NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

(INCORPORATED IN SINGAPORE, REGISTRATION NUMBER: 200604346E)

FULL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

NUS
National University of Singapore

FY 2012

FULL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

NATIONAL UNIVERSITY OF SINGAPORE
21 LOWER KENT RIDGE ROAD
SINGAPORE 119077
TEL: (65) 6516 6666
nus.edu.sg

MIX
Paper from responsible sources
FSC™ C074416

An Epigram Design and Production

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

CONTENTS

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 2013.

TRUSTEES

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

ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE SHARES AND DEBENTURES

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

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

REPORT OF THE TRUSTEES

TRUSTEES' INTERESTS IN SHARES OR DEBENTURES

As the Company is a public 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.

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.

AUDITOR

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

On behalf of the Trustees

MR WONG NGIT LIONG
Trustee

PROFESSOR TAN CHORH CHUAN
Trustee

26 July 2013

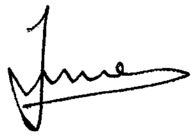
STATEMENT BY TRUSTEES

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 83 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 2013, 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 2012 to 31 March 2013; 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

26 July 2013

INDEPENDENT AUDITOR'S 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") on pages 7 to 83, which comprise the statements of financial position of the Group and the Company as at 31 March 2013, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Company and consolidated statement of cash flows of the Group for the year from 1 April 2012 to 31 March 2013, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide 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.

AUDITOR'S 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 about 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 of financial statements that give a true and fair view 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.

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

OPINION

In our opinion, 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 2013 and of the results and changes in funds and reserves of the Group and the Company and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

a. the use of the donation monies was not in accordance with the objectives of the Company and required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and

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

Ernst & Young LLP.

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants

Singapore
26 July 2013

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013

		GROUP		**COMPANY**	
	Note	**31 March 2013** S$'000	**31 March 2012** S$'000	**31 March 2013** S$'000	**31 March 2012** S$'000
ACCUMULATED SURPLUS	5	3,016,455	2,714,451	2,955,813	2,659,734
ENDOWMENT FUNDS	6	2,577,359	2,223,803	2,576,961	2,223,426
FAIR VALUE RESERVE		27,955	15,072	27,945	15,062
TRANSLATION RESERVE		(43)	(81)	–	–
TOTAL EQUITY		**5,621,726**	**4,953,245**	**5,560,719**	**4,898,222**
NON-CURRENT ASSETS					
Subsidiary companies	7	–	–	226	200
Associated companies	8	24,668	21,640	500	500
Fixed assets	9	3,218,443	3,088,359	3,215,896	3,085,733
Intangible assets	10	16,874	16,152	16,736	15,913
Available-for-sale investments	11,14	58,222	51,155	53,489	46,668
Student loans (repayable after 12 months)	15	223,413	236,021	223,413	236,021
Long-term loan to subsidiary companies	16	–	–	356	250
Amounts owing by an investee company	17	53,351	53,351	53,351	53,351
Prepayments (to be utilised after 12 months)	19	3,853	14,923	3,853	14,923
Total Non-Current Assets		**3,598,824**	**3,481,601**	**3,567,820**	**3,453,559**
CURRENT ASSETS					
Student loans (repayable within 12 months)	15	73,618	60,430	73,618	60,430
Debtors	18	498,586	552,509	498,057	548,289
Consumable stores		632	892	244	358
Deposits and prepayments (to be utilised within 12 months)	19	81,776	119,922	81,508	119,641
Amounts owing by subsidiary companies	16	–	–	1,048	731
Investments at fair value through income or expenditure	12,14	4,531,682	3,793,615	4,531,681	3,793,615
Derivative financial instruments	13,14	578	767	578	767
Fixed deposits	20	361,707	301,968	361,707	301,968
Cash and bank balances	21	323,853	201,722	282,641	165,102
Total Current Assets		**5,872,432**	**5,031,825**	**5,831,082**	**4,990,901**
TOTAL ASSETS		**9,471,256**	**8,513,426**	**9,398,902**	**8,444,460**

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013

		GROUP		COMPANY	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Note	S$'000	S$'000	S$'000	S$'000
CURRENT LIABILITIES					
Creditors and accrued expenses	22	200,523	215,173	196,129	210,917
Provisions	22	68,633	62,559	68,036	62,059
Grants received in advance	23	313,365	314,624	307,892	308,281
Deferred tuition and other fees		59,773	45,057	59,615	45,057
Derivative financial instruments	13,14	14,171	5,322	14,171	5,322
Amounts owing to subsidiary companies	16	–	–	1,902	–
Total Current Liabilities		**656,465**	**642,735**	**647,745**	**631,636**
NON-CURRENT LIABILITIES					
Advances from Government for student loans	24	284,771	290,438	284,771	290,438
Fixed rate notes and term loan	25	850,000	600,000	850,000	600,000
Deferred capital grants	26	2,058,294	2,027,008	2,055,667	2,024,164
Total Non-Current Liabilities		**3,193,065**	**2,917,446**	**3,190,438**	**2,914,602**
TOTAL LIABILITIES		**3,849,530**	**3,560,181**	**3,838,183**	**3,546,238**
NET ASSETS		**5,621,726**	**4,953,245**	**5,560,719**	**4,898,222**

