

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

(Incorporated in Singapore. Registration Number: 200604346E)

**FULL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008**



**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008**

	Page
Report of the Trustees	2 - 3
Statement by Trustees	4
Independent Auditors' Report	5
Balance Sheets	6 - 7
Income and Expenditure Statements	8 - 9
Statements of Changes in Funds and Reserves	10 - 11
Consolidated Cash Flow Statement	12 - 13
Notes to the Financial Statements	14 - 54

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

REPORT OF THE TRUSTEES

The Board of Trustees are pleased to present their report 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 balance sheet, income and expenditure statement and statement of changes in funds and reserves of the Company as of and for the financial year ended 31 March 2008.

Trustees

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

Mr Wong Ngit Liong - Chairman
Professor Shih Choon Fong
Professor Tan Chorh Chuan
Mr Hsieh Fu Hua
Ms Elim Chew Soo Gim
Mr Lucas Chow Wing Keung
Mr Edward Alec D'Silva
Professor Olaf Kubler
Mr Lee Tzu Yang
Mr James Loh Sinn Yuk
Ms Olivia Lum Ooi Lin
Mr Paul Ma Kah Woh
Mr Chandra Mohan K Nair
Mr Philip Ng Chee Tat
LG (NS) Ng Yat Chung
Professor Saw Swee Hock
Mr Lucien Wong Yuen Kuai
Mdm Halimah Bte Yacob
Mr Goh Yew Lin (Appointed on 1 April 2008)
Mr Han Fook Kwang (Appointed on 1 April 2008)
Mdm Kay Kuok Oon Kwong (Appointed on 1 April 2008)
Dr Edison Liu Tak-Bun (Appointed on 1 April 2008)
Mr Phillip Tan Eng Seong (Appointed on 1 April 2008)
Ms Yeoh Chee Yan (Appointed on 14 July 2008)

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

REPORT OF THE TRUSTEES (cont'd)

Trustees' interests in shares or debentures

As the Company is a company limited by guarantee and not having a share capital, there are no matters to be disclosed under Section 201(6)(g), Section 201(6A)(h), Section 201(11) and Section 201(12) of the Companies Act, Cap 50.

The Trustees of the Company at the end of the financial year 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.

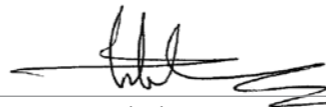
Trustees contractual benefits

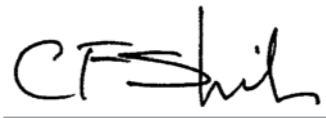
Since the beginning of the financial year, no Trustee has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the Trustee or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest except for salaries, bonuses and other benefits and transactions with corporations in which certain trustees have an interest as disclosed in the financial statements.

Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Trustees


Mr Wong Ngit Liong
Trustee


Professor Shih Choon Fong
Trustee

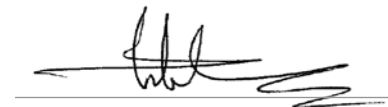
17 July 2008

STATEMENT BY TRUSTEES

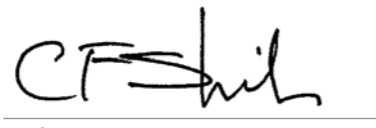
In the opinion of the Trustees,

- (a) the consolidated financial statements of the Group and the balance sheet, income and expenditure statement and statement of changes in funds and reserves of the Company as set out on pages 6 to 54 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2008, and of the results, changes in funds and reserves of the Group and the Company and cash flows of the Group for the financial year from 1 April 2007 to 31 March 2008; 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.

On behalf of the Trustees



Mr Wong Ngit Liong
Trustee



Professor Shih Choon Fong
Trustee

17 July 2008

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES
OF NATIONAL UNIVERSITY OF SINGAPORE**

We have audited the accompanying financial statements of the National University of Singapore (the Company) and its subsidiaries (the Group) which comprise the balance sheets of the Group and the Company as at 31 March 2008, the income and expenditure statements and statements of changes in funds and reserves of the Group and the Company and cash flow statement of the Group for the financial period from 1 April 2007 to 31 March 2008, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 54.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes 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 profit and loss accounts and balance sheets and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet, income and expenditure statement and statement of changes in funds and reserves of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2008 and of the results and changes in funds and reserves of the Group and the Company and cash flows of the Group for the financial period from 1 April 2007 to 31 March 2008; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
17 July 2008

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

BALANCE SHEETS
AS AT 31 MARCH

	Note	GROUP		COMPANY	
		2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
ACCUMULATED SURPLUS					
General Funds		632,096	782,289	605,138	759,517
Restricted Funds		1,548,036	1,263,101	1,563,327	1,198,157
	4	2,180,132	2,045,390	2,168,465	1,957,674
ENDOWMENT FUNDS	5	1,447,252	1,286,456	1,446,992	1,286,456
CAPITAL PRESERVATION ACCOUNT	5	124,275	67,782	124,275	67,782
INVESTMENT REVALUATION RESERVE		1,054	(4,970)	1,044	(4,970)
TRANSLATION RESERVE		(106)	207	-	-
TOTAL EQUITY		3,752,607	3,394,865	3,740,776	3,306,942
NON-CURRENT ASSETS					
Subsidiary companies	6	-	-	200	200
Associated companies	7	35	172,597	-	89,898
Fixed assets	8	1,645,031	1,497,605	1,643,218	1,495,965
Intangible assets	9	11,789	11,878	11,691	11,878
Held-to-maturity investments	10,14	500	500	500	500
Available-for-sale investments	11,14	6,560	6,238	4,798	4,705
Student loans (repayable after 12 months)	15	193,472	184,321	193,472	184,321
Long-term loan to subsidiary company	16	-	-	250	350
		1,857,387	1,873,139	1,854,129	1,787,817
CURRENT ASSETS					
Student loans (repayable within 12 months)	15	55,616	51,840	55,616	51,840
Debtors	17	473,273	581,552	471,657	580,312
Consumable stores		457	498	267	278
Deposits and prepayments	18	20,219	13,530	20,006	13,303
Amount owing by subsidiary company	16	-	-	255	3,459
Amount owing by associated company	16	3	1,059	-	1,000
Investments at fair value through income and expenditure statement	12,14	2,619,718	2,486,085	2,619,718	2,486,085
Derivative financial instruments	13,14	9,183	14,656	9,183	14,656
Fixed deposits	19	462,996	153,807	462,916	153,744
Cash and bank balances	20	112,450	71,778	98,430	60,974
Short-term loan to an investee company	21	12,371	-	12,371	-
		3,766,286	3,374,805	3,750,419	3,365,651
Fixed assets held for sale	22	30,244	-	30,244	-
Total Current Assets		3,796,530	3,374,805	3,780,663	3,365,651
TOTAL ASSETS		5,653,917	5,247,944	5,634,792	5,153,468

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

BALANCE SHEETS (cont'd)
AS AT 31 MARCH

	Note	GROUP		COMPANY	
		2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
CURRENT LIABILITIES					
Creditors and accrued expenses	23	188,462	260,592	185,254	259,155
Grants received in advance		57,859	95,945	55,616	92,370
Derivative financial instruments	13,14	1,619	3,770	1,619	3,770
Short-term loan	24	170,495	-	170,495	-
		418,435	360,307	412,984	355,295
NON-CURRENT LIABILITIES					
Deferred capital grants	25	1,245,054	1,269,489	1,243,211	1,267,948
Advances from government for student loans	26	237,821	223,283	237,821	223,283
		1,482,875	1,492,772	1,481,032	1,491,231
TOTAL LIABILITIES		1,901,310	1,853,079	1,894,016	1,846,526
NET ASSETS		3,752,607	3,394,865	3,740,776	3,306,942

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

INCOME AND EXPENDITURE STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH

GROUP	Note	GENERAL FUNDS		RESTRICTED FUNDS		TOTAL	
		2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
OPERATING INCOME							
Tuition and other fees		196,382	179,833	30,185	23,347	226,567	203,180
Other income	27	10,588	12,874	175,030	166,221	185,618	179,095
		206,970	192,707	205,215	189,568	412,185	382,275
OPERATING EXPENDITURE							
Expenditure on manpower	28	623,327	560,337	51,264	32,739	674,591	593,076
Depreciation and amortization expenditure	8,9	192,402	183,528	5,267	5,157	197,669	188,685
Other operating expenditure		388,025	351,505	106,895	86,139	494,920	437,644
		1,203,754	1,095,370	163,426	124,035	1,367,180	1,219,405
Operating (Deficit)/Surplus		(996,784)	(902,663)	41,789	65,533	(954,995)	(837,130)
Investment income	30	4,787	15,896	103,440	88,128	108,227	104,024
Change in fair value of investments	12,14	-	(321)	(114,647)	47,624	(114,647)	47,303
Share of results (net of tax) of associated companies	7	-	-	147,769	104,312	147,769	104,312
Loss on sale of associated companies		-	-	(1,304)	-	(1,304)	-
(Deficit)/Surplus before Grants	31	(991,997)	(887,088)	177,047	305,597	(814,950)	(581,491)
GRANTS							
Operating Grants :							
Government	32a	686,193	776,541	13,439	6,669	699,632	783,210
Agency for Science, Technology & Research	32b	64,323	51,763	-	40	64,323	51,803
Others	32c	50,141	46,668	65	94	50,206	46,762
Deferred Capital Grants amortised	25	183,354	178,621	614	3,646	183,968	182,267
		984,011	1,053,593	14,118	10,449	998,129	1,064,042
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAX		(7,986)	166,505	191,165	316,046	183,179	482,551
Income tax	33	-	-	(18)	-	(18)	-
(DEFICIT)/SURPLUS FOR THE YEAR		(7,986)	166,505	191,147	316,046	183,161	482,551

