

National University of Singapore and its Subsidiaries

(Incorporated in Singapore. Registration Number: 200604346E)

FULL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010



NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Trustees' Report and Consolidated Financial Statements

For the financial year ended 31 March 2010

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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 statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as of and for the financial year ended 31 March 2010.

TRUSTEES

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

Mr Wong Ngit Liong (<i>Chairman</i>)	Mr Hsieh Fu Hua	Mr Phillip Tan Eng Seong
Professor Tan Chorh Chuan	Professor Olaf Kubler	Mr Lucien Wong Yuen Kuai
Mr Chandra Mohan K Nair	Mdm Kay Kuok Oon Kwong	Ms Yeoh Chee Yan
Mr Lucas Chow Wing Keung	Professor Edison Liu Tak-Bun	Mr Hans-Dieter Bott
Mr Edward Alec D’Silva	Ms Olivia Lum Ooi Lin	Mr Hiew Yoon Khong
Mr Goh Yew Lin	Mr Paul Ma Kah Woh	Mr Michael Lien Jown Leam
Mdm Halimah Bte Yacob	LG (NS) Ng Yat Chung	Mr Sunny Verghese
Mr Han Fook Kwang	Professor Saw Swee Hock	

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.

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 Singapore 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.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Report of the Trustees

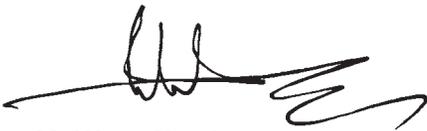
TRUSTEES CONTRACTUAL BENEFITS

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 Tan Chorh Chuan
Trustee

31 July 2010

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Statement by Trustees

In the opinion of the Trustees,

- a. the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as set out on pages 7 to 74 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 2010, 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 2009 to 31 March 2010; 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 Tan Chorh Chuan
Trustee

31 July 2010

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Independent Auditors' Report to the Board of Trustees of National University of Singapore

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the National University of Singapore (the Company) and its subsidiaries (collectively, "the Group") which comprise the statements of financial position of the Group and the Company as at 31 March 2010, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Company and consolidated statement of cash flows of the Group for the financial year from 1 April 2009 to 31 March 2010, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 74.

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.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Independent Auditors' Report to the Board of Trustees of National University of Singapore

OPINION

In our opinion,

- a. the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company are 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 2010 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 year from 1 April 2009 to 31 March 2010; 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

During the course of our audit, nothing has come to our attention that,

- a. the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) (Amendment) Regulations 2008 has been exceeded; and
- b. the use of the donation money are not in accordance with the objectives of the Company.

The logo for Deloitte & Touche LLP is written in a stylized, handwritten cursive font. The letters are dark and the overall appearance is professional and elegant.

Deloitte & Touche LLP

Public Accountants and Certified Public Accountants

Singapore
31 July 2010

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Statements of Financial Position

As at 31 March 2010

	Note	GROUP		COMPANY	
		2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
ACCUMULATED SURPLUS	5	2,530,575	1,591,358	2,497,912	1,576,819
ENDOWMENT FUNDS	6	1,688,844	1,559,182	1,688,500	1,558,901
CAPITAL PRESERVATION ACCOUNT	6	–	124,275	–	124,275
FAIR VALUE RESERVE		406	(737)	396	(747)
TRANSLATION RESERVE		(19)	(67)	–	–
TOTAL EQUITY		4,219,806	3,274,011	4,186,808	3,259,248
NON-CURRENT ASSETS					
Subsidiary companies	7	–	–	200	200
Associated companies	8	12,816	570	500	500
Fixed assets	9	2,088,413	1,853,099	2,085,525	1,850,494
Intangible assets	10	19,169	15,176	18,964	15,026
Available-for-sale investments	11,14	7,122	4,354	3,997	2,854
Student loans (repayable after 12 months)	15	252,395	263,848	252,395	263,848
Long-term loan to subsidiary company	16	–	–	250	250
Amount owing by an investee company (repayable after 12 months)	17	53,351	–	53,351	–
Prepayments (to be utilised after 12 months)	19	37,236	–	37,236	–
		2,470,502	2,137,047	2,452,418	2,133,172
CURRENT ASSETS					
Student loans (repayable within 12 months)	15	62,193	–	62,193	–
Debtors	18	361,897	550,348	360,478	548,157
Consumable stores		642	550	213	190
Deposits and prepayments (to be utilised within 12 months)	19	92,272	26,791	91,324	26,746
Amount owing by subsidiary company	16	–	–	463	171
Held-to-maturity investments	14	–	500	–	500
Investments at fair value through income or expenditure	12,14	2,804,148	2,006,132	2,804,148	2,006,132
Derivative financial instruments	13,14	1,238	9,431	1,238	9,431
Fixed deposits	20	385,055	262,138	385,055	262,138
Cash and bank balances	21	298,924	212,829	270,946	193,895
Amount owing by an investee company (repayable within 12 months)	17	–	14,621	–	14,621
		4,006,369	3,083,340	3,976,058	3,061,981
Fixed assets held for sale	22	–	30,244	–	30,244
Total Current Assets		4,006,369	3,113,584	3,976,058	3,092,225
TOTAL ASSETS		6,476,871	5,250,631	6,428,476	5,225,397

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Statements of Financial Position

As at 31 March 2010

	Note	GROUP		COMPANY	
		2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
CURRENT LIABILITIES					
Creditors and accrued expenses	23	274,551	139,392	270,285	135,839
Provisions	23	53,500	47,081	53,108	46,764
Grants received in advance		121,154	82,769	113,463	77,563
Derivative financial instruments	13,14	874	956	874	956
Amount owing to subsidiary company	16	–	–	–	1,303
Short-term loans	26	–	207,000	–	207,000
		450,079	477,198	437,730	469,425
NON-CURRENT LIABILITIES					
Deferred capital grants	24	1,284,711	1,244,317	1,281,663	1,241,619
Advances from Government for student loans	25	272,275	255,105	272,275	255,105
Fixed rate notes	26	250,000	–	250,000	–
		1,806,986	1,499,422	1,803,938	1,496,724
TOTAL LIABILITIES		2,257,065	1,976,620	2,241,668	1,966,149
NET ASSETS		4,219,806	3,274,011	4,186,808	3,259,248

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Statements of Comprehensive Income

For the financial year ended 31 March 2010

	Note	GROUP		COMPANY	
		2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
OPERATING INCOME					
Tuition and other fees		275,227	250,947	271,009	247,290
Other income	28	188,652	175,658	184,910	172,051
		463,879	426,605	455,919	419,341
OPERATING EXPENDITURE					
Expenditure on manpower	29	804,848	745,631	791,388	732,459
Depreciation and amortisation expenditure	9,10	224,662	200,820	223,899	200,037
Other operating expenditure		611,593	603,021	606,808	595,247
		1,641,103	1,549,472	1,622,095	1,527,743
Operating Deficit		(1,177,224)	(1,122,867)	(1,166,176)	(1,108,402)
Net investment income (loss)	31	365,224	(676,650)	365,136	(676,655)
Gain on disposal of fixed assets held for sale	22	239,306	–	239,306	–
Share of results (net of tax) of associated companies	8	12,246	35	–	–
Deficit before Grants	32	(560,448)	(1,799,482)	(561,734)	(1,785,057)
GRANTS					
Operating Grants:					
Government	33a	1,032,660	900,402	1,016,953	884,575
Agency for Science, Technology & Research	33b	68,426	69,465	68,426	69,465
Others	33c	92,645	62,478	92,527	62,069
Deferred capital grants amortised	24	182,722	178,359	181,709	177,298
		1,376,453	1,210,704	1,359,615	1,193,407
SURPLUS (DEFICIT) FOR THE YEAR BEFORE TAX					
Income tax	34	–	–	–	–
SURPLUS (DEFICIT) FOR THE YEAR	35	816,005	(588,778)	797,881	(591,650)
OTHER COMPREHENSIVE INCOME:					
Exchange differences on translating foreign operations		48	39	–	–
Change in fair value of available-for-sale investments		1,143	(1,791)	1,143	(1,791)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX					
		1,191	(1,752)	1,143	(1,791)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		817,196	(590,530)	799,024	(593,441)

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 2010

GROUP	Note	Capital					Total
		Accumulated Surplus	Endowment Funds	Preservation Account	Fair Value Reserve	Translation Reserve	
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2009		1,591,358	1,559,182	124,275	(737)	(67)	3,274,011
Matching grants received/accrued		–	88,945	–	–	–	88,945
Donations received		–	39,654	–	–	–	39,654
Total comprehensive income for the year		816,005	–	–	1,143	48	817,196
Total recognised gains and losses for the year		816,005	128,599	–	1,143	48	945,795
Transfer to endowment funds		(1,063)	1,063	–	–	–	–
Transfer from Capital Preservation Account	6	124,275	–	(124,275)	–	–	–
Balance at 31 March 2010		2,530,575	1,688,844	–	406	(19)	4,219,806
Balance at 1 April 2008		2,180,132	1,447,252	124,275	1,054	(106)	3,752,607
Matching grants received/accrued		–	81,449	–	–	–	81,449
Donations received		–	30,485	–	–	–	30,485
Total comprehensive income for the year		(588,778)	–	–	(1,791)	39	(590,530)
Total recognised gains and losses for the year		(588,778)	111,934	–	(1,791)	39	(478,596)
Transfer from endowment funds		4	(4)	–	–	–	–
Balance at 31 March 2009		1,591,358	1,559,182	124,275	(737)	(67)	3,274,011

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 2010

COMPANY	Note	Capital				Total
		Accumulated Surplus	Endowment Funds	Preservation Account	Fair Value Reserve	
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2009		1,576,819	1,558,901	124,275	(747)	3,259,248
Matching grants received/accrued		–	88,894	–	–	88,894
Donations received		–	39,642	–	–	39,642
Total comprehensive income for the year		797,881	–	–	1,143	799,024
Total recognised gains and losses for the year		797,881	128,536	–	1,143	927,560
Transfer to endowment funds		(1,063)	1,063	–	–	–
Transfer from capital preservation account	6	124,275	–	(124,275)	–	–
Balance at 31 March 2010		2,497,912	1,688,500	–	396	4,186,808
Balance at 1 April 2008		2,168,465	1,446,992	124,275	1,044	3,740,776
Matching grants received/accrued		–	81,449	–	–	81,449
Donations received		–	30,464	–	–	30,464
Total comprehensive income for the year		(591,650)	–	–	(1,791)	(593,441)
Total recognised gains and losses for the year		(591,650)	111,913	–	(1,791)	(481,528)
Transfer from endowment funds		4	(4)	–	–	–
Balance at 31 March 2009		1,576,819	1,558,901	124,275	(747)	3,259,248