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		GROUP		COMPANY	
		2013	2012	2013	2012
	Note	S$'000	S$'000	S$'000	S$'000
OPERATING INCOME					
Tuition and other fees		344,141	328,694	339,115	324,088
Other income	28	257,206	222,762	253,175	219,161
		601,347	551,456	592,290	543,249
OPERATING EXPENDITURE					
Expenditure on manpower	29	1,048,505	976,172	1,028,638	958,288
Depreciation and amortisation expenditure	9,10	302,946	282,329	302,106	281,566
Other operating expenditure		804,515	777,945	793,896	763,999
		2,155,966	2,036,446	2,124,640	2,003,853
Operating deficit		(1,554,619)	(1,484,990)	(1,532,350)	(1,460,604)
Net investment income	31	235,616	118,172	235,652	116,597
Share of results (net of tax) of associated companies	8	3,028	2,803	–	–
Deficit before Grants	32	(1,315,975)	(1,364,015)	(1,296,698)	(1,344,007)
GRANTS					
Operating Grants:					
Government	33a	1,172,389	1,053,822	1,148,725	1,031,677
Agency for Science, Technology & Research	33b	40,750	60,889	40,750	60,889
Others	33c	123,658	119,001	122,941	118,979
Deferred capital grants amortised	26	281,334	242,537	280,513	241,785
		1,618,131	1,476,249	1,592,929	1,453,330
SURPLUS FOR THE YEAR BEFORE TAX		302,156	112,234	296,231	109,323
Income tax	34	–	–	–	–
SURPLUS FOR THE YEAR	35	**302,156**	**112,234**	**296,231**	**109,323**
OTHER COMPREHENSIVE INCOME:					
Exchange differences on translating foreign operations		38	(3)	–	–
Change in fair value of available-for-sale investments		12,883	13,877	12,883	14,496
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		12,921	13,874	12,883	14,496
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**315,077**	**126,108**	**309,114**	**123,819**

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

STATEMENTS OF CHANGES IN FUNDS AND RESERVES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

GROUP	Note	Accumulated Surplus S$'000	Endowment Funds S$'000	Fair Value Reserve S$'000	Translation Reserve S$'000	Total S$'000
Balance as at 1 April 2012		**2,714,451**	**2,223,803**	**15,072**	**(81)**	**4,953,245**
Matching grants received/accrued	6	–	241,281	–	–	**241,281**
Donations received	6	–	112,123	–	–	**112,123**
Total comprehensive income for the year		302,156	–	12,883	38	**315,077**
Total recognised gains and losses for the year		302,156	353,404	12,883	38	**668,481**
Transfer to endowment funds	6	(152)	152	–	–	**–**
Balance at 31 March 2013		**3,016,455**	**2,577,359**	**27,955**	**(43)**	**5,621,726**
Balance as at 1 April 2011		**2,604,095**	**1,812,328**	**1,195**	**(78)**	**4,417,540**
Matching grants received/accrued	6	–	181,069	–	–	**181,069**
Government seed grant	6	–	150,000	–	–	**150,000**
Donations received	6	–	78,528	–	–	**78,528**
Total comprehensive income for the year		112,234	–	13,877	(3)	**126,108**
Total recognised gains and losses for the year		112,234	409,597	13,877	(3)	**535,705**
Transfer to endowment funds	6	(1,878)	1,878	–	–	**–**
Balance at 31 March 2012		**2,714,451**	**2,223,803**	**15,072**	**(81)**	**4,953,245**

