	14	2,078	2,401	2,078	2,401
Debtors	16	611,221	676,660	606,037	674,718
Consumable stores		535	605	287	347
Deposits and prepayments	17	96,256	50,237	95,769	49,758
Amounts owing from subsidiary companies	15	–	–	880	883
Investments at fair value through income or expenditure (FVTIE)	12	9,647,005	8,804,856	9,647,005	8,804,856
Derivative financial instruments	13	3,137	81,863	3,137	81,863
Cash and cash equivalents	18	160,579	128,286	136,361	105,420
Total Current Assets		**10,520,811**	**9,744,908**	**10,491,554**	**9,720,246**
TOTAL ASSETS		**14,179,649**	**13,419,400**	**14,072,046**	**13,336,546**

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2019

		GROUP		COMPANY	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Note	S$'000	S$'000	S$'000	S$'000
			(Restated)		(Restated)
CURRENT LIABILITIES					
Creditors and accrued expenses	19a	284,210	300,919	281,729	298,556
Provisions for employee leave liability	19b	107,832	105,522	105,287	102,975
Grants received in advance	20	310,383	359,260	308,765	355,407
Sinking fund	20	45,023	45,343	45,023	45,343
Deferred tuition and other fees		91,448	87,518	91,394	87,464
Derivative financial instruments	13	11,710	5,602	11,710	5,602
Amounts owing to subsidiary companies	15	–	–	28,031	26,904
Borrowings	21	270,000	250,000	270,000	250,000
Total Current Liabilities		**1,120,606**	**1,154,164**	**1,141,939**	**1,172,251**
NON-CURRENT LIABILITIES					
Borrowings	21	750,000	750,000	750,000	750,000
Deferred capital grants	22	1,778,151	1,886,417	1,776,011	1,884,466
Sinking fund	20	54,271	43,404	54,271	43,404
Total Non-Current Liabilities		**2,582,422**	**2,679,821**	**2,580,282**	**2,677,870**
TOTAL LIABILITIES		**3,703,028**	**3,833,985**	**3,722,221**	**3,850,121**
NET ASSETS		**10,476,621**	**9,585,415**	**10,349,825**	**9,486,425**
FUNDS AND RESERVES					
ACCUMULATED SURPLUS					
– Designated General Funds	23	3,105,324	2,833,978	3,000,876	2,751,730
– Other Restricted Funds	23	954,981	792,594	954,981	792,594
		4,060,305	3,626,572	3,955,857	3,544,324
ENDOWMENT FUNDS	24	6,375,282	5,917,074	6,353,450	5,900,375
FAIR VALUE RESERVE	23	(476)	273	(945)	263
REVALUATION RESERVE	23	41,463	41,463	41,463	41,463
TRANSLATION RESERVE	23	47	33	–	–
TOTAL FUNDS AND RESERVES		**10,476,621**	**9,585,415**	**10,349,825**	**9,486,425**
Funds managed on behalf of the Government Ministry	25	305,669	305,456	305,669	305,456
Represented by:					
Net assets managed on behalf of the Government Ministry	25	307,522	305,371	307,522	305,371
Amount (receivable from) payable to Government Ministry	25	(1,853)	85	(1,853)	85
		305,669	**305,456**	**305,669**	**305,456**

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

GROUP

	Note	DESIGNATED GENERAL FUNDS 2019 S$'000	DESIGNATED GENERAL FUNDS 2018 S$'000	ENDOWMENT FUNDS 2019 S$'000	ENDOWMENT FUNDS 2018 S$'000 (Restated)	OTHER RESTRICTED FUNDS 2019 S$'000	OTHER RESTRICTED FUNDS 2018 S$'000 (Restated)	TOTAL 2019 S$'000	TOTAL 2018 S$'000 (Restated)
OPERATING INCOME									
Tuition and other fees	27	524,082	483,521	–	–	–	–	524,082	483,521
Less: Scholarship expenses		(9,381)	(10,154)	(25,920)	(22,053)	(67,313)	(73,554)	(102,614)	(105,761)
Net tuition and other fees		514,701	473,367	(25,920)	(22,053)	(67,313)	(73,554)	421,468	377,760
Other income	28	239,812	235,889	31	4	216,898	230,560	456,741	466,453
		754,513	709,256	(25,889)	(22,049)	149,585	157,006	878,209	844,213
OPERATING EXPENDITURE									
Expenditure on manpower	29	966,796	941,674	67,301	63,931	344,167	336,121	1,378,264	1,341,726
Depreciation and amortisation expenditure	8,10	78,169	78,332	4,564	3,960	269,305	276,592	352,038	358,884
Other operating expenditure		517,794	461,169	65,911	47,302	325,346	398,250	909,051	906,721
		1,562,759	1,481,175	137,776	115,193	938,818	1,010,963	2,639,353	2,607,331
Operating deficit		(808,246)	(771,919)	(163,665)	(137,242)	(789,233)	(853,957)	(1,761,144)	(1,763,118)
Net operating investment income	31	77,344	122,836	213,117	193,751	22,790	16,905	313,251	333,492
Share of results (net of tax) of associated companies	6	2,608	7,575	5,133	(3,434)	–	–	7,741	4,141
Deficit before Grants	32	(728,294)	(641,508)	54,585	53,075	(766,443)	(837,052)	(1,440,152)	(1,425,485)
GRANTS									
Operating Grants:									
Government	33a	856,150	717,391	–	–	556,876	572,267	1,413,026	1,289,658
Others	33b	19,778	6,223	–	–	199,173	250,677	218,951	256,900
Deferred capital grants amortised	22	25,742	28,559	–	–	264,930	271,960	290,672	300,519
		901,670	752,173	–	–	1,020,979	1,094,904	1,922,649	1,847,077
SURPLUS FOR THE YEAR BEFORE NON-OPERATING INVESTMENT INCOME AND INCOME TAX		173,376	110,665	54,585	53,075	254,536	257,852	482,497	421,592
Non-operating investment income	31	–	–	88,043	286,657	–	–	88,043	286,657
Income tax	34	(6)	(6)	–	–	–	–	(6)	(6)
SURPLUS FOR THE YEAR	35	**173,370**	**110,659**	**142,628**	**339,732**	**254,536**	**257,852**	**570,534**	**708,243**
OTHER COMPREHENSIVE INCOME:									
Items that will not be reclassified subsequently to income or expenditure:									
Change in fair value of equity instruments designated as FVTOCI		–	–	(749)	–	–	–	(749)	–
Items that may be reclassified subsequently to income or expenditure:									
Exchange differences on translating foreign operations		14	(3)	–	–	–	–	14	(3)
Change in fair value of available-for-sale investments		–	–	–	(637)	–	–	–	(637)
Surplus on the revaluation of buildings transferred to investment properties		–	41,463	–	–	–	–	–	41,463
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		14	41,460	(749)	(637)	–	–	(735)	40,823
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**173,384**	**152,119**	**141,879**	**339,095**	**254,536**	**257,852**	**569,799**	**749,066**

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

COMPANY

	Note	DESIGNATED GENERAL FUNDS 2019 S$'000	DESIGNATED GENERAL FUNDS 2018 S$'000	ENDOWMENT FUNDS 2019 S$'000	ENDOWMENT FUNDS 2018 S$'000 (Restated)	OTHER RESTRICTED FUNDS 2019 S$'000	OTHER RESTRICTED FUNDS 2018 S$'000 (Restated)	TOTAL 2019 S$'000	TOTAL 2018 S$'000 (Restated)
OPERATING INCOME									
Tuition and other fees	27	518,519	478,726	–	–	–	–	518,519	478,726
Less: Scholarship expenses		(7,486)	(8,341)	(25,920)	(22,053)	(67,313)	(73,554)	(100,719)	(103,948)
Net tuition and other fees		511,033	470,385	(25,920)	(22,053)	(67,313)	(73,554)	417,800	374,778
Other income	28	236,112	232,224	31	4	216,898	230,560	453,041	462,788
		747,145	702,609	(25,889)	(22,049)	149,585	157,006	870,841	837,566
OPERATING EXPENDITURE									
Expenditure on manpower	29	943,144	917,953	67,301	63,931	344,167	336,121	1,354,612	1,318,005
Depreciation and amortisation expenditure	8,10	77,564	77,707	4,564	3,960	269,305	276,592	351,433	358,259
Other operating expenditure		522,928	454,882	65,911	47,302	325,346	398,250	914,185	900,434
		1,543,636	1,450,542	137,776	115,193	938,818	1,010,963	2,620,230	2,576,698
Operating deficit		(796,491)	(747,933)	(163,665)	(137,242)	(789,233)	(853,957)	(1,749,389)	(1,739,132)
Net operating investment income	31	75,788	122,244	213,117	193,751	22,790	16,905	311,695	332,900
Deficit before Grants	32	(720,703)	(625,689)	49,452	56,509	(766,443)	(837,052)	(1,437,694)	(1,406,232)
GRANTS									
Operating Grants:									
Government	33a	831,482	694,713	–	–	556,876	572,267	1,388,358	1,266,980
Others	33b	18,602	4,716	–	–	199,173	250,677	217,775	255,393
Deferred capital grants amortised	22	25,186	28,003	–	–	264,930	271,960	290,116	299,963
		875,270	727,432	–	–	1,020,979	1,094,904	1,896,249	1,822,336
SURPLUS FOR THE YEAR BEFORE NON-OPERATING INVESTMENT INCOME AND INCOME TAX		154,567	101,743	49,452	56,509	254,536	257,852	458,555	416,104
Non-operating investment income	31	–	–	88,043	286,657	–	–	88,043	286,657
Income tax	34	–	–	–	–	–	–	–	–
SURPLUS FOR THE YEAR	35	**154,567**	**101,743**	**137,495**	**343,166**	**254,536**	**257,852**	**546,598**	**702,761**
OTHER COMPREHENSIVE INCOME:									
Items that will not be reclassified subsequently to income or expenditure:									
Change in fair value of equity instruments designated as FVTOCI		–	–	(1,208)	–	–	–	(1,208)	–
Items that may be reclassified subsequently to income or expenditure:									
Change in fair value of available-for-sale investments		–	–	–	(637)	–	–	–	(637)
Surplus on the revaluation of buildings transferred to investment properties		–	41,463	–	–	–	–	–	41,463
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		–	41,463	(1,208)	(637)	–	–	(1,208)	40,826
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**154,567**	**143,206**	**136,287**	**342,529**	**254,536**	**257,852**	**545,390**	**743,587**

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

STATEMENTS OF CHANGES IN FUNDS AND RESERVES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

GROUP

		ACCUMULATED SURPLUS		ENDOWMENT FUNDS	FAIR VALUE RESERVE	REVALUATION RESERVE	TRANSLATION RESERVE	TOTAL
		Designated General Funds	**Other Restricted Funds**					
	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 31 March and 1 April 2018 (restated)		**2,833,978**	**792,594**	**5,917,074**	**273**	**41,463**	**33**	**9,585,415**
Surplus for the year		173,370	254,536	142,628	–	–	–	**570,534**
Other comprehensive income		–	–	–	(749)	–	14	**(735)**
Total comprehensive income for the year		173,370	254,536	142,628	(749)	–	14	**569,799**
Matching grants received/accrued	24	–	–	270,623	–	–	–	**270,623**
Donations received	24	–	–	47,387	–	–	–	**47,387**
Disposal of equity instruments designated as FVTOCI		3,397	–	–	–	–	–	**3,397**
Total recognised gains and losses for the year		176,767	254,536	460,638	(749)	–	**14**	**891,206**
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds	26	94,579	(92,149)	(2,430)	–	–	–	**–**
Balance at 31 March 2019		**3,105,324**	**954,981**	**6,375,282**	**(476)**	**41,463**	**47**	**10,476,621**
Balance as at 1 April 2017 (as previously reported)		**2,619,993**	**2,147,333**	**3,730,027**	**910**	**–**	**36**	**8,498,299**
Effect of prior year reclassifications		–	(1,510,310)	1,510,310	–	–	–	**–**
Balance as at 1 April 2017 (restated)		**2,619,993**	**637,023**	**5,240,337**	**910**	**–**	**36**	**8,498,299**
Surplus for the year (restated)		110,659	257,852	339,732	–	–	–	**708,243**
Other comprehensive income		–	–	–	(637)	41,463	(3)	**40,823**
Total comprehensive income for the year (restated)		110,659	257,852	339,732	(637)	41,463	(3)	**749,066**
Matching grants received/accrued	24	–	–	287,989	–	–	–	**287,989**
Donations received	24	–	–	50,061	–	–	–	**50,061**
Total recognised gains and losses for the year (restated)		110,659	257,852	677,782	(637)	41,463	(3)	**1,087,116**
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds (restated)	26	103,326	(102,281)	(1,045)	–	–	–	**–**
Balance at 31 March 2018 (restated)		**2,833,978**	**792,594**	**5,917,074**	**273**	**41,463**	**33**	**9,585,415**

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN FUNDS AND RESERVES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