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2010

	2010 S\$'000	2009 S\$'000
Cash flows from operating activities:		
Deficit before Grants	(560,448)	(1,799,482)
Adjustments for:		
Depreciation of fixed assets	221,353	198,000
Amortisation of intangible assets	3,309	2,820
Net investment (income) loss	(365,224)	676,650
Loss on disposal of fixed assets	2,520	3,544
Bad and doubtful debts	417	40
Allowance for impairment on fixed assets	–	24,518
Allowance for prepayment for fixed assets	3,209	–
Gain on disposal of fixed assets held for sale	(239,306)	–
Exchange differences arising on translation of foreign subsidiary	48	39
Donated artifacts additions	–	(24)
Share of associated companies' results	(12,246)	(35)
Deficit before working capital changes	(946,368)	(893,930)
Change in operating assets and liabilities:		
Increase in debtors, consumable stores, deposits and prepayments	(194,369)	(50,539)
Decrease (increase) in amount owing by associated company	–	3
Increase (decrease) in creditors and accrued expenses and provisions	127,651	(2,029)
Cash used in operations	(1,013,086)	(946,495)
Agency for Science, Technology & Research grants received, net of refund	73,543	104,651
Other grants received, net of refund	179,239	61,459
Donations received for endowment funds	39,654	30,485
Student loans granted	(69,943)	(68,859)
Student loans repaid	18,033	54,026
Net cash outflow from operating activities	(772,560)	(764,733)
Cash flows from investing activities:		
Payments for purchase of fixed assets	(444,967)	(431,841)
Payments for purchase of intangible assets	(7,298)	(6,207)
Proceeds from disposal of fixed assets	1,177	270
Proceeds from disposal of fixed assets held for sale	269,550	–
Investment in associated company	–	(500)
Net (purchase) sale of investments	(534,621)	103,856
Interest and dividend received	18,598	21,610
Net settlement of foreign exchange contracts	90,160	(189,010)
Increase in amount owing by investee company	(38,730)	(2,250)
Net cash outflow from investing activities	(646,131)	(504,072)

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2010

	2010 S\$'000	2009 S\$'000
Cash flows from financing activities:		
Government grants received, net of refund	1,477,487	1,033,514
Government grants received for endowment funds	88,819	80,942
Student tuition fee loan funds received from government	12,897	12,338
Student loan funds received from government	5,000	5,027
Overseas student loan funds received from government	500	–
Proceeds from issue of Fixed Rate Notes	250,000	–
Short-term loan (repaid) received	(207,000)	36,505
Net cash inflow from financing activities	1,627,703	1,168,326
Net increase (decrease) in cash and cash equivalents	209,012	(100,479)
Cash and cash equivalents at the beginning of the year	474,967	575,446
Cash and cash equivalents at the end of the year	683,979	474,967

Note A

During the financial year, the Group acquired fixed assets amounting to S\$460,368,000 (2009: S\$434,400,000), out of which S\$444,967,000 (2009: S\$431,841,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

Note B

Cash and cash equivalents comprises:

	Note	2010 S\$'000	2009 S\$'000
Fixed deposits	20	385,055	262,138
Cash and bank balances	21	298,924	212,829
		683,979	474,967

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

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 7 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as of and for the year ended 31 March 2010 were authorised for issue in accordance with a resolution of the Board of Trustees on 31 July 2010.

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 FRS ("INT FRS") that are relevant to its operations and effective beginning on or after 1 April 2009. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

FRS 1 – Presentation of Financial Statements (Revised)

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

Amendments to FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

a. Basis of Accounting *(cont'd)*

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

FRS 28 – Investments in Associates (Revised)

Improvements to Financial Reporting Standards (issued in June 2009)

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

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRSs issued but not yet effective at the date of authorisation of these financial statements in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption except for the following:

FRS 28 (Revised) – Investments in Associates

In FRS 28 (Revised), the principle adopted under FRS 27 (Revised) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendment to FRS 28 (Revised); therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

FRS 28 (Revised) will be adopted for periods beginning on or after 1 July 2009 and will be applied prospectively in accordance with the relevant transitional provisions and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

At the date of authorisation of these financial statements, Management expects that the adoption of the other FRSs, INT FRSs and amendments to FRS that were issued but effective in future periods will have no material impact on these financial statements of the Group and the Company in the year 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 Statement of Comprehensive Income 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.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

b. Basis of Consolidation *(cont'd)*

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 income or expenditure.

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.

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 statement of financial position 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 statement of financial position 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 or expenditure".

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d. Financial Instruments *(cont'd)*

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 income or expenditure based on a review of all outstanding amounts as at the year end. Bad debts are written off during the financial year in which they are identified.

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 or expenditure which are initially measured at fair value.

Investments designated as at fair value through income or expenditure at inception

Investments designated as at fair value through income or expenditure 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 or expenditure are stated at fair value, with any resultant gain or loss recognised in income or expenditure. The net gain or loss recognised in income or expenditure incorporates any dividend or interest earned on the investments. 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.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. Financial Instruments (cont'd)

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 other comprehensive income 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 or expenditure. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in fair value reserve is included in income or expenditure for the period. Dividends on available-for-sale equity instruments are recognised in income or expenditure 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 or expenditure, and other changes are recognised in other comprehensive income.

Impairment of financial assets

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

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 or expenditure to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised 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 other comprehensive income.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d. Financial Instruments *(cont'd)*

Derecognition of financial assets

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

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.

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

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

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. Fixed rate notes

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d. Financial Instruments *(cont'd)*

Financial liabilities and equity *(cont'd)*

iii. 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 the end of each reporting period. The resulting gain or loss is recognised in Income or expenditure immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Income or expenditure 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 the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing as at the end of the reporting period. 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.

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e. Foreign Currency Transactions and Translation *(cont'd)*

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign subsidiaries (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and 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 recognised in other comprehensive income and accumulated in the Group's translation reserve in equity. Such translation differences will be reclassified from equity to income or expenditure, as a reclassification adjustment, in the period in which the foreign subsidiary is disposed of.

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. All other borrowing costs are charged to income or expenditure.

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 income or expenditure for purchases of assets which are expensed off. Donated tangible fixed assets, with the exception of non-depreciable fixed assets donated for use by the Group, are valued and taken to deferred capital grants and the debit taken to the relevant fixed asset category. Donated non-depreciable assets are taken to income or expenditure.

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h. Grants (cont'd)

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. Endowment Funds

Donations received and Government matching grants received/receivable during the year, which are required to be kept intact as capital, are taken directly to the endowment funds.

j. Funds

General funds

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

Restricted funds

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

- i. income generated from the endowment funds;
- ii. funds created from non-endowed donations for specific purposes;
- iii. external grants received from grantors as they are received for restricted purpose specified by grantors; and
- iv. annual sinking fund from Government for asset replacement purposes.

k. Fixed Assets and Depreciation

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

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

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k. Fixed Assets and Depreciation (cont'd)

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:

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

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.

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 the end each reporting period, 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 income or expenditure.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m. Impairment of Tangible and Intangible Assets (cont'd)

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 income or expenditure.

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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, 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

Payments to defined contribution retirement benefit plans are charged as expenses as they fall due. 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 end of the reporting period.

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 statement of comprehensive income 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 end of the reporting period.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

q. Income Tax (cont'd)

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

r. Research Expenditure

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

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, 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 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.

b. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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 for Group and Company at the end of the reporting period were S\$1,695,804,000 (2009: S\$1,222,417,000) and S\$1,692,739,000 (2009: S\$1,221,077,000) respectively.

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 for Group and Company at the end of the reporting period were S\$53,500,000 (2009: S\$47,081,000) and S\$53,108,000 (2009: S\$46,764,000) respectively.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

a. Categories of financial instruments

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

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Financial Assets				
At fair value through income or expenditure (FVTIE):				
Investments	2,804,148	2,006,132	2,804,148	2,006,132
Derivative financial instruments	1,238	9,431	1,238	9,431
Held-to-maturity investments, at amortised cost	–	500	–	500
Loans and receivables (including cash and cash equivalents) at amortised cost	1,467,266	1,303,784	1,438,582	1,283,080
Available-for-sale financial assets, at fair value through other comprehensive income	7,122	4,354	3,997	2,854
Financial Liabilities				
At fair value through income or expenditure (FVTIE):				
Derivative financial instruments	874	956	874	956
Loans, advances, creditors and accrued expenses at amortised cost	796,826	601,497	792,560	599,247

b. Financial risk management policies and objectives

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 Group's Investment Committee, with the advice from its investment consultant.

The Group manages its exposure to financial risks using a variety of techniques and instruments.

The Group has documented financial risk management policies. These policies set out the group's overall business strategies and its risk management policies.

The Group invests in a variety of investments globally. These investments expose the Group to various financial risks including liquidity risk, market risk (including currency hedging risk, price risk and interest rate risk of its investments) and credit risk. The Group seeks to minimize potential adverse effects from these exposures. The Group's overall risk management strategy is to ensure adequate diversification across its investments through its long term asset allocation policy as agreed by the Group's Investment Committee. It seeks to moderate the effects of volatility on its financial performance or across financial institutions to minimise the risk of a credit event.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

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

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

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

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

i. Market risk – price risk management

The Group is exposed to price risk arising from the investments, invested either directly or through externally managed funds in the various asset classes under the long term asset allocation policy. The Group manages its price risk through target weights and portfolio diversification across asset classes to control exposure risk. The investment objectives, risk tolerance threshold and constraints are approved by the Investment Committee, which is delegated with the oversight of investments of the Group. The performance of the managed funds is regularly reviewed by the Investment Office, which manages the portfolio of externally managed funds under the guidance and purview of the Investment Committee.

In respect of quoted and unquoted equity securities, a +/-5% change in investment value as at March 2010 will result in a +/- S\$92,083,000 (March 2009: +/- S\$76,293,000) gain / loss in net surplus for the Group and Company. This analysis has been performed for reasonably possible movements in prices with all other variables constant. The correlation between the other variables has been assumed to be constant.