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

STATEMENTS OF CHANGES IN FUNDS AND RESERVES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

COMPANY	Note	Accumulated Surplus S$'000	Endowment Funds S$'000	Fair Value Reserve S$'000	Total S$'000
Balance as at 1 April 2012		**2,659,734**	**2,223,426**	**15,062**	**4,898,222**
Matching grants received/accrued	6	–	241,270	–	**241,270**
Donations received	6	–	112,113	–	**112,113**
Total comprehensive income for the year		296,231	–	12,883	**309,114**
Total recognised gains and losses for the year		296,231	353,383	12,883	**662,497**
Transfer to endowment funds	6	(152)	152	–	**–**
Balance at 31 March 2013		**2,955,813**	**2,576,961**	**27,945**	**5,560,719**
Balance as at 1 April 2011		**2,552,289**	**1,811,972**	**566**	**4,364,827**
Matching grants received/accrued	6	–	181,059	–	**181,059**
Government seed grant	6	–	150,000	–	**150,000**
Donations received	6	–	78,517	–	**78,517**
Total comprehensive income for the year		109,323	–	14,496	**123,819**
Total recognised gains and losses for the year		109,323	409,576	14,496	**533,395**
Transfer to endowment funds	6	(1,878)	1,878	–	–
Balance at 31 March 2012		**2,659,734**	**2,223,426**	**15,062**	**4,898,222**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 S$'000	2012 S$'000
Cash flows from operating activities:			
Deficit before Grants		(1,315,975)	(1,364,015)
Adjustments for:			
Depreciation of fixed assets	9	298,204	275,290
Amortisation of intangible assets	10	4,742	7,039
Net investment income	31	(235,616)	(118,172)
Loss on disposal of fixed and intangible assets	32	16,882	1,446
Bad and doubtful debts	32	436	1,195
Exchange differences arising on translation of foreign subsidiary		38	(3)
Donated artifacts additions		(656)	(3,833)
Fixed assets written-off	9	15,519	–
Share of results (net of tax) of associated companies		(3,028)	(2,803)
Deficit before working capital changes		(1,219,454)	(1,203,856)
Change in operating assets and liabilities:			
Decrease/(increase) in debtors, consumable stores, deposits and prepayments		20,473	(84,405)
Increase/(decrease) in creditors and accrued expenses, provisions and deferred tuition and other fees		9,675	(36,589)
Cash used in operations		(1,189,306)	(1,324,850)
Agency for Science, Technology & Research grants received, net of refund		38,855	74,689
Other grants received, net of refund		141,732	160,469
Donations received for endowment funds	6	112,123	78,528
Student loans granted		(72,345)	(71,768)
Student loans repaid		71,772	71,840
Net cash outflow from operating activities		(897,169)	(1,011,092)
Cash flows from investing activities:			
Payments for purchase of fixed assets		(476,592)	(504,419)
Payments for purchase of intangible assets	10	(5,478)	(3,393)
Proceeds from disposal of fixed assets		121	440
Net purchase of investments	14	(537,953)	(350,885)
Interest and dividend received		27,231	28,300
Net settlement of foreign exchange contracts	31	23,125	6,578
Net cash outflow from investing activities		(969,546)	(823,379)

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 2013

	Note	2013 S$'000	2012 S$'000
Cash flows from financing activities:			
Government grants received, net of refund		1,491,943	1,355,676
Government grants received for endowment funds		311,830	207,748
Student tuition fee loan funds received from government		58,591	–
Student loan funds received from government		12,176	–
Overseas student loan funds received from government		674	–
Student tuition fee loan funds repaid to government		(64,096)	–
Student loan funds repaid to government		(11,855)	–
Overseas student loan funds repaid to government		(678)	–
Proceeds from issue of Fixed Rate Term Loan		250,000	–
Net cash inflow from financing activities		**2,048,585**	**1,563,424**
Net increase (decrease) in cash and cash equivalents		**181,870**	**(271,047)**
Cash and cash equivalents at the beginning of the year		**503,690**	**774,737**
Cash and cash equivalents at the end of the year		**685,560**	**503,690**

Note A

During the financial year, the Group acquired fixed assets amounting to S$476,950,000 (2012: S$785,288,000), out of which S$476,592,000 (2012: S$504,419,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

Note B

Cash and cash equivalents comprises:

	2013 S$'000	2012 S$'000
Fixed deposits	361,707	301,968
Cash and bank balances	323,853	201,722
	685,560	**503,690**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

1. GENERAL

The Company (Registration Number 200604346E) is incorporated in Singapore as a public company limited by guarantee and its registered office and place of business is located at 21 Lower Kent Ridge Road Singapore 119077. The 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 2013 were authorised for issue in accordance with a resolution of the Board of Trustees on 26 July 2013.

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").

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

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2012. 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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

Description	Effective for annual periods beginning on or after
FRS 113 Fair Value Measurements	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 – Offsetting of Financial Assets and Financial Liabilities	1 January 2014

At the date of authorisation of these financial statements, the management has considered and anticipated that the adoption of the FRSs, INT FRSs and amendments to FRS that were issued but not effective until future periods will have no material impact on the financial statements of the Group and the Company in the year of their initial adoption except for:

<u>FRS 113 – Fair Value measurement</u>

FRS 113 establishes a single source of guidance under FRS for all fair value measurements. FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

<u>FRS 110 Consolidated Financial Statements</u>

FRS 110 replaces the portion of FRS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also replaces INT FRS12 Consolidation – Special Purpose Entities. FRS 110 establishes a single control model that applies to all entities including 'special purpose entities'. The changes introduced by FRS 110 will require management to exercise significant judgement to determine which entities are controlled, and therefore required to be consolidated by a parent, compared with the requirements that were in FRS 27. This standard becomes effective for annual periods beginning on or after 1 January 2014. Management does not expect this amendment to have any significant impact on the Group's financial position or performance.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. The Group is currently determining the impact of the disclosure requirements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when implemented in 2014.

b. BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS

i. Basis of consolidation

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

b. BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS *(cont'd)*

i. Basis of consolidation *(cont'd)*

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

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

ii. Business combinations

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

b. BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS *(cont'd)*

ii. Business combinations *(cont'd)*

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

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

c. SUBSIDIARIES AND ASSOCIATES

i. Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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

ii. Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

ii. Associates *(cont'd)*

The income or expenditure reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of results of its associates is shown on the face of the consolidated statement of comprehensive income.