COMPANY

		ACCUMULATED SURPLUS		ENDOWMENT FUNDS	FAIR VALUE RESERVE	REVALUATION RESERVE	TOTAL
		Designated General Funds	**Other Restricted Funds**				
	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 31 March and 1 April 2018 (restated)		**2,751,730**	**792,594**	**5,900,375**	**263**	**41,463**	**9,486,425**
Surplus for the year		154,567	254,536	137,495	–	–	**546,598**
Other comprehensive income		–	–	–	(1,208)	–	**(1,208)**
Total comprehensive income for the year		154,567	254,536	137,495	(1,208)	–	**545,390**
Matching grants received/accrued	24	–	–	270,623	–	–	**270,623**
Donations received	24	–	–	47,387	–	–	**47,387**
Total recognised gains and losses for the year		154,567	254,536	455,505	(1,208)	–	**863,400**
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds	26	94,579	(92,149)	(2,430)	–	–	**–**
Balance at 31 March 2019		**3,000,876**	**954,981**	**6,353,450**	**(945)**	**41,463**	**10,349,825**
Balance as at 1 April 2017 (as previously reported)		**2,546,661**	**2,127,632**	**3,729,595**	**900**	**–**	**8,404,788**
Effect of prior year reclassifications		–	(1,490,609)	1,490,609	–	–	**–**
Balance as at 1 April 2017 (restated)		**2,546,661**	**637,023**	**5,220,204**	**900**	**–**	**8,404,788**
Surplus for the year (restated)		101,743	257,852	343,166	–	–	**702,761**
Other comprehensive income		–	–	–	(637)	41,463	**40,826**
Total comprehensive income for the year (restated)		101,743	257,852	343,166	(637)	41,463	**743,587**
Matching grants received/accrued	24	–	–	287,989	–	–	**287,989**
Donations received	24	–	–	50,061	–	–	**50,061**
Total recognised gains and losses for the year (restated)		101,743	257,852	681,216	(637)	41,463	**1,081,637**
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds (restated)	26	103,326	(102,281)	(1,045)	–	–	**–**
Balance at 31 March 2018 (restated)		**2,751,730**	**792,594**	**5,900,375**	**263**	**41,463**	**9,486,425**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 S$'000	2018 S$'000 (Restated)
Cash flows from operating activities:			
Deficit before Grants		(1,440,152)	(1,425,485)
Adjustments for:			
Depreciation of fixed assets	8	348,342	354,877
Amortisation of intangible assets	10	3,696	4,007
Donated artifacts and other donated assets additions	24	(513)	(3,748)
Net operating investment income	31	(313,251)	(333,492)
Borrowing costs expensed off	32	15,821	16,491
Loss on disposal of fixed and intangible assets	32	373	929
Bad debts and loss allowance	32	528	312
Exchange differences arising on translation of foreign subsidiary		14	(3)
Gain on revaluation of investment properties	9	(3,406)	–
Share of results (net of tax) of associated companies		(7,741)	(4,141)
Operating cash flows before working capital changes		(1,396,289)	(1,390,253)
Change in operating assets and liabilities:			
Increase in debtors, consumable stores, deposits and prepayments		(76,257)	(129,456)
(Decrease) increase in creditors and accrued expenses, provisions and deferred tuition and other fees		(8,307)	31,752
Cash used in operations		(1,480,853)	(1,487,957)
Other grants received, net of refund		311,062	336,896
Donations received for endowment funds	24	47,387	50,061
Student loans granted		(1,076)	(832)
Student loans repaid		2,627	3,039
Net cash outflow from operating activities		**(1,120,853)**	**(1,098,793)**
Cash flows from investing activities:			
Payments for purchase of fixed assets	8	(326,651)	(349,507)
Payments for purchase of intangible assets	10	(3,996)	(6,396)
Proceeds from disposal of fixed assets and intangible assets		819	87
Investment in associated companies		(200)	(169)
Net purchase of investments		(456,480)	(427,409)
Interest and dividend received		106,614	99,926
Net foreign currency exchange gains	31	(3,108)	23,778
Net cash outflow from investing activities		**(683,002)**	**(659,690)**
Cash flows from financing activities:			
Government grants received, net of refund		1,480,340	1,503,702
Government grants received for endowment funds		353,239	235,315
Net funds (paid) received for funds and net assets managed on behalf of the Government Ministry		(1,060)	2,700
Interest paid		(16,371)	(15,450)
Proceeds from issue of fixed rate term loan	21	270,000	–
Fixed rate note repaid	21	(250,000)	–
Net cash inflow from financing activities		**1,836,148**	**1,726,267**
Net increase (decrease) in cash and cash equivalents		**32,293**	**(32,216)**
Cash and cash equivalents at the beginning of the year		**128,286**	**160,502**
Cash and cash equivalents at the end of the year	18	**160,579**	**128,286**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1 GENERAL

The Company (Registration Number 200604346E) is incorporated in Singapore as a public company limited by guarantee and its registered office and place of business is located at 21 Lower Kent Ridge Road Singapore 119077.

The Company is principally engaged in the advancement and dissemination of knowledge, and the promotion of research and scholarship.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as of and for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Trustees on 31 July 2019.

2 SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act, the Charities Act and Singapore Financial Reporting Standards ("FRS"). The financial statements are presented in Singapore dollars (S$) and all values in the table are rounded to the nearest thousand (S$'000) as indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies adopted are consistent with those of the previous financial year except for the changes in accounting policies and adoption of new and revised standards and interpretations as disclosed below:

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2018. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the financial statements for the current or prior years.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

a) BASIS OF ACCOUNTING *(cont'd)*

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities; 2) impairment of financial assets; and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The Group applied FRS 109 with an initial application date of 1 April 2018. The Group has not restated the comparative information, which continues to be reported under FRS 39.

The significant accounting policies for financial instruments under FRS 109 is as disclosed in Note 2(e) below.

a) Classification and measurement of financial assets and financial liabilities

The Group has applied the requirements of FRS 109 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The classification of financial assets is based on two criteria: the Group's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. There are no changes in classification and measurement of the Group's financial assets and financial liabilities upon the adoption of FRS 109 during the year.

b) Impairment of financial assets

FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, FRS 109 requires the Group to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at fair value through other comprehensive income; ii) lease receivables; iii) contract assets; and iv) loan commitments and financial guarantee contracts to which the impairment requirements of FRS 109 apply.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

a) BASIS OF ACCOUNTING *(cont'd)*

FRS 115 *Revenue from Contracts with Customers*

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue* and the related interpretations. FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Details of these new requirements as well as their impact on the financial statements are described below.

The Group has applied FRS 115 using the modified retrospective method with cumulative effect of initially applying this standard recognised at the date of initial application (1 April 2018).

FRS 115 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group continues to use the terms 'accrued revenue' and 'deferred revenue' to describe such balances.

The Group's significant accounting policies for its revenue streams are disclosed in Note 2(g) below.

The effects of adopting FRS 109 and FRS 115 under the modified retrospective approach are presented and explained below:

A) Impact on the Statement of Financial Position as at 1 April 2018 (date of initial application) and 31 March 2019 (current reporting period)

There are no material impact on the Statement of Financial Position as at 1 April 2018 and 31 March 2019.

B) Impact on the Statement of Comprehensive Income for the financial year ended 31 March 2019 (current reporting period)

The adoption of FRS 109 did not have a material impact on the Statement of Comprehensive Income.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

a) BASIS OF ACCOUNTING *(cont'd)*

B) Impact on the Statement of Comprehensive Income for the financial year ended 31 March 2019 (current reporting period) *(cont'd)*

The impact of FRS 115 on the Statement of Comprehensive Income are as follows:

GROUP

	Under previous FRS	Adoption of FRS 115	Under new FRS
	S$'000	S$'000	S$'000
OPERATING INCOME			
Tuition and other fees	524,082	–	524,082
Less: Scholarship expenses	–	(102,614)	(102,614)
Net tuition and other fees	524,082	(102,614)	421,468
Other income	456,741	–	456,741
	980,823	(102,614)	878,209
OPERATING EXPENDITURE			
Expenditure on manpower	1,378,264	–	1,378,264
Depreciation and amortisation expenditure	352,038	–	352,038
Other operating expenditure	1,011,665	(102,614)	909,051
	2,741,967	(102,614)	2,639,353
Operating deficit	(1,761,144)	–	(1,761,144)
Net operating investment income	313,251	–	313,251
Share of results (net of tax) of associated companies	7,741	–	7,741
Deficit before Grants	(1,440,152)	–	(1,4440,152)
GRANTS			
Operating Grants:			
Government	1,413,026	–	1,413,026
Others	218,951	–	218,951
Deferred capital grants amortised	290,672	–	290,672
	1,922,649	–	1,922,649
SURPLUS FOR THE YEAR BEFORE NON-OPERATING INVESTMENT INCOME AND INCOME TAX	482,497	–	482,497
Non-operating investment income	88,043	–	88,043
Income tax	(6)	–	(6)
SURPLUS FOR THE YEAR	**570,534**	**–**	**570,534**

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

a) BASIS OF ACCOUNTING *(cont'd)*

B) Impact on the Statement of Comprehensive Income for the financial year ended 31 March 2019 (current reporting period) *(cont'd)*

COMPANY

	Under previous FRS	Adoption of FRS 115	Under new FRS
	S$'000	S$'000	S$'000
OPERATING INCOME			
Tuition and other fees	518,519	–	518,519
Less: Scholarship expenses	–	(100,719)	(100,719)
Net tuition and other fees	518,519	(100,719)	417,800
Other income	453,041	–	453,041
	971,560	(100,719)	870,841
OPERATING EXPENDITURE			
Expenditure on manpower	1,354,612	–	1,354,612
Depreciation and amortisation expenditure	351,433	–	351,433
Other operating expenditure	1,014,904	(100,719)	914,185
	2,720,949	(100,719)	2,620,230
Operating deficit	(1,749,389)	–	(1,749,389)
Net operating investment income	311,695	–	311,695
Deficit before Grants	(1,437,694)	–	(1,437,694)
GRANTS			
Operating Grants:			
Government	1,388,358	–	1,388,358
Others	217,775	–	217,775
Deferred capital grants amortised	290,116	–	290,116
	1,896,249	–	1,896,249
SURPLUS FOR THE YEAR BEFORE NON-OPERATING INVESTMENT INCOME AND INCOME TAX	458,555	–	458,555
Non-operating investment income	88,043	–	88,043
Income tax	–	–	–
SURPLUS FOR THE YEAR	**546,598**	**–**	**546,598**

Comparative figures have been reclassified to conform with current year's presentation.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

a) BASIS OF ACCOUNTING *(cont'd)*

C) Impact on the Statement of Cash Flows for the financial year ended 31 March 2019 (current reporting period)

There are no material impact on the Group's operating, investing and financing cash flows.

STANDARDS ISSUED BUT NOT EFFECTIVE – The Group has not adopted the following standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
Amendments to FRS 109: *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to FRS 28: *Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*	1 January 2019
Improvements to FRSs (March 2018)	1 January 2019
Amendments to FRS 1 and FRS 8: *Definition of Material*	1 January 2020

At the date of authorisation of these financial statements, management anticipates that the adoption of the FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following:

FRS 116 *Leases*

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management plans to adopt the standard when it becomes effective and applicable to the Group from 1 April 2019. Management anticipates that on initial adoption of FRS 116, the Group and the Company will recognise the present value of total committed payments for non-cancellable leases which fall within the scope stated above and recognise a corresponding right-of-use asset.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

b) 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.

Changes in the Company's ownership interest of a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control over a subsidiary, it:

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

c) SUBSIDIARIES AND ASSOCIATES

i) 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 separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

c) SUBSIDIARIES AND ASSOCIATES *(cont'd)*

ii) Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The income or expenditure reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in income or expenditure.

Net assets of the associates are included in the consolidated financial statements under the equity method based on their latest audited financial statements. Where their financial periods do not end on 31 March, management accounts to 31 March are used. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. In any case, the difference between the end of the reporting period of the associate and that of the investor shall be no more than three months. The length of the reporting periods and any difference between the ends of the reporting periods shall be the same from period to period.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) JOINT ARRANGEMENTS

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

<u>Joint operations</u>

The Group recognises in relation to its interest in a joint operation,

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

e) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

i) Financial assets (before 1 April 2018)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenditure over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments, other than those financial instruments "at fair value through income or expenditure".

Student loans, debtors and deposits

Student loans, debtors and deposits are classified as loans and receivables which are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Interest is recognised by applying the effective interest rate method, except for debtors when the recognition of interest would be immaterial. Appropriate allowances for doubtful debts are recognised in income or expenditure based on a review of all outstanding amounts as at the year end. Bad debts are written off during the financial year in which they are identified.

Financial Assets at Fair Value through Income or Expenditure (FVTIE)

Financial Assets are classified as FVTIE if they are acquired principally for the purpose of selling in the near future or designated as such upon initial recognition.

Financial assets at FVTIE are stated at fair value, with any resultant gain or loss recognised in income or expenditure. The net gain or loss recognised in income or expenditure incorporates any dividend or interest earned on the investments.

Available-for-sale investments

Certain unquoted equity securities held by the Group are classified as available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the other comprehensive income and accumulated in the Group's fair value reserve, with the exception of impairment losses, which are recognised directly in income or expenditure. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in fair value reserve is included in income or expenditure for the period.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

i) Financial assets (before 1 April 2018) *(cont'd)*

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets, other than those at fair value through income or expenditure, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

An impairment loss on financial assets carried at amortised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss through use of an allowance account. The impairment loss is recognised in income or expenditure.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Subsequent recoveries of amounts previously written off are credited to income or expenditure. Changes in the carrying amount of the allowance account are recognised in income or expenditure.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognised directly in other comprehensive income. If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in income or expenditure, is transferred from other comprehensive income and recognised in income or expenditure. Reversals of impairment losses in respect of equity instruments are not recognised in income or expenditure; increase in their fair value after impairment are recognised directly in other comprehensive income.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

i) Financial assets (before 1 April 2018) *(cont'd)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On derecognition 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 is recognised in income or expenditure.

ii) Financial assets (after 1 April 2018)

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- 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.

By default, all other financial assets are subsequently measured at fair value through income or expenditure (FVTIE).

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

ii) Financial assets (after 1 April 2018) *(cont'd)*

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTIE if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income ("FVTOCI"). Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

ii) Financial assets (after 1 April 2018) *(cont'd)*

Equity instruments designated as at FVTOCI (cont'd)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified to income or expenditure on disposal of the equity investments, instead, they will be transferred to accumulated surplus.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI.

Dividends on these investments in equity instruments are recognised in income or expenditure when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets at FVTIE

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTIE. Specifically:

- Investments in equity instruments are classified as at FVTIE, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTIE. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTIE upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTIE are measured at fair value as at each reporting date, with any fair value gains or losses recognised in income or expenditure to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in income or expenditure includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 4(b)(vi).

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

ii) Financial assets (after 1 April 2018) *(cont'd)*

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on debt instruments that are measured at amortised cost or investments at FVTOCI, student loans, debtors and deposits. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for student loans and debtors. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

ii) Financial assets (after 1 April 2018) *(cont'd)*

Impairment of financial assets *(cont'd)*

Significant increase in credit risk (cont'd)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in income or expenditure.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

ii) Financial assets (after 1 April 2018) *(cont'd)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

iii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

iv) Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through Income or expenditure" or other financial liabilities.

The accounting policies adopted for specific financial liabilities are set out below.

Creditors and accrued expenses

Creditors and accrued expenses are measured at fair value, and are subsequently measured at amortised cost, using effective interest method.

Fixed rate notes and term loan

Fixed rate notes and term loan are initially recognised at fair value incurred and subsequently stated at amortised cost, using the effective interest rate method.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its currency risk. It does not apply hedge accounting.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently valued to their fair value at the end of each reporting period. The resulting gain or loss is recognised in income or expenditure immediately.

Derecognition of financial liabilities – The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

f) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Company.

In preparing the financial statements of the individual entities, transactions are recorded at the prevailing exchange rates on the date of the transaction. Monetary items and non-monetary items carried at fair value, denominated in foreign currencies are translated at the prevailing exchange rates at the end of the reporting period. Non-monetary items that are measured in terms of historical costs in foreign currency are not retranslated.

Exchange gains or losses arising on the settlement and translation of monetary items, are included in income or expenditure for the period. When exchange gains or losses on the non-monetary items included in income or expenditure or other comprehensive income, the exchange gains and losses are recognised in income or expenditure or other comprehensive income respectively.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign subsidiaries (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expenditure items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's translation reserve in equity. Such translation differences will be reclassified from equity to income or expenditure, as a reclassification adjustment, in the period in which the foreign subsidiary is disposed of.

g) REVENUE RECOGNITION

i) Before 1 April 2018

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

Tuition and other fees for the academic year and all other income (including course and conference fees and clinical and consultancy fees) are recognised in the period in which the services are rendered.

Non-endowed donations are recognised in the financial year they are received.

Interest income is recognised as it accrues in income or expenditure using the effective interest method.

Dividend income from investments is recognised when the right to receive payment has been established.

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

g) REVENUE RECOGNITION *(cont'd)*

ii) From 1 April 2018

The Group recognises income from the following major sources:

- Tuition and other fees
- Non-endowed donations
- Rental income
- Dividend income
- Interest income

Income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises income when it transfers control of a product or when service is rendered to a customer.