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

ii. Interest rate risk management

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 Group monitors interest rates regularly to ensure excess funds are invested at competitive rates.

The Group's investments are subject to interest rate risk as a portion of the Group's portfolio is invested in fixed income securities, either directly or through externally managed funds. The Group's operating cash flows are invested in fixed rate instruments and hence are substantially independent of changes in market interest rates. The Group monitors interest rates regularly to ensure excess funds are invested at competitive rates.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

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

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

ii. Interest rate risk management *(cont'd)*

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

In respect of the quoted and unquoted Government bonds and debt securities, a +/-1% change in interest rates as at March 2010 will result in a -/+ S\$35,766,000 (March 2009: -/+ S\$22,967,000) gain / loss in net surplus (comprising of interest income and anticipated fair value changes) for the Group and Company. Similarly this analysis was performed for reasonably possible movements in interest rates with all other variables constant. The correlation of the other variables has been assumed to be constant.

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

The Group's income, expenditure and equity are not affected by the changes in interest rates as the interest-bearing instruments carry fixed interests and are measured at amortised cost.

iii. Foreign exchange risk management

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

a. Investments

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

	2010	2009
	Investments at FVTIE	Investments at FVTIE
	S\$'000	S\$'000
United States Dollars	1,729,059	1,407,836
Other Currencies	106,649	104,827

In Management's opinion, no sensitivity analysis for investments is presented as its foreign currency investments are hedged through currency swap contracts. The exposure to foreign exchange risk is minimal and any impact to income or expenditure is not considered material by Management.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

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

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

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

b. Other Financial Assets and Financial Liabilities

The Group transacts business in various currencies, including the United States dollar, Japanese Yen and the Euro and there is exposure to foreign exchange risk.

The Group's foreign currency exposures arise mainly from the exchange rate movements of the United States dollar, Japanese Yen and Euros against the Singapore dollar.

Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

At the end of each reporting period, the carrying amounts of monetary assets and monetary liabilities (other than investments) denominated in currencies other than the functional currency of entities in the Group are as follows:

	GROUP				COMPANY			
	Assets		Liabilities		Assets		Liabilities	
	2010	2009	2010	2009	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
United States Dollars	19,251	12,908	1,135	583	18,182	12,343	769	304
Euro	2,016	22,662	–	3	2,016	22,662	–	3

The sensitivity rate used when reporting foreign currency risk to key management personnel is 10%, which is the change in foreign exchange rate that Management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If the Euro were to change by 10% against the Singapore dollar, Group's and Company's surplus will increase/decrease by S\$202,000 (2009: increase/decrease by S\$2,266,000).

If the United States dollars were to change by 10% against the Singapore dollar, Group's and Company's surplus will increase/decrease by S\$1,812,000 and S\$1,741,000 respectively (2009: increase/decrease by S\$1,233,000 and S\$1,204,000 respectively).

iv. Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generates cash flows to finance its activities.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

For the financial year ended 31 March 2010

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

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

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

a. Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table excludes advances for student loans from Government as the advances are for the purpose of extending loans to students (reflected as financial assets) mainly to assist them in paying their tuition fees. They are unsecured and repayable following the collection of the underlying loan by the Group from the students.

GROUP	Weighted average effective interest rate %	On demand or within 1 year S\$'000	Within 2-5 years S\$'000	Adjustment S\$'000	Total S\$'000
2010					
Non-interest bearing	–	274,551	–	–	274,551
Interest bearing	3.2	8,000	275,600	(33,600)	250,000
Total		282,551	275,600	(33,600)	524,551
2009					
Non-interest bearing	–	139,392	–	–	139,392
Interest bearing	0.89	207,509	–	(509)	207,000
Total		346,901	–	(509)	346,392

COMPANY	Weighted average effective interest rate %	On demand or within 1 year S\$'000	Within 2-5 years S\$'000	Adjustment S\$'000	Total S\$'000
2010					
Non-interest bearing	–	270,285	–	–	270,285
Interest bearing	3.2	8,000	275,600	(33,600)	250,000
Total		278,285	275,600	(33,600)	520,285
2009					
Non-interest bearing	–	137,142	–	–	137,142
Interest bearing	0.89	207,509	–	(509)	207,000
Total		344,651	–	(509)	344,142

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

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

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

b. Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below exclude student loans which are mainly disbursed from advances from the Government and have been drawn up based on the undiscounted expected maturities of the financial assets.

GROUP	Weighted average effective interest rate %	On demand or within 1 year S\$'000	Within 2- 5 years S\$'000	After 5 years S\$'000	Adjustment S\$'000	Total S\$'000
2010						
Non-interest bearing	–	659,607	–	–	–	659,607
Interest bearing	0.79	445,729	63,114	–	(15,772)	493,071
Investments at fair value through income or expenditure (FVTIE)	–	1,920,795	744,752	138,601	–	2,804,148
Available-for-sale investments	–	–	–	7,122	–	7,122
Total		3,026,131	807,866	145,723	(15,772)	3,963,948
2009						
Non-interest bearing	–	665,554	–	–	–	665,554
Interest bearing	0.99	380,391	–	–	(6,009)	374,382
Investments at FVTIE	–	1,217,874	695,505	92,753	–	2,006,132
Available-for-sale investments	–	–	–	4,354	–	4,354
Total		2,263,819	695,505	97,107	(6,009)	3,050,422

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

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

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

b. Non-derivative financial assets *(cont'd)*

COMPANY	Weighted average effective interest rate %	On demand or within 1 year S\$'000	Within 2- 5 years S\$'000	After 5 years S\$'000	Adjustment S\$'000	Total S\$'000
2010						
Non-interest bearing	–	630,673	250	–	–	630,923
Interest bearing	0.79	445,729	63,114	–	(15,772)	493,071
Investments at fair value through income and expenditure (FVTIE)	–	1,920,795	744,752	138,601	–	2,804,148
Available-for-sale investments	–	–	–	3,997	–	3,997
Total		2,997,197	808,116	142,598	(15,772)	3,932,139
2009						
Non-interest bearing	–	644,600	250	–	–	644,850
Interest bearing	0.99	380,391	–	–	(6,009)	374,382
Investments at FVTIE	–	1,217,874	695,505	92,753	–	2,006,132
Available-for-sale investments	–	–	–	2,854	–	2,854
Total		2,242,865	695,755	95,607	(6,009)	3,028,218

Investments at fair value through income or expenditure (FVTIE) are actively managed on a portfolio basis by the Group's Investment Office. For investments without lock up clauses, the expected maturity of these investments are categorised as on demand or within 1 year. For those investments with lock up clauses, their expected maturities are categorized based on the expiration of their lock up periods. The above categorisation is in accordance with the disclosure requirements of FRS 107 and does not necessarily represent the period in which the investments classified as FVTIE are expected to be realised. The Investment Office manages these investments under the long term asset allocation policy described in Note 4 (b) financial risk management policies and objectives and the actual realisation of these investments is dependent on several factors, which include performance of the investments, prevailing market conditions and the funding needs of the Group.

c. Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period.

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

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

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

c. Derivative financial instruments *(cont'd)*

GROUP AND COMPANY	On demand or within 1 year
	S\$'000
2010	
Net settled:	
Foreign exchange forward contracts	513
Futures	(149)
2009	
Net settled:	
Foreign exchange forward contracts	8,084
Futures	391

v. Counterparty and credit risk management

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.

The Group has adopted a risk capital based methodology for limiting counterparty exposure. The Group will only transact with counterparties with a minimum credit rating of at least an A- credit rating by Standard & Poor's and Fitch and A3 credit rating by Moody's, and the Group's exposure to such a counterparty is limited to 20% of the total Assets under management regardless of its credit rating (above the minimum required rating).

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

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

As any impairment for student tuition fee loans and study loans is funded by the Government, there is no exposure to credit risk for these 2 categories of student loans. For notebook computer loans and other student loans, the maximum exposure to credit risk is the carrying amount of the loans.

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For the financial year ended 31 March 2010

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

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

vi. Fair Value of financial assets and liabilities

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

With effect from the reporting period beginning 1 April 2009, NUS adopted the amendments FRS 107 Financial Instruments: Disclosures. The following describes the hierarchy of inputs used to measure the fair value and the primary valuation methodologies used by the Group for investments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1

Fair value are measured based on quoted prices (unadjusted) from active markets for identical financial instruments. Prices are generally obtained from relevant exchange or dealer markets. The Group does not adjust the quoted prices for such investments.

Level 2

Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities and quoted prices in markets that are not active. Inputs are obtained from various sources including market participants, dealers, and brokers.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Investments in Level 3 primarily consist of the Group's ownership in alternative investments (principally limited partnership interests in hedge, private equity, real estate, and other similar funds). The fair value of certain alternative investments represents the ownership interest in the net asset value (NAV) of the respective funds. The fair values of such funds that do not have readily determinable fair values may be determined by the alternative investment managers.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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For the financial year ended 31 March 2010

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

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

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

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

GROUP	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2010				
Financial Assets				
<u>Available for sale investments</u>				
Unquoted equity securities	–	3,326	3,736	7,062
Redeemable convertible loan stocks	–	–	60	60
Sub-total	–	3,326	3,796	7,122
<u>Investments at fair value through income or expenditure</u>				
Quoted Government bonds	680,408	–	–	680,408
Quoted debt securities	74,085	–	–	74,085
Quoted equity securities	360,913	–	–	360,913
Unquoted equity securities	–	–	1,688,742	1,688,742
Sub-total	1,115,406	–	1,688,742	2,804,148
<u>Derivative financial instruments</u>				
Forward foreign exchange contracts	1,119	–	–	1,119
Futures Assets	119	–	–	119
Sub-total	1,238	–	–	1,238
Total	1,116,644	3,326	1,692,538	2,812,508
Financial Liabilities				
<u>Derivative financial instruments</u>				
Forward foreign exchange contracts	606	–	–	606
Futures	268	–	–	268
Total	874	–	–	874

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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For the financial year ended 31 March 2010

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

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

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

COMPANY	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2010				
Financial Assets				
<u>Available for sale investments</u>				
Unquoted equity securities	–	3,326	671	3,997
Sub-total	–	3,326	671	3,997
<u>Investments at fair value through income or expenditure</u>				
Quoted Government bonds	680,408	–	–	680,408
Quoted debt securities	74,085	–	–	74,085
Quoted equity securities	360,913	–	–	360,913
Unquoted equity securities	–	–	1,688,742	1,688,742
Sub-total	1,115,406	–	1,688,742	2,804,148
<u>Derivative financial instruments</u>				
Forward foreign exchange contracts	1,119	–	–	1,119
Futures Assets	119	–	–	119
Sub-total	1,238	–	–	1,238
Total	1,116,644	3,326	1,689,413	2,809,383
Financial Liabilities				
<u>Derivative financial instruments</u>				
Forward foreign exchange contracts	606	–	–	606
Futures	268	–	–	268
Total	874	–	–	874

There are no transfers between Level 1 and 2 of the fair value hierarchy during the financial year.