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

INCOME AND EXPENDITURE STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH

COMPANY	Note	GENERAL FUNDS		RESTRICTED FUNDS		TOTAL	
		2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
OPERATING INCOME							
Tuition and other fees		196,382	179,833	27,718	23,347	224,100	203,180
Other income	27	11,919	13,226	169,793	161,122	181,712	174,348
		208,301	193,059	197,511	184,469	405,812	377,528
OPERATING EXPENDITURE							
Expenditure on manpower	28	623,327	560,337	40,936	25,743	664,263	586,080
Depreciation and amortization expenditure	8,9	192,402	183,528	4,616	4,687	197,018	188,215
Other operating expenditure		393,542	356,719	98,082	78,578	491,624	435,297
		1,209,271	1,100,584	143,634	109,008	1,352,905	1,209,592
Operating (Deficit)/Surplus		(1,000,970)	(907,525)	53,877	75,461	(947,093)	(832,064)
Investment income	30	4,787	15,896	103,644	110,190	108,431	126,086
Change in fair value of investments	12,14	-	(321)	(114,647)	47,624	(114,647)	47,303
Profit on sale of associated company		-	-	228,368	-	228,368	-
(Deficit)/Surplus before Grants	31	(996,183)	(891,950)	271,242	233,275	(724,941)	(658,675)
GRANTS							
Operating Grants :							
Government	32a	686,193	776,541	-	-	686,193	776,541
Agency for Science, Technology & Research	32b	64,323	51,763	-	-	64,323	51,763
Others	32c	50,141	46,668	-	-	50,141	46,668
Deferred Capital Grants amortised	25	183,354	178,621	-	2,954	183,354	181,575
		984,011	1,053,593	-	2,954	984,011	1,056,547
(DEFICIT)/SURPLUS FOR THE YEAR	34	(12,172)	161,643	271,242	236,229	259,070	397,872

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

GROUP	Note	ACCUMULATED SURPLUS						TOTAL
		General Funds	Restricted Funds	ENDOWMENT FUNDS	CAPITAL PRESERVATION ACCOUNT	INVESTMENT REVALUATION RESERVE	TRANSLATION RESERVE	
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 April 2007		782,289	1,263,101	1,286,456	67,782	(4,970)	207	3,394,865
Matching grants accrued		-	-	101,164	-	-	-	101,164
Donations received		-	-	53,106	-	-	-	53,106
Change in fair value of available-for-sale investments		-	-	-	-	6,034	-	6,034
Exchange differences arising on translation of foreign operations		-	-	-	-	-	(313)	(313)
Net gains and losses recognised directly in reserves		-	-	154,270	-	6,034	(313)	159,991
Transfer to Income and Expenditure Statement on sale of available-for-sale investments		-	-	-	-	(10)	-	(10)
(Deficit)/Surplus for the year		(7,986)	191,147	-	-	-	-	183,161
Total recognised gains and losses for the financial year		(7,986)	191,147	154,270	-	6,024	(313)	343,142
Inter-fund transfer between General Funds and Restricted Funds (Note A)		(14,224)	14,224	-	-	-	-	-
Transfer from Deferred Capital Grants		103	14,497	-	-	-	-	14,600
Transfer to Endowment Funds		-	(6,526)	6,526	-	-	-	-
Transfer to Capital Preservation Account		-	(56,493)	-	56,493	-	-	-
Reclassification of Annual Sinking Fund (Note B)		(128,086)	128,086	-	-	-	-	-
Balance at 31 March 2008		632,096	1,548,036	1,447,252	124,275	1,054	(106)	3,752,607
Balance at 1 April 2006		626,342	942,136	1,187,720	63,328	(4,226)	269	2,815,569
Matching grants accrued		-	-	83,935	-	-	-	83,935
Donations received		-	-	14,822	-	-	-	14,822
Change in fair value of available-for-sale investments		-	-	-	-	(744)	-	(744)
Exchange differences arising on translation of foreign operations		-	-	-	-	-	(62)	(62)
Net gains and losses directly recognised in reserves		-	-	98,757	-	(744)	(62)	97,951
Surplus for the year		166,505	316,046	-	-	-	-	482,551
Total recognised gains and losses for the financial year		166,505	316,046	98,757	-	(744)	(62)	580,502
Inter-fund transfer between General Funds and Restricted Funds		(10,416)	10,416	-	-	-	-	-
Transfer to Deferred Capital Grants	25	(142)	(1,064)	-	-	-	-	(1,206)
Transfer from Endowment Funds		-	21	(21)	-	-	-	-
Transfer to Capital Preservation Account		-	(4,454)	-	4,454	-	-	-
Balance at 31 March 2007		782,289	1,263,101	1,286,456	67,782	(4,970)	207	3,394,865

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

COMPANY	Note	ACCUMULATED SURPLUS						TOTAL
		General Funds	Restricted Funds	ENDOWMENT FUNDS	CAPITAL PRESERVATION ACCOUNT	INVESTMENT REVALUATION RESERVE		
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 April 2007		759,517	1,198,157	1,286,456	67,782	(4,970)	3,306,942	
Matching grants accrued		-	-	101,044	-	-	101,044	
Donations received		-	-	53,106	-	-	53,106	
Change in fair value of available-for-sale investments		-	-	-	-	6,024	6,024	
Net gains and losses recognised directly in reserves		-	-	154,150	-	6,024	160,174	
Transfer to Income and Expenditure Statement on sale of available-for-sale investments		-	-	-	-	(10)	(10)	
(Deficit)/Surplus for the year		(12,172)	271,242	-	-	-	259,070	
Total recognised gains and losses for the financial year		(12,172)	271,242	154,150	-	6,014	419,234	
Inter-fund transfer between General Funds and Restricted Funds (Note A)		(14,224)	14,224	-	-	-	-	
Transfer from Deferred Capital Grants		103	14,497	-	-	-	14,600	
Transfer to Endowment Funds		-	(6,386)	6,386	-	-	-	
Transfer to Capital Preservation Account		-	(56,493)	-	56,493	-	-	
Reclassification of Annual Sinking Fund (Note B)		(128,086)	128,086	-	-	-	-	
Balance at 31 March 2008		605,138	1,563,327	1,446,992	124,275	1,044	3,740,776	
Balance at 1 April 2006		608,432	957,009	1,187,720	63,328	(4,226)	2,812,263	
Matching grants accrued		-	-	83,935	-	-	83,935	
Donations received		-	-	14,822	-	-	14,822	
Change in fair value of available-for-sale investments		-	-	-	-	(744)	(744)	
Net gains and losses not recognised in income statement		-	-	98,757	-	(744)	98,013	
Surplus for the year		161,643	236,229	-	-	-	397,872	
Total recognised gains and losses for the financial year		161,643	236,229	98,757	-	(744)	495,885	
Inter-fund transfer between General Funds and Restricted Funds		(10,416)	10,416	-	-	-	-	
Transfer to Deferred Capital Grants	25	(142)	(1,064)	-	-	-	(1,206)	
Transfer from Endowment Funds		-	21	(21)	-	-	-	
Transfer to Capital Preservation Account		-	(4,454)	-	4,454	-	-	
Balance at 31 March 2007		759,517	1,198,157	1,286,456	67,782	(4,970)	3,306,942	

Note A

Inter-fund transfer relates mainly to transfer of funds from General Funds to funds maintained for self-financing activities which are for restricted purposes.

Note B

During the year, it was established that the annual sinking fund is for asset replacement purposes only. Accordingly, the Group reclassified the annual sinking fund from General Funds to Restricted Funds.

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH

	2008 S\$'000	2007 S\$'000
Cash flows from operating activities:		
Deficit before Grants	(814,950)	(581,491)
Adjustments for :		
Depreciation of fixed assets	195,913	188,685
Amortisation of intangible assets	1,756	-
Net investment income	6,420	(151,327)
Loss on disposal of fixed assets	4,196	1,895
Fixed assets written off	13,138	6,131
Loss on sale of associated company	1,304	-
Exchange differences	(313)	(62)
Donated artifacts additions	(8,366)	-
Share of associated companies' results	(147,769)	(104,312)
Deficit before working capital changes	(748,671)	(640,481)
Change in operating assets and liabilities:		
(Increase)/decrease in debtors, consumable stores, deposits and prepayments	(19,154)	101,594
Decrease/(increase) in amount owing by associated company	1,056	(22)
(Decrease)/increase in creditors and accrued expenses	(88,437)	31,671
Cash used in operations	(855,206)	(507,238)
Agency for Science, Technology & Research grants received, net of refund	52,453	48,330
Other grants received, net of refund	62,202	38,770
Donations received for endowment funds	53,106	14,822
Student loans granted	(66,329)	(63,573)
Student loans repaid	53,392	50,513
Net cash outflow from operating activities	(700,382)	(418,376)
Cash flows from investing activities:		
Payments for purchase of fixed assets (Note A)	(384,114)	(215,040)
Payments for purchase of intangible assets (Note B)	(5,492)	(3,946)
Proceeds from disposal of fixed assets	168	220
Proceeds from sale of associated companies	320,769	-
Net purchase of investments	(266,178)	(1,270,222)
Interest and dividend received	133,407	69,170
Increase in amount owing by investee company	(12,371)	-
Net cash outflow from investing activities	(213,811)	(1,419,818)
Cash flows from financing activities:		
Government grants received, net of refund	935,520	729,063
Government grants received for endowment funds	143,491	-
Student tuition fee loan funds received from government	10,312	10,684
Student loan funds received from government	4,236	5,633
Short-term loan received	170,495	-
Long-term loan repaid	-	(609)
Net cash inflow from financing activities	1,264,054	744,771
Net increase/(decrease) in cash and cash equivalents	349,861	(1,093,423)
Cash and cash equivalents at the beginning of the year	225,585	1,319,008
Cash and cash equivalents at the end of the year (Note C)	575,446	225,585

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

CONSOLIDATED CASH FLOW STATEMENT (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 MARCH

Note A

During the financial year, the Group acquired fixed assets amounting to S\$391,085,000 (2007: S\$216,357,000), out of which S\$384,114,000 (2007: S\$215,040,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

Note B

During the financial year, the Group acquired intangible assets with an aggregate cost of S\$1,667,000 (2007: S\$11,878,000), out of which S\$nil (2007: S\$3,825,000) remains unpaid and included as part of accrued expenses as at 31 March 2008. Including previous accrued expenses paid in this financial year, cash payments of S\$5,492,000 (2007: S\$3,946,000) was made to purchase the intangibles.