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

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".

Financial Assets

i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and fixed deposits.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d. FINANCIAL INSTRUMENTS *(cont'd)*

Financial Assets *(cont'd)*

ii. Student loans, debtors and deposits

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

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.

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 as they are not classified as fair value through income or expenditure at inception 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 and accumulated in the Group's fair value reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in income 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

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

Financial assets, other than those at fair value through income or expenditure, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d. FINANCIAL INSTRUMENTS *(cont'd)*

Impairment of financial assets *(cont'd)*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment loss is, or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortized costs has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss through use of an allowance account. The impairment loss is recognized in income or expenditure.

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.

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

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.

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.

Regular way purchase or sale of financial assets

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales of financial assets that require delivery of assets within the period are generally established by regulation convention in the marketplace concerned.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d. FINANCIAL INSTRUMENTS *(cont'd)*

Financial liabilities and equity *(cont'd)*

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 and term loan

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

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 uses certain derivatives as hedges of the fair value of net investments. However, the Group does not adopt hedge accounting.

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

f. REVENUE RECOGNITION

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

h. GRANTS *(cont'd)*

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.

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 an 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; and

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

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

k. FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment loss. The cost includes the cost of replacing part of the fixed assets and borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying fixed asset. The cost is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

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

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

	No. of Years
Leasehold land	30 to 90
Infrastructure	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 as the assets are not yet available for use. Artifacts and freehold land have infinite useful life and are not depreciated.

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

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

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

l. INTANGIBLE ASSETS

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

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

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

m. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows expected to be generated by the asset are discounted to its 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

m. IMPAIRMENT OF NON-FINANCIAL ASSETS *(cont'd)*

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income or expenditure unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

q. INCOME TAX *(cont'd)*

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.

s. LEASES

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

<u>As lessee</u>

Operating lease payments are recognised as an expense in income or expenditure on a straight-line basis over the lease term.

<u>As lessor</u>

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, 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. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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$2,964,446,000 (2012: S$2,493,493,000) and S$2,960,422,000 (2012: S$2,489,309,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

a. Categories of financial instruments

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

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	S$'000	S$'000	S$'000	S$'000
Financial Assets				
At fair value through income or expenditure (FVTIE):				
Investments	4,531,682	3,793,615	4,531,681	3,793,615
Derivative financial instruments	578	767	578	767
Loans and receivables at amortised cost:				
Debtors	498,586	552,509	498,057	548,289
Student loans	297,031	296,451	297,031	296,451
Amount owing by an investee company	53,351	53,351	53,351	53,351
Fixed deposits	361,107	301,968	361,707	301,968
Cash and bank balances	323,853	201,722	282,641	165,102
Purchased securities not yet settled	53,352	88,007	53,352	88,007
Deposits	1,235	1,180	1,211	1,180
Available-for-sale financial assets, at fair value through other comprehensive income	58,222	51,155	53,489	46,668
Financial Liabilities				
At fair value through income or expenditure (FVTIE):				
Derivative financial instruments	14,171	5,322	14,171	5,322
Financial liabilities at amortised cost:				
Creditors and accrued expenses	200,523	215,173	196,129	210,917
Advances from Government for student loans	284,771	290,438	284,771	290,438
Fixed rate notes and term loan	850,000	600,000	850,000	600,000
Amount owing to subsidiary company	–	–	1,902	–

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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

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.

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 2013 will result in a +/– S$165,379,000 (2012: +/– S$139,291,000) 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.

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

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

i. Market risk – price risk management *(cont'd)*

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.

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 2013 will result in a –/+ S$38,431,000 (2012: –/+ S$39,638,000) 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.

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

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

iii. Foreign exchange risk management

Some of the Group's transactions and investments are conducted in various foreign currencies, including United States dollars, Euro, Japanese Yen and Sterling Pounds, and therefore is exposed to foreign exchange risk. 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:

	2013	**2012**
	Investments at FVTIE	**Investments at FVTIE**
	S$'000	S$'000
United States Dollars	2,947,858	2,456,485
Other Currencies	58,487	51,708

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.

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 Euro 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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

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

b. Other Financial Assets and Financial Liabilities *(cont'd)*

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

	GROUP				COMPANY			
	ASSETS		LIABILITIES		ASSETS		LIABILITIES	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
United States Dollars	79,340	108,387	1,193	650	78,859	108,027	876	307
Euro	1,692	709	17	396	1,692	709	17	396

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 United States dollars were to change by 10% against the Singapore dollar, the Group's and Company's surplus will increase/decrease by S$7,815,000 and S$7,798,000 (2012: increase/decrease by S$10,774,000 and S$10,772,000 respectively).