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For the financial year ended 31 March 2010

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

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

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

Movements of the Level 3 financial assets during the reporting period:

	GROUP \$'000	COMPANY \$'000
Fair value as at 1 April 2009	1,220,216	1,218,454
Realised gains	836	748
Unrealised gains	168,174	168,174
Impairment loss	(259)	–
Net purchases	303,571	302,037
Fair value as at 31 March 2010	1,692,538	1,689,413

c. Capital risk management policies and objectives

The Group reviews its capital structure at least annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group comprises of reserves as disclosed in Notes 5 and 6 and fixed rate notes disclosed in Note 26. The Group is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. The Group is in compliance with externally imposed capital requirements for the reporting period ended 31 March 2010. The Group's overall strategy remains unchanged from 2009.

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For the financial year ended 31 March 2010

5 ACCUMULATED SURPLUS

Accumulated surplus under the statements of financial position comprise of General Funds and Restricted Funds. Income and expenditure of the Group are generally accounted for under General Funds in the Group's statement of comprehensive income. General Funds include funds set aside for specific purposes such as halls of residences and self-financing activities by the Group. Although set aside for specific or committed purposes, such funds may at the discretion of the Board of Trustees, be used for other purposes. Restricted Funds relate to funds that are subject to legal or grantor/donor imposed stipulation.

Total accumulated surplus of the Group of S\$2,530,575,000 (2009: S\$1,591,358,000) and the Company of S\$2,497,912,000 (2009: S\$1,576,819,000) comprise the following:

	Note	GROUP		COMPANY	
		2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
General Funds					
Funds set aside for specific purposes and commitments ^(a)		1,237,397	834,054	1,204,829	819,584
Amounts set aside to match future depreciation of assets ^(b)		310,957	287,411	310,957	287,411
Accumulated surplus from non-endowed donations	6	95	2,166	–	2,097
		1,548,449	1,123,631	1,515,786	1,109,092
Restricted Funds					
Accumulated surplus from non-endowed donations	6	410,465	359,474	410,465	359,474
Accumulated surplus (deficit) from endowment funds	6	321,528	(71,513)	321,528	(71,513)
Annual service income from Government for asset acquisition and replacement purposes ^(c)		97,860	127,916	97,860	127,916
Amounts set aside to match future depreciation of assets ^(d)		152,273	51,850	152,273	51,850
		982,126	467,727	982,126	467,727
Total Accumulated Surplus		2,530,575	1,591,358	2,497,912	1,576,819

^(a) These are funds allocated for planned operational activities of faculties, departments and halls of residences.

^(b) These are amounts set aside to match future depreciation of assets acquired using General Funds.

^(c) These relate to annual service income from the Government to fund the following:

- i. Future redevelopment and continuous improvement projects.
- ii. Acquisition and replacement of furniture, equipment and information and technology assets.
- iii. Debt principal repayment and servicing cost for development projects that fall under the debt-grant framework initiated by the Government.

^(d) These are amounts set aside to match future depreciation of assets acquired using the annual service income from Government for asset acquisition and replacement purposes.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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For the financial year ended 31 March 2010

6 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 Group and the Company amounted to S\$93,620,000 (2009: S\$ 89,546,000) and S\$93,592,000 (2009: S\$89,484,000) respectively. Of this, S\$39,654,000 (2009: S\$30,485,000) for the Group and S\$39,642,000 (2009: S\$30,464,000) for the Company represent 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 Group and Company.

GROUP	Note	2010			2009		
		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 (Deficit)	5	321,528	410,560	732,088	(71,513)	361,640	290,127
Endowment Funds		1,688,844	–	1,688,844	1,559,182	–	1,559,182
Capital Preservation Account		–	–	–	124,275	–	124,275
		2,010,372	410,560	2,420,932	1,611,944	361,640	1,973,584
Represented by:							
Non-Current Assets							
Fixed assets		17,608	60,491	78,099	12,466	44,791	57,257
Student loans		1,694	19,867	21,561	7,607	19,526	27,133
		19,302	80,358	99,660	20,073	64,317	84,390
Current Assets							
Debtors		154,301	45	154,346	169,987	253	170,240
Held-to-maturity investments		–	–	–	–	500	500
Investments at fair value through income or expenditure		1,941,426	240,056	2,181,482	1,413,382	213,730	1,627,112
Derivative financial instruments		1,125	–	1,125	9,431	–	9,431
Fixed deposits		794	91,720	92,514	731	85,194	85,925
		2,097,646	331,821	2,429,467	1,593,531	299,677	1,893,208
Total Assets		2,116,948	412,179	2,529,127	1,613,604	363,994	1,977,598
Current Liabilities							
Creditors and accrued expenses		105,919	–	105,919	704	–	704
Derivative financial instruments		657	–	657	956	–	956
		106,576	–	106,576	1,660	–	1,660
Non-Current Liabilities							
Deferred capital grants		–	1,619	1,619	–	2,354	2,354
Total Liabilities		106,576	1,619	108,195	1,660	2,354	4,014
Net Assets		2,010,372	410,560	2,420,932	1,611,944	361,640	1,973,584

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

GROUP	2010			2009		
	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000
<u>Accumulated Surplus:</u>						
Balance as at 1 April	(71,513)	361,640	290,127	586,915	361,325	948,240
Donations received	–	53,966	53,966	108	58,953	59,061
Donated artifacts additions	–	–	–	–	24	24
Investment income (loss) (including change in fair value of investment held for trading and profit on sale of associated company)	310,986	20,381	331,367	(606,716)	(34,065)	(640,781)
Other operating income	1	170	171	43	390	433
Expenditure on manpower	(19,552)	(5,107)	(24,659)	(20,904)	(3,824)	(24,728)
Depreciation	(2,428)	(3,076)	(5,504)	(1,475)	(1,721)	(3,196)
Other operating expenditure	(19,178)	(17,414)	(36,592)	(29,488)	(19,442)	(48,930)
Amount transferred (to) from endowment funds	(1,063)	–	(1,063)	4	–	4
Transfer from capital preservation account ^(a)	124,275	–	124,275	–	–	–
Balance as at 31 March	321,528	410,560	732,088	(71,513)	361,640	290,127
<u>Endowment Funds:</u>						
Balance as at 1 April	1,559,182	–	1,559,182	1,447,252	–	1,447,252
Matching grants received/accrued	88,945	–	88,945	81,449	–	81,449
Donations received	39,654	–	39,654	30,485	–	30,485
Amount transferred from (to) accumulated surplus	1,063	–	1,063	(4)	–	(4)
Balance as at 31 March	1,688,844	–	1,688,844	1,559,182	–	1,559,182
<u>Capital Preservation Account:</u>						
Balance as at 1 April	124,275	–	124,275	124,275	–	124,275
Amount transferred to accumulated surplus ^(a)	(124,275)	–	(124,275)	–	–	–
Balance as at 31 March	–	–	–	124,275	–	124,275
Balance as at 31 March	2,010,372	410,560	2,420,932	1,611,944	361,640	1,973,584

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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

COMPANY	Note	2010			2009		
		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 (Deficit) Surplus	5	321,528	410,465	731,993	(71,513)	361,571	290,058
Endowment Funds		1,688,500	–	1,688,500	1,558,901	–	1,558,901
Capital Preservation Account		–	–	–	124,275	–	124,275
		2,010,028	410,465	2,420,493	1,611,663	361,571	1,973,234
Represented by:							
Non-Current Assets							
Fixed assets		17,608	60,491	78,099	12,466	44,791	57,257
Student loans		1,694	19,867	21,561	7,607	19,526	27,133
		19,302	80,358	99,660	20,073	64,317	84,390
Current Assets							
Debtors		154,301	45	154,346	169,987	253	170,240
Held-to-maturity investments		–	–	–	–	500	500
Investments at fair value							
through income or expenditure		1,941,426	240,056	2,181,482	1,413,382	213,730	1,627,112
Derivative financial instruments		1,125	–	1,125	9,431	–	9,431
Fixed deposits		450	91,625	92,075	450	85,125	85,575
		2,097,302	331,726	2,429,028	1,593,250	299,608	1,892,858
Total Assets		2,116,604	412,084	2,528,688	1,613,323	363,925	1,977,248
Current Liabilities							
Creditors and accrued expenses		105,919	–	105,919	704	–	704
Derivative financial instruments		657	–	657	956	–	956
		106,576	–	106,576	1,660	–	1,660
Non-Current Liabilities							
Deferred capital grants		–	1,619	1,619	–	2,354	2,354
Total Liabilities		106,576	1,619	108,195	1,660	2,354	4,014
Net Assets		2,010,028	410,465	2,420,493	1,611,663	361,571	1,973,234

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

COMPANY	2010			2009		
	Endowed Donations S\$'000	Non- endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non- endowed Donations S\$'000	Total S\$'000
<u>Accumulated Surplus:</u>						
Balance as at 1 April	(71,513)	361,571	290,058	586,915	361,300	948,215
Donations received	–	53,950	53,950	108	58,912	59,020
Donated artifacts additions	–	–	–	–	24	24
Investment income (loss) (including change in fair value of investment held for trading and profit on sale of associated company)	310,986	20,381	331,367	(606,716)	(34,065)	(640,781)
Other operating income	1	160	161	43	385	428
Expenditure on manpower	(19,552)	(5,107)	(24,659)	(20,904)	(3,824)	(24,728)
Depreciation	(2,428)	(3,076)	(5,504)	(1,475)	(1,721)	(3,196)
Other operating expenditure	(19,178)	(17,414)	(36,592)	(29,488)	(19,440)	(48,928)
Amount transferred (to) from endowment funds	(1,063)	–	(1,063)	4	–	4
Transfer from capital preservation account ^(a)	124,275	–	124,275	–	–	–
Balance as at 31 March	321,528	410,465	731,993	(71,513)	361,571	290,058
<u>Endowment Funds:</u>						
Balance as at 1 April	1,558,901	–	1,558,901	1,446,992	–	1,446,992
Matching grants accrued	88,894	–	88,894	81,449	–	81,449
Donations received	39,642	–	39,642	30,464	–	30,464
Amount transferred from (to) accumulated surplus	1,063	–	1,063	(4)	–	(4)
Balance as at 31 March	1,688,500	–	1,688,500	1,558,901	–	1,558,901
<u>Capital Preservation Account:</u>						
Balance as at 1 April	124,275	–	124,275	124,275	–	124,275
Amount transferred to accumulated surplus ^(a)	(124,275)	–	(124,275)	–	–	–
Balance as at 31 March	–	–	–	124,275	–	124,275
Balance as at 31 March	2,010,028	410,465	2,420,493	1,611,663	361,571	1,973,234

^(a) In January 2009, the Board of Trustee (BOT) approved the adoption of a rate smoothing endowment spending policy that was applied to all endowments with effect from the reporting period beginning 1 April 2009. As the new endowment spending rule ensures long-run endowment sustainability and thus preservation of capital, there is no need for the current practice of explicitly setting aside funds in Capital Preservation Account (CPA) for each endowment. Hence with the BOT's approval, the balance in the CPA was transferred to the accumulated surplus of each endowment in April 2009.