Note C

Cash and cash equivalents comprises:

	Note	2008 S\$'000	2007 S\$'000
Fixed deposits	19	462,996	153,807
Cash and bank balances	20	112,450	71,778
		575,446	225,585

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

1 GENERAL

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

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 6 to the financial statements.

The consolidated financial statements of the Group and the balance sheet, income and expenditure statement and statement of changes in funds and reserves of the Company as of and for the year ended 31 March 2008 were authorised for issue in accordance with a resolution of the Board of Trustees on 17 July 2008.

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 and Singapore Financial Reporting Standards ("FRS").

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2007. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current year or prior years except as disclosed below and in the notes to the financial statements.

At the date of authorisation of these financial statements, the following FRSs and INT FRSs and amendments to FRSs that are relevant to the Group and the Company were issued but not effective:

FRS 23	-	Borrowing Costs (Revised)
FRS 107	-	Financial Instruments: Disclosures
FRS 108	-	Operating Segments
INT FRS 111	-	FRS 102 - Group and Treasury Share Transactions
INT FRS 112	-	Service Concession Arrangements
Revised FRS 1	-	Presentation of Financial Statements

Consequential amendments were also made to various standards as a result of these new/revised standards.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of accounting (cont'd)

The application of FRS 107 and the consequential amendments to other FRS will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the Group and the Company's financial instruments and the objectives, policies and processes for managing capital.

The Management anticipates that the adoption of the above 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.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated Income and Expenditure Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in the Income and Expenditure Statement.

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Associates (cont'd)

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Where a group entity transacts with an associate of the Group, income and expenditure are eliminated to the extent of the Group's interest in the relevant associate.

(d) Financial instruments

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

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 expense 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 and Expenditure".

Financial assets

- (i) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, bank balances and fixed deposits.
- (ii) Student loans and debtors
Student loans and debtors 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 the Income and Expenditure Statement 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Financial instruments (cont'd)

(iii) Investments

Investments are recognised and de-recognised on a trade date basis when the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through Income and Expenditure Statement which are initially measured at fair value.

Investments designated as at fair value through Income and Expenditure Statement at inception

Investments designated as at fair value through Income and Expenditure Statement at inception are those that are managed, and their performances are evaluated on a fair value basis, in accordance with a documented Group's investment strategy. Financial assets at fair value through Income and Expenditure Statement are stated at fair value, with any resultant gain or loss recognised in income or expenditure. The net gain or loss recognised in Income and Expenditure Statement incorporates any dividend or interest earned on the investments. Fair value is determined in the manner described in the notes to the financial statements.

Held-to-maturity investments

Debt securities with fixed or determinable payments and fixed maturity dates where the group has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale investments

Certain unquoted equity securities held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in the notes to the financial statements. Gains and losses arising from changes in fair value are recognised directly in the revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in Income and Expenditure Statement. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investment revaluation reserve is included in income or expense for the period. Dividends on available-for-sale equity instruments are recognised in Income and Expenditure Statement when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in Income and Expenditure Statement, and other changes are recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Financial instruments (cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through Income and Expenditure Statement, are assessed for indicators of impairment at each balance sheet date. 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. For financial assets carried at amortised cost, the amount of the impairment is 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 directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to Income and Expenditure Statement. Changes in the carrying amount of the allowance account are recognised in Income and Expenditure Statement.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through Income and Expenditure Statement to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognised directly in equity.

Financial liabilities and equity

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Financial instruments (cont'd)

Financial liabilities

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

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

- (i) Creditors and accrued expenses
Creditors and accrued expenses are measured at fair value, and are subsequently measured at amortised cost, using effective rate method.
- (ii) Derivative financial instruments and hedge accounting
The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in note 13 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in Income and Expenditure Statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Income and Expenditure Statement depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of the fair value of net investments.

Derivatives not designated into an effective hedge relationship are classified as a current asset or a current liability.

(e) 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 and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Foreign currency transactions and translation (cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Income and Expenditure for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in Income and Expenditure Statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign subsidiary (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the balance sheet date. Income and expense 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 classified as equity and transferred to the Group's translation reserve. Such translation differences will be recognised in the Income and Expenditure Statement in the period in which the foreign subsidiary is disposed of.

(f) Revenue recognition

Tuition and other fees for the academic year and all other income are accrued on a time proportionate basis.

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

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the interest rate applicable, on an effective yield basis.

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.

(g) 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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

(h) Grants

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 the Income and Expenditure Statement 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 Company, 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 the Income and Expenditure Statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Grants (cont'd)

Deferred capital grants are recognised in the Income and Expenditure Statement 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 the Income and Expenditure Statement 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.

Grants are accounted for on the accrual basis.

(i) Capital preservation

The Capital Preservation Account is to preserve the value of the capital of National University of Singapore Endowment Fund. The amount transferred to the Capital Preservation Account for the financial year is determined based on the change in Consumer Price Index ("index") as at each financial year end, and is transferred from the year's surplus. In the year of a net deficit, the required transfer is made in the future year(s) when adequate surplus is available to meet the required amount. No adjustment is made where there is a decrease in the index.

(j) Funds

General and restricted funds

Income and expenditure of the Company are generally accounted for under the General Funds in the Company's Income and Expenditure Statement. The income and expenditure relating to funds that are set up for specific purposes are accounted for under Restricted Funds in the Company's Income and Expenditure Statement as detailed below.

The following funds termed as "Restricted Funds" are set up and disclosed separately from the Company's General Funds:

- (i) funds created from donations for specific purposes;
- (ii) funds maintained separately to account for the self-financing activities carried out by the Company. Income and expenditure relating to these funds are accounted for directly in the funds to which they relate; and
- (iii) annual sinking fund from Government for asset replacement purposes.

The operating results of both the General Funds and Restricted Funds (as described in (i) and (ii) above) maintained by the Company are included in the Income and Expenditure Statement of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Funds (cont'd)

Endowment funds

Donations received and Government 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 related to the endowment funds are taken under Restricted Funds in the Income and Expenditure Statement.

Assets and liabilities of all funds are pooled in the Balance Sheet.

(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 the Income and Expenditure Statement.

Depreciation is charged so as to write off the cost of fixed assets over the period of leases or their estimated useful lives, using the straight-line method, on the following bases:

	<u>No. of Years</u>
Leasehold land	30 to 90
Buildings	30
Leasehold improvements	10
Equipment, furniture and fittings	3 to 10
Library materials	5

Depreciation is not provided for capital work-in-progress, artifacts and freehold land.

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.

The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Income and Expenditure Statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. 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. Such assets are tested for impairment in accordance with the policy below.

(m) Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure Statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure Statement.

(n) Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Provision (cont'd)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Retirement benefit costs

The Group, apart from legally required social security schemes, operates defined contribution plans. Payments to defined contribution retirement benefit plans are charged as expenses as they fall due. This defined contribution plan has been discontinued with effect from 28 December 2007. 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.

(p) Employee leave entitlement

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

(q) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Income and Expenditure Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. 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 balance sheet date.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Income tax (cont'd)

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 each balance sheet date 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 balance sheet date. Deferred tax is charged or credited to Income and Expenditure Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the Income and Expenditure Statement, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised 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.

(r) Research expenditure

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

(s) Financial risk management

The Group invests in a variety of market instruments such as bonds and quoted/unquoted equities under its investment strategy. This exposes the Group to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign exchange rates and interest rates. The investment mandate seeks to minimise potential adverse effects from these exposures and is carried out in accordance with the policies agreed by the Company's Investment Committee, with the advice from its Investment Consultant.

(i) Foreign exchange risk

Some of the Group's transactions and investments are conducted in various foreign currencies, including United States dollars, Euro, Japanese Yen and Sterling Pounds, and therefore is exposed to foreign exchange risk. Where appropriate, the Group uses forward contracts to hedge its exposure to foreign currency risk in the local reporting currency.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Financial risk management (cont'd)

- (ii) Interest rate risk
The Group's surplus and operating cash flows are mainly invested in fixed rate instruments and hence are substantially independent of changes in market interest rates. The Company monitors interest rates regularly to ensure excess funds are invested at competitive rates.
- (iii) Credit risk
The Group has no significant concentrations 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.
- (iv) Liquidity risk
The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities.
- (v) Fair Value of Financial Assets and Financial 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.

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, the Board of Trustees is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgments in applying the Group's accounting policies

There are no critical judgements, apart from those involving estimates (see below), that Management has made in the process of applying the entity's accounting policies and that have significant effect on the amounts recognised in financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- (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 at the balance sheet date are S\$1,518,299,000 (2007 at cost: S\$1,281,806,000).
- (ii) Provision for employee leave liability
Determining the amount of provision to be made for employee leave liability requires an estimation of the employer's portion of the retirement benefit. Standard rates, based on the Singapore Central Provident Fund contribution rate for employers, are used to compute the retirement benefit. The carrying amount of the provision for employee leave liability at the balance sheet date was S\$43,147,000 (2007: S\$ 39,390,000).

4 ACCUMULATED SURPLUS

The total accumulated surplus under the Balance Sheet of the Group of S\$2,180,132,000 (2007: S\$2,045,390,000) and the Company of S\$2,168,465,000 (2007: S\$1,957,674,000) includes the following:

	GROUP AND COMPANY	
	2008 S\$'000	2007 S\$'000
Change in fair value of investments at fair value through income and expenditure statement	151,836	266,483
Annual sinking fund from Government for asset replacement purposes	102,052	125,890
Amount utilised for capitalised expenditure	437,951	236,298
	691,839	628,671

The balance has been set aside for designated purposes and commitments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

5 ENDOWED AND NON-ENDOWED DONATIONS

The Company is registered as a charity and is given Institute of Public Character (IPC) status under the Education Sector. The financial position of the Company's endowed 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.