<u>Tuition and other fees</u>

Income from tuition and other fees comes from the provision of tuition services to undergraduate or postgraduate students. It includes the provision of course and conference fees and clinical and consultancy fees rendered to the students over the academic period. Tuition and other fees are recognised as the courses are rendered and satisfied over time. Payments received from students for tuition and other fees in which the courses have not been rendered is recognised as a deferred income until the courses have been rendered to the students.

The Group has reduced income from tuition and other fees based on the scholarships given to students. These scholarships are offset against tuition and other fees to reflect the net consideration received by the Group.

<u>Non-endowed donations</u>

Non-endowed donations are recognised at the point in time when they are received.

<u>Rental income</u>

Rental income is mainly from the rental of hostels and apartments and is recognised on a straight-line basis over the term of the relevant lease.

<u>Dividend income</u>

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

<u>Interest income</u>

Interest income is recognised on a time proportion basis using the effective interest method.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

h) BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to income or expenditure.

i) GRANTS

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

Government grants and contributions from other organisations for the purchase of fixed assets or to finance capital projects are taken to the grants received in advance in the first instance. They are taken to the deferred capital grants account upon utilisation of the grants for the purchase of assets which are capitalised, or to income or expenditure for purchases of assets which are expensed off. Donated tangible fixed assets, with the exception of non-depreciable fixed assets donated for use by the Group, are valued and taken to deferred capital grants and the debit taken to the relevant fixed asset category. Donated non-depreciable assets are taken to income or expenditure.

Deferred capital grants are recognised in the income or expenditure over the periods necessary to match the depreciation of the assets purchased with the related grants. Upon the disposal of the fixed assets, the balance of the related deferred capital grants is recognised in income or expenditure to match the net book value of fixed assets disposed of.

Government and other grants in respect of the current year's operating expenses are recognised as income in the same year. Such grants which are received but not utilised are included in the grants received in advance account.

j) FUNDS

Grants are accounted for on an accrual basis.

Designated General Funds

Income and expenditure of the Group are generally accounted for under Designated General Funds in the Group's statement of comprehensive income. Designated General Funds include funds set aside for specific or committed purposes such as planned operational activities of faculties, departments and halls of residences, and self-financing activities of the Group. Although set aside for specific or committed purposes, such funds may at the discretion of the Board of Trustees, be used for other purposes. Income and expenditure relating to these funds are accounted for directly in the funds to which they relate.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

j) FUNDS *(cont'd)*

Endowment Funds

Endowed donations received and Government matching grants received/receivable during the year, which are required to be kept intact as capital, are taken directly to the Endowment Funds. Income and expenditure arising from the management of the Endowment Funds are taken to the statement of comprehensive income of the Endowment Funds.

Other Restricted Funds

The income and expenditure relating to funds that are subject to legal or grantor/donor imposed stipulation are accounted for under Other Restricted Funds in the Group's statement of comprehensive income. The following are classified under Other Restricted Funds:

i) funds created from non-endowed donations for specific purposes; and

ii) external grants received from grantors as they are received for restricted purpose specified by grantors.

k) FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment loss.

Capital work-in-progress consists of construction costs and related expenses incurred during the period of construction.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income or expenditure.

Depreciation is computed on a straight line basis over the shorter of period of leases or their estimated useful lives, on the following bases:

	No. of years
Leasehold land	30 to 90
Buildings	30
Leasehold improvements	10
Infrastructure	30 to 90
Equipment, furniture and fittings and library materials	3 to 10

Depreciation is not provided for capital work-in-progress as the assets are not yet available for use. Artifacts and freehold land have infinite useful life and are not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with effect of any changes in estimate accounted for on a prospective basis.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

k) FIXED ASSETS AND DEPRECIATION *(cont'd)*

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.

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in income or expenditure in the year the asset is derecognised.

l) INVESTMENT PROPERTIES

Investment properties are properties that are either owned by the Group or leased under a finance lease 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 are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in income or expenditure in the year in which they arise.

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 or expenditure in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for fixed assets set out in Note 2(k) up to the date of change in use.

m) INTANGIBLE ASSETS

Intangible assets acquired separately are recorded at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives, on the following bases:

	No. of years
Computer software	3 to 5
Purchased curriculum	5

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

n) 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 of continuing operations are recognised in income or expenditure in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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. The 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 or expenditure unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

o) PROVISIONS

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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.

p) RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as expenditure in the period in which the related services are performed. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligation under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

q) EMPLOYEE LEAVE ENTITLEMENT

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

r) INCOME TAX

The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

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

Current and deferred tax are recognised as income or expenditure except when they relate to items credited or debited outside income or expenditure (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside income or expenditure (either in other comprehensive income or directly in equity), or where they arise from the initial accounting for a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over costs.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

s) RESEARCH EXPENDITURE

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

t) LEASES

As lessee

Operating lease payments are recognised as an expense in income or expenditure on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income is recognised on a straight-line basis over the term of the relevant lease.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, there are no critical judgements, apart from those involving estimates (see below), that Management has made in the process of applying the Group's accounting policies and that have significant effect on the amounts recognised in financial statements.

a) Key sources of estimation uncertainty

i) Fair value estimation

The Group holds unquoted equity securities that are not traded in an active market. The Group has used the net asset value disclosed in the financial statements of the entities (as these pertain mainly to funds whose investments are stated at fair value) and external valuations as the fair value for these financial assets. The carrying amounts of these unquoted securities for Group and Company at the end of the reporting period were S$6,900,095,000 (2018: S$6,536,004,000) and S$6,897,947,000 (2018: S$6,533,982,000) respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

a) Categories of financial instruments

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

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Financial Assets				
At fair value through income or expenditure (FVTIE):				
Investments	9,647,005	8,804,856	9,647,005	8,804,856
Derivative financial instruments	3,137	81,863	3,137	81,863
Sub-total	**9,650,142**	**8,886,719**	**9,650,142**	**8,886,719**
Loans and receivables at amortised cost:				
– Debtors	611,221	676,660	606,037	674,718
– Student loans	5,932	7,488	5,932	7,488
– Fixed deposits	630	628	630	628
– Cash and bank balances	159,949	127,658	135,731	104,792
– Advances for investment in funds	54,180	–	54,180	–
– Deposits paid	1,069	932	887	758
– Long-term loan to subsidiary company	–	–	–	250
– Amounts owing from subsidiary companies	–	–	880	883
Sub-total	**832,981**	**813,366**	**804,277**	**789,517**
Investments at fair value through other comprehensive income (FVTOCI)	5,303	–	2,673	–
Available-for-sale financial assets, at fair value through other comprehensive income (FVTOCI)	–	5,903	–	3,881
Sub-total	**5,303**	**5,903**	**2,673**	**3,881**
Total	**10,488,426**	**9,705,988**	**10,457,092**	**9,680,117**
Financial Liabilities				
At fair value through income or expenditure (FVTIE):				
Derivative financial instruments	11,710	5,602	11,710	5,602
Financial liabilities at amortised cost:				
– Creditors and accrued expenses	284,210	300,919	281,729	298,556
– Borrowings	1,020,000	1,000,000	1,020,000	1,000,000
– Amounts owing to subsidiary companies	–	–	28,031	26,904
Sub-total	**1,304,210**	**1,300,919**	**1,329,760**	**1,325,460**
Total	**1,315,920**	**1,306,521**	**1,341,470**	**1,331,062**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives

The Group invests in a variety of assets and market instruments. These are separated into two large categories, namely, bonds and quoted/unquoted equities for reporting. This exposes the Group to a variety of risks from the changes in financial market environment and fluctuations in foreign exchange rates and interest rates. The Group seeks to minimise the potential adverse effects from these exposures to its assets through having a clear investment mandate, risk management strategy, investment policies and an investment framework approved by the Group's Investment Committee.

The Group's overall risk management strategy is to firstly ensure adequate diversification across its investments through its long term asset allocation policy. Having a structured and detailed due diligence process and closely tracking the Group's investment and deviation from the policy target helps to further manage the risks.

The long term asset allocation policy is the long-term asset mix of the Group's portfolio of investments and defines the assets that the Group is able to invest in. The long term asset allocation policy is the central tenet of endowment risk management. It sets the acceptable risk for the funds and ensures adequate diversification across asset classes. Deviation from the policy targets changes the risk and returns profile of the endowment fund, and increases the risk that the objectives of the endowment will not be met. Furthermore, any deviation from the policy targets for one asset class will result in a deviation in policy targets for another asset class.

There has been no significant change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

i) Market risk – price risk management

The Group is exposed to price risk arising from the investments, invested either directly or through externally managed funds in the various asset classes under the long term asset allocation policy. The Group manages its price risk through having a diversified portfolio and target weights, thus monitoring and controlling exposure risk. The performance of the managed funds is regularly reviewed by the Investment Office, which manages the portfolio.

In respect of quoted and unquoted equity securities, a +/-5% change in investment value as at March 2019 will result in a +/– S$396,082,000 (2018: +/– S$381,099,000) gain / loss in net surplus for the Group and Company. This analysis has been performed with all other variables constant.

The above sensitivity has been disclosed in accordance with the requirements of FRS 107. In Management's opinion, the sensitivity analysis is not fully representative of the risk considerations for its investments. The Group's investments are regularly assessed with a larger spectrum of risk considerations included in the long term asset allocation policy.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

ii) Interest rate risk management

The Group's investments are subject to interest rate risk as the Group invests in fixed income securities, either directly or through externally managed fixed income funds. The Group monitors interest rates regularly to ensure excess funds are invested at competitive rates.

Both market and interest rate movements will affect the target weights of asset class in the long term asset allocation policy. The sensitivity analysis below has been determined based on exposures to price and interest rate risks at the reporting date.

In respect of the quoted and unquoted Government bonds and debt securities, a +/-1% change in interest rates as at March 2019 will result in a –/+ S$46,717,000 (2018: –/+ S$33,111,000) loss / gain in net surplus for the Group and Company. Similarly this analysis was performed with all other variables constant. The correlation of the other variables has been assumed to be constant.

The above sensitivity has been disclosed in accordance with the requirements of FRS 107. In Management's opinion, the sensitivity analysis is not fully representative of the risk considerations for its investments. The Group's investments are regularly assessed with a larger spectrum of risk considerations included in the long term asset allocation policy.

iii) Foreign exchange risk management

Some of the Group's transactions and investments are conducted in foreign currencies, including United States dollars, Euro and Japanese Yen, and therefore is exposed to foreign exchange risk. The Group manages its currency exposure by hedging its foreign currency investments through currency swap contracts as stipulated in the Group's foreign currency hedging policy.

a) Investments

The Group's foreign currency exposure for investments as at end of each reporting period are as follows:

	GROUP AND COMPANY			
	2019		2018	
	Investments at FVTIE	Derivatives Financial Instruments	Investments at FVTIE	Derivatives Financial Instruments
	S$'000	S$'000	S$'000	S$'000
United States Dollars	6,302,208	(6,715)	6,206,678	76,782
Other Currencies	686,286	(1,858)	507,627	(521)

If the United States dollars were to change by 1% against the Singapore dollar, the Group's surplus will increase/decrease by S$44,578,000 (2018: increase/decrease by S$39,427,000).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

iii) Foreign exchange risk management *(cont'd)*

b) Other financial assets and financial liabilities

The Group's operation is not exposed to significant foreign exchange risk as most of its transactions are transacted in Singapore dollars.

At the end of each reporting period, the amounts of monetary assets and monetary liabilities (other than investments) denominated in foreign currencies at 31 March are mainly in United States Dollars and are as follows:

	GROUP				COMPANY			
	ASSETS		LIABILITIES		ASSETS		LIABILITIES	
	2019	2018	2019	2018	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
United States Dollars	81,862	88,302	1,150	5,313	80,710	87,447	1,120	5,283
Other foreign currencies	6,721	3,225	1,062	1,183	6,588	2,984	1,062	1,061

If the United States dollars were to change by 1% against the Singapore dollar, the Group's and Company's surplus will increase/decrease by S$807,000 and S$796,000 (2018: increase/ decrease by S$830,000 and S$822,000 respectively).

iv) Liquidity risk management

The Group manages the liquidity risk by maintaining sufficient cash and cash equivalents and ensuring, the availability of borrowing facilities to fund working capital requirements and capital expenditure, if required.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

iv) Liquidity risk management *(cont'd)*

a) Financial liabilities (excluding derivatives)

The following table details the remaining contractual maturity for non-derivative financial liabilities, drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay.

GROUP	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2–5 years S$'000	Total S$'000
2019				
Non-interest bearing	–	284,210	–	284,210
Interest bearing	2.1	16,019	1,033,982	1,050,001
Total		**300,229**	**1,033,982**	**1,334,211**
2018				
Non-interest bearing	–	300,919	–	300,919
Interest bearing	2.0	268,968	779,271	1,048,239
Total		**569,887**	**779,271**	**1,349,158**

COMPANY	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2–5 years S$'000	Total S$'000
2019				
Non-interest bearing	–	309,760	–	309,760
Interest bearing	2.1	16,019	1,033,982	1,050,001
Total		**325,779**	**1,033,982**	**1,359,761**
2018				
Non-interest bearing	–	325,460	–	325,460
Interest bearing	2.0	268,968	779,271	1,048,239
Total		**594,428**	**779,271**	**1,373,699**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

iv) Liquidity risk management *(cont'd)*

b) Financial assets (excluding derivatives)

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis.

GROUP	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2–5 years S$'000	After 5 years S$'000	Total S$'000
2019					
Non-interest bearing	–	828,230	3,368	–	831,598
Fixed deposit	1.54	640	–	–	640
Overseas Student Programme loans	4.75	280	578	–	858
Investments at FVTIE	–	6,282,754	1,482,064	1,882,187	9,647,005
Investments at FVTOCI	–	3,155	–	2,148	5,303
Total		**7,115,059**	**1,486,010**	**1,884,335**	**10,485,404**
2018					
Non-interest bearing	–	807,390	4,616	–	812,006
Fixed deposit	1.17	635	–	–	635
Overseas Student Programme loans	4.75	273	560	–	833
Investments at FVTIE	–	5,850,486	1,335,199	1,619,171	8,804,856
Available-for-sale investments	–	3,881	–	2,022	5,903
Total		**6,662,665**	**1,340,375**	**1,621,193**	**9,624,233**

COMPANY	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2–5 years S$'000	After 5 years S$'000	Total S$'000
2019					
Non-interest bearing	–	799,526	3,368	–	802,894
Fixed deposit	1.54	640	–	–	640
Overseas Student Programme loans	4.75	280	578	–	858
Investments at FVTIE	–	6,282,754	1,482,064	1,882,187	9,647,005
Investments at FVTOCI	–	2,673	–	–	2,673
Total		**7,085,873**	**1,486,010**	**1,882,187**	**10,454,070**
2018					
Non-interest bearing	–	783,291	4,866	–	788,157
Fixed deposit	1.17	635	–	–	635
Overseas Student Programme loans	4.75	273	560	–	833
Investments at FVTIE	–	5,850,486	1,335,199	1,619,171	8,804,856
Available-for-sale investments	–	3,881	–	–	3,881
Total		**6,638,566**	**1,340,625**	**1,619,171**	**9,598,362**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

iv) Liquidity risk management *(cont'd)*

b) Financial assets (excluding derivatives) *(cont'd)*

Investments at fair value through income or expenditure (FVTIE) are actively managed on a portfolio basis by the Group's Investment Office. The categorisation is in accordance with the disclosure requirements of FRS 107. The Investment Office manages these investments under the long term asset allocation policy described in Note 4 (b) financial risk management policies and objectives.

c) Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The fair value of the forward exchange contracts is estimated by determining the difference between the contractual forward price and the forward price at the end of the reporting period for the residual period to maturity of the contract.