If the Euro were to change by 10% against the Singapore dollar, Group's and Company's surplus will increase/decrease by S$168,000 (2012: increase/decrease by S$31,000).

iv. Liquidity risk management

The Group manages the liquidity risk by maintaining sufficient cash, internally generated cashflows, and the availability of funding resources from borrowing facilities to fund working capital requirements and capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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

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

a. 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 loans 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	Total S$'000
2013				
Non-interest bearing	–	200,523	–	200,523
Interest bearing	2.0	16,895	871,027	887,922
Total		**217,418**	**871,027**	**1,088,445**
2012				
Non-interest bearing	–	215,173	–	215,173
Interest bearing	2.4	14,300	625,423	639,723
Total		**229,473**	**625,423**	**854,896**

COMPANY	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2–5 years S$'000	Total S$'000
2013				
Non-interest bearing	–	196,129	–	196,129
Interest bearing	2.0	16,895	871,027	887,922
Total		**213,024**	**871,027**	**1,084,051**
2012				
Non-interest bearing	–	210,917	–	210,917
Interest bearing	2.4	14,300	625,423	639,723
Total		**225,217**	**625,423**	**850,640**

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

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

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

b. 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$'000	Total S$'000
2013					
Non-interest bearing	–	871,163	–	–	871,163
Interest bearing	0.70	370,341	63,559	–	433,900
Investments FVTIE	–	3,524,786	287,813	719,083	4,531,682
Available-for-sale investments	–	–	–	58,222	58,222
Total		**4,766,290**	**351,372**	**777,305**	**5,894,967**
2012					
Non-interest bearing	–	840,525	–	–	840,525
Interest bearing	0.78	310,258	63,559	–	373,817
Investments at FVTIE	–	2,915,953	62,945	814,717	3,793,615
Available-for-sale investments	–	–	–	51,155	51,155
Total		**4,066,736**	**126,504**	**865,872**	**5,059,112**

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

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

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

b. 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$'000	Total S$'000
2013					
Non-interest bearing	–	830,446	356	–	830,446
Interest bearing	0.70	370,340	63,559	–	433,899
Investments at FVTIE	–	3,524,785	287,813	719,083	4,531,681
Available-for-sale investments	–	–	–	53,489	53,489
Total		**4,725,571**	**351,728**	**772,572**	**5,849,871**
2012					
Non-interest bearing	–	800,416	250	–	800,666
Interest bearing	0.78	310,256	63,559	–	373,815
Investments at FVTIE	–	2,915,953	62,945	814,717	3,793,615
Available-for-sale investments	–	–	–	46,668	46,668
Total		**4,026,625**	**126,754**	**861,385**	**5,014,764**

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 categorised 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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

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

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.

GROUP AND COMPANY	On demand or within 1 year S$'000
2013	
Net settled:	
Foreign exchange forward contracts	13,593
2012	
Net settled:	
Foreign exchange forward contracts	4,555

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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

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

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.

vi. Fair Value of financial assets and liabilities

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

The 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 values 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.

There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year ended 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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

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

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

GROUP	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2013				
Financial Assets				
Available-for-sale investments				
Unquoted equity securities	–	3,923	53,590	57,513
Redeemable convertible loan stocks	–	–	709	709
Sub-total	**–**	**3,923**	**54,299**	**58,222**
Investments at fair value through income or expenditure				
Quoted Government bonds	1,240,447	–	–	1,240,447
Quoted debt securities	37,133	–	–	37,133
Quoted equity securities	347,169	–	–	347,169
Unquoted equity securities	–	–	2,906,933	2,906,933
Sub-total	**1,624,749**	**–**	**2,906,933**	**4,531,682**
Derivative financial instruments				
Forward foreign exchange contracts	578	–	–	578
Sub-total	**578**	**–**	**–**	**578**
Total	**1,625,327**	**3,923**	**2,961,232**	**4,590,482**
Financial Liabilities				
Derivative financial instruments				
Forward foreign exchange contracts	(14,171)	–	–	(14,171)
Total	**(14,171)**	**–**	**–**	**(14,171)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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

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

GROUP	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2012				
Financial Assets				
Available-for-sale investments				
Unquoted equity securities	–	3,417	47,435	50,852
Redeemable convertible loan stocks	–	–	303	303
Sub-total	**–**	**3,417**	**47,738**	**51,155**
Investments at fair value through income or expenditure				
Quoted Government bonds	993,867	–	–	993,867
Quoted debt securities	60,602	–	–	60,602
Quoted equity securities	296,505	–	–	296,505
Unquoted equity securities	–	–	2,442,641	2,442,641
Sub-total	**1,350,974**	**–**	**2,442,641**	**3,793,615**
Derivative financial instruments				
Forward foreign exchange contracts	767	–	–	767
Sub-total	**767**	**–**	**–**	**767**
Total	**1,351,741**	**3,417**	**2,490,379**	**3,845,537**
Financial Liabilities				
Derivative financial instruments				
Forward foreign exchange contracts	5,322	–	–	5,322
Total	**5,322**	**–**	**–**	**5,322**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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