Total donations received by the Company amounted to S\$112,229,000 (2007: S\$97,004,000). Of this, S\$53,106,000 (2007: S\$14,822,000) represents endowed donations while the balance represents non-endowed donations. Endowed donations received are taken directly to the endowment funds. The non-endowed donations are received for specific purposes and cannot be used towards the general operating expenses of the Company.

	Note	COMPANY 2008			COMPANY 2007		
		Endowed Donations S\$'000	Non- endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non- endowed Donations S\$'000	Total S\$'000
Accumulated Surplus	4	577,382	361,298	938,680	493,466	290,239	783,705
Endowment Funds		1,446,992	-	1,446,992	1,286,456	-	1,286,456
Capital Preservation Account		124,275	-	124,275	67,782	-	67,782
		2,148,649	361,298	2,509,947	1,847,704	290,239	2,137,943
Represented by:							
Non-Current Assets							
Associated company		-	-	-	89,898	-	89,898
Fixed assets		-	31,602	31,602	-	16,731	16,731
Student loans		-	19,554	19,554	-	19,367	19,367
		-	51,156	51,156	89,898	36,098	125,996
Current Assets							
Debtors		159,101	125	159,226	229,128	7	229,135
Amount owing by associated company		-	-	-	1,000	-	1,000
Held-to-maturity investments		-	500	500	-	500	500
Held for trading investments		2,758,276	-	2,758,276	2,447,483	-	2,447,483
Fixed deposits		450	312,975	313,425	6,652	40,000	46,652
Cash		-	-	-	12,500	-	12,500
		2,917,827	313,600	3,231,427	2,696,763	40,507	2,737,270
Total Assets		2,917,827	364,756	3,282,583	2,786,661	76,605	2,863,266

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

5 ENDOWED AND NON-ENDOWED DONATIONS (cont'd)

	Note	COMPANY 2008			COMPANY 2007		
		Endowed Donations S\$'000	Non- endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non- endowed Donations S\$'000	Total S\$'000
Current Liabilities							
Creditors and accrued expenses		47,124	-	47,124	130,862	-	130,862
Non-Current Liabilities							
Deferred capital grants		-	3,458	3,458	-	16,731	16,731
Total Liabilities		47,124	3,458	50,582	130,862	16,731	147,593
Net Assets							
		2,870,703	361,298	3,232,001	2,655,799	59,874	2,715,673
less: Net assets/liabilities under non-donation funds		(722,054)	-	(722,054)	(808,095)	230,365	(577,730)
Net Assets under Endowed and Non-endowed Donations		2,148,649	361,298	2,509,947	1,847,704	290,239	2,137,943

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

5 ENDOWED AND NON-ENDOWED DONATIONS (cont'd)

	COMPANY			COMPANY		
	2008			2007		
	Endowed Donations	Non-endowed Donations	Total	Endowed Donations	Non-endowed Donations	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 April	1,847,704	290,239	2,137,943	1,631,003	222,396	1,853,399
Movements in Accumulated Surplus:						
Donations received	20	59,103	59,123	142	82,040	82,182
Donated artifacts additions	-	8,366	8,366	-	-	-
Investment income (including change in fair value of investment held for trading and profit on sale of associated company)	185,908	11,135	197,043	131,711	6,714	138,425
Other operating income	1,565	(5)	1,560	5	2,707	2,712
Expenditure on manpower	(1,266)	(1,995)	(3,261)	(1,307)	(2,684)	(3,991)
Depreciation	-	(2,383)	(2,383)	-	(2,433)	(2,433)
Other operating expenditure	(39,432)	(22,940)	(62,372)	(12,607)	(18,501)	(31,108)
Amount transferred (to)/from Endowment Funds	(6,386)	-	(6,386)	21	-	21
Transfer to Capital Preservation Account	(56,493)	-	(56,493)	(4,454)	-	(4,454)
Transfer from Deferred Capital Grant	-	19,778	19,778	-	-	-
	83,916	71,059	154,975	113,511	67,843	181,354
Movements in Endowment Funds:						
Matching grants accrued	101,044	-	101,044	83,935	-	83,935
Donations received	53,106	-	53,106	14,822	-	14,822
Amount transferred from/(to) Accumulated Surplus	6,386	-	6,386	(21)	-	(21)
	160,536	-	160,536	98,736	-	98,736
Movements in Capital Preservation Account:						
Amount transferred from Accumulated Surplus	56,493	-	56,493	4,454	-	4,454
Balance as at 31 March	2,148,649	361,298	2,509,947	1,847,704	290,239	2,137,943

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

6 SUBSIDIARY COMPANIES

	COMPANY	
	2008	2007
	S\$'000	S\$'000
Unquoted equity shares at cost	300	300
Impairment loss	(100)	(100)
Carrying amount	200	200

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2008	2007
Singapore University Press Pte Ltd ^a	Publishers	Singapore	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	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 nonprofit 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	#	#
NUSSU Enterprise Pte Ltd ^{a, b}	To manage the commercial activities of NUS Student Union.	Singapore	100%	100%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

6 SUBSIDIARY COMPANIES (cont'd)

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2008	2007
Held by Subsidiaries				
NUS Press Pte Ltd ^a	Publishers	Singapore	100%	100%
NUS Ventures Pte Ltd ^a	Distributor of new telecommunication technologies via direct selling and licensing.	Singapore	100%	100%
Bioinformatics Technology Group Pte Ltd ^a	IT development, IT services, research and experimental development on technology.	Singapore	100%	100%
NUS Shanghai Enterprise Pte Ltd ^d	Sourcing of student internship opportunities with Shanghai companies and developing increased research opportunities and forging closer partnerships.	People's Republic of China	100%	100%
KR Consulting Pte Ltd ^a	Provide consulting services	Singapore	100%	100%
Star Incubator Sdn Bhd ^e	Management of incubator activities	Brunei Darussalam	100%	-

These corporations do not have share capitals. NUS High School of Mathematics and Science is a company limited by guarantee.

^a Audited by Deloitte & Touche LLP, Singapore

^b Held in trust by NUS Technology Holdings Pte Ltd on behalf of the Company.

^c Not required to be audited in country of incorporation.

^d Audited by other auditors in country of incorporation.

^e Newly incorporated in November 2007, audit not required for this financial year.

7 ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
Unquoted equity shares at cost	50	90,237	-	89,898
Share of post-acquisition profits (losses), net of dividend received	(15)	83,702	-	-
Capitalised expenses written off	-	(1,342)	-	-
	35	172,597	-	89,898

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

7 ASSOCIATED COMPANIES (cont'd)

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2008	2007
National University Health System Pte Ltd ^a	Clinical service, education and research	Singapore	33%	-
Savu Investments Ltd ^b	Property development and investment	Singapore	-	50%
Held by Subsidiaries				
AsknLearn Pte Ltd ^c	Provide training and computer software services and develop computer software programs relating to electronic learning, publishing and management services.	Singapore	-	21%
Munchie Monkey Pte Ltd	Café operators	Singapore	50%	50%
Protherapeutics Pte Ltd ^d	Research and experimental development in life sciences and other natural sciences.	Singapore	17%	22%

^a Newly incorporated in 2008, audit not required for this financial year.

^b On 26 February 2008, the Group disposed its total shareholdings of 50% in Savu Investments Ltd.

^c On 13 July 2007, the Group disposed its total shareholdings of 21% in AsknLearn Pte Ltd.

^d The ownership interest was diluted to less than 20% in 2008 and hence is not accounted for as an associate in 2008. All of the above associates are audited by other auditors.

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

	2008	2007
	S\$'000	S\$'000
Total assets	359	531,152
Total liabilities	(289)	(184,163)
Net assets	70	346,989
Group's share of associates' net assets	35	172,597

	2008	2007
	S\$'000	S\$'000
Revenue	21,732	23,859
Profit after tax for the year	295,538	6,903
Group's share of associates' profit after tax for the year, before adjustments	147,769	3,082
Share of revaluation surplus (deficit) of investment proportion at Group level	-	101,230
Group's share of associates' profit after tax for the year, as adjusted	147,769	104,312

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

8 FIXED ASSETS
GROUP

	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Equipment, Furniture & Fittings, Library Materials	Capital Work-in-Progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COST							
At 1 April 2006	-	112,344	1,437,819	295,089	998,194	91,381	2,934,827
Additions	265	-	10,542	29,701	92,397	83,452	216,357
Transfers	1,742	-	36,444	18,003	23,248	(79,437)	-
Disposals	-	-	(6,765)	(490)	(35,132)	(325)	(42,712)
Fixed assets written off	-	-	-	-	(13,755)	(1,745)	(15,500)
At 1 April 2007	2,007	112,344	1,478,040	342,303	1,064,952	93,326	3,092,972
Additions	-	173,927	7,229	33,382	89,320	87,227	391,085
Transfers	-	-	(2,418)	65,230	16,328	(79,140)	-
Transfer to assets held for sale (Note 22)	-	-	(96,827)	-	-	-	(96,827)
Disposals	-	-	(6,949)	(3,858)	(35,961)	(345)	(47,113)
Fixed assets written off	-	-	-	-	(72,751)	-	(72,751)
At 31 March 2008	2,007	286,271	1,379,075	437,057	1,061,888	101,068	3,267,366
ACCUMULATED DEPRECIATION							
At 1 April 2006	-	13,428	655,660	83,259	696,882	-	1,449,229
Depreciation	-	2,616	47,169	33,380	105,520	-	188,685
Transfers	-	-	(1,011)	(2,066)	3,077	-	-
Disposals	-	-	(6,321)	(55)	(30,625)	-	(37,001)
Fixed assets written off	-	-	-	-	(9,369)	-	(9,369)
At 1 April 2007	-	16,044	695,497	114,518	765,485	-	1,591,544
Depreciation	-	3,968	46,519	44,709	100,717	-	195,913
Transfers	-	-	(369)	25	344	-	-
Transfer to assets held for sale (Note 22)	-	-	(66,583)	-	-	-	(66,583)
Disposals	-	-	(5,938)	(1,956)	(34,855)	-	(42,749)
Fixed assets written off	-	-	-	-	(59,613)	-	(59,613)
At 31 March 2008	-	20,012	669,126	157,296	772,078	-	1,618,512
IMPAIRMENT LOSS							
Recognised in 2006 and as at 31 March 2007 and 2008	-	-	-	-	3,823	-	3,823
CARRYING AMOUNT							
At 31 March 2008	2,007	266,259	709,949	279,761	285,987	101,068	1,645,031
At 31 March 2007	2,007	96,300	782,543	227,785	295,644	93,326	1,497,605