GROUP AND COMPANY	On demand or within 1 year S$'000
2019	
Forward foreign exchange contracts:	
Assets	2,423
Liabilities	(8,757)
Options:	
Assets	47
Liabilities	(30)
Futures:	
Assets	667
Liabilities	(2,923)
2018	
Forward foreign exchange contracts:	
Assets	81,743
Liabilities	(3,570)
Futures:	
Assets	120
Liabilities	(2,032)

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

v) Counterparty and credit risk management

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

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

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL (A simplified approach in measuring loss allowance based on lifetime ECL is allowed for trade receivables)
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

GROUP	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2019						
Debtors	16	Performing	Lifetime ECL (simplified approach)	611,525	(304)	611,221
Student loans	14	Performing	Lifetime ECL (simplified approach)	5,983	(51)	5,932
Deposits paid	17	Performing	12-month ECL	1,069	–	1,069
					(355)	

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

v) Counterparty and credit risk management *(cont'd)*

COMPANY	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2019						
Debtors	16	Performing	Lifetime ECL (simplified approach)	606,338	(301)	606,037
Student loans	14	Performing	Lifetime ECL (simplified approach)	5,983	(51)	5,932
Deposits paid	17	Performing	12-month ECL	887	–	887
Amount owing from subsidiary companies	15	Performing	12-month ECL	880	–	880
					(352)	

The Group has no significant concentration of credit risk. Measures are in place to ensure that loans or debts are collected on a timely basis. Cash and fixed deposits are held with creditworthy financial institutions.

For investments, the Group has adopted a risk capital based methodology for limiting counterparty exposure. The Group will only transact with counterparties with a minimum credit rating of at least an A– credit rating by Standard & Poor's and Fitch and A3 credit rating by Moody's.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

The Group has also adopted procedures in extending credit terms to customers and in monitoring its credit risk for miscellaneous sales. The Group only grants credit to creditworthy customers based on the credit evaluation process performed by Management.

Collateral held

Forwards foreign exchange contracts transactions are entered into under International Derivatives Swap and Dealers Association (ISDA) master netting agreements.

The Group receives and gives collateral in the form of cash and Treasury notes.

The following table shows the fair value of collateral accepted by the Group as at end of the financial year.

	2019 S$'000	2018 S$'000
Fair value of collateral accepted in the form of cash / given in the form of Treasury Notes	–	24,680

The above collateral is subject to the standard industry terms of ISDA's Credit Support Annex (CSA).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

vi) Fair value of financial assets and liabilities

The carrying amounts of short-term financial assets and liabilities approximate their respective fair values due to the relatively short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The Group's valuation policy and procedures sets out the valuation methodologies and assumptions to be adopted for all investments. Management reviews for reasonableness of the valuation policy and procedures on a regular basis.

The following describes the hierarchy of inputs used to measure the fair value and the primary valuation methodologies used by the Group for investments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 inputs are based on quoted prices (unadjusted) from active markets for identical assets or liabilities that can be accessed at the measurement date. Prices are generally obtained from relevant exchange or dealer markets.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs are obtained from various sources including market participants, dealers, fund managers and brokers.
- Level 3 inputs are unobservable inputs used to derive the value for the asset or liability. Assets included in this category are generally funds, of which the price is unobservable and fair value is based on ownership interest in the net asset value of the total fund determined by the fund managers. Level 3 consists primarily of the Group's ownerships in alternative investments, principally limited partnership interest in private equity, real estate and other similar funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

vi) Fair value of financial assets and liabilities *(cont'd)*

Financial instruments carried at fair value as at the end of the reporting period:

2019

GROUP	Note	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Financial assets:					
Investments at fair value through other comprehensive income (FVTOCI)					
Equity securities		482	2,113	2,708	5,303
Sub-total	11	**482**	**2,113**	**2,708**	**5,303**
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,787,172	–	–	1,787,172
Equity securities		1,258,030	754,973	5,846,830	7,859,833
Sub-total	12	**3,045,202**	**754,973**	**5,846,830**	**9,647,005**
Derivative financial instruments					
Forward foreign exchange contracts		–	2,423	–	2,423
Options		47	–	–	47
Futures		667	–	–	667
Sub-total	13	**714**	**2,423**	**–**	**3,137**
Total		**3,046,398**	**759,509**	**5,849,538**	**9,655,445**
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(8,757)	–	(8,757)
Options		(30)	–	–	(30)
Futures		(2,923)	–	–	(2,923)
Total	13	**(2,953)**	**(8,757)**	**–**	**(11,710)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)

b) Financial risk management policies and objectives (cont'd)

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

Financial instruments carried at fair value at the end of the reporting period: *(cont'd)*

2018

GROUP	Note	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Financial assets:					
Available-for-sale investments					
Equity securities		–	2,210	3,693	5,903
Sub-total	11	**–**	**2,210**	**3,693**	**5,903**
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,182,876	–	–	1,182,876
Equity securities		1,372,123	755,390	5,494,467	7,621,980
Sub-total	12	**2,554,999**	**755,390**	**5,494,467**	**8,804,856**
Derivative financial instruments					
Forward foreign exchange contracts		–	81,743	–	81,743
Futures		120	–	–	120
Sub-total	13	**120**	**81,743**	**–**	**81,863**
Total		**2,555,119**	**839,343**	**5,498,160**	**8,892,622**
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(3,570)	–	(3,570)
Futures		(2,032)	–	–	(2,032)
Total	13	**(2,032)**	**(3,570)**	**–**	**(5,602)**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

vi) Fair value of financial assets and liabilities *(cont'd)*

Financial instruments carried at fair value at the end of the reporting period: *(cont'd)*

2019

COMPANY	Note	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Financial assets:					
Investments at fair value through other comprehensive income (FVTOCI)					
Equity securities		–	2,113	560	2,673
Sub-total	11	**–**	**2,113**	**560**	**2,673**
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,787,172	–	–	1,787,172
Equity securities		1,258,030	754,973	5,846,830	7,859,833
Sub-total	12	**3,045,202**	**754,973**	**5,846,830**	**9,647,005**
Derivative financial instruments					
Forward foreign exchange contracts		–	2,423	–	2,423
Options		47	–	–	47
Futures		667	–	–	667
Sub-total	13	**714**	**2,423**	**–**	**3,137**
Total		**3,045,916**	**759,509**	**5,847,390**	**9,652,815**
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(8,757)	–	(8,757)
Options		(30)	–	–	(30)
Futures		(2,923)	–	–	(2,923)
Total	13	**(2,953)**	**(8,757)**	**–**	**(11,710)**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

vi) Fair value of financial assets and liabilities *(cont'd)*

Financial instruments carried at fair value at the end of the reporting period: *(cont'd)*

2018

COMPANY	Note	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Financial assets:					
Available-for-sale investments					
Equity securities		–	2,210	1,671	3,881
Sub-total	11	**–**	**2,210**	**1,671**	**3,881**
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,182,876	–	–	1,182,876
Equity securities		1,372,123	755,390	5,494,467	7,621,980
Sub-total	12	**2,554,999**	**755,390**	**5,494,467**	**8,804,856**
Derivative financial instruments					
Forward foreign exchange contracts		–	81,743	–	81,743
Futures		120	–	–	120
Sub-total	13	**120**	**81,743**	**–**	**81,863**
Total		**2,555,119**	**839,343**	**5,496,138**	**8,890,600**
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(3,570)	–	(3,570)
Futures		(2,032)	–	–	(2,032)
Total	13	**(2,032)**	**(3,570)**	**–**	**(5,602)**

The Group reviews its valuation policy yearly.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

b) Financial risk management policies and objectives *(cont'd)*

vi) Fair value of financial assets and liabilities *(cont'd)*

Movements of the Level 3 financial assets during the reporting period

	GROUP	COMPANY
	S$'000	S$'000
Fair value as at 1 April 2018	**5,498,160**	**5,496,138**
Total gain on sale – included in Income or Expenditure	24,536	24,536
Change in Fair Value – included in Income or Expenditure	264,423	263,965
Change in Fair Value – included in Other Comprehensive Income	(1,111)	(1,111)
Impairment loss	(508)	–
Purchases during the year	1,875,471	1,874,864
Sales during the year	(1,811,433)	(1,811,002)
Fair value as at 31 March 2019	**5,849,538**	**5,847,390**
Fair value as at 1 April 2017	**4,827,953**	**4,826,055**
Reclass from Level 3 to Level 1	(40,953)	(40,953)
Total gain on sale – included in Income or Expenditure	81,618	81,618
Change in Fair Value – included in Income or Expenditure	270,178	270,178
Change in Fair Value – included in Other Comprehensive Income	257	257
Purchases during the year	1,517,585	1,517,461
Sales during the year	(1,158,478)	(1,158,478)
Fair value as at 31 March 2018	**5,498,160**	**5,496,138**

Transfer of investments from Level 3 to Level 1 for the year ended 31 March 2018 was S$40,953,000. The quoted debt securities was transferred from Level 3 into Level 1 as it was listed on the exchange during the financial year. Prior to the transfer, the fair value of the debt securities was determined using comparable bonds. Since the transfer, the fair value of the debt securities is determined based on market price quoted in the exchange.

c) Capital risk management policies and objectives

The Group reviews its capital structure at least annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group comprises reserves as disclosed in Notes 23 and 24 and borrowings disclosed in Note 21. The Group is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. The Group is in compliance with externally imposed capital requirements for the reporting period ended 31 March 2019 and 2018. The Group's overall strategy remains unchanged from 2018.

5 SUBSIDIARY COMPANIES

	COMPANY	
	2019	**2018**
	S$'000	S$'000
Unquoted equity shares at cost	228	228
Impairment loss	(100)	(100)
Carrying amount	128	128

Name of company	**Principal Activities**	**Country of incorporation (or registration) and operation**	**Share Capital** S$	**Proportion of ownership interest and voting power held** 2019	2018
Singapore University Press Pte Ltd [(a)]	Publisher	Singapore	100,001	100%	100%
NUS Technology Holdings Pte Ltd [(a)]	To carry out research and development, to own and exploit all forms of intellectual property interests and to engage in the acquisition, dissemination and transfer of technologies.	Singapore	2	100%	100%
NUS High School of Mathematics and Science [(a)]	To promote and undertake the advancement of education, with particular emphasis on mathematics and science at secondary and junior college levels and to participate in schemes established to promote research, development and education, in particular in relation to mathematics and science and to a high school for that purpose.	Singapore	#	#	#
NUS America, Inc [(c)]	This is a non-profit public benefit corporation organised under the Nonprofit Public Corporation Law for public and charitable purposes. It performs the functions of or to carry out the purposes of the National University of Singapore.	United States of America	#	#	#
Suzhou NUSRI Management Co Ltd [(d)]	To manage NUS Research Institute (Suzhou)	People's Republic of China	128,380	100%	100%
Singapore International Mediation Institute Limited [(a)]	Set standards and provide accreditation for mediators	Singapore	#	#	#
Graduate Investment Pte Ltd [(g)]	Hold the investments arising from the Graduate Research Innovation Programme (GRIP) on behalf of NUS.	Singapore	10	100%	–

5 SUBSIDIARY COMPANIES *(cont'd)*

Name of company	Principal Activities	Country of incorporation (or registration) and operation	Share Capital S$	Proportion of ownership interest and voting power held 2019	2018
Held by Subsidiaries					
NUS Press Pte Ltd [(a)]	Publishers	Singapore	100,000	100%	100%
NUS Ventures Pte Ltd [(a)]	Provide mentoring and financial support to startup companies.	Singapore	100,000	100%	100%
Bioinformatics Technology Group Pte Ltd [(e)]	IT development, IT services, research and experimental development on technology.	Singapore	500,000	–	100%
Shanghai NUS Enterprise Services Co Ltd [(d)]	Sourcing of student internship opportunities with Shanghai companies and developing increased research opportunities and forging closer partnerships.	People's Republic of China	237,440	100%	100%
KR Consulting Pte Ltd [(a)]	Provide consulting services	Singapore	1	100%	100%
Star Incubator Sdn Bhd [(b),(f)]	Management of incubator activities	Brunei Darussalam	100	100%	100%

\# *These corporations do not have share capital. NUS High School of Mathematics and Science and Singapore International Mediation Institute Limited are companies limited by guarantee.*

(a) *Audited by Deloitte & Touche LLP, Singapore.*

(b) *Audited by overseas practices of Deloitte & Touche LLP.*

(c) *Not required to be audited in country of incorporation.*

(d) *Audited by other auditors in country of incorporation.*

(e) *Bioinformatics Technology Group Pte Ltd was wound up on 6 August 2018.*

(f) *Star Incubator Sdn Bhd is in the process of winding up.*

(g) *Graduate Investment Pte Ltd was incorporated during the year.*

6 ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	S$'000	S$'000	S$'000	S$'000
Unquoted equity shares at cost	77,530	77,330	77,530	77,330
Share of post-acquisition profits, net of dividend received	62,233	54,492	–	–
Impairment loss	–	–	(11,412)	–
	139,763	131,822	66,118	77,330

6 ASSOCIATED COMPANIES *(cont'd)*

Name of company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held 2019	2018
National University Health System Pte Ltd [(a)]	Clinical service, education and research	Singapore	33%	33%
InVivos Pte Ltd [(a)]	To carry on the business of an animal breeding centre and the provision of related services in support of biomedical research.	Singapore	25%	25%
Dwell Capital Ltd [(a)]	Investment holding in property companies	Singapore	25%	25%

(a) *Audited by other auditors.*

Summarised financial information in respect of the Group's associates is set out below:

	2019	**2018**
	S$'000	S$'000
Total assets	3,454,851	3,251,264
Total liabilities	(2,244,982)	(2,084,355)
Net assets	1,209,869	1,166,909
Total equity attributable to equity holders	416,808	427,750

Aggregate information about the Group's associated companies that are not individually material and unadjusted for its proportionate share of ownership interest are as follows:

	2019	**2018**
	S$'000	S$'000
Profit after tax for the year	66,805	102,260
Other comprehensive income	–	–
Total comprehensive income	66,805	102,260

7 INVESTMENT IN JOINT OPERATION

The Company has a joint arrangement with Science and Engineering Institutes (SCEI) to jointly operate The Technology Centre for Offshore and Marine, Singapore Ltd ("TCOMS Ltd"). SCEI is a wholly-owned subsidiary of the Agency for Science, Technology and Research. TCOMS Ltd is incorporated in Singapore as a company limited by guarantee to conduct Research & Development, commercial testing, and manpower training and education in the area of marine and offshore.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