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

COMPANY	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2013				
Financial Assets				
Available-for-sale investments				
Unquoted equity securities	–	3,923	49,566	53,489
Sub-total	**–**	**3,923**	**49,566**	**53,489**
Investments at fair value through income or expenditure				
Quoted Government bonds	1,240,447	–	–	1,240,447
Quoted debt securities	37,133	–	–	37,133
Quoted equity securities	347,168	–	–	347,168
Unquoted equity securities	–	–	2,906,933	2,906,933
Sub-total	**1,624,748**	**–**	**2,906,933**	**4,531,681**
Derivative financial instruments				
Forward foreign exchange contracts	578	–	–	578
Sub-total	**578**	**–**	**–**	**578**
Total	**1,625,326**	**3,923**	**2,956,499**	**4,585,748**
Financial Liabilities				
Derivative financial instruments				
Forward foreign exchange contracts	(14,171)	–	–	(14,171)
Total	**(14,171)**	**–**	**–**	**(14,171)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)
b. Financial risk management policies and objectives (cont'd)
vi. Fair Value of financial assets and liabilities (cont'd)

COMPANY	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2012				
Financial Assets				
Available-for-sale investments				
Unquoted equity securities	–	3,417	43,251	46,668
Sub-total	**–**	**3,417**	**43,251**	**46,668**
Investments at fair value through income or expenditure				
Quoted Government bonds	993,867	–	–	993,867
Quoted debt securities	60,602	–	–	60,602
Quoted equity securities	296,505	–	–	296,505
Unquoted equity securities	–	–	2,442,641	2,442,641
Sub-total	**1,350,974**	**–**	**2,442,641**	**3,793,615**
Derivative financial instruments				
Forward foreign exchange contracts	767	–	–	767
Sub-total	**767**	**–**	**–**	**767**
Total	**1,351,741**	**3,417**	**2,485,892**	**3,841,050**
Financial Liabilities				
Derivative financial instruments				
Forward foreign exchange contracts	5,322	–	–	5,322
Total	**5,322**	**–**	**–**	**5,322**

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

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

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

Movements of the Level 3 financial assets during the reporting period

	GROUP $'000	COMPANY $'000
Fair value as at 1 April 2012	2,490,379	2,485,892
Realised loss	(5,564)	(5,564)
Impairment loss	(45)	–
Unrealised gains	191,335	191,335
Net purchases	285,127	284,836
Fair value as at 31 March 2013	**2,961,232**	**2,956,499**
Fair value as at 1 April 2011	2,172,067	2,138,644
Reclassification from Level 1	58	58
Realised gains	33,161	33,161
Impairment loss	(307)	–
Unrealised gains	53,884	53,884
Net purchases	231,516	260,145
Fair value as at 31 March 2012	**2,490,379**	**2,485,892**

c. Capital risk management policies and objectives

The Group reviews its capital structure at least annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group comprises reserves as disclosed in Notes 5 and 6 and fixed rate notes and fixed rate term loan disclosed in Note 25. 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 2013. The Group's overall strategy remains unchanged from 2012.

5. ACCUMULATED SURPLUS, FAIR VALUE RESERVE AND TRANSLATION RESERVE

Acccumulated Surplus

Accumulated surplus under the statements of financial position comprise 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.

5. ACCUMULATED SURPLUS, FAIR VALUE RESERVE AND TRANSLATION RESERVE *(cont'd)*

Total accumulated surplus of the Group of S$3,016,455,000 (2012: S$2,714,451,000) and the Company of S$2,955,813,000 (2012: S$2,659,734,000) comprise the following:

		GROUP		COMPANY	
	Note	31 March 2013 S$'000	31 March 2012 S$'000	31 March 2013 S$'000	31 March 2012 S$'000
General Funds under Accumulated Surplus					
Funds set aside for specific purposes and commitments[a]		1,416,498	1,308,627	1,355,956	1,254,011
Funds utilised to acquire assets, which will be amortised to match future depreciation when assets are put into use		481,611	460,702	481,611	460,702
Accumulated surplus from non-endowed donations	6	100	101	–	–
		1,898,209	1,769,430	1,837,567	1,714,713
Restricted Funds under Accumulated Surplus					
Accumulated surplus from non-endowed donations	6	497,960	455,624	497,960	455,624
Accumulated surplus from endowment funds	6	620,286	489,397	620,286	489,397
		1,118,246	945,021	1,118,246	945,021
Total Accumulated Surplus		**3,016,455**	**2,714,451**	**2,955,813**	**2,659,734**

[a] These are funds allocated for planned operational activities of faculties, departments and halls of residences.

Fair Value Reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

Translation Reserve

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

During the financial year, total donations received by the Group and the Company amounted to S$184,914,000 (2012: S$141,530,000) and S$184,903,000 (2012: S$143,389,000) respectively, of which S$173,921,000 (2012: S$141,530,000) of the Group and S$173,920,000 (2012: S$141,518,000) of the Company are tax-deductible. Of the total donations received, S$112,123,000 (2012: S$78,528,000) for the Group and S$112,113,000 (2012: S$78,517,000) 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.