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

8 FIXED ASSETS (cont'd)
COMPANY

	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Equipment, Furniture & Fittings, Library Materials	Capital Work-in-Progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COST							
At 1 April 2006	-	112,344	1,437,819	295,085	996,640	91,381	2,933,269
Additions	265	-	10,542	29,701	90,964	83,452	214,924
Transfers	1,742	-	36,444	18,003	23,248	(79,437)	-
Disposals	-	-	(6,765)	(490)	(34,440)	(325)	(42,020)
Fixed assets written off	-	-	-	-	(13,755)	(1,745)	(15,500)
At 1 April 2007	2,007	112,344	1,478,040	342,299	1,062,657	93,326	3,090,673
Additions	-	173,927	7,229	33,382	88,460	87,227	390,225
Transfers	-	-	(2,418)	65,230	16,328	(79,140)	-
Transfer to assets held for sale (Note 22)	-	-	(96,827)	-	-	-	(96,827)
Disposals	-	-	(6,949)	(3,858)	(35,906)	(345)	(47,058)
Fixed assets written off	-	-	-	-	(72,751)	-	(72,751)
At 31 March 2008	2,007	286,271	1,379,075	437,053	1,058,788	101,068	3,264,262
ACCUMULATED DEPRECIATION							
At 1 April 2006	-	13,428	655,660	83,257	696,392	-	1,448,737
Depreciation	-	2,616	47,169	33,379	105,051	-	188,215
Transfers	-	-	(1,011)	(2,066)	3,077	-	-
Disposals	-	-	(6,321)	(55)	(30,323)	-	(36,699)
Fixed assets written off	-	-	-	-	(9,368)	-	(9,368)
At 1 April 2007	-	16,044	695,497	114,515	764,829	-	1,590,885
Depreciation	-	3,968	46,519	44,708	100,086	-	195,281
Transfers	-	-	(369)	25	344	-	-
Transfer to assets held for sale (Note 22)	-	-	(66,583)	-	-	-	(66,583)
Disposals	-	-	(5,938)	(1,956)	(34,855)	-	(42,749)
Fixed assets written off	-	-	-	-	(59,613)	-	(59,613)
At 31 March 2008	-	20,012	669,126	157,292	770,791	-	1,617,221
IMPAIRMENT LOSS							
Recognised in 2006 and as at 31 March 2006, 2007 and 2008	-	-	-	-	3,823	-	3,823
CARRYING AMOUNT							
At 31 March 2008	2,007	266,259	709,949	279,761	284,174	101,068	1,643,218
At 31 March 2007	2,007	96,300	782,543	227,784	294,005	93,326	1,495,965

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

9 INTANGIBLE ASSETS
GROUP

	Computer Software	Purchased Curriculum	Total
	S\$'000	S\$'000	S\$'000
COST			
At 1 April 2006 and 1 April 2007	-	11,878	11,878
Additions	1,667	-	1,667
At 31 March 2008	1,667	11,878	13,545
ACCUMULATED AMORTISATION			
At 1 April 2006 and 1 April 2007	-	-	-
Amortisation	59	1,697	1,756
At 31 March 2008	59	1,697	1,756
CARRYING AMOUNT			
At 31 March 2008	1,608	10,181	11,789
At 31 March 2007	-	11,878	11,878

COMPANY

	Computer Software	Purchased Curriculum	Total
	S\$'000	S\$'000	S\$'000
COST			
At 1 April 2006 and 1 April 2007	-	11,878	11,878
Additions	1,550	-	1,550
At 31 March 2008	1,550	11,878	13,428
ACCUMULATED AMORTISATION			
At 1 April 2006 and 1 April 2007	-	-	-
Amortisation	40	1,697	1,737
At 31 March 2008	40	1,697	1,737
CARRYING AMOUNT			
At 31 March 2008	1,510	10,181	11,691
At 31 March 2007	-	11,878	11,878

Computer software has finite economic useful life, over which the assets are amortised. The amortisation period for computer software is three to five years. The purchased curriculum has finite economic useful life, over which the asset is amortised. The amortisation period for the purchased curriculum is five years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

10 HELD-TO-MATURITY INVESTMENTS

	GROUP AND COMPANY	
	2008	2007
	S\$'000	S\$'000
Unquoted debt security, at amortised cost	500	500

The debt security held-to-maturity was purchased at par and the coupon rate is 4.5% (2007: 4.5%) and nominal value is S\$500,000 (2007: S\$500,000). The maturity date is 5 December 2009. The carrying amount of the debt security approximates its fair value.

11 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
AT FAIR VALUE				
Unquoted equity securities	4,798	4,705	4,798	4,705
Redeemable convertible loan stocks	1,762	1,533	-	-
	6,560	6,238	4,798	4,705

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 above investments include an impairment loss of S\$9,041,000 (2007: S\$2,520,000).

Available-for-sale investments that are not denominated in the functional currency of the respective entities are as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollar	159	453	159	453

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

12 INVESTMENTS AT FAIR VALUE THROUGH INCOME AND EXPENDITURE STATEMENT

	GROUP AND COMPANY	
	2008 S\$'000	2007 S\$'000
AT FAIR VALUE		
Quoted Government bonds	499,939	203,957
Unquoted Government bonds	-	161,960
Quoted debt securities	45,086	59,755
Quoted equity securities	532,373	582,523
Unquoted debt securities	28,819	200,789
Unquoted equity securities	1,513,501	1,277,101
Total	2,619,718	2,486,085

These investments are actively managed and monitored by the Company's Investment Committee in accordance with a documented investment strategy of the Company. Hence these are classified as investments designated at fair value through income and expenditure statement at inception under FRS 39.

The weighted average effective interest rate of debt securities held for trading at the balance sheet date was 2.61% (2007: 4.17%). The fair value of quoted equity securities and quoted debt securities are based on the last bid quoted market prices on the last market day of the financial year.

The investments in unquoted equity securities represent investments in venture capital funds and hedge funds. The fair values of these unquoted equity securities are estimated by reference to net asset value disclosed in the financial statements of venture funds (as these pertain mainly to funds whose investments are stated at fair value) and external valuations. Changes in fair value of the above investments amounting to negative S\$114,647,000 (2007: positive S\$47,303,000) have been included in the Income and Expenditure Statement.

Investments at fair value through income and expenditure statement that are not denominated in the functional currency of the respective entities are as follows:

	GROUP AND COMPANY	
	2008 S\$'000	2007 S\$'000
United States dollar	1,747,687	1,774,521
Euro	182,215	262,976
Japanese yen	67,593	99,205
Sterling pound	8,906	21,099
Australian dollar	4,235	6,476
Canadian dollar	2,593	4,430
Others	5,266	6,569
	2,018,495	2,175,276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

13 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY			
	2008		2007	
	Assets S\$'000	Liabilities S\$'000	Assets S\$'000	Liabilities S\$'000
Forward foreign exchange contracts	8,627	(234)	4,277	(654)
Interest rate swaps	-	-	1,257	(2,655)
Commodity index swaps	-	(1,113)	4,690	-
Options	-	-	4,432	(461)
Futures	556	(272)	-	-
	9,183	(1,619)	14,656	(3,770)
Analysed as:				
Current	9,183	(1,619)	14,656	(3,770)

Forward foreign exchange contracts, commodity index swaps and futures are entered into mainly for hedging purposes to manage exposure to fluctuations in the foreign currency exchange rates and interest rates of investments respectively.

At 31 March 2008, the settlement dates on open forward contracts, commodity index swaps and futures ranged from between one month to greater than a year (2007: one month to greater than a year).

The fair values of forward foreign exchange contracts, commodity index swaps and futures have been calculated using rates quoted by the Company's fund administrator to terminate the contracts at the balance sheet date.