8 FIXED ASSETS

GROUP

	Freehold Land	Leasehold Land	Buildings	Leasehold Improve-ments	Infra-structure	Equipment, Furniture & Fittings, Library Materials	Artifacts	Capital Work-in-Progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
COST									
At 1 April 2017	2,007	321,174	3,408,081	1,133,073	39,490	2,113,726	27,226	120,322	7,165,099
Additions	–	–	17,299	91,699	–	107,844	3,760	133,324	353,926
Transfers	–	–	1,267	26,847	–	48,000	–	(76,114)	–
Disposals	–	–	(6,635)	(2,747)	–	(41,934)	–	–	(51,316)
Cost adjustment	–	–	(283)	(512)	–	(224)	(3)	(1,647)	(2,669)
Revaluation surplus	–	–	41,463	–	–	–	–	–	41,463
Elimination of accumulated depreciation on revaluation	–	–	(2,316)	–	–	–	–	–	(2,316)
Transfer to investment properties (Note 9)	–	–	(41,463)	–	–	–	–	–	(41,463)
At 31 March and 1 April 2018	2,007	321,174	3,417,413	1,248,360	39,490	2,227,412	30,983	175,885	7,462,724
Additions	–	–	48,089	30,640	1,840	81,828	214	164,818	327,429
Transfers	–	–	71,023	27,380	–	17,731	–	(116,134)	–
Disposals	–	–	(1,178)	–	–	(329,119)	–	–	(330,297)
Cost adjustment	–	–	(120)	(609)	–	(2,808)	–	(237)	(3,774)
At 31 March 2019	2,007	321,174	3,535,227	1,305,771	41,330	1,995,044	31,197	224,332	7,456,082
ACCUMULATED DEPRECIATION									
At 1 April 2017	–	64,282	1,294,334	702,875	4,098	1,617,215	–	–	3,682,804
Depreciation	–	6,154	103,213	79,585	660	165,265	–	–	354,877
Transfers	–	–	(2,737)	(1,941)	–	4,678	–	–	–
Disposals	–	–	(6,408)	(2,641)	–	(41,272)	–	–	(50,321)
Cost adjustment	–	–	(23)	(50)	–	(43)	–	–	(116)
Elimination of accumulated depreciation on revaluation	–	–	(2,316)	–	–	–	–	–	(2,316)
At 31 March and 1 April 2018	–	70,436	1,386,063	777,828	4,758	1,745,843	–	–	3,984,928
Depreciation	–	6,151	101,921	86,441	713	153,116	–	–	348,342
Transfers	–	–	(40)	(1,422)	–	1,462	–	–	–
Disposals	–	–	(1,065)	–	–	(328,103)	–	–	(329,168)
Cost adjustment	–	–	(14)	(34)	–	(1,233)	–	–	(1,281)
At 31 March 2019	–	76,587	1,486,865	862,813	5,471	1,571,085	–	–	4,002,821
CARRYING AMOUNT									
At 31 March 2019	2,007	244,587	2,048,362	442,958	35,859	423,959	31,197	224,332	3,453,261
At 31 March 2018	2,007	250,738	2,031,350	470,532	34,732	481,569	30,983	175,885	3,477,796

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

8 FIXED ASSETS *(cont'd)*

COMPANY

	Freehold Land	Leasehold Land	Buildings	Leasehold Improve-ments	Infra-structure	Equipment, Furniture & Fittings, Library Materials	Artifacts	Capital Work-in-Progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
COST									
At 1 April 2017	2,007	321,174	3,407,376	1,132,041	39,490	2,106,810	27,226	120,322	7,156,446
Additions	–	–	17,299	91,699	–	107,637	3,760	133,324	353,719
Transfers	–	–	1,267	26,847	–	48,000	–	(76,114)	–
Disposals	–	–	(6,635)	(2,747)	–	(41,761)	–	–	(51,143)
Cost adjustment	–	–	(283)	(512)	–	(224)	(3)	(1,647)	(2,669)
Revaluation surplus	–	–	41,463	–	–	–	–	–	41,463
Elimination of accumulated depreciation on revaluation	–	–	(2,316)	–	–	–	–	–	(2,316)
Transfer to investment properties (Note 9)	–	–	(41,463)	–	–	–	–	–	(41,463)
At 31 March and 1 April 2018	2,007	321,174	3,416,708	1,247,328	39,490	2,220,462	30,983	175,885	7,454,037
Additions	–	–	48,089	30,640	1,840	81,080	214	164,818	326,681
Transfers	–	–	71,023	27,380	–	17,731	–	(116,134)	–
Disposals	–	–	(1,178)	–	–	(329,092)	–	–	(330,270)
Cost adjustment	–	–	(120)	(609)	–	(2,808)	–	(237)	(3,774)
At 31 March 2019	2,007	321,174	3,534,522	1,304,739	41,330	1,987,373	31,197	224,332	7,446,674
ACCUMULATED DEPRECIATION									
At 1 April 2017	–	64,282	1,294,064	702,235	4,098	1,611,947	–	–	3,676,626
Depreciation	–	6,154	103,189	79,482	660	164,776	–	–	354,261
Transfers	–	–	(2,737)	(1,941)	–	4,678	–	–	–
Disposals	–	–	(6,408)	(2,641)	–	(41,103)	–	–	(50,152)
Cost adjustment	–	–	(23)	(50)	–	(50)	–	–	(123)
Elimination of accumulated depreciation on revaluation	–	–	(2,316)	–	–	–	–	–	(2,316)
At 31 March and 1 April 2018	–	70,436	1,385,769	777,085	4,758	1,740,248	–	–	3,978,296
Depreciation	–	6,151	101,898	86,338	713	152,638	–	–	347,738
Transfers	–	–	(40)	(1,422)	–	1,462	–	–	–
Disposals	–	–	(1,065)	–	–	(328,076)	–	–	(329,141)
Cost adjustment	–	–	(14)	(34)	–	(1,233)	–	–	(1,281)
At 31 March 2019	–	76,587	1,486,548	861,967	5,471	1,565,039	–	–	3,995,612
CARRYING AMOUNT									
At 31 March 2019	2,007	244,587	2,047,974	442,772	35,859	422,334	31,197	224,332	3,451,062
At 31 March 2018	2,007	250,738	2,030,939	470,243	34,732	480,214	30,983	175,885	3,475,741

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

8 FIXED ASSETS *(cont'd)*

During the financial year, the Group acquired fixed assets amounting to S$327,429,000 (2018: S$353,926,000), out of which S$326,651,000 (2018: S$349,507,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

9 INVESTMENT PROPERTIES

	GROUP AND COMPANY
	S$'000
Statements of Financial Position:	
At 1 April 2017	–
Transfer from fixed assets (Note 8)	41,463
At 31 March and 1 April 2018	41,463
Fair value changes	3,406
At 31 March 2019	44,869

	GROUP AND COMPANY	
	2019	**2018**
	S$'000	S$'000
Statements of Comprehensive Income:		
Rental income from investment properties:		
– Minimum lease payments	641	713
	641	713
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating expenses	189	184
	189	184

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

Valuation of investment properties

The fair value measurement for investment properties is categorised under Level 2 of the fair value hierarchy. The valuation of investment properties are based on comparable market transactions that consider sales of similar properties that have been transacted in open market.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

10 INTANGIBLE ASSETS

GROUP

	Computer Software	Purchased Curriculum	Total
	S$'000	S$'000	S$'000
COST			
At 1 April 2017	39,469	11,998	51,467
Additions	6,396	–	6,396
Disposals	(236)	–	(236)
Cost adjustment	(68)	–	(68)
At 31 March and 1 April 2018	45,561	11,998	57,559
Additions	3,996	–	3,996
Disposals	(788)	–	(788)
Cost adjustment	(276)	–	(276)
At 31 March 2019	48,493	11,998	60,491
ACCUMULATED AMORTISATION			
At 1 April 2017	31,206	11,936	43,142
Amortisation	3,983	24	4,007
Disposals	(215)	–	(215)
Cost adjustment	(20)	–	(20)
At 31 March and 1 April 2018	34,954	11,960	46,914
Amortisation	3,672	24	3,696
Disposals	(725)	–	(725)
Cost adjustment	(46)	–	(46)
At 31 March 2019	37,855	11,984	49,839
CARRYING AMOUNT			
At 31 March 2019	10,638	14	10,652
At 31 March 2018	10,607	38	10,645

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

10 INTANGIBLE ASSETS *(cont'd)*

COMPANY

	Computer Software	Purchased Curriculum	Total
	S$'000	S$'000	S$'000
COST			
At 1 April 2017	38,941	11,998	50,939
Additions	6,394	–	6,394
Disposals	(236)	–	(236)
Cost adjustment	(68)	–	(68)
At 31 March and 1 April 2018	45,031	11,998	57,029
Additions	3,996	–	3,996
Disposals	(788)	–	(788)
Cost adjustment	(276)	–	(276)
At 31 March 2019	47,963	11,998	59,961
ACCUMULATED AMORTISATION			
At 1 April 2017	30,686	11,936	42,622
Amortisation	3,974	24	3,998
Disposals	(215)	–	(215)
Cost adjustment	(20)	–	(20)
At 31 March and 1 April 2018	34,425	11,960	46,385
Amortisation	3,671	24	3,695
Disposals	(725)	–	(725)
Cost adjustment	(46)	–	(46)
At 31 March 2019	37,325	11,984	49,309
CARRYING AMOUNT			
At 31 March 2019	10,638	14	10,652
At 31 March 2018	10,606	38	10,644

Computer software includes computer software work-in-progress of S$2,084,000 (2018: S$2,425,000) for the Group and Company, which amortisation is not provided for. The average remaining amortisation period of intangible assets is 2 years (2018: 2 years).

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

11 INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)/ AVAILABLE-FOR-SALE INVESTMENTS

a) Investments at fair value through other comprehensive income (FVTOCI)

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
AT FAIR VALUE				
Unquoted equity securities	4,821	–	2,673	–
Quoted equity securities	482	–	–	–
	5,303	–	2,673	–

b) Available-for-sale investments

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
AT FAIR VALUE				
Unquoted equity securities	–	5,903	–	3,881
	–	5,903	–	3,881

The equity securities were classified as available-for-sale investments in accordance with FRS 39 as at 31 March 2018. Upon the application of FRS 109 on 1 April 2018, the Group has classified the equity securities as investments at fair value through other comprehensive income accordingly.

The fair value of unquoted equity securities available for sale is estimated based on the net asset values disclosed in the financial statements of the entities. The Group management has determined that the net asset values of these investments approximate its fair value.

12 INVESTMENTS AT FAIR VALUE THROUGH INCOME OR EXPENDITURE (FVTIE)

	GROUP AND COMPANY	
	2019	2018
	S$'000	S$'000
AT FAIR VALUE		
Quoted Government bonds	1,649,458	1,099,515
Quoted debt securities	137,714	83,361
Quoted equity securities	964,559	1,091,879
Unquoted equity securities	6,895,274	6,530,101
	9,647,005	8,804,856

These investments are managed by the Investment Office of the Group. The fair values of quoted debt and equity securities are based on quoted market prices on the last business day of the reporting period. The investments in unquoted equity securities represent investments in private equity funds, hedge funds and other limited partnerships.

12 INVESTMENTS AT FAIR VALUE THROUGH INCOME OR EXPENDITURE (FVTIE) *(cont'd)*

The fair values of these unquoted equity securities are based on net asset values provided by fund managers.

Under the terms of certain limited partnership agreements, the Group is obligated to make capital contributions upon receiving capital call notices from the fund managers. As at the reporting period ended 31 March 2019, the Group has unfunded commitments of S$2,812,811,000 (2018: S$2,068,585,000).

13 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY					
	2019			2018		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Forward foreign exchange contracts	3,555,144	2,423	(8,757)	3,152,664	81,743	(3,570)
Options	94	47	(30)	–	–	–
Futures	353,031	667	(2,923)	260,410	120	(2,032)
	3,908,269	3,137	(11,710)	3,413,074	81,863	(5,602)

Forward foreign exchange contracts are entered into for hedging purposes to manage currency risk of the investment portfolio. The notional amount is the value of the underlying assets of forward foreign exchange contracts.

14 STUDENT LOANS

	GROUP AND COMPANY	
	2019	2018
	S$'000	S$'000
Notebook computer loans [a]	169	270
Overseas student programme loans [b]	753	732
Student assistance loans and in-house student loans [c]	4,980	6,440
Other student loans [d]	30	46
	5,932	7,488
Represented by:		
Amount repayable within 12 months – current assets	2,078	2,401
Amount repayable after 12 months – non-current assets	3,854	5,087
	5,932	7,488

(a) The interest-free notebook computer loans to students are repayable by monthly instalments, over periods of up to 2.5 years.

(b) The overseas student programme loans are repayable by monthly instalments over periods of up to 5 years. The interest at 4.75% (2018: 4.75%) per annum is based on average prime rate of the 3 major local banks.

(c) The student assistance loans and in-house student loans are interest-free and repayable by monthly instalments, over periods of up to 5 years.

(d) The other student loans are interest-free and repayable by yearly instalments, over periods of up to 6 years.

14 STUDENT LOANS *(cont'd)*

Secured assets

The student loans are unsecured.

Fair values

The fair value of the loans (non-current portion) cannot be measured reliably as the timing of future cash flows is not fixed due to discretion exercised with regards to early repayment/defer repayment in view of prevailing student financial circumstances.

Credit risk

The maximum exposure to credit risk is the carrying amount of the loans.

Loss allowance for student loans has been measured at an amount equal to lifetime expected credit losses (ECL), individually assessed. The ECL on student loans are estimated by reference to past default experience of the students and an analysis of the students' current financial position, adjusted for factors that are specific to the students.

A student loan is written off when there is information indicating that the student is in severe financial difficulty and there is no realistic prospect of recovery.

The table below shows the movement in lifetime ECL that has been recognised for in accordance with the simplified approach set out in FRS 109:

	GROUP AND COMPANY
	Individually assessed Lifetime ECL – credit-impaired
	S$'000
Balance as at 1 April 2018	52
Amounts written off during the year	(31)
Amounts recovered during the year	(6)
Increase in loss allowance recognised in income or expenditure	36
Balance as at 31 March 2019	51

Previous accounting policy for impairment of student loans under FRS 39 (before 1 April 2018)

In 2018, allowance for doubtful debts were determined based on estimated irrecoverable amounts from the students, determined by reference to past default experience.

Included in the Group's student loans balance were outstanding loans with a carrying amount of S$129,000 which were past due at the end of reporting period for which the Group had not provided as there had not been a significant change in credit quality and the amounts were still considered recoverable.

14 STUDENT LOANS *(cont'd)*

The average aging of student loans were as follows:

	GROUP AND COMPANY
	2018
	S$'000
Past due <3 months	109
Past due 3 to 6 months	20
	129

Movement in the allowance for doubtful debts for student loans

	GROUP AND COMPANY
	2018
	S$'000
Balance as at 1 April 2017	240
Amounts written off during the year	(182)
Amounts recovered during the year	(50)
Increase in allowance recognised in income or expenditure	44
Balance as at 31 March 2018	52

15 LONG-TERM LOAN TO SUBSIDIARY COMPANY AND AMOUNTS OWING FROM/TO SUBSIDIARY COMPANIES

The long-term loan to subsidiary company is unsecured, interest-free and not expected to be repaid within the next twelve months. The fair value of the long term loan cannot be measured reliably as the timing of future cash flows is not fixed. The amounts owing from/to subsidiaries are unsecured, interest-free and repayable on demand.