		2013			2012		
		Endowed Donations	**Non-endowed Donations**	**Total**	**Endowed Donations**	**Non-endowed Donations**	**Total**
GROUP	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Accumulated Surplus	5	620,286	498,060	1,118,346	489,397	455,725	945,122
Endowment Funds		2,577,359	–	2,577,359	2,223,803	–	2,223,803
Fair Value Reserve		26,876	–	26,876	14,526	–	14,526
		3,224,521	**498,060**	**3,722,581**	**2,727,726**	**455,725**	**3,183,451**
Represented by:							
Non-Current Assets							
Fixed assets		25,992	375,402	401,394	21,874	374,912	396,786
Available-for-sale investments		48,806	–	48,806	42,526	–	42,526
Student loans		2,209	19,971	22,180	2,733	19,972	22,705
		77,007	395,373	472,380	67,133	394,884	462,017
Current Assets							
Debtors		156,608	16	156,624	233,492	1	233,493
Investments at fair value through income or expenditure		3,010,325	353,746	3,364,071	2,437,795	339,798	2,777,593
Derivative financial instruments		527	–	527	741	–	741
Fixed deposits		848	25,372	26,220	827	7,601	8,428
		3,168,308	379,134	3,547,442	2,672,855	347,400	3,020,255
Total Assets		3,245,315	774,507	4,019,822	2,739,988	742,284	3,482,272
Current Liabilities							
Creditors and accrued expenses		11,000	–	11,000	9,042	–	9,042
Derivative financial instruments		9,794	–	9,794	3,220	–	3,220
		20,794	–	20,794	12,262	–	12,262
Non-Current Liabilities							
Deferred capital grants		–	276,447	276,447	–	286,559	286,559
Total Liabilities		20,794	276,447	297,241	12,262	286,559	298,821
Net Assets		**3,224,521**	**498,060**	**3,722,581**	**2,727,726**	**455,725**	**3,183,451**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

	2013			2012		
	Endowed Donations	**Non-endowed Donations**	**Total**	**Endowed Donations**	**Non-endowed Donations**	**Total**
GROUP	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Accumulated Surplus:						
Balance as at 1 April	489,397	455,725	945,122	466,970	451,385	918,355
Donations received	51	72,740	72,791	–	63,002	63,002
Donated artifacts additions	–	656	656	–	3,833	3,833
Investment income (including change in fair value of investment held for trading)	182,816	11,088	193,904	75,165	6,711	81,876
Other operating income	–	202	202	12	296	308
Expenditure on manpower	(20,975)	(11,235)	(32,210)	(21,498)	(11,956)	(33,454)
Depreciation	(4,223)	(6,430)	(10,653)	(3,902)	(5,701)	(9,603)
Other operating expenditure	(26,628)	(24,686)	(51,314)	(25,472)	(51,845)	(77,317)
Amount transferred to endowment funds	(152)	–	(152)	(1,878)	–	(1,878)
Balance as at 31 March	620,286	498,060	1,118,346	489,397	455,725	945,122
Endowment Funds:						
Balance as at 1 April	2,223,803	–	2,223,803	1,812,328	–	1,812,328
Matching grants received/accrued	241,281	–	241,281	181,069	–	181,069
Government seed grant	–	–	–	150,000	–	150,000
Donations received	112,123	–	112,123	78,528	–	78,528
Amount transferred from accumulated surplus	152	–	152	1,878	–	1,878
Balance as at 31 March	2,577,359	–	2,577,359	2,223,803	–	2,223,803
Fair Value Reserve:						
Balance as at 1 April	14,526	–	14,526	–	–	–
Net movement for the year	12,350	–	12,350	14,526	–	14,526
Balance as at 31 March	26,876	–	26,876	14,526	–	14,526
Balance as at 31 March	**3,224,521**	**498,060**	**3,722,581**	**2,727,726**	**455,725**	**3,183,451**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