At 31 March 2008, the contractual/ notional amount of outstanding forward foreign exchange contracts, commodity index swaps and futures to which the Group is committed are as follows:

	GROUP AND COMPANY	
	2008 S\$'000	2007 S\$'000
Forward foreign exchange contracts	1,372,237	1,113,991
Interest rate swaps	-	421,706
Commodity index swaps	16,131	86,549
Options	-	518,469
Futures	73,496	-
	1,461,864	2,140,715

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

14 MOVEMENTS IN FAIR VALUE OF INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

(For Information Only)

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Non-current investments				
Fair value as at 1 April	6,738	6,404	5,205	5,535
Increase due to net purchases	818	1,336	310	414
Realised (loss)/gain on sale of investments	(9)	-	40	-
Impairment loss	(6,521)	(258)	(6,281)	-
Loss arising from changes in fair values	6,034	(744)	6,024	(744)
Fair value at 31 March	7,060	6,738	5,298	5,205
Current investments				
Fair value as at 1 April	2,496,971	1,139,131	2,496,971	1,139,131
Increase due to net purchases	263,618	1,268,886	263,618	1,268,886
Realised (loss)/gain on sale of investments	(18,660)	41,651	(18,660)	41,651
(Loss)/gain arising from changes in fair values	(114,647)	47,303	(114,647)	47,303
Fair value at 31 March	2,627,282	2,496,971	2,627,282	2,496,971
Total				
Fair value as at 1 April	2,503,709	1,145,535	2,502,176	1,144,666
Increase due to net purchases	264,436	1,270,222	263,928	1,269,300
Realised (loss)/gain on sale of investments	(18,669)	41,651	(18,620)	41,651
Impairment loss	(6,521)	(258)	(6,281)	-
(Loss)/gain arising from changes in fair values	(108,613)	46,559	(108,623)	46,559
Fair value at 31 March	2,634,342	2,503,709	2,632,580	2,502,176

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

15 STUDENT LOANS

Student tuition fee loans (a)
Study loans (a)
Notebook computer loans (b)
Other student loans (c)

Represented by:

Amount repayable within 12 months - current assets
Amount repayable after 12 months - non current assets

GROUP AND COMPANY	
2008 S\$'000	2007 S\$'000
187,404	177,180
48,082	43,216
11,272	13,839
2,330	1,926
249,088	236,161
55,616	51,840
193,472	184,321
249,088	236,161

(a) The student tuition fee and study loans are repayable by monthly instalments over periods of up to 20 years. The interest at 4.750% (2007: 4.750%) per annum is based on average prime rate of the 3 major local banks.

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

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

Secured Assets

The student loans are unsecured.

Fair values

Student tuition fee loans and study loans are disbursed from advances from the Government.

There are no significant differences between fair values and carrying amounts of the above loans.

16 LONG-TERM LOAN TO SUBSIDIARY COMPANY AND AMOUNTS OWING BY/TO SUBSIDIARY/ASSOCIATED COMPANIES

The long-term loan to subsidiary company is unsecured, interest-free and not expected to be repaid within the next twelve months. The amounts owing by/to subsidiary/associated companies are unsecured, interest-free and repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

17 DEBTORS

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Grants receivable	417,354	499,989	417,354	499,989
Trade debtors	31,134	25,276	29,518	24,036
Interest receivable	4,217	6,379	4,217	6,379
Receivables from sale of investments	14,318	39,670	14,318	39,670
Others	6,250	10,238	6,250	10,238
	473,273	581,552	471,657	580,312

The average credit period of trade debtors is 30 days (2007: 30 days). No interest is charged on the trade receivables.

Debtors that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
United States dollars	8,606	39,000	8,490	38,871
Japanese yen	7,007	1,148	7,007	1,148
Euro	1,277	1,786	1,277	1,786
Sterling pounds	112	148	112	148
Swedish krona	67	55	67	55
Others	44	14	44	14
	17,113	42,151	16,997	42,022

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

18 DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Deposits paid	787	509	787	509
Prepayments for fixed assets	12,389	4,647	12,389	4,647
Other prepayments	7,043	8,374	6,830	8,147
	20,219	13,530	20,006	13,303

Deposits and prepayments that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
United States dollars	13,316	4,547	13,299	4,504
Euro	1,088	4,439	1,088	4,439
Sterling pounds	58	186	58	186
Japanese yen	20	7	20	7
	14,482	9,179	14,465	9,136

19 FIXED DEPOSITS

The effective interest rates of fixed deposits at the balance sheet date are 1.02% to 2.5% (2007: 2.69% to 3.375%) and for the average tenor of 4.65 months (2007: 6 months). The carrying amounts of the fixed deposits approximate their fair values.

Fixed deposits that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
United States dollars	29,655	5,268	29,640	5,268

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

20 CASH AND BANK BALANCES

The carrying amounts of the cash and bank balances approximates their fair values.

Cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
United States dollars	2,272	1,451	1,620	450
Japanese yen	1,602	8,291	1,602	8,291
Euro	351	298	351	298
Australian dollar	146	45	146	45
Swedish krona	139	-	139	-
Hong Kong dollars	123	-	123	-
Sterling pounds	106	2,017	106	2,017
New Zealand dollars	100	-	100	-
Norwegian krone	62	-	62	-
Canadian dollars	34	260	34	260
Swiss Franc	-	12	-	12
Others	20	329	20	329
	4,955	12,703	4,303	11,702

21 SHORT-TERM LOAN TO AN INVESTEE COMPANY

This pertains to a short-term shareholder loan to an investee company. This loan is interest free, unsecured and is expected to be repaid in December 2008.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

22 FIXED ASSETS HELD FOR SALE

	GROUP AND COMPANY S\$'000
COST	
Balance as at 1 April 2007	-
Transfer from fixed assets (Note 8)	96,827
At 31 March 2008	96,827
ACCUMULATED DEPRECIATION	
Balance as at 1 April 2007	-
Transfer from fixed assets (Note 8)	66,583
At 31 March 2008	66,583
CARRYING AMOUNT	
At 31 March 2008	30,244
At 31 March 2007	-

During the year, the Board of Trustees resolved to dispose the Company's property units in Gillman Heights under a proposed en-bloc sale. While the sale had been approved by the Strata Titles Board, some minority owners had submitted objections to the High Court and this matter is pending a decision of the High Court. The properties have been reclassified from fixed assets to fixed assets held for sale as the Company's management considers the sale to be probable and likely to be completed within a year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

23 CREDITORS AND ACCRUED EXPENSES

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Creditors	75,728	149,088	72,630	147,685
Accrued expenses	110,473	109,023	110,383	108,989
Income tax payable	20	-	-	-
Deposits received	2,241	2,481	2,241	2,481
	188,462	260,592	185,254	259,155

The average credit period on purchases of goods is 30 days (2007: 30 days). No interest is charged on the trade payables.

Creditors and accrued expenses that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
United States dollars	37,003	63,726	36,988	63,725
Euro	1,198	49,483	1,198	49,483
Japanese yen	7,255	16,541	7,255	16,541
Canadian dollars	196	-	196	-
Sterling pounds	-	5	-	5
Others	5	-	5	-
	8,654	129,755	45,642	129,754

24 SHORT-TERM LOAN

This pertains to an unsecured loan from a financial institution with interest fixed at 2.48% per annum and is payable within one year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

25 DEFERRED CAPITAL GRANTS

FIXED ASSETS

Government and Agency for Science, Technology & Research

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Balance as at 1 April	1,126,428	1,182,451	1,125,152	1,181,707
Capital grants utilised during the year	106,828	41,045	106,242	40,673
Amount transferred from operating grants (Note 32)	66,562	70,647	66,544	69,848
Amount reclassified from Deferred Capital Grants - Others	-	29	-	29
Amount reclassified (to)/from Accumulated Surplus	-	(1,917)	-	(1,917)
	1,299,818	1,292,255	1,297,938	1,290,340
Deferred capital grants amortised	(172,387)	(165,827)	(171,872)	(165,188)
Balance as at 31 March	1,127,431	1,126,428	1,126,066	1,125,152

Others

Balance as at 1 April	131,183	143,092	130,918	143,017
Capital grants utilised during the year and donated assets	308	1,189	113	1,103
Amount transferred from operating grants (Note 32)	1,991	2,165	1,991	2,008
Amount transferred(to)/from Accumulated Surplus	(14,600)	1,206	(14,600)	1,206
Amount transferred to other income	(2,284)	-	(2,284)	-
Amount reclassified to Deferred Capital Grant - Government	-	(29)	-	(29)
	116,598	147,623	116,138	147,305
Deferred capital grants amortised	(9,841)	(16,440)	(9,761)	(16,387)
Balance as at 31 March	106,757	131,183	106,377	130,918
Total Deferred Capital Grants balance for fixed assets as at 31 March	1,234,188	1,257,611	1,232,443	1,256,070

INTANGIBLE ASSETS

Government

Balance as at 1 April	11,878	-	11,878	-
Capital grants utilised during the year	7	-	-	-
Amount transferred from operating grants (Note 32)	487	11,878	377	11,878
	12,372	11,878	12,255	11,878
Deferred capital grants amortised	(1,715)	-	(1,696)	-
Balance as at 31 March	10,657	11,878	10,559	11,878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

25 DEFERRED CAPITAL GRANTS (cont'd)

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Others				
Balance as at 1 April	-	-	-	-
Amount transferred from operating grants (Note 32)	234	-	234	-
	234	-	234	-
Deferred capital grants amortised	(25)	-	(25)	-
Balance as at 31 March	209	-	209	-
Total Deferred Capital Grants balance for intangible assets as at 31 March	10,866	11,878	10,768	11,878
Total Deferred Capital Grants balance as at 31 March	1,245,054	1,269,489	1,243,211	1,267,948

26 ADVANCES FROM THE GOVERNMENT FOR STUDENT LOANS

	GROUP AND COMPANY	
	2008 S\$'000	2007 S\$'000
Balance as at 1 April	223,283	206,966
Advances received from Government during the year	14,548	16,317
	237,831	223,283
Miscellaneous expenditure	(10)	-
Balance as at 31 March	237,821	223,283
Represented by :		
Student tuition fee loans	187,404	177,180
Study loans	48,082	43,216
Pooled investments, fixed deposits and bank balances	2,335	2,887
	237,821	223,283

The advances from the Government are for the purpose of extending loans to students mainly to assist them in paying their tuition fees. They are unsecured and repayable following the collection of the underlying loans (including interest as described in Note 15) by the Company from the students. The carrying amount of the advances approximate the fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

27 OTHER INCOME

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Courses and conference fees	24,751	21,273	24,645	19,610
Clinical fees/consultancy fees	15,651	13,261	15,651	13,261
Donations received	59,123	82,182	59,123	82,182
Rental income and student hostel residential fees	33,598	31,651	30,977	29,833
Others	52,495	30,728	51,316	29,462
	185,618	179,095	181,712	174,348

28 EXPENDITURE ON MANPOWER

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Wages and salaries	619,920	550,022	610,969	543,811
Employer's contribution to Provident Funds	40,244	33,364	39,524	32,859
Other staff benefits	14,427	9,690	13,770	9,410
	674,591	593,076	664,263	586,080