For the purpose of impairment assessment, the long term loan to subsidiary company and amounts owing from subsidiary companies are considered to have low credit risk and there has been no significant increase in credit risk of default since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the financial position of the subsidiary companies, adjusted for factors that are specific to these companies and general economic conditions of the industry in which these companies operate, in estimating the probability of default of the receivables as well as the loss upon default. Management determines the receivables from the subsidiary companies are subject to immaterial credit loss.

16 DEBTORS

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Grants receivable	518,983	560,219	516,763	560,219
Trade debtors	61,226	51,591	59,629	49,757
Receivables from sale of investments	6,061	44,049	6,061	44,049
Interest receivable	4,661	3,349	4,661	3,349
Others	20,290	17,452	18,923	17,344
	611,221	676,660	606,037	674,718

The average credit period of trade debtors is 30 days (2018: 30 days). No interest is charged on the trade receivables.

Loss allowance for trade debtors has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade debtors are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate. The Group has recognised a loss allowance of 12.22% against all receivables over 180 days past due because historical experience has indicated that there is reasonable assurance that receivables due are generally recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade debtor is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade debtors from contracts with customers based on the Group's provision matrix. NUS customer base consists of 2 main groups below. The historical credit loss experience shows significantly different loss patterns for the 2 customer segments:

a) Ministries, Statutory Boards, Institutions of Higher Learning and Public Hospitals where receivables are mainly grants.

b) Other debtors with a large number of small clients and trade debtors (including research grants, royalty income, recoverables and other miscellaneous income).

16 DEBTORS *(cont'd)*

	GROUP					
	Trade receivables – days past due					
31 MARCH 2019	**Not past due** S$'000	**<3 months** S$'000	**3–6 months** S$'000	**6–12 months** S$'000	**>12 months** S$'000	**Total** S$'000
Public Sector, Statutory Boards, Institutions of Higher Learning and Public hospitals						
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	563,931	1,915	4,819	11,338	8,666	590,669
Others						
Expected credit loss rate	0.10%	0.58%	3.49%	12.22%	12.22%	
Estimated total gross carrying amount at default	17,105	1,964	601	541	341	20,552
Lifetime ECL	17	11	21	66	42	157
Individually assessed	–	–	–	–	147	147
Total loss allowance						304

	COMPANY					
	Trade receivables – days past due					
31 MARCH 2019	**Not past due** S$'000	**<3 months** S$'000	**3–6 months** S$'000	**6–12 months** S$'000	**>12 months** S$'000	**Total** S$'000
Public Sector, Statutory Boards, Institutions of Higher Learning and Public hospitals						
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	561,711	1,915	4,819	11,338	8,666	588,449
Others						
Expected credit loss rate	0.10%	0.58%	3.49%	12.22%	12.22%	
Estimated total gross carrying amount at default	14,141	1,964	601	541	341	17,588
Lifetime ECL	14	11	21	66	42	154
Individually assessed	–	–	–	–	147	147
Total loss allowance						301

16 DEBTORS *(cont'd)*

The table below shows the movement in lifetime ECL that has been recognised for debtors in accordance with the simplified approach set out in FRS 109:

	GROUP AND COMPANY	
	2019 S$'000	**2018** S$'000
Balance as at 1 April 2018	663	663
Amounts written off during the year	(149)	(149)
Amounts recovered during the year	(241)	(241)
Increase in allowance recognised in income or expenditure	31	28
Balance as at 31 March 2019	304	301

Previous accounting policy for impairment of trade debtors under FRS 39 (before 1 April 2018)

In 2018, allowance for doubtful debt were determined based on estimated irrecoverable amounts from the debtors, determined by reference to past default experience.

Included in the Group's and the Company's trade debtors balance were debtors with a carrying amount of S$17,072,000 which were past due at the end of reporting period for which the Group and the Company had not provided as there had not been a significant change in credit quality and the amounts were still considered recoverable. The average age of these debtors were as follows:

The table below is an analysis of trade debtors as at 31 March:

	GROUP AND COMPANY
	2018 S$'000
Past due <3 months	2,058
Past due 3 to 6 months	1,226
Past due 6 to 12 months	13,427
Past due over 12 months	361
	17,072

Movement in the allowance for doubtful debts for trade debtors

	GROUP AND COMPANY
	2018 S$'000
Balance as at 1 April 2017	1,224
Amounts written off during the year	(562)
Amounts recovered during the year	(107)
Increase in allowance recognised in income or expenditure	108
Balance as at 31 March 2018	663

17 DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
		(Restated)		(Restated)
Non-financial assets				
Prepayments for fixed assets	1,063	1,691	1,063	1,691
Other prepayments	41,080	49,390	40,775	49,085
	42,143	51,081	41,838	50,776
Financial assets				
Deposits paid	1,069	932	887	758
Advances for investment in funds	54,180	–	54,180	–
	55,249	932	55,067	758
	97,392	52,013	96,905	51,534
Less: Prepayments for fixed assets and other prepayments (non-current assets)	(1,136)	(1,776)	(1,136)	(1,776)
Deposits and prepayments (current assets)	96,256	50,237	95,769	49,758

18 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Fixed deposits	630	628	630	628
Cash and bank balances	159,949	127,658	135,731	104,792
	160,579	128,286	136,361	105,420

a) Fixed deposits

The effective interest rates of fixed deposits at the balance sheet date are between 1.42% to 1.65% (2018: 1.03% to 1.13%) per annum and for an average tenor of 12.02 months (2018: 12.02 months).

b) Cash and bank balances

Cash at banks earn interest at floating rates based on daily bank deposit rates.

19 CREDITORS AND ACCRUED EXPENSES/PROVISIONS

a) Creditors and accrued expenses

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Creditors	56,741	68,184	55,426	67,024
Payable for purchase of investments	1,111	4,087	1,111	4,087
Accrued expenses	221,007	223,741	219,898	222,591
Deposits received	5,351	4,907	5,294	4,854
	284,210	300,919	281,729	298,556

The average credit period on purchases of goods is 30 days (2018: 30 days). No interest is charged on the creditors.

b) Provisions for employee leave liability

Movement in the provisions for employee leave liability

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 April	105,522	103,341	102,975	100,895
Increase in provisions recognised in income or expenditure	2,310	2,181	2,312	2,080
Balance as at 31 March	107,832	105,522	105,287	102,975

20 GRANTS RECEIVED IN ADVANCE

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
		(Restated)		(Restated)
Grants received in advance from				
– Government	206,969	231,609	201,804	225,484
– Others	103,414	127,651	106,961	129,923
	310,383	359,260	308,765	355,407
Sinking fund from				
– Government	99,294	88,747	99,294	88,747
	409,677	448,007	408,059	444,154
Represented by:				
Current				
Grants received in advance	310,383	359,260	308,765	355,407
Sinking fund	45,023	45,343	45,023	45,343
	355,406	404,603	353,788	400,750
Non-current				
Sinking fund	54,271	43,404	54,271	43,404

The balances represent grants and sinking fund received but not utilised at the end of the financial year.

21 BORROWINGS

	GROUP AND COMPANY	
	2019	2018
	S$'000	S$'000
a) Fixed rate term loan	270,000	–
b) Fixed rate notes	750,000	1,000,000
	1,020,000	1,000,000
Represented by:		
Amount due within 12 months – current liabilities	270,000	250,000
Amount due after 12 months – non-current liabilities	750,000	750,000
	1,020,000	1,000,000

21 BORROWINGS *(cont'd)*

a) Fixed Rate Term loan

	GROUP AND COMPANY	
	2019	2018
	S$'000	S$'000
Fixed rate term loan – due within 12 months (current liabilities)	270,000	–

On 13 February 2019, the Company drew down a S$270,000,000 loan at 2.1% per annum to finance development projects under the debt-grant framework initiated by the Government. There was no significant difference between amortised cost and carrying amount of the loan. The fixed rate loan was paid in full on 1 April 2019.

			Loan Amount	Fair Value	Loan Amount	Fair Value
			2019	2019	2018	2018
			S$'000	S$'000	S$'000	S$'000
Term Loan	**Draw down date**	**Interest Rate**				
Fixed rate term loan due 1 April 2019	13 February 2019	2.100%	270,000	270,000	–	–
			270,000	270,000	–	–

b) Fixed rate notes

	GROUP AND COMPANY	
	2019	2018
	S$'000	S$'000
Fixed rate notes	750,000	1,000,000
	750,000	1,000,000
Represented by:		
Amount due within 12 months – current liabilities	–	250,000
Amount due after 12 months – non-current liabilities	750,000	750,000
	750,000	1,000,000

Under the Multicurrency Medium Term Note (MTN) programme to finance development projects under the debt-grant framework initiated by the Government, the Company has issued 4 fixed rate notes. Unless previously redeemed or purchased and cancelled, the notes will be redeemed at its redemption amount on maturity date. The Company is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the notes.

21 BORROWINGS *(cont'd)*

b) Fixed rate notes *(cont'd)*

Fixed Rate Notes	Issue Date	Coupon	Issued Amount 2019 S$'000	Fair Value 2019 S$'000	Issued Amount 2018 S$'000	Fair Value 2018 S$'000
Fixed rate note due 13 February 2019	13 February 2014	1.708%	–	–	250,000	249,558
Fixed rate note due 27 May 2020	27 May 2015	2.200%	400,000	399,936	400,000	400,476
Fixed rate note due 1 September 2021	1 September 2016	1.810%	100,000	99,015	100,000	98,518
Fixed rate note due 2 June 2022	2 June 2017	1.855%	250,000	245,950	250,000	244,683
			750,000	744,901	1,000,000	993,235

c) Reconciliation of liabilities arising from financing activities

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

	2018 S$'000	Cash Flows S$'000	Non-Cash changes S$'000	2019 S$'000
Term loan				
– Current	–	270,000	–	270,000
Fixed rate notes				
– Current	250,000	(250,000)	–	–
– Non-current	750,000	–	–	750,000
	1,000,000	20,000	–	1,020,000

	2017 S$'000	Cash Flows S$'000	Non-Cash changes S$'000	2018 S$'000
Fixed rate notes				
– Current	250,000	(250,000)	250,000	250,000
– Non-current	750,000	250,000	(250,000)	750,000
	1,000,000	–	–	1,000,000

"Non-Cash changes" column relates to reclassification of non-current portion of the fixed rate notes due to passage of time.

22 DEFERRED CAPITAL GRANTS

	GROUP 2019 S$'000	GROUP 2018 S$'000	COMPANY 2019 S$'000	COMPANY 2018 S$'000
Fixed Assets				
Government				
Balance as at 1 April	1,454,768	1,533,644	1,453,882	1,532,672
Capital grants utilised during the year	106,407	132,244	106,407	132,245
Amount transferred from operating grants (Note 33)	35,855	48,169	35,110	48,008
	1,597,030	1,714,057	1,595,399	1,712,925
Deferred capital grants amortised	(249,202)	(259,289)	(248,957)	(259,043)
Balance as at 31 March	1,347,828	1,454,768	1,346,442	1,453,882
Others				
Balance as at 1 April	425,023	413,708	423,958	412,350
Capital grants utilised during the year and donated assets	23,885	33,641	23,885	33,641
Amount transferred from operating grants (Note 33)	12,470	15,477	12,470	15,465
	461,378	462,826	460,313	461,456
Deferred capital grants amortised	(38,352)	(37,803)	(38,041)	(37,498)
Balance as at 31 March	423,026	425,023	422,272	423,958
Total deferred capital grants balance for fixed assets as at 31 March	1,770,854	1,879,791	1,768,714	1,877,840
Intangible Assets				
Government				
Balance as at 1 April	5,542	5,624	5,542	5,619
Capital grants utilised during the year	1,245	1,448	1,245	1,448
Amount transferred from operating grants (Note 33)	2,345	1,355	2,345	1,355
	9,132	8,427	9,132	8,422
Deferred capital grants amortised	(2,599)	(2,885)	(2,599)	(2,880)
Balance as at 31 March	6,533	5,542	6,533	5,542
Others				
Balance as at 1 April	1,084	1,030	1,084	1,030
Amount transferred from operating grants (Note 33)	199	596	199	596
	1,283	1,626	1,283	1,626
Deferred capital grants amortised	(519)	(542)	(519)	(542)
Balance as at 31 March	764	1,084	764	1,084
Total deferred capital grants balance for intangible assets as at 31 March	7,297	6,626	7,297	6,626
Fixed Assets and Intangible Assets				
Balance as at 1 April	1,886,417	1,954,006	1,884,466	1,951,671
Capital grants utilised during the year and donated assets	131,537	167,333	131,537	167,334
Amount transferred from operating grants (Note 33)	50,869	65,597	50,124	65,424
	2,068,823	2,186,936	2,066,127	2,184,429
Deferred capital grants amortised	(290,672)	(300,519)	(290,116)	(299,963)
Balance as at 31 March	**1,778,151**	**1,886,417**	**1,776,011**	**1,884,466**

Deferred capital grants relate to grants received in the form of donated assets and for the acquisition of fixed assets and intangible assets by the Group. There are no unfulfilled conditions or contingencies attached to these grants.

23 ACCUMULATED SURPLUS, FAIR VALUE RESERVE, REVALUATION RESERVE AND TRANSLATION RESERVE

Accumulated Surplus

Accumulated surplus under the statements of financial position comprise Designated General Funds and Other Restricted Funds as disclosed in Note 2(j).

		GROUP		COMPANY	
		31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**
	Note	S$'000	S$'000	S$'000	S$'000
			(Restated)		(Restated)
Accumulated Surplus for Designated General Funds					
Funds allocated for planned operational activities of faculties, departments and halls of residences		2,606,092	2,357,722	2,501,778	2,275,606
Funds utilised to acquire assets, which will be amortised to match future depreciation when assets are put into use		499,098	476,124	499,098	476,124
From non-endowed donations	24	134	132	–	–
		3,105,324	2,833,978	3,000,876	2,751,730
Accumulated Surplus for Other Restricted Funds					
From non-endowed donations (restricted expendable gifts that can only be used for purposes specified by donors)	24	954,981	792,594	954,981	792,594
		954,981	792,594	954,981	792,594
Total Accumulated Surplus		**4,060,305**	**3,626,572**	**3,955,857**	**3,544,324**

Net income generated from endowed donations which was previously presented under Accumulated Surplus has been reclassified to Endowment Funds.

Fair Value Reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of investments at fair value through other comprehensive income.

Revaluation Reserve

Revaluation reserve represents the surplus on the revaluation of buildings transferred to investment properties at fair value net of tax, where applicable.

Translation Reserve

Translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

24 ENDOWMENT FUNDS AND NON-ENDOWED DONATIONS

The Company is registered as a charity and is given Institution of a Public Character (IPC) status under the Education Sector. The financial position of the Company's endowment funds and non-endowed donations has been disclosed separately below to facilitate the submission of the Company's IPC returns to its Sector Administrator, Ministry of Education.

During the financial year, total donations received by the Group and the Company amounted to S$261,363,000 (2018: S$276,756,000) and S$261,361,000 (2018: S$276,738,000) respectively, of which S$261,362,000 (2018: S$276,753,000) of the Group and S$261,361,000 (2018 S$276,738,000) of the Company are tax-deductible. Of the total donations received, S$47,387,000 (2018: S$50,061,000) for the Group and the Company represent endowed donations while the balance represents non-endowed donations. Endowed donations received are recognised directly to the endowment capital. The non-endowed donations are received for specific purposes and cannot be used towards the general operating expenses of the Group and Company.