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7 SUBSIDIARY COMPANIES

COMPANY	2010 S\$'000	2009 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	
			2010	2009
Singapore University Press Pte Ltd ^(a)	Publisher	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 ^(d)	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) (c)}	To manage the commercial activities of NUS Student Union.	Singapore	100%	100%

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Notes to the Financial Statements

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7 SUBSIDIARY COMPANIES (cont'd)

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2010	2009
Held by Subsidiaries				
NUS Press Pte Ltd ^(a)	Publisher	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%
Shanghai NUS Enterprise Services Co Ltd ^(e)	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 ^(b)	Management of incubator activities	Brunei Darussalam	100%	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) Audited by overseas practices of Deloitte Touche Tohmatsu

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

^(d) Not required to be audited in country of incorporation.

^(e) Audited by other auditors in country of incorporation.

8 ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
Unquoted equity shares at cost	550	550	500	500
Share of post-acquisition profits, net of dividend received	12,266	20	–	–
	12,816	570	500	500

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8 ASSOCIATED COMPANIES (cont'd)

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2010	2009
National University Health System Pte Ltd	Clinical service, education and research	Singapore	33%	33%
Held by Subsidiaries				
Munchie Monkey Pte Ltd	Café operator	Singapore	50%	50%

All of the above associates are audited by other auditors.

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

	2010 S\$'000	2009 S\$'000
Total assets	55,638	4,365
Total liabilities	(17,010)	(2,548)
Net assets	38,628	1,817
Group's share of associates' net assets	12,816	570
	2010 S\$'000	2009 S\$'000
Revenue	10,401	3,642
Government subvention	45,144	–
	55,545	3,642
Profit after tax for the year	36,913	247
Group's share of associates' profit after tax for the year	12,300	76
Elimination of profit element of transactions between the associate and Company	(54)	(41)
Group's share of associates' profit after tax for the year	12,246	35

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9 FIXED ASSETS

GROUP	Freehold	Leasehold	Buildings	Leasehold	Equipment,	Capital	Total
	Land	Land		Improve-	Furniture &	Work-in-	
	S\$'000	S\$'000	S\$'000	ments	Library	Progress	S\$'000
				S\$'000	Materials		S\$'000
COST							
At 1 April 2008	2,007	286,271	1,379,075	437,057	1,058,065	101,068	3,263,543
Additions	–	–	131,996	43,803	130,296	128,305	434,400
Transfers	–	–	34,757	10,293	35,683	(80,733)	–
Disposals	–	–	–	(4,360)	(26,530)	(1,156)	(32,046)
At 1 April 2009	2,007	286,271	1,545,828	486,793	1,197,514	147,484	3,665,897
Additions	–	10	69,575	73,261	114,761	202,761	460,368
Transfers	–	–	11,503	15,301	16,390	(43,194)	–
Disposals	–	–	(560)	(15,942)	(30,256)	(1,914)	(48,672)
Fixed assets written off against allowance	–	–	–	–	–	(24,518)	(24,518)
Reclassification to intangible assets	–	–	–	–	(5)	–	(5)
At 31 March 2010	2,007	286,281	1,626,346	559,413	1,298,404	280,619	4,053,070
ACCUMULATED DEPRECIATION							
At 1 April 2008	–	20,012	669,126	157,296	772,078	–	1,618,512
Depreciation	–	5,438	43,612	47,360	101,590	–	198,000
Transfers	–	–	(50)	(40)	90	–	–
Disposals	–	–	–	(2,720)	(25,512)	–	(28,232)
At 1 April 2009	–	25,450	712,688	201,896	848,246	–	1,788,280
Depreciation	–	5,438	48,790	56,564	110,561	–	221,353
Transfers	–	–	411	(660)	249	–	–
Disposals	–	–	(127)	(15,666)	(29,182)	–	(44,975)
Reclassification to intangible assets	–	–	–	–	(1)	–	(1)
At 31 March 2010	–	30,888	761,762	242,134	929,873	–	1,964,657
ALLOWANCE FOR IMPAIRMENT							
At 1 April 2008	–	–	–	–	–	–	–
Allowance for the year	–	–	–	–	–	24,518	24,518
At 1 April 2009	–	–	–	–	–	24,518	24,518
Fixed assets written off against allowance	–	–	–	–	–	(24,518)	(24,518)
At 31 March 2010	–	–	–	–	–	–	–
CARRYING AMOUNT							
At 31 March 2010	2,007	255,393	864,584	317,279	368,531	280,619	2,088,413
At 31 March 2009	2,007	260,821	833,140	284,897	349,268	122,966	1,853,099

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9 FIXED ASSETS (cont'd)

COMPANY	Freehold	Leasehold	Buildings	Leasehold	Equipment,	Capital	Total
	Land	Land		Improve-	Furniture &	Work-in-	
	S\$'000	S\$'000	S\$'000	ments	Library	Progress	S\$'000
				S\$'000	Materials		S\$'000
COST							
At 1 April 2008	2,007	286,271	1,379,075	437,053	1,054,965	101,068	3,260,439
Additions	–	–	131,080	43,803	129,815	127,778	432,476
Transfers	–	–	34,757	10,293	35,683	(80,733)	–
Disposals	–	–	–	(4,360)	(25,624)	(1,156)	(31,140)
At 1 April 2009	2,007	286,271	1,544,912	486,789	1,194,839	146,957	3,661,775
Additions	–	10	69,575	72,531	113,693	202,761	458,570
Transfers	–	–	11,503	15,301	16,390	(43,194)	–
Disposals	–	–	(560)	(15,648)	(30,234)	(1,387)	(47,829)
Fixed assets written off against allowance	–	–	–	–	–	(24,518)	(24,518)
Reclassification to intangible assets	–	–	–	–	(5)	–	(5)
At 31 March 2010	2,007	286,281	1,625,430	558,973	1,294,683	280,619	4,047,993
ACCUMULATED DEPRECIATION							
At 1 April 2008	–	20,012	669,126	157,292	770,791	–	1,617,221
Depreciation	–	5,438	43,505	47,360	100,945	–	197,248
Transfers	–	–	(50)	(40)	90	–	–
Disposals	–	–	–	(2,720)	(24,986)	–	(27,706)
At 1 April 2009	–	25,450	712,581	201,892	846,840	–	1,786,763
Depreciation	–	5,438	48,759	56,498	109,948	–	220,643
Transfers	–	–	411	(660)	249	–	–
Disposals	–	–	(127)	(15,637)	(29,173)	–	(44,937)
Reclassification to intangible assets	–	–	–	–	(1)	–	(1)
At 31 March 2010	–	30,888	761,624	242,093	927,863	–	1,962,468
ALLOWANCE FOR IMPAIRMENT							
At 1 April 2008	–	–	–	–	–	–	–
Allowance for the year	–	–	–	–	–	24,518	24,518
At 1 April 2009	–	–	–	–	–	24,518	24,518
Fixed assets written off against allowance	–	–	–	–	–	(24,518)	(24,518)
At 31 March 2010	–	–	–	–	–	–	–
CARRYING AMOUNT							
At 31 March 2010	2,007	255,393	863,806	316,880	366,820	280,619	2,085,525
At 31 March 2009	2,007	260,821	832,331	284,897	347,999	122,439	1,850,494

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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9 FIXED ASSETS (cont'd)

During the reporting period ended 31 March 2009, S\$24,518,000 of allowance for impairment was recognised for certain capital work-in-progress, which the Group had assessed that future economic benefits would not be generated. The amount was written off during the reporting period ended 31 March 2010. Approval for the reimbursement of the full amount written off has been received from the Government on 29 June 2010.

10 INTANGIBLE ASSETS

GROUP	Computer Software	Purchased Curriculum	Total
	S\$'000	S\$'000	S\$'000
COST			
At 1 April 2008	1,667	11,878	13,545
Additions	6,207	–	6,207
At 1 April 2009	7,874	11,878	19,752
Additions	7,298	–	7,298
Reclassification from fixed assets	5	–	5
At 31 March 2010	15,177	11,878	27,055
ACCUMULATED AMORTISATION			
At 1 April 2008	59	1,697	1,756
Amortisation	275	2,545	2,820
At 1 April 2009	334	4,242	4,576
Amortisation	764	2,545	3,309
Reclassification from fixed assets	1	–	1
At 31 March 2010	1,099	6,787	7,886
CARRYING AMOUNT			
At 31 March 2010	14,078	5,091	19,169
At 31 March 2009	7,540	7,636	15,176

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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10 INTANGIBLE ASSETS (cont'd)

COMPANY	Computer Software	Purchased Curriculum	Total
	S\$'000	S\$'000	S\$'000
COST			
At 1 April 2008	1,550	11,878	13,428
Additions	6,124	–	6,124
At 1 April 2009	7,674	11,878	19,552
Additions	7,190	–	7,190
Reclassification from fixed assets	5	–	5
At 31 March 2010	14,869	11,878	26,747
ACCUMULATED AMORTISATION			
At 1 April 2008	40	1,697	1,737
Amortisation	244	2,545	2,789
At 1 April 2009	284	4,242	4,526
Amortisation	711	2,545	3,256
Reclassification from fixed assets	1	–	1
At 31 March 2010	996	6,787	7,783
CARRYING AMOUNT			
At 31 March 2010	13,873	5,091	18,964
At 31 March 2009	7,390	7,636	15,026

Computer software has finite economic useful life, over which the assets are amortised. The amortisation period for computer software is three to five years. Computer software includes computer software work-in-progress of S\$11,849,000 (2009: S\$6,294,000) for the Group and Company, which amortisation is not provided for. The purchased curriculum has finite economic useful life, over which the asset is amortised. The amortisation period for the purchased curriculum is five years.