29 KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for twenty (2007: eighteen) and seventeen (2007: fifteen) key management personnel of the Group and the Company respectively, are as follows:

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Short-term benefits	10,302	7,727	9,909	7,134
Post-employment benefits	286	125	255	109
	10,588	7,852	10,164	7,243

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

30 INVESTMENT INCOME

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Interest income:				
Government bonds	7,829	10,857	7,829	10,857
Bonds/loan stocks in corporations/associated company	7,975	8,822	7,975	8,822
Fixed deposits and bank current accounts	8,602	25,008	8,517	24,871
	24,406	44,687	24,321	44,550
Dividend income:				
Quoted equity shares	6,357	12,297	6,357	12,297
Unquoted equity shares	145	208	145	208
	6,502	12,505	6,502	12,505
Net (loss)/profit on sale of investments	(18,669)	41,651	(18,620)	41,651
Transfer from investment revaluation reserve on sale of available-for-sale investments	10	-	10	-
Net foreign currency exchange gains	102,499	5,439	102,499	5,439
Reversal of impairment loss on Savu Investments Ltd	-	-	-	21,941
Impairment loss on investments	(6,521)	(258)	(6,281)	-
	108,227	104,024	108,431	126,086

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

31 (DEFICIT)/SURPLUS BEFORE GRANTS

This is arrived at after charging/(crediting):

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Bad and doubtful debts	912	465	912	465
Rental expenses	4,930	3,834	4,832	3,672
Borrowing cost expensed off	94	-	94	-
Loss on disposal of fixed assets	4,196	1,895	4,141	1,654
Fixed assets written off	13,138	6,131	13,138	6,131
Research and development costs	300,447	245,413	300,447	245,413
Borrowing costs incurred during the year is analysed as follows:				
Interest on short-term loan	1,250	-	1,250	-
Less : amounts included in cost of qualifying fixed assets	(1,156)	-	(1,156)	-
Borrowing cost expensed off	94	-	94	-

32 OPERATING GRANTS

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
(a) Operating Grants (Government)				
Operating grants utilised during the year	755,673	855,559	742,106	848,091
Amount transferred to deferred capital grants	(56,041)	(72,349)	(55,913)	(71,550)
	699,632	783,210	686,193	776,541
(b) Operating Grants (Agency for Science, Technology & Research)				
Operating grants utilised during the year	75,331	61,979	75,331	61,939
Amount transferred to deferred capital grants	(11,008)	(10,176)	(11,008)	(10,176)
	64,323	51,803	64,323	51,763
(c) Operating Grants (Others)				
Operating grants utilised during the year	52,431	48,927	52,366	48,676
Amount transferred to deferred capital grants	(2,225)	(2,165)	(2,225)	(2,008)
	50,206	46,762	50,141	46,668

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

33 INCOME TAX

Tax attributable to results is made up of:

Current income tax

	GROUP		COMPANY	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax	18	-	-	-

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 18% (2007: 18%) to surplus before income tax as a result of the following differences:

Income tax calculated at statutory tax rate

Tax exemption

	GROUP		COMPANY	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
Income tax calculated at statutory tax rate	32,972	86,859	46,633	71,617
Tax exemption	(32,954)	(86,859)	(46,633)	(71,617)
	18	-	-	-

There is no provision for income tax for the Company. As the Company is a charity registered under the Charity's Act, its income is exempt from tax under Section 13 of the Singapore Income Tax Act.

34 SURPLUS FOR THE YEAR

The net surplus for the year in the Income and Expenditure Statement of the Group of S\$183,161,000 (2007: S\$482,551,000) and Company of S\$259,070,000 (2007: S\$397,872,000) includes the following:

Non-endowed donations for specific purposes

Donated artifacts additions

Change in fair value of investments

And before setting aside funds for :

- Transfer to Capital Preservation Account

- Transfer to Endowment Funds and Deferred Capital Grants

	GROUP & COMPANY	
	2008	2007
	S\$'000	S\$'000
Non-endowed donations for specific purposes	59,123	82,182
Donated artifacts additions	8,366	-
Change in fair value of investments	(114,647)	47,303
	(47,158)	129,485
And before setting aside funds for :		
- Transfer to Capital Preservation Account	56,493	4,454
- Transfer to Endowment Funds and Deferred Capital Grants	6,386	1,185
	62,879	5,639

The balance has been committed for various expenditures and initiatives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

35 CONTINGENT LIABILITIES

In 2007, the Company terminated an agreement with a contractor due to unsatisfactory performance by the contractor. The contractor instituted proceedings for alleged loss and damages suffered due to the termination of the agreement. The total amount claimed against the Company is S\$30,774,000.

The Company has disclaimed liability and is defending the action and has counter-claimed against the contractor. The Company's lawyers have advised that they are reasonably optimistic that the Company was entitled to terminate the contract with the contractor and that the Company is entitled to damages from the contractor. No provision has been recognised in the financial statements as the Company's management does not consider that there is any probable loss.

36 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 :

Authorised and contracted for

	GROUP		COMPANY	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
Authorised and contracted for	171,697	103,864	171,697	103,864

37 RELATED PARTY 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 state-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. The balances are unsecured, interest-free and repayable on demand.

There were transactions with corporations in which certain trustees have an interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

37 RELATED PARTY TRANSACTIONS (cont'd)

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

	GROUP		COMPANY	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Balances				
Debtors	252,189	499,825	251,712	499,790
Creditors and accrued expenses	10,636	9,002	10,636	9,002
Deferred Capital Grants	1,141,387	1,141,399	1,140,793	1,139,943
Grants received in advance	40,705	80,833	40,705	80,226
Transactions				
Non-endowed donations received	6,255	11,115	6,255	11,115
Other income	517	305	517	229
Other operating expenditure	24,857	10,841	24,857	10,841
Operating/capital grants received	996,533	888,713	982,411	878,450

38 COMPARATIVE FIGURES

The comparative figures of the Company and the Group cover the financial period from 28 March 2006 (date of incorporation of the Company) to 31 March 2007.

**NATIONAL UNIVERSITY OF SINGAPORE
ACADEMIC STAFF PROVIDENT FUND SCHEME**

**FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 01 APRIL 2007 TO 27 DECEMBER 2007**

	Page
Independent Auditors' Report	56
Balance Sheet	57
Income and Expenditure Account	58
Statement of Changes in Members' Accounts and Reserves	59
Statement of Cash Flows	60
Notes to the Financial Statements	61 - 66

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF MANAGEMENT OF THE NATIONAL UNIVERSITY OF SINGAPORE ACADEMIC STAFF PROVIDENT FUND SCHEME

We have audited the accompanying financial statements of National University of Singapore Academic Staff Provident Fund Scheme (the "Scheme") which comprise the balance sheet of the Scheme as at 27 December 2007, the income and expenditure account, statement of changes in members' accounts and reserves and cash flows statement of the Scheme for the period from 1 April 2007 to 27 December 2007, and a summary of significant accounting policies and other explanatory notes, as set out on pages 57 to 66.

Management's Responsibility

The Scheme's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the National University of Singapore Statute 18 - Academic Staff Provident Fund Scheme (the "Act") and Singapore Financial Reporting Standards. This responsibility includes oversight of the designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Scheme as at 27 December 2007 and the results, changes in members' accounts and reserves and cash flows statement of the Scheme for the period from 1 April 2007 to 27 December 2007.



Deloitte & Touche
Certified Public Accountants

Singapore
23 January 2008

NATIONAL UNIVERSITY OF SINGAPORE ACADEMIC STAFF PROVIDENT FUND SCHEME

BALANCE SHEET AS AT 27 DECEMBER 2007

	Note	27 DEC 2007 S\$'000	31 MAR 2007 S\$'000
INVESTMENT FUND			
Members' Accounts		261,886	248,466
Interest Equalisation Reserve Account		31,122	30,181
		293,008	278,647
Represented by:			
CURRENT ASSETS			
Held for trading investments	4	-	4,258
Fixed Deposits	5	29,000	265,000
Accrued Interest Receivable		134	4,069
Due from the NUS Company		-	84
Sundry Debtors		8	8
Tax Recoverable		1	16
Bank Balances		263,936	5,335
		293,079	278,770
TOTAL ASSETS			
CURRENT LIABILITIES			
Ex-members' Balances		49	48
Sundry Creditors		22	75
		71	123
TOTAL LIABILITIES			
NET ASSETS			
		293,008	278,647

Approved by:



Professor Yong Kwet Yew
Chairman
Board of Management



Ajith Prasad
Secretary
Board of Management

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

INCOME AND EXPENDITURE ACCOUNT

FOR THE FINANCIAL PERIOD FROM 01 APRIL 2007 TO 27 DECEMBER 2007

	01 APR 2007 TO 27 DEC 2007 S\$'000	01 APR 2006 TO 31 MAR 2007 S\$'000
INCOME		
Interest from:		
Fixed Deposits	5,948	8,172
Bank Balances	21	77
	5,969	8,249
Change in fair values of held for trading investments	-	(68)
Dividends	63	490
Profit on sale of investments	242	291
	6,274	8,962
Less:		
EXPENDITURE		
Interest credited to members' and ex-members' accounts	(5,333)	(6,964)
Surplus for the financial period	941	1,998

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

STATEMENT OF CHANGES IN MEMBERS' ACCOUNTS AND RESERVES

FOR THE FINANCIAL PERIOD FROM 01 APRIL 2007 TO 27 DECEMBER 2007

	Members' Accounts S\$'000	Interest Equalisation Reserve Account S\$'000	Total S\$'000
Balance as at 1 April 2006	254,627	28,183	282,810
Net contributions credited	14,110	-	14,110
Interest credited	6,960	-	6,960
Withdrawals net of refunds	(27,231)	-	(27,231)
Net withdrawals	(6,161)	-	(6,161)
Surplus for the financial year	-	1,998	1,998
Total recognised gain	-	1,998	1,998
Balance as at 31 March 2007	248,466	30,181	278,647
Net contributions credited	7,125	-	7,125
Interest credited	5,330	-	5,330
Refunds net of withdrawals	965	-	965
Net refunds	13,420	-	13,420
Surplus for the financial period	-	941	941
Total recognised gain	-	941	941
Balance as at 27 December 2007	261,886	31,122	293,008