24 ENDOWMENT FUNDS AND NON-ENDOWED DONATIONS *(cont'd)*

GROUP

	Note	2019 Endowed Donations S$'000	2019 Non-endowed Donations S$'000	2019 Total S$'000	2018 Endowed Donations S$'000 (Restated)	2018 Non-endowed Donations S$'000 (Restated)	2018 Total S$'000 (Restated)
Accumulated Surplus							
Designated General Funds	23	–	134	134	–	132	132
Other Restricted Funds	23	–	954,981	954,981	–	792,594	792,594
		–	955,115	955,115	–	792,726	792,726
Net Income from Endowment Funds							
Unrestricted		668,425	–	668,425	643,117	–	643,117
Restricted		1,309,339	–	1,309,339	1,196,839	–	1,196,839
		1,977,764	–	1,977,764	1,839,956	–	1,839,956
Endowment Capital							
Unrestricted		770,138	–	770,138	731,231	–	731,231
Restricted		3,627,380	–	3,627,380	3,345,887	–	3,345,887
		4,397,518	–	4,397,518	4,077,118	–	4,077,118
		6,375,282	**955,115**	**7,330,397**	**5,917,074**	**792,726**	**6,709,800**
Represented by:							
Non-Current Assets							
Associated Companies		81,138	–	81,138	76,005	–	76,005
Fixed assets		34,222	336,952	371,174	35,175	350,170	385,345
Student loans		–	1,574	1,574	2,242	1,496	3,738
		115,360	338,526	453,886	113,422	351,666	465,088
Current Assets							
Debtors		154,993	–	154,993	156,083	–	156,083
Investments at fair value through income or expenditure		6,106,611	833,519	6,940,130	5,546,705	668,113	6,214,818
Derivative financial instruments		3,137	–	3,137	81,863	–	81,863
Cash and cash equivalents		14,778	134	14,912	41,502	132	41,634
		6,279,519	833,653	7,113,172	5,826,153	668,245	6,494,398
Total Assets		**6,394,879**	**1,172,179**	**7,567,058**	**5,939,575**	**1,019,911**	**6,959,486**
Current Liabilities							
Creditors and accrued expenses		7,887	–	7,887	16,899	–	16,899
Derivative financial instruments		11,710	–	11,710	5,602	–	5,602
		19,597	–	19,597	22,501	–	22,501
Non-Current Liability							
Deferred capital grants		–	217,064	217,064	–	227,185	227,185
Total Liabilities		19,597	217,064	236,661	22,501	227,185	249,686
Net Assets		**6,375,282**	**955,115**	**7,330,397**	**5,917,074**	**792,726**	**6,709,800**

24 ENDOWMENT FUNDS AND NON-ENDOWED DONATIONS *(cont'd)*

GROUP

	2019 Endowed Donations S$'000	2019 Non-endowed Donations S$'000	2019 Total S$'000	2018 Endowed Donations S$'000 (Restated)	2018 Non-endowed Donations S$'000 (Restated)	2018 Total S$'000 (Restated)
Net Income from Endowment Funds / Accumulated Surplus:						
Balance as at 1 April	1,839,956	792,726	2,632,682	1,510,310	637,152	2,147,462
Net tuition and other fees	(25,920)	(3,027)	(28,947)	(22,053)	(2,966)	(25,019)
Donations received (Note 35)	–	213,976	213,976	–	226,695	226,695
Donated artifacts additions	–	513	513	–	3,748	3,748
Net investment income (including change in fair value of investment held for trading)	301,160	19,991	321,151	480,408	15,127	495,535
Other operating income	31	80	111	4	7	11
Expenditure on manpower	(67,655)	(20,424)	(88,079)	(63,931)	(20,288)	(84,219)
Depreciation	(4,564)	(6,971)	(11,535)	(3,960)	(7,177)	(11,137)
Other operating expenditure	(67,987)	(41,749)	(109,736)	(48,347)	(59,572)	(107,919)
Share of results of associated company	5,133	–	5,133	(3,434)	–	(3,434)
Amount transferred to endowment capital [a]	(2,390)	–	(2,390)	(9,041)	–	(9,041)
Balance as at 31 March	1,977,764	955,115	2,932,879	1,839,956	792,726	2,632,682
Endowment Capital:						
Balance as at 1 April	4,077,118	–	4,077,118	3,730,027	–	3,730,027
Matching grants received/accrued	270,623	–	270,623	287,989	–	287,989
Donations received	47,387	–	47,387	50,061	–	50,061
Amount transferred from Net Income [a]	2,390	–	2,390	9,041	–	9,041
Balance as at 31 March	4,397,518	–	4,397,518	4,077,118	–	4,077,118
Balance as at 31 March	**6,375,282**	**955,115**	**7,330,397**	**5,917,074**	**792,726**	**6,709,800**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

24 ENDOWMENT FUNDS AND NON-ENDOWED DONATIONS *(cont'd)*

COMPANY

	Note	2019 Endowed Donations S$'000	2019 Non-endowed Donations S$'000	2019 Total S$'000	2018 Endowed Donations S$'000 (Restated)	2018 Non-endowed Donations S$'000 (Restated)	2018 Total S$'000 (Restated)
Accumulated Surplus (Other Restricted Funds)	23	–	954,981	954,981	–	792,594	792,594
Net Income from Endowment Funds							
Unrestricted		668,425	–	668,425	643,117	–	643,117
Restricted		1,287,939	–	1,287,939	1,180,572	–	1,180,572
		1,956,364	–	1,956,364	1,823,689	–	1,823,689
Endowment Capital		–	–	–	–	–	
Unrestricted		769,706	–	769,706	730,799	–	730,799
Restricted		3,627,380	–	3,627,380	3,345,887	–	3,345,887
		4,397,086	–	4,397,086	4,076,686	–	4,076,686
		6,353,450	**954,981**	**7,308,431**	**5,900,375**	**792,594**	**6,692,969**
Represented by:							
Non-Current Assets							
Associated Companies		59,738	–	59,738	59,738	–	59,738
Fixed assets		34,222	336,952	371,174	35,175	350,170	385,345
Student loans		–	1,574	1,574	2,242	1,496	3,738
		93,960	338,526	432,486	97,155	351,666	448,821
Current Assets							
Debtors		154,993	–	154,993	156,083	–	156,083
Investments at fair value through income or expenditure		6,106,611	833,519	6,940,130	5,546,705	668,113	6,214,818
Derivative financial instruments		3,137	–	3,137	81,863	–	81,863
Cash and cash equivalents		14,346	–	14,346	41,070	–	41,070
		6,279,087	833,519	7,112,606	5,825,721	668,113	6,493,834
Total Assets		**6,373,047**	**1,172,045**	**7,545,092**	**5,922,876**	**1,019,779**	**6,942,655**
Current Liabilities							
Creditors and accrued expenses		7,887	–	7,887	16,899	–	16,899
Derivative financial instruments		11,710	–	11,710	5,602	–	5,602
		19,597	–	19,597	22,501	–	22,501
Non-Current Liability							
Deferred capital grants		–	217,064	217,064	–	227,185	227,185
Total Liabilities		19,597	217,064	236,661	22,501	227,185	249,686
Net Assets		**6,353,450**	**954,981**	**7,308,431**	**5,900,375**	**792,594**	**6,692,969**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

24 ENDOWMENT FUNDS AND NON-ENDOWED DONATIONS *(cont'd)*

COMPANY

	2019 Endowed Donations S$'000	2019 Non-endowed Donations S$'000	2019 Total S$'000	2018 Endowed Donations S$'000 (Restated)	2018 Non-endowed Donations S$'000 (Restated)	2018 Total S$'000 (Restated)
Net Income from Endowment Funds / Accumulated Surplus:						
Balance as at 1 April	1,823,689	792,594	2,616,283	1,490,609	637,023	2,127,632
Net tuition and other fees	(25,920)	(3,027)	(28,947)	(22,053)	(2,966)	(25,019)
Donations received (Note 35)	–	213,974	213,974	–	226,677	226,677
Donated artifacts additions	–	513	513	–	3,748	3,748
Net investment income (including change in fair value of investment held for trading)	301,160	19,991	321,151	480,408	15,127	495,535
Other operating income	31	80	111	4	7	11
Expenditure on manpower	(67,655)	(20,424)	(88,079)	(63,931)	(20,288)	(84,219)
Depreciation	(4,564)	(6,971)	(11,535)	(3,960)	(7,177)	(11,137)
Other operating expenditure	(67,987)	(41,749)	(109,736)	(48,347)	(59,557)	(107,904)
Amount transferred to endowment capital [(a)]	(2,390)	–	(2,390)	(9,041)	–	(9,041)
Balance as at 31 March	1,956,364	954,981	2,911,345	1,823,689	792,594	2,616,283
Endowment Capital:						
Balance as at 1 April	4,076,686	–	4,076,686	3,729,595	–	3,729,595
Matching grants received/accrued	270,623	–	270,623	287,989	–	287,989
Donations received	47,387	–	47,387	50,061	–	50,061
Amount transferred from Net Income [(a)]	2,390	–	2,390	9,041	–	9,041
Balance as at 31 March	4,397,086	–	4,397,086	4,076,686	–	4,076,686
Balance as at 31 March	**6,353,450**	**954,981**	**7,308,431**	**5,900,375**	**792,594**	**6,692,969**

(a) *This represents mainly capitalisation of surplus funds.*

25 FUNDS MANAGED ON BEHALF OF GOVERNMENT MINISTRY

Pursuant to the Tuition Fee Loan (TFL), Study Loan (SL) and Overseas Student Program Loan – 50% funded by MOE (OSP) schemes, the Group acts as agent for these loan schemes and the Government Ministry as the financier providing the funds.

	GROUP AND COMPANY	
	2019	**2018**
	S$'000	S$'000
Funds from the Government Ministry:		
Balance as at 1 April	305,456	298,375
Cash received	86,737	84,995
Interest income received on behalf of Government Ministry	4,328	4,475
Repayments	(85,641)	(75,598)
Bad debts incurred	(883)	(2,316)
Interest income transferred to Government Ministry	(4,328)	(4,475)
	305,669	305,456
Represented by:		
Student loans – TFL, SL and OSP	307,522	305,371
Net assets	307,522	305,371
Amount (receivable from) payable to Government Ministry	(1,853)	85
	305,669	305,456

26 TRANSFER BETWEEN DESIGNATED GENERAL FUNDS, ENDOWMENT FUNDS AND OTHER RESTRICTED FUNDS

GROUP AND COMPANY

	2019			2018		
	Designated General Funds	**Endowment Funds**	**Other Restricted Funds**	**Designated General Funds**	**Endowment Funds**	**Other Restricted Funds**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
					(Restated)	(Restated)
Interfund transactions between Designated General Funds, Endowment Funds and Other Restricted Funds [(a)]	27,166	(2,853)	(24,313)	37,869	(2,351)	(35,518)
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds [(b)]	67,413	423	(67,836)	65,457	1,306	(66,763)
	94,579	(2,430)	(92,149)	103,326	(1,045)	(102,281)

(a) This relates mainly to interfund transactions between Other Restricted Funds and funds maintained for self-financing activities under Designated General Funds.

(b) This relates mainly to transfer of funds from research projects (Other Restricted Funds) to a central pool (Designated General Funds) for indirect overheads recovery and to self-financing funds (Designated General Funds) for unspent grant balances as agreed by the grantors.

27 TUITION AND OTHER FEES

	GROUP	COMPANY
2019	S$'000	S$'000
Type of goods or services		
Tuition fees	508,481	502,918
Other fees	15,601	15,601
	524,082	518,519
Less: Scholarship expenses	(102,614)	(100,719)
	421,468	417,800
Timing of income recognition		
At a point in time	9,439	9,439
Over time	412,029	408,361
	421,468	417,800

Tuition and other fees are mainly generated in Singapore.

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

	GROUP	COMPANY
2019	S$'000	S$'000
Type of goods or services		
Tuition fees	91,448	91,394
	91,448	91,394

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31 March 2019 will be recognised as revenue during the next reporting period.

28 OTHER INCOME

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Donations received	213,976	226,695	213,974	226,677
Rental income and student hostel residential fees	99,266	99,314	96,835	96,812
Rental income from investment properties (Note 9)	641	713	641	713
Courses and conference fees	51,429	44,374	51,088	43,886
Clinical fees/consultancy fees	15,307	15,288	15,307	15,288
Gain from change in fair value of investment property	3,406	–	3,406	–
Jobs credit received	4,774	6,427	4,770	6,427
Proceeds from insurers	610	5,077	610	5,077
Sponsorships received	6,896	8,784	6,867	8,780
Others	60,436	59,781	59,543	59,128
	456,741	466,453	453,041	462,788
Timing of income recognition				
At a point in time:	290,098	306,764	289,170	306,089
Over time:	166,643	159,689	163,871	156,699
	456,741	466,453	453,041	462,788

29 EXPENDITURE ON MANPOWER

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Wages and salaries	1,247,435	1,215,971	1,226,178	1,194,560
Employer's contribution to Central Provident Funds	99,201	96,582	97,353	94,743
Other staff benefits	31,628	29,173	31,081	28,702
	1,378,264	1,341,726	1,354,612	1,318,005

30 KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for twenty-two (2018: twenty-two) key management personnel (includes the remuneration of two executive trustees) are as follows:

	GROUP AND COMPANY	
	2019	2018
	S$'000	S$'000
Short-term benefits	17,228	13,004
Post-employment benefits	267	222
	17,495	13,226

31 NET INVESTMENT INCOME

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Interest income	21,921	17,899	20,723	17,132
Dividend income	86,005	81,834	85,647	81,834
Net gain on sale of investments at FVTIE	39,454	91,181	39,454	91,181
Impairment loss on available-for-sale investments	–	(175)	–	–
Net foreign currency exchange (losses) gains	(3,108)	23,778	(3,108)	23,778
Change in fair value of investments at FVTIE due to foreign currency changes	52,414	(218,645)	52,414	(218,645)
	49,306	(194,867)	49,306	(194,867)
Change in fair value of investments at FVTIE due to price change	204,608	624,277	204,608	624,277
	401,294	620,149	399,738	619,557
Represented by:				
Net Operating Investment Income	313,251	333,492	311,695	332,900
Non-Operating Investment Income	88,043	286,657	88,043	286,657
	401,294	620,149	399,738	619,557

For more meaningful presentation of the finances of the Group, net investment income is split into operating and non-operating investment income. Operating investment income consists of investment income of endowment funds as defined by the Group's endowment spending rule, and investment income of other funds. Non-operating investment income represents surplus investment income above spending rule of endowment funds.

32 DEFICIT BEFORE GRANTS

This is arrived at after taking in:

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Bad debts and loss allowance	528	312	528	312
Rental expenses	9,049	10,057	8,401	9,360
Borrowing costs expensed off [(a)]	15,821	16,491	15,821	16,491
Loss on disposal of fixed and intangible assets	373	929	373	925
Research and development costs	694,860	699,373	694,860	699,373
a) Borrowing costs incurred during the year is analysed as follows:				
Interest on short-term loan	730	–	730	–
Interest on fixed rate notes	18,968	19,171	18,968	19,171
Less: amounts included in cost of qualifying fixed assets	(3,877)	(2,680)	(3,877)	(2,680)
Borrowing costs expensed off	15,821	16,491	15,821	16,491

During the year ended 31 March 2019, interest cost of the Group amounting to S$3,877,000 (2018: S$2,680,000) was capitalised as capital work-in-progress and is determined using a capitalisation rate of 2.0% (2018: 1.9%) per annum.