COMPANY	Note	2013 Endowed Donations S$'000	2013 Non-endowed Donations S$'000	2013 Total S$'000	2012 Endowed Donations S$'000	2012 Non-endowed Donations S$'000	2012 Total S$'000
Accumulated Surplus	5	620,286	497,960	1,118,246	489,397	455,624	945,021
Endowment Funds		2,576,961	–	2,576,961	2,223,426	–	2,223,426
Fair Value Reserve		26,876	–	26,876	14,526	–	14,526
		3,224,123	**497,960**	**3,722,083**	**2,727,349**	**455,624**	**3,182,973**
Represented by:							
Non-Current Assets							
Fixed assets		25,992	375,402	401,394	21,874	374,912	396,786
Available-for-sale investments		48,806	–	48,806	42,526	–	42,526
Student loans		2,209	19,971	22,180	2,733	19,972	22,705
		77,007	395,373	472,380	67,133	394,884	462,017
Current Assets							
Debtors		156,608	16	156,624	233,492	1	233,493
Investments at fair value through income or expenditure		3,010,325	353,746	3,364,071	2,437,795	339,798	2,777,593
Derivative financial instruments		527	–	527	741	–	741
Fixed deposits		450	25,272	25,722	450	7,500	7,950
		3,167,910	379,034	3,546,944	2,672,478	347,299	3,019,777
Total Assets		3,244,917	774,407	4,019,324	2,739,611	742,183	3,481,794
Current Liabilities							
Creditors and accrued expenses		11,000	–	11,000	9,042	–	9,042
Derivative financial instruments		9,794	–	9,794	3,220	–	3,220
		20,794	–	20,794	12,262	–	12,262
Non-Current Liabilities							
Deferred capital grants		–	276,447	276,447	–	286,559	286,559
Total Liabilities		20,794	276,447	297,241	12,262	286,559	298,821
Net Assets		**3,224,123**	**497,960**	**3,722,083**	**2,727,349**	**455,624**	**3,182,973**

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

COMPANY	2013 Endowed Donations S$'000	2013 Non-endowed Donations S$'000	2013 Total S$'000	2012 Endowed Donations S$'000	2012 Non-endowed Donations S$'000	2012 Total S$'000
Accumulated Surplus:						
Balance as at 1 April	489,397	455,624	945,021	466,970	451,280	918,250
Donations received	51	72,739	72,790	1,871	63,001	64,872
Donated artifacts additions	–	656	656	–	3,833	3,833
Investment income (including change in fair value of investment held for trading)	182,816	11,088	193,904	73,294	6,711	80,005
Other operating income	–	202	202	12	296	308
Expenditure on manpower	(20,975)	(11,235)	(32,210)	(21,498)	(11,956)	(33,454)
Depreciation	(4,223)	(6,430)	(10,653)	(3,902)	(5,701)	(9,603)
Other operating expenditure	(26,628)	(24,684)	(51,312)	(25,472)	(51,840)	(77,312)
Amount transferred to endowment funds	(152)	–	(152)	(1,878)	–	(1,878)
Balance as at 31 March	620,286	497,960	1,118,246	489,397	455,624	945,021
Endowment Funds:						
Balance as at 1 April	2,223,426	–	2,223,426	1,811,972	–	1,811,972
Matching grants accrued	241,270	–	241,270	181,059	–	181,059
Government seed grant	–	–	–	150,000	–	150,000
Donations received	112,113	–	112,113	78,517	–	78,517
Amount transferred from accumulated surplus	152	–	152	1,878	–	1,878
Balance as at 31 March	2,576,961	–	2,576,961	2,223,426	–	2,223,426
Fair Value Reserve:						
Balance as at 1 April	14,526	–	14,526	–	–	–
Net movement for the year	12,350	–	12,350	14,526	–	14,526
Balance as at 31 March	26,876	–	26,876	14,526	–	14,526
Balance as at 31 March	**3,224,123**	**497,960**	**3,722,083**	**2,727,349**	**455,624**	**3,182,973**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

7. SUBSIDIARY COMPANIES

	COMPANY	
	2013 S$'000	2012 S$'000
Unquoted equity shares at cost	326	300
Impairment loss	(100)	(100)
Carrying amount	226	200

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held 2013	2012
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%
Lanthanum Pte Ltd[a]	Investment holding company to hold NUS' direct investments.	Singapore	100%	100%
CAMRI Managed Portfolio Pte Ltd[a]	To provide platform to the NUS Business School's students to have a hands-on investment management experience.	Singapore	100%	–
Suzhou NUSRI Management Co Ltd[e]	To manage the Suzhou NUS Research Institute.	People's Republic of China	100%	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 2013	2012
Held by Subsidiaries				
NUS Press Pte Ltd[a]	Publishers	Singapore	100%	100%
NUS Ventures Pte Ltd[a]	Distributor of new telecommunication technologies via direct selling and licensing.	Singapore	100%	100%
Bioinformatics Technology Group Pte Ltd[a]	IT development, IT services, research and experimental development on technology.	Singapore	100%	100%
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 capital. NUS High School of Mathematics and Science is a company limited by guarantee.
(a) Audited by Ernst & Young LLP, Singapore
(b) Audited by overseas practices of Ernst & Young LLP
(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

8. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	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	24,118	21,090	–	–
	24,668	21,640	500	500

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held 2013	2012
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:

	2013	**2012**
	S$'000	S$'000
Total assets	138,662	103,858
Total liabilities	(63,600)	(38,240)
Net assets	75,062	65,618
Group's share of associates' net assets	24,668	21,640

	2013	**2012**
	S$'000	S$'000
Revenue	17,472	16,106
Government subvention income	14,781	17,633
	32,253	33,739
Profit after tax for the year	9,358	8,667
Group's share of associates' profit after tax for the year	3,120	2,889
Elimination of profit element of transactions between the associate and Company	(