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

NATIONAL UNIVERSITY OF SINGAPORE
ACADEMIC STAFF PROVIDENT FUND SCHEME

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 27 DECEMBER 2007

	27 DEC 2007 S\$'000	31 MAR 2007 S\$'000
Operating activities:		
Surplus for the financial period/year	941	1,998
Adjustments for:		
Interest income	(5,969)	(8,249)
Dividends	(63)	(490)
Interest credited to members' and ex-members' accounts	5,333	6,964
Change in fair values of held for trading investments	-	68
Profit on sale of investments	(242)	(291)
Operating surplus before reinvestment in working capital	-	-
Decrease in sundry creditors	(53)	(23)
Increase in sundry debtors	-	-
Decrease in amount due from the NUS Company	84	166
Decrease in tax recoverable	15	383
Cash generated from operating activities	46	526
Interest income received	9,904	6,918
Interest paid to members	(2)	(3)
Net contributions credited	7,125	14,110
Refunds net of withdrawals/(Withdrawals net of refunds)	965	(27,231)
Net cash generated from/(used in) operating activities	18,038	(5,680)
Investing activities:		
Dividend income received	63	490
Proceeds from sale of held for trading investments	4,500	7,984
Net cash from investing activities	4,563	8,474
Net increase in cash and cash equivalents	22,601	2,794
Cash and cash equivalents as at 1 April	270,335	267,541
Cash and cash equivalents as at Balance Sheet (Note A)	292,936	270,335

Note A

Cash and cash equivalents in the cash flow statements consist of the following:

	27 DEC 2007 S\$'000	31 MAR 2007 S\$'000
Bank balances	263,936	5,335
Fixed deposits	29,000	265,000
	292,936	270,335

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

NATIONAL UNIVERSITY OF SINGAPORE
ACADEMIC STAFF PROVIDENT FUND SCHEME

NOTES TO THE FINANCIAL STATEMENTS
27 DECEMBER 2007

1 PRINCIPAL ACTIVITY

The National University of Singapore Academic Staff Provident Fund Scheme is set up to manage and administer funds received for its members' accounts in accordance with Statute 18 established under the National University of Singapore Act, Chapter 204.

With the corporatisation of National University of Singapore ("NUS Company") on 28 March 2006 and pursuant to the Corporatisation Exercise ("Corporatisation Exercise") undertaken by National University of Singapore, a statutory board of Singapore, the operations, business undertakings, assets and obligations were transferred to the NUS Company at their net assets values as at 1 April 2006. Notwithstanding Section 21, until such time as the ASPF Scheme is dissolved, Section 15 of and the Second Schedule to the National University of Singapore Act (Cap. 204) in force immediately before the appointed day and Statute 18 shall remain in force and shall continue to apply to the ASPF Scheme.

The principal place of business is:

Office of Financial Services
ASPF Section
National University of Singapore
21 Lower Kent Ridge Road
Singapore 119077

On 28 December 2006, the NUS Company announced its decision to dissolve the Academic Staff Provident Fund Scheme on 28 December 2007 through a merger with the Central Provident Fund, hence the current financial period's financial statements are made up to 27 December 2007.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the historical cost basis except for the revaluation of certain financial instruments. The financial statements are prepared on the basis that the Scheme will be dissolved subsequent to this financial period and members' balances as at 27 December 2007 will be transferred to their respective accounts in the Central Provident Fund. All outstanding assets and liabilities of the Scheme as at 27 December 2007 will be transferred to and administered by the NUS Company at their respective carrying amounts. The costs of dissolving the Scheme will be borne by the NUS Company.

The financial statements are drawn up in accordance with the provisions of the National University of Singapore (Corporatisation) Act 2005 and Singapore Financial Reporting Standards ("FRSs").

NOTES TO THE FINANCIAL STATEMENTS
27 DECEMBER 2007

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of preparation (cont'd)

In the current financial period, the Scheme has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") relevant to its operations and effective for annual periods beginning on or after 1 April 2007. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Scheme's accounting policies and has no material effect on the amounts reported for the current period or prior years.

As the ASPF Scheme will be dissolved on 27 December 2007, the FRSs and INT FRSs and amendment to FRS that were issued but not effective at the date of authorisation of these financial statements will not be relevant to the ASPF Scheme.

(b) Financial Instruments

Financial assets and liabilities are recognised on the Scheme's balance sheet when the Scheme becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

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 change in value.

Receivables

Receivables 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 the Income and Expenditure Account based on a review of all outstanding amounts as at the period end. Bad debts are written off during the financial period in which they are identified.

Investments

Investments are recognised and de-recognised on a trade date basis when the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through Income and Expenditure Account which are initially measured at fair value.

Investments designated as at fair value through Income and Expenditure Account at inception

Investments designated as at fair value through Income and Expenditure Account at inception are those that are managed, and their performances are evaluated on a fair value basis, in accordance with a documented Scheme's investment strategy. Financial assets at fair value through Income and Expenditure Account are stated at fair value, with any resultant gain or loss recognised in income or expenditure. Fair value is determined in the manner described in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
27 DECEMBER 2007

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Financial Instruments (cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through Income and Expenditure Account, are assessed for indicators of impairment at each balance sheet date. 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. For financial assets carried at amortised cost, the amount of the impairment is 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 directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to Income and Expenditure Account. Changes in the carrying amount of the allowance account are recognised in Income and Expenditure Account.

(ii) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Scheme are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Scheme after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities are set out below.

Sundry creditors

Sundry creditors are measured at fair value, and are subsequently measured at amortised cost, using effective rate method.

(c) Impairment of tangible assets

At each balance sheet date, the Scheme reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Scheme estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS
27 DECEMBER 2007

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Impairment of tangible assets (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure Account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure Account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(d) Basis of recognising income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the interest rate applicable, on an effective yield basis.

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

(e) Expenditure

All expenses incurred in administering the Scheme are borne by the NUS Company except for brokerage, commission, stamp duty and other expenses incidental to the buying and selling of investments or collection of dividends or interest on investments of the Investment Fund.

(f) Members' contribution

Contributions by members are recognised on the accrual basis. All contributions to the Scheme are paid into the Investment Fund.

(g) Interest on Members' Accounts

Interest at such rate as the Board of Management may determine is credited to each member's account quarterly on the opening balance of each quarter out of the income received from the Investment Fund provided that such interest shall only be compounded after the expiry of the financial year in which such interest is credited.

Any balance of the income remaining after crediting to members' accounts is transferred to the Interest Equalisation Reserve Account in accordance with Statute 18.

(h) Interest Equalisation Reserve Account

The Interest Equalisation Reserve Account was previously established under Clause 11 of Statute 18 and built up from appropriations from the annual surplus of the Scheme. No change has been made to this clause since the establishment of National University of Singapore (Corporatisation) Act 2005.

NOTES TO THE FINANCIAL STATEMENTS
27 DECEMBER 2007

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Interest Equalisation Reserve Account (cont'd)

In the years in which the annual surplus of the Scheme is insufficient to credit interest to members' accounts, interest amounts as specified by the Board of Management would be transferred from this reserve to members' accounts.

(i) Foreign Currencies

The financial statements of the Scheme are presented in Singapore dollars, which is the functional currency of the Scheme, and the presentation currency for the financial statements.

In preparing the financial statements of the Scheme, transactions in currencies other than the Scheme's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Income and Expenditure Account.

(j) Financial Risk Management

(i) Foreign exchange risk

The Scheme is not materially exposed to foreign exchange risk.

(ii) Interest rate risk

The Scheme's income and operating cash flows are not materially affected by changes in market interest rates. As a policy, the Scheme does not hedge interest rate risks.

(iii) Credit risk

The Scheme has no significant concentrations of credit risk. Measures are in place to ensure that receivables are collected on a timely basis. Cash and fixed deposits are held with creditworthy financial institutions.

(iv) Liquidity risk

The Scheme monitors and maintains a level of cash and bank balances deemed adequate by the Management to finance the Scheme's operations and mitigate the effects of fluctuations in cash flows.

(v) Fair value of Financial Assets and Financial Liabilities

The carrying amount of the Scheme's financial assets and liabilities approximate their respective fair values due to the relatively short term maturity of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
27 DECEMBER 2007

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Scheme's accounting policies, which are described in Note 2, the Board of Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgments in applying the Scheme's accounting policies

There are no critical judgments that Management has made in the process of applying the entity's accounting policies and that have significant effect on the amounts recognised in financial statements.

(b) Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities to be transferred to the NUS Company.

4 HELD FOR TRADING INVESTMENTS

	27 Dec 2007 S\$'000	31 Mar 2007 S\$'000
Equity Shares:		
- At fair value	-	4,258

The fair value of equity shares as at 31 March 2007 was based on the last bid quoted market prices on that date.

5 EFFECTIVE INTEREST RATES

Fixed deposits bear an effective interest of 0.98% to 3.50% (31 March 2007 : 1.95% to 3.50%) per annum and for a tenor of approximately 271 days (31 March 2007 : 365 days).

6 ADMINISTRATION COST

The cost directly attributable to the administration of the Scheme during the financial period under review was \$336,357 (31 March 2007 : \$478,000). This cost is borne entirely by the NUS Company.

7 AUTHORISATION OF FINANCIAL STATEMENTS

The Board of Management authorised these financial statements for issue on 23 January 2008.

NOTES

Produced by
Office of Corporate Relations, NUS

Designed by Redbean De Pte Ltd