33 OPERATING GRANTS

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	S$'000	S$'000	S$'000	S$'000
a) Operating Grants (Government)				
Operating grants utilised during the year	1,451,226	1,339,182	1,425,813	1,316,343
Amount transferred to deferred capital grants (Note 22)	(38,200)	(49,524)	(37,455)	(49,363)
	1,413,026	1,289,658	1,388,358	1,266,980
b) Operating Grants (Others)				
Operating grants utilised during the year	231,620	272,973	230,444	271,454
Amount transferred to deferred capital grants (Note 22)	(12,669)	(16,073)	(12,669)	(16,061)
	218,951	256,900	217,775	255,393

34 INCOME TAX

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 17% (2018: 17%) to surplus before income tax as a result of the following differences:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	S$'000	S$'000	S$'000	S$'000
Surplus for the year before income tax (including non-operating investment income)	570,540	708,249	546,598	702,761
Income tax expense calculated at statutory tax rate	96,992	120,402	92,922	119,469
Income not subject to tax	(95,570)	(119,717)	(92,922)	(119,469)
Tax effect of share of results of associates	(1,585)	(848)	–	–
Others	169	169	–	–
	6	6	–	–

As the Company and its subsidiary, NUS High School of Mathematics and Science are charities registered under the Charities Act, their income is not subject to tax under Section 13 of the Singapore Income Tax Act. NUS America, Inc, another subsidiary of the Company, is also not subject to tax as it is a non-profit public benefit corporation registered in America.

35 SURPLUS FOR THE YEAR

The surplus for the year in the Statement of Comprehensive Income of the Group and Company of S$570,534,000 (2018: S$708,243,000) and S$546,598,000 (2018: S$702,761,000) respectively includes the following:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	S$'000	S$'000	S$'000	S$'000
Non-endowed donations (Note 24)	213,976	226,695	213,974	226,677
Net investment income (include change in fair value of investment) (Note 31)	401,294	620,149	399,738	619,557
	615,270	846,844	613,712	846,234

36 COMMITMENTS

a) Capital Commitments

Commitments by the Group in respect of equipment and expansion of the facilities, not provided for in the financial statements, are as follows:

	GROUP AND COMPANY	
	2019	**2018**
	S$'000	S$'000
Authorised and contracted for	378,883	438,879

b) Operating Lease Commitments – as Lessee

	GROUP AND COMPANY	
	2019	**2018**
	S$'000	S$'000
Minimum lease payments under operating leases included in the income or expenditure	1,026	1,127

At the end of the reporting period, commitments in respect of non-cancellable operating leases for the rental of offices and contract on security services are as follows:

Future minimum lease payments payable:		
Within one year	177	158
Within second to fifth year inclusive	52	107
	229	265

Operating lease payments represent rentals payable by the Group for certain office properties which are fixed for an average of 2 years (2018: 2 years).

36 COMMITMENTS *(cont'd)*

c) Operating Lease Commitments – as Lessor

At the end of the reporting period, commitments in respect of non-cancellable operating leases for the rental of premises are as follows:

	GROUP AND COMPANY	
	2019	2018
	S$'000	S$'000
Future minimum lease payments receivable:		
Within one year	4,016	4,247
After one year	6,754	9,051
	10,770	13,298

Operating lease payments represent rentals receivable by the Group for rental of premises with remaining lease terms ranging from 1 to 6 years (2018: 1 to 7 years).

37 RELATED PARTIES TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

The Group receives grants from the Ministry of Education (MOE) to fund its operations and is subject to certain controls set by MOE.

Hence, other government-controlled enterprises are considered related parties of the Group. Many of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. For related parties debtors and creditors balances, the terms of these balances are disclosed in the respective notes to the financial statements.

There were transactions with corporations in which certain trustees have the ability to control or exercise significant influence.

37 RELATED PARTIES TRANSACTIONS *(cont'd)*

Details of significant balances and transactions between the related parties are described below:

	GROUP		COMPANY	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Government-controlled enterprises and companies within the Group				
Balances				
Debtors	540,327	578,060	537,724	577,633
Amount owing by subsidiary companies	–	–	880	883
Long-term loan to subsidiary company	–	–	–	250
Creditors and accrued expenses	1,277	2,017	1,277	2,017
Amount owing to subsidiary company	–	–	28,031	26,904
Deferred capital grants	1,456,044	1,547,795	1,454,700	1,546,922
Grants received in advance	374,049	415,056	368,978	408,931
Transactions				
Endowed donations	512	5,313	512	5,313
Non-endowed donations	141,385	13,262	141,385	13,262
Other income	23,131	28,162	23,131	28,162
Other operating expenditure	90,905	129,988	90,905	129,988
Operating/capital grants received	2,094,985	2,013,327	2,070,617	1,990,459
Corporations in which trustees have the ability to control or exercise significant influence (including donations received from trustees)				
Balances				
Debtors	195	107	195	107
Creditors and accrued expenses	77	27	77	27
Transactions				
Endowed donations	9,587	1,776	9,587	1,776
Non-endowed donations	34,428	44,253	34,428	44,253
Other income	3,460	1,506	3,460	1,506
Other operating expenditure	1,070	1,213	1,070	1,213
Operating/capital grants received	134	206	134	206

38 FUNDS HELD IN TRUST

The Group acts as a trustee to the Derek Hewett Foundation 2009 (The Foundation), which was constituted by a trust deed dated 21 January 2010. The Foundation is a charity registered under the Charities Act.

The Foundation was established with the object of providing education for students of the Group through the award of bursaries.

Separate bank account has been set up to account for funds under the Foundation. The Group will maintain the bank balance and make payments on behalf of the Foundation. As at the reporting period ended 31 March 2019, the fund balance held in trust by the Group is S$3,275 (2018: S$2,854).

39 EVENT OCCURRING AFTER THE REPORTING PERIOD

Subsequent to year-end, on 1 April 2019, the Company fully paid the short term fixed rate term loan of S$270,000,000. On the same day, the Company took up a S$270,000,000 5-year fixed rate term loan at 2.31% per annum.

40 COMPARATIVE FIGURES

Comparatives figures have been adjusted to conform with current year's presentation. Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements due to the following:

a) Management has reclassified the prepayments for fixed assets as non-current assets,

b) Sinking fund has been presented separately as current and non-current liabilities in the statement of financial position. Sinking fund was previously included in grants received in advanced under current liabilities.

c) Scholarship expenses have been reclassified from other operating expenditure to net tuition and other fees in the prior year's statement of income and expenditure to enhance comparability with the current year's presentation.

d) Management has presented income and expenditure arising from the management of Endowment Funds separately in the statement of comprehensive income. Consequently, the cumulative net income generated from Endowment Funds has been reclassified separately from accumulated surplus of the Other Restricted Funds.

40 COMPARATIVE FIGURES *(cont'd)*

e) Net investment income has been split into operating and non-operating investment income in the Statements of Comprehensive Income for more meaningful presentation of the finances of the Group.

Effects of the prior year reclassifications mentioned above are shown below:

	GROUP			COMPANY		
	Balances as previously reported	**Reclassification**	**Balances as restated**	**Balances as previously reported**	**Reclassification**	**Balances as restated**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Statement of Financial Position as at 31 March 2018						
NON-CURRENT ASSETS						
Prepayments	85	1,691 [(a)]	1,776	85	1,691 [(a)]	1,776
CURRENT ASSETS						
Deposits and prepayments	51,928	(1,691) [(a)]	50,237	51,449	(1,691) [(a)]	49,758
CURRENT LIABILITIES						
Grants received in advance	448,007	(88,747) [(b)]	359,260	444,154	(88,747) [(b)]	355,407
Sinking fund	–	45,343 [(b)]	45,343	–	45,343 [(b)]	45,343
NON-CURRENT LIABILITIES						
Sinking fund	–	43,404 [(b)]	43,404	–	43,404 [(b)]	43,404
FUNDS AND RESERVES						
Accumulated Surplus	2,632,550	(1,839,956) [(d)]	792,594	2,616,283	(1,823,689) [(d)]	792,594
Endowment Funds	4,077,118	1,839,956 [(d)]	5,917,074	4,076,686	1,823,689 [(d)]	5,900,375

40 COMPARATIVE FIGURES *(cont'd)*

GROUP

	BALANCES AS PREVIOUSLY REPORTED			RECLASSIFICATION			BALANCES AS RESTATED		
	Designated General Funds	Endowment Funds	Restricted Funds	Designated General Funds	Endowment Funds	Other Restricted Funds	Designated General Funds	Endowment Funds	Other Restricted Funds
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Statement of Comprehensive Income for the financial year ended 31 March 2018									
OPERATING INCOME									
Tuition and other fees	483,521	–	–	–	–	–	483,521	–	–
Less: Scholarship expenses	–	–	–	(10,154)	(22,053)	(73,554) [(c)]	(10,154)	(22,053)	(73,554)
Net tuition and other fees	483,521	–	–	(10,154)	(22,053)	(73,554)	473,367	(22,053)	(73,554)
Other income	235,889	–	230,564	–	4	(4) [(d)]	235,889	4	230,560
	719,410	–	230,564	(10,154)	(22,049)	(73,558)	709,256	(22,049)	157,006
OPERATING EXPENDITURE									
Expenditure on manpower	941,674	–	400,052	–	63,931	(63,931) [(d)]	941,674	63,931	336,121
Depreciation and amortisation expenditure	78,332	–	280,552	–	3,960	(3,960) [(d)]	78,332	3,960	276,592
Other operating expenditure	471,323	–	541,159	(10,154)	47,302	(142,909) [(c), (d)]	461,169	47,302	398,250
	1,491,329	–	1,221,763	(10,154)	115,193	(210,800)	1,481,175	115,193	1,010,963
Operating deficit	(771,919)	–	(991,199)	–	(137,242)	137,242	(771,919)	(137,242)	(853,957)
Net operating investment income	122,836	–	497,313	–	183,651	(480,408) [(e)]	122,836	183,651	16,905
Share of results (net of tax) of associated companies	7,575	–	(3,434)	–	(3,434)	3,434 [(d)]	7,575	(3,434)	–
Deficit before Grants	(641,508)	–	(497,320)	–	42,975	(339,732)	(641,508)	42,975	(837,052)
GRANTS									
Operating Grants:									
Government	717,391	–	572,267	–	–	–	717,391	–	572,267
Others	6,223	–	250,677	–	–	–	6,223	–	250,677
Deferred capital grants amortised	28,559	–	271,960	–	–	–	28,559	–	271,960
	752,173	–	1,094,904	–	–	–	752,173	–	1,094,904
SURPLUS FOR THE YEAR BEFORE NON-OPERATING INVESTMENT INCOME AND INCOME TAX	110,665	–	597,584	–	42,975	(339,732)	110,665	42,975	257,852
Non-operating investment income	–	–	–	–	296,757	– [(e)]	–	296,757	–
Income tax	(6)	–	–	–	–	–	(6)	–	–
SURPLUS FOR THE YEAR	110,659	–	597,584	–	339,732	(339,732)	110,659	339,732	257,852
OTHER COMPREHENSIVE INCOME:									
Items that may be reclassified subsequently to income or expenditure:									
Exchange differences on translating foreign operations	(3)	–	–	–	–	–	(3)	–	–
Change in fair value of available-for-sale investments	–	–	(637)	–	(637)	637 [(d)]	–	(637)	–
Surplus on the revaluation of buildings transferred to investment properties	41,463	–	–	–	–	–	41,463	–	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	41,460	–	(637)	–	(637)	637	41,460	(637)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	152,119	–	596,947	–	339,095	(339,095)	152,119	339,095	257,852

40 COMPARATIVE FIGURES *(cont'd)*

COMPANY

	BALANCES AS PREVIOUSLY REPORTED			RECLASSIFICATION			BALANCES AS RESTATED		
	Designated General Funds	Endowment Funds	Restricted Funds	Designated General Funds	Endowment Funds	Other Restricted Funds	Designated General Funds	Endowment Funds	Other Restricted Funds
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Statement of Comprehensive Income for the financial year ended 31 March 2018									
OPERATING INCOME									
Tuition and other fees	478,726	–	–	–	–	–	478,726	–	–
Less: Scholarship expenses	–	–	–	(8,341)	(22,053)	(73,554) [(c)]	(8,341)	(22,053)	(73,554)
Net tuition and other fees	478,726	–	–	(8,341)	(22,053)	(73,554)	470,385	(22,053)	(73,554)
Other income	232,224	–	230,564	–	4	(4) [(d)]	232,224	4	230,560
	710,950	–	230,564	(8,341)	(22,049)	(73,558)	702,609	(22,049)	157,006
OPERATING EXPENDITURE									
Expenditure on manpower	917,953	–	400,052	–	63,931	(63,931) [(d)]	917,953	63,931	336,121
Depreciation and amortisation expenditure	77,707	–	280,552	–	3,960	(3,960) [(d)]	77,707	3,960	276,592
Other operating expenditure	463,223	–	541,159	(8,341)	47,302	(142,909) [(c), (d)]	454,882	47,302	398,250
	1,458,883	–	1,221,763	(8,341)	115,193	(210,800)	1,450,542	115,193	1,010,963
Operating deficit	(747,933)	–	(991,199)	–	(137,242)	137,242	(747,933)	(137,242)	(853,957)
Net operating investment income	122,244	–	497,313	–	183,651	(480,408) [(e)]	122,244	183,651	16,905
Deficit before Grants	(625,689)	–	(493,886)	–	46,409	(343,166)	(625,689)	46,409	(837,052)
GRANTS									
Operating Grants:									
Government	694,713	–	572,267	–	–	–	694,713	–	572,267
Others	4,716	–	250,677	–	–	–	4,716	–	250,677
Deferred capital grants amortised	28,003	–	271,960	–	–	–	28,003	–	271,960
	727,432	–	1,094,904	–	–	–	727,432	–	1,094,904
SURPLUS FOR THE YEAR BEFORE NON-OPERATING INVESTMENT INCOME AND INCOME TAX	101,743	–	601,018	–	46,409	(343,166)	101,743	46,409	257,852
Non-operating investment income	–	–	–	–	296,757	– [(e)]	–	296,757	–
Income tax	–	–	–	–	–	–	–	–	–
SURPLUS FOR THE YEAR	101,743	–	601,018	–	343,166	(343,166)	101,743	343,166	257,852
OTHER COMPREHENSIVE INCOME:									
Items that may be reclassified subsequently to income or expenditure:									
Change in fair value of available-for-sale investments	–	–	(637)	–	(637)	637	–	(637)	–
Surplus on the revaluation of buildings transferred to investment properties	41,463	–	–	–	–	–	41,463	–	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	41,463	–	(637)	–	(637)	637	41,463	(637)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	143,206	–	600,381	–	342,529	(342,529)	143,206	342,529	257,852

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NATIONAL UNIVERSITY OF SINGAPORE
21 Lower Kent Ridge Road
Singapore 119077
Tel: (65) 6516 6666
nus.edu.sg