11 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
AT FAIR VALUE				
Unquoted equity securities	7,062	4,194	3,997	2,854
Redeemable convertible loan stocks	60	160	–	–
	7,122	4,354	3,997	2,854

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.

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12 INVESTMENTS AT FAIR VALUE THROUGH INCOME OR EXPENDITURE

	GROUP AND COMPANY	
	2010	2009
	S\$'000	S\$'000
AT FAIR VALUE		
Quoted Government bonds	680,408	452,829
Quoted debt securities	74,085	15,724
Quoted equity securities	360,913	307,632
Unquoted debt securities	–	11,724
Unquoted equity securities	1,688,742	1,218,223
Total	2,804,148	2,006,132

These investments are actively managed and monitored by the Investment Office under the guidance and purview of the Group's Investment Committee. They are classified as investments designated at fair value through income or expenditure at inception under FRS 39.

The weighted average effective interest rate of debt securities designated at fair value through income or expenditure at the end of the reporting period was 2.1% (2009: 2.2%) per annum. 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 the net asset values 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 positive S\$243,786,000 (2009: negative S\$327,226,000) have been included in income or expenditure (Note 31).

Under the terms of certain limited partnership agreements, the Group is obligated to make additional capital contributions up to contractual levels. As at the reporting period ended 31 March 2010, the Group has commitments of S\$241,341,000 (2009: S\$165,235,000) for which capital calls had not been exercised. Such commitments generally have fixed expiration dates or other termination clauses.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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

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

	GROUP AND COMPANY	
	2010	2009
	S\$'000	S\$'000
United States dollars	1,729,059	1,407,836
Euro	81,939	76,364
Japanese yen	12,987	21,739
Sterling pounds	3,947	3,153
Australian dollars	2,211	324
Canadian dollars	1,342	1,143
Others	4,223	2,104
	1,835,708	1,512,663

13 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY			
	2010		2009	
	Assets	Liabilities	Assets	Liabilities
	S\$'000	S\$'000	S\$'000	S\$'000
Forward foreign exchange contracts	1,119	(606)	8,872	(788)
Futures	119	(268)	559	(168)
	1,238	(874)	9,431	(956)
Analysed as:				
Current	1,238	(874)	9,431	(956)

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

At 31 March 2010, the settlement dates on open forward contracts and futures ranged from between one month to up to a year (2009: one month to up to a year).

The fair values of forward foreign exchange contracts and futures have been calculated using rates quoted by the Group's fund administrator up to the terminal dates of the contracts at the end of the reporting period.

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13 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

At 31 March 2010, the contractual/ notional amount of outstanding forward foreign exchange contracts and futures to which the Group is committed are as follows:

	GROUP AND COMPANY	
	2010	2009
	S\$'000	S\$'000
Forward foreign exchange contracts	1,201,133	1,204,707
Futures	94,831	91,523
	1,295,964	1,296,230

14 MOVEMENTS IN FAIR VALUE OF INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

(For Information Only)

	GROUP		COMPANY	
	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current investments				
Fair value as at 1 April	4,354	7,060	2,854	5,298
Increase due to net purchases	1,796	97	–	6
Decrease due to reclassification	–	(500)	–	(500)
Realised gain on sale of investments	88	–	–	–
Impairment loss	(259)	(512)	–	(159)
Gain (loss) arising from changes in fair values	1,143	(1,791)	1,143	(1,791)
Fair value at 31 March	7,122	4,354	3,997	2,854
Current investments				
Fair value as at 1 April	2,015,107	2,627,282	2,015,107	2,627,282
Increase (decrease) due to net purchases (sale)	532,825	(103,953)	532,825	(103,953)
Increase due to reclassification from non-current investments	–	500	–	500
Realised gain (loss) on sale of investments	12,794	(181,496)	12,794	(181,496)
Gain (loss) arising from changes in fair values	243,786	(327,226)	243,786	(327,226)
Fair value at 31 March	2,804,512	2,015,107	2,804,512	2,015,107
Total				
Fair value as at 1 April	2,019,461	2,634,342	2,017,961	2,632,580
Increase (decrease) due to net purchases (sale)	534,621	(103,856)	532,825	(103,947)
Realised gain (loss) on sale of investments	12,882	(181,496)	12,794	(181,496)
Impairment loss	(259)	(512)	–	(159)
Gain (loss) arising from changes in fair values	244,929	(329,017)	244,929	(329,017)
Fair value at 31 March	2,811,634	2,019,461	2,808,509	2,017,961

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15 STUDENT LOANS

	GROUP AND COMPANY	
	2010	2009
	S\$'000	S\$'000
Student tuition fee loans ^(a)	242,036	200,336
Study loans ^(a)	59,159	51,299
Notebook computer loans ^(b)	8,398	9,151
Overseas student programme loans ^(c)	1,458	343
Other student loans ^(d)	3,537	2,719
	314,588	263,848
Represented by:		
Amount repayable within 12 months – current assets ^(e)	62,193	–
Amount repayable after 12 months – non-current assets	252,395	263,848
	314,588	263,848

^(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% (2009: 4.750%) per annum is based on average prime rate of the 3 major local banks. The interest on the loans is remitted in full to the Government every 6 months.

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

^(c) The overseas student programme loans repayable by monthly instalments over periods up to 5 years. The interest at 4.750% (2009: 4.750%) per annum is based on average prime rate of the 3 major local banks.

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

^(e) As part of the Government's financial assistance measures to help students cope with the 2009 economic downturn, the Group suspended the repayment of student loans from 1 April 2009 to 31 March 2010. During this period, students will not have to repay their loans and no interest will be levied on any outstanding loan. As such, no amount has been classified under amount repayable within 12 months for the reporting period ended 31 March 2009. The repayment resumed in April 2010.

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.

Credit risk

As any impairment for student tuition fee loans and study loans is funded by the Government, there is no exposure to credit risk for these 2 categories of student loans. For overseas student programme loans, 50% of any impairment is funded by the Government, hence the maximum exposure to credit risk is 50% of the carrying amount of the loans. For notebook computer loans and other student loans, the maximum exposure to credit risk is the carrying amount of the loans.

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15 STUDENT LOANS (cont'd)

Credit risk (cont'd)

The table below is an analysis of student loans (notebook computer loans, 50% of overseas student programme loans and other student loans) as at 31 March:

	GROUP AND COMPANY	
	2010	2009
	S\$'000	S\$'000
Not past due and not impaired	11,805	12,041
Past due but not impaired (i)	859	–
	12,664	12,041
Impaired student loans – individually assessed (ii)	102	–
Less: Allowance for doubtful debts	(102)	–
	–	–
Total student loans	12,664	12,041
(i) Aging of student loans that are past due but not impaired		
Past due < 3 months	31	–
Past due 3 to 6 months	7	–
Past due 6 to 12 months	64	–
Past due over 12 months	757	–
	859	–

(ii) These amounts are stated before any deduction for impairment losses.

Movement in the allowance for doubtful debts for student loans

	GROUP AND COMPANY	
	2010	2009
	S\$'000	S\$'000
Balance as at 1 April	–	120
Amounts recovered during the year	–	(120)
Increase in allowance recognised in income or expenditure	102	–
Balance as at 31 March	102	–

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

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 are unsecured, interest-free and repayable upon demand.

17 AMOUNT OWING BY AN INVESTEE COMPANY

This pertains to a shareholder loan to an investee company. The total committed loan amount is S\$57,000,000, of which S\$53,351,000 has been drawn down as at the reporting period ended 31 March 2010. The effective interest rate for the loan is 3.66% per annum and is expected to be repaid in August 2014. There is no significant difference between amortised cost and carrying amount of the loan. The fair value of the loan as at the reporting period ended 31 March 2010 is estimated to be S\$53,646,000.

Due to re-negotiation of the terms of the loan, the loan was reclassified to non-current assets for the reporting period ended 31 March 2010.

18 DEBTORS

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Grants receivable	275,558	475,633	275,558	475,633
Trade debtors	47,816	31,439	46,489	29,248
Interest receivable	4,863	2,425	4,863	2,425
Receivables from sale of investments	18,059	31,894	18,059	31,894
Others	15,601	8,957	15,509	8,957
	361,897	550,348	360,478	548,157

The average credit period of trade debtors is 30 days (2009: 30 days). No interest is charged on the trade receivables.

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18 DEBTORS (cont'd)

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

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Not past due and not impaired	31,169	28,566	29,842	26,375
Past due but not impaired (i)	16,647	2,873	16,647	2,873
	47,816	31,439	46,489	29,248
Impaired trade debtors – individually assessed (ii)	591	857	591	857
Less: Allowance for doubtful debts	(591)	(857)	(591)	(857)
	–	–	–	–
Total trade debtors, net	47,816	31,439	46,489	29,248
(i) Aging of trade debtors that are past due but not impaired				
Past due < 3 months	2,004	1,446	2,004	1,446
Past due 3 to 6 months	312	682	312	682
Past due 6 to 12 months	14,239	441	14,239	441
Past due over 12 months	92	304	92	304
	16,647	2,873	16,647	2,873

Included in the Group's trade debtors balance are debtors of S\$14,331,000 (2009: S\$745,000) which are past due for more than 6 months at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

(ii) These amounts are stated before any deduction for impairment losses.

Movement in the allowance for doubtful debts for trade debtors

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Balance as at 1 April	857	1,062	857	1,062
Amounts written off during the year	(581)	(365)	(581)	(365)
Amounts recovered during the year	(202)	(308)	(202)	(308)
Increase in allowance recognised in income or expenditure	517	468	517	468
Balance as at 31 March	591	857	591	857

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18 DEBTORS (cont'd)

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

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
United States dollars	12,323	7,336	12,256	7,202
Euro	487	22,227	487	22,227
Swedish krona	93	71	93	71
Sterling pounds	32	29	32	29
Australian dollars	29	29	29	29
Others	10	20	10	20
	12,974	29,712	12,907	29,578

19 DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Deposits paid	693	1,104	693	1,104
Prepayment for investment in funds	53,451	–	53,451	–
Prepayments for fixed assets	20,454	14,289	20,454	14,289
Other prepayments	58,119	11,398	57,171	11,353
	132,717	26,791	131,769	26,746
Less: Allowance for prepayments for fixed assets	(3,209)	–	(3,209)	–
	129,508	26,791	128,560	26,746
Other prepayments represented by:				
Amount to be utilised within 12 months – current assets	20,883	11,398	19,935	11,353
Amount to be utilised after 12 months – non-current assets	37,236	–	37,236	–
	58,119	11,398	57,171	11,353

Movement in the allowance for prepayments for fixed assets

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Balance as at 1 April	–	–	–	–
Increase in allowance recognised in income or expenditure	3,209	–	3,209	–
Balance as at 31 March	3,209	–	3,209	–

During the reporting period ended 31 March 2010, S\$3,209,000 of allowance was recognised for certain prepayments for fixed assets, which the Group had assessed that future economic benefits would not be generated.

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19 DEPOSITS AND PREPAYMENTS *(cont'd)*

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

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Euro	28	34	28	34
United States dollars	45	13	1	13
Others	–	1	–	1
	73	48	29	48

20 FIXED DEPOSITS

The effective interest rates of fixed deposits at the balance sheet date are between 0.16% to 0.625% (2009: 0.27% to 1.7%) per annum and for an average tenor of 7.4 months (2009: 7.28 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	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
United States dollars	1,684	3,436	1,684	3,436

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21 CASH AND BANK BALANCES

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

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

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
United States dollars	5,199	2,123	4,241	1,692
Euro	1,501	401	1,501	401
Japanese yen	96	228	96	228
Canadian dollars	81	142	81	142
Australian dollars	38	22	38	22
South African rand	25	118	25	118
Mexican peso	–	148	–	148
Danish Krone	–	87	–	87
Swiss Franc	1	33	1	33
Others	18	7	18	7
	6,959	3,309	6,001	2,878

22 FIXED ASSETS HELD FOR SALE

	GROUP AND COMPANY S\$'000
COST	
Balance as at 1 April 2008 and 1 April 2009	96,827
Disposal	(96,827)
Balance as at 31 March 2010	–
ACCUMULATED DEPRECIATION	
Balance as at 1 April 2008 and 1 April 2009	66,583
Disposal	(66,583)
Balance as at 31 March 2010	–
CARRYING AMOUNT	
At 31 March 2010	–
At 31 March 2009	30,244

The en-bloc sale of the Group's property units in Gillman Heights Condominium was completed on 22 May 2009. The sale resulted in a gain of S\$239,306,000 for the reporting period ended 31 March 2010.

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23 CREDITORS AND ACCRUED EXPENSES/PROVISIONS

a. Creditors and accrued expenses

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Creditors	37,594	36,959	34,907	34,254
Payable for purchase of investments	114,217	3,668	114,217	3,668
Accrued expenses	120,305	96,965	118,726	96,117
Deposits received	2,435	1,800	2,435	1,800
	274,551	139,392	270,285	135,839

The average credit period on purchases of goods is 30 days (2009: 30 days). No interest is charged on the creditors.

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

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
United States dollars	1,135	583	769	304
German Mark	532	–	532	–
Sterling pounds	96	14	96	14
Hong Kong Dollar	56	–	56	–
Australian Dollar	32	–	32	–
Japanese yen	20	20	20	20
Others	87	49	87	49
	1,958	666	1,592	387

b. Provisions

Movement in the provisions for employee leave liability

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Balance as at 1 April	47,081	43,416	46,764	43,147
Increase in provisions recognised in income or expenditure	6,419	3,665	6,344	3,617
Balance as at 31 March	53,500	47,081	53,108	46,764

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24 DEFERRED CAPITAL GRANTS

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
<u>Fixed Assets</u>				
Government and Agency for Science, Technology & Research				
Balance as at 1 April	1,132,269	1,127,431	1,129,929	1,126,066
Capital grants utilised during the year	128,089	97,976	127,804	96,605
Amount transferred from operating grants (Note 33)	54,776	73,795	53,850	73,358
	1,315,134	1,299,202	1,311,583	1,296,029
Deferred capital grants amortised	(168,763)	(166,933)	(167,881)	(166,100)
Balance as at 31 March	1,146,371	1,132,269	1,143,702	1,129,929
Others				
Balance as at 1 April	103,394	106,757	103,185	106,377
Capital grants utilised during the year and donated assets	1,442	351	1,442	325
Amount transferred from operating grants (Note 33)	34,604	5,015	34,560	5,015
	139,440	112,123	139,187	111,717
Deferred capital grants amortised	(10,872)	(8,729)	(10,794)	(8,532)
Balance as at 31 March	128,568	103,394	128,393	103,185
Total deferred capital grants balance for fixed assets as at 31 March	1,274,939	1,235,663	1,272,095	1,233,114
<u>Intangible Assets</u>				
Government				
Balance as at 1 April	8,386	10,657	8,237	10,559
Amount transferred from operating grants (Note 33)	3,978	365	3,870	283
	12,364	11,022	12,107	10,842
Deferred capital grants amortised	(2,978)	(2,636)	(2,925)	(2,605)
Balance as at 31 March	9,386	8,386	9,182	8,237
Others				
Balance as at 1 April	268	209	268	209
Capital grants utilised during the year	–	15	–	15
Amount transferred from operating grants (Note 33)	227	105	227	105
	495	329	495	329
Deferred capital grants amortised	(109)	(61)	(109)	(61)
Balance as at 31 March	386	268	386	268
Total deferred capital grants balance for intangible assets as at 31 March	9,772	8,654	9,568	8,505
Total deferred capital grants balance as at 31 March	1,284,711	1,244,317	1,281,663	1,241,619

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25 ADVANCES FROM THE GOVERNMENT FOR STUDENT LOANS

	GROUP AND COMPANY	
	2010	2009
	S\$'000	S\$'000
Balance as at 1 April	255,105	237,821
Advances received from Government during the year	18,398	17,363
	273,503	255,184
Miscellaneous expenditure	(1,228)	(79)
Balance as at 31 March	272,275	255,105
Represented by:		
Student tuition fee loans	242,036	200,336
Study loans	59,159	51,299
Overseas student programme loans	500	–
Advances receivable, pooled investments, fixed deposits and bank balances	(29,420)	3,470
	272,275	255,105

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.

26 FIXED RATE NOTES/SHORT-TERM LOANS

a. Fixed rate notes

On 12 June 2009, the Group issued S\$250,000,000 3.2% Singapore-dollar non-secured fixed rate notes due 12 June 2014 under the Multicurrency Medium Term Note (MTN) programme to finance development projects that fall under the debt-grant framework initiated by the Government. Unless previously redeemed or purchased and cancelled, the notes will be redeemed at its redemption amount on maturity date. The Group is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the notes. The fair value of the notes as at end of the reporting period is S\$260,600,000.

b. Short-term loans

The balance as at the reporting period ended 31 March 2009 pertained to unsecured loans from a financial institution with interest rates ranging from 1.75% to 2.48% per annum. All short-term loans were repaid in July 2009.

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27 SUPPLEMENTARY INFORMATION ON GENERAL FUNDS AND RESTRICTED FUNDS

GROUP	Note	GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (NOTE A)		TOTAL	
		2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
OPERATING INCOME									
Tuition and other fees		274,932	250,947	295	–	–	–	275,227	250,947
Other income	28	152,291	128,570	59,620	62,965	(23,259)	(15,877)	188,652	175,658
		427,223	379,517	59,915	62,965	(23,259)	(15,877)	463,879	426,605
OPERATING EXPENDITURE									
Expenditure on manpower	29	637,733	611,670	167,115	133,961	–	–	804,848	745,631
Depreciation and amortisation expenditure	9,10	74,676	69,725	149,986	131,095	–	–	224,662	200,820
Other operating expenditure		271,408	290,334	363,444	328,564	(23,259)	(15,877)	611,593	603,021
		983,817	971,729	680,545	593,620	(23,259)	(15,877)	1,641,103	1,549,472
Operating Deficit		(556,594)	(592,212)	(620,630)	(530,655)	–	–	(1,177,224)	(1,122,867)
Net investment income (loss)	31	33,583	(36,444)	331,641	(640,206)	–	–	365,224	(676,650)
Gain on disposal of fixed assets held for sale	22	239,306	–	–	–	–	–	239,306	–
Share of results (net of tax) of associated companies	8	12,246	35	–	–	–	–	12,246	35
Deficit before Grants	32	(271,459)	(628,621)	(288,989)	(1,170,861)	–	–	(560,448)	(1,799,482)

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27 SUPPLEMENTARY INFORMATION ON GENERAL FUNDS AND RESTRICTED FUNDS (cont'd)

GROUP	Note	GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (NOTE A)		TOTAL	
		2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
GRANTS									
Operating Grants:									
Government Agency for Science, Technology & Research	33a	629,777	593,407	402,883	306,995	–	–	1,032,660	900,402
Others	33b	–	–	68,426	69,465	–	–	68,426	69,465
	33c	118	409	92,527	62,069	–	–	92,645	62,478
Deferred capital grants amortised	24	45,419	47,412	137,303	130,947	–	–	182,722	178,359
		675,314	641,228	701,139	569,476	–	–	1,376,453	1,210,704
SURPLUS (DEFICIT) FOR THE YEAR BEFORE TAX									
		403,855	12,607	412,150	(601,385)	–	–	816,005	(588,778)
Income tax	34	–	–	–	–	–	–	–	–
SURPLUS (DEFICIT) FOR THE YEAR									
	35	403,855	12,607	412,150	(601,385)	–	–	816,005	(588,778)
Accumulated Surplus									
Balance at 1 April		1,123,631	1,102,829	467,727	1,077,303	–	–	1,591,358	2,180,132
Transfer between General Funds and Restricted Funds									
(Note B)		20,963	8,195	(20,963)	(8,195)	–	–	–	–
Transfer (to) from endowment funds		–	–	(1,063)	4	–	–	(1,063)	4
Transfer from capital preservation account	6	–	–	124,275	–	–	–	124,275	–
Balance at 31 March		1,548,449	1,123,631	982,126	467,727	–	–	2,530,575	1,591,358

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27 SUPPLEMENTARY INFORMATION ON GENERAL FUNDS AND RESTRICTED FUNDS (cont'd)

COMPANY	Note	GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (NOTE A)		TOTAL	
		2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
OPERATING INCOME									
Tuition and other fees		270,714	247,290	295	–	–	–	271,009	247,290
Other income	28	148,549	124,963	59,620	62,965	(23,259)	(15,877)	184,910	172,051
		419,263	372,253	59,915	62,965	(23,259)	(15,877)	455,919	419,341
OPERATING EXPENDITURE									
Expenditure on manpower	29	624,272	598,498	167,115	133,961	–	–	791,387	732,459
Depreciation and amortisation expenditure	9,10	73,913	68,942	149,986	131,095	–	–	223,899	200,037
Other operating expenditure		266,623	282,560	363,444	328,564	(23,259)	(15,877)	606,808	595,247
		964,808	950,000	680,545	593,620	(23,259)	(15,877)	1,622,094	1,527,743
Operating Deficit		(545,545)	(577,747)	(620,630)	(530,655)	–	–	(1,166,175)	(1,108,402)
Net investment (loss) income	31	33,495	(36,449)	331,641	(640,206)	–	–	365,136	(676,655)
Gain on disposal of fixed assets held for sale	22	239,306	–	–	–	–	–	239,306	–
Deficit before Grants	32	(272,744)	(614,196)	(288,989)	(1,170,861)	–	–	(561,733)	(1,785,057)

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27 SUPPLEMENTARY INFORMATION ON GENERAL FUNDS AND RESTRICTED FUNDS (cont'd)

COMPANY	Note	GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (NOTE A)		TOTAL	
		2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
GRANTS									
Operating Grants:									
Government Agency for Science, Technology & Research	33a	614,069	577,580	402,883	306,995	–	–	1,016,952	884,575
Others	33b	–	–	68,426	69,465	–	–	68,426	69,465
	33c	–	–	92,527	62,069	–	–	92,527	62,069
Deferred capital grants amortised	24	44,406	46,351	137,303	130,947	–	–	181,709	177,298
		658,475	623,931	701,139	569,476	–	–	1,359,614	1,193,407
SURPLUS (DEFICIT) FOR THE YEAR									
		385,731	9,735	412,150	(601,385)	–	–	797,881	(591,650)
Accumulated Surplus									
Balance at 1 April		1,109,092	1,091,162	467,727	1,077,303	–	–	1,576,819	2,168,465
Transfer between General Funds and Restricted Funds (Note B)		20,963	8,195	(20,963)	(8,195)	–	–	–	–
Transfer (to) from endowment funds		–	–	(1,063)	4	–	–	(1,063)	4
Transfer from capital preservation account	6	–	–	124,275	–	–	–	124,275	–
Balance at 31 March		1,515,786	1,109,092	982,126	467,727	–	–	2,497,912	1,576,819

Note A: The elimination of the interfund transactions relates mainly to transactions between Restricted Funds and funds maintained for self-financing activities under General Funds.

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

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28 OTHER INCOME

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Donations received	53,966	59,061	53,950	59,020
Rental income and student hostel residential fees	38,201	38,618	35,634	35,822
Courses and conference fees	26,534	24,535	26,307	24,244
Clinical fees/consultancy fees	16,352	17,339	16,352	17,339
Others	53,599	36,105	52,667	35,626
	188,652	175,658	184,910	172,051

29 EXPENDITURE ON MANPOWER

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Wages and salaries	742,510	687,799	729,879	676,280
Employer's contribution to Provident Funds	43,807	42,621	43,157	41,728
Other staff benefits	18,531	15,211	18,352	14,451
	804,848	745,631	791,388	732,459

30 KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for twenty (2009: nineteen) and sixteen (2009: fifteen) key management personnel of the Group and the Company respectively, are as follows:

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Short-term benefits	8,932	9,013	8,319	8,414
Post-employment benefits	298	286	245	237
	9,230	9,299	8,564	8,651

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31 NET INVESTMENT INCOME (LOSS)

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Interest income:				
Government bonds	8,898	10,204	8,898	10,204
Bonds/loan stocks in corporations/associated company	1,380	1,720	1,380	1,720
Fixed deposits and bank current accounts	6,009	3,796	6,009	3,791
	16,287	15,720	16,287	15,715
Dividend income:				
Quoted equity shares	1,731	5,128	1,731	5,128
Unquoted equity shares	378	393	378	393
	2,109	5,521	2,109	5,521
Net loss on sale of investments at fair value through income or expenditure (FVTIE)	12,882	(181,496)	12,794	(181,496)
Net foreign currency exchange gains (losses)	90,160	(189,010)	90,160	(189,010)
Change in fair value of investments at FVTIE due to foreign currency changes (Note A)	(130,118)	171,671	(130,118)	171,671
	(39,958)	(17,339)	(39,958)	(17,339)
Impairment loss on available-for-sale investments	–	(159)	–	(159)
Change in fair value of investments at FVTIE due to price change (Note A)	373,904	(498,897)	373,904	(498,897)
	365,224	(676,650)	365,136	(676,655)
Note A				
Total change in fair value of investments at FVTIE comprises of:				
Change in fair value of investments due to foreign currency changes	(130,118)	171,671	(130,118)	171,671
Change in fair value of investments due to price change	373,904	(498,897)	373,904	(498,897)
Total change in fair value of investments at FVTIE	243,786	(327,226)	243,786	(327,226)

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32 (DEFICIT) SURPLUS BEFORE GRANTS

This is arrived at after charging:

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Bad and doubtful debts	417	40	417	40
Rental expenses	10,949	8,954	10,739	8,744
Borrowing costs expensed off	7,120	2,897	7,120	2,897
Loss on disposal of fixed assets	2,520	3,544	1,715	3,163
Allowance for impairment of fixed assets	–	24,518	–	24,518
Allowance for prepayments for fixed assets	3,209	–	3,209	–
Research and development costs	375,040	310,361	375,040	310,361
Borrowing costs incurred during the year is analysed as follows:				
Interest on short-term loan	788	3,225	788	3,225
Interest on fixed rate notes	6,422	–	6,422	–
Less: amounts included in cost of qualifying fixed assets	(90)	(328)	(90)	(328)
Borrowing costs expensed off	7,120	2,897	7,120	2,897

33 OPERATING GRANTS

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
a. Operating Grants (Government)				
Operating grants utilised during the year	1,083,463	965,767	1,066,722	949,421
Amount transferred to deferred capital grants	(50,803)	(65,365)	(49,769)	(64,846)
	1,032,660	900,402	1,016,953	884,575
b. Operating Grants (Agency for Science, Technology & Research)				
Operating grants utilised during the year	76,377	78,260	76,377	78,260
Amount transferred to deferred capital grants	(7,951)	(8,795)	(7,951)	(8,795)
	68,426	69,465	68,426	69,465
c. Operating Grants (Others)				
Operating grants utilised during the year	127,476	67,598	127,314	67,189
Amount transferred to deferred capital grants	(34,831)	(5,120)	(34,787)	(5,120)
	92,645	62,478	92,527	62,069

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34 INCOME TAX

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 17% (2009: 17%) to surplus before income tax as a result of the following differences:

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Surplus (deficit) for the year before income tax	816,005	(588,778)	797,881	(591,650)
Income tax expense (benefit) calculated at statutory tax rate	138,721	(100,092)	135,640	(100,581)
(Income) loss not subject to tax	(136,623)	100,077	(135,640)	100,581
Tax effect of share of results of associate	(2,082)	(6)	–	–
Tax effect of (expense) income that is not (taxable) deductible	(5)	38	–	–
Statutory tax exemption	(17)	(7)	–	–
Others	6	(10)	–	–
	–	–	–	–

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

35 SURPLUS (DEFICIT) FOR THE YEAR

The surplus for the year in the Statement of the comprehensive income of the Group of S\$816,005,000 (2009: deficit of S\$588,778,000) and Company of S\$797,881,000 (2009: deficit of S\$591,650,000) includes the following:

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Non-endowed donations	53,966	59,061	53,950	59,020
Net investment income (loss) (include change in fair value of investment)	365,224	(676,650)	365,136	(676,655)
Gain on disposal of fixed assets held for sale	239,306	–	239,306	–
	658,496	(617,589)	658,392	(617,635)

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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:

	GROUP AND COMPANY	
	2010	2009
	S\$'000	S\$'000
Authorised and contracted for	374,219	193,580

37 RELATED PARTIES TRANSACTIONS

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

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

Hence, other 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. For related parties debtors and creditors balances, the terms of these balances are disclosed in the respective notes to the financial statements.

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

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37 RELATED PARTIES TRANSACTIONS (cont'd)

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

	GROUP		COMPANY	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
State-controlled enterprises and companies within the Group				
<u>Balances</u>				
Debtors	278,450	490,496	277,960	487,047
Amount owing by subsidiary company and associated company	–	–	463	171
Long-term loan to subsidiary company	–	–	250	250
Creditors and accrued expenses	19,843	11,172	20,057	11,712
Amount owing to subsidiary company	–	–	–	1,303
Deferred Capital Grants	1,171,874	1,146,204	1,168,827	1,144,947
Grants received in advance	49,767	59,894	43,174	59,894
<u>Transactions</u>				
Endowed donations	10	–	18	–
Non-endowed donations	5,921	8,762	6,092	8,762
Other income	–	–	2,667	2,711
Other operating expenditure	27,174	40,367	47,873	50,519
Operating/capital grants received	1,626,325	1,176,143	1,606,224	1,155,371
Corporations in which trustees have the ability to control or exercise significant influence (including donations received from trustees)				
<u>Balances</u>				
Debtors	87	96	87	96
Creditors and accrued expenses	14	12	14	12
<u>Transactions</u>				
Endowed donations	531	–	531	–
Non-endowed donations	375	864	375	864
Other income	351	250	351	250
Other operating expenditure	818	515	818	515
Operating/capital grants received	–	57	–	57

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38 FUNDS HELD IN TRUST

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

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

Separate bank account will be set up to account for the funds under the Foundation. The Group will maintain the bank balance and make payments on behalf of the Foundation. As at the end of the reporting period, no fund balance was held in trust by the Group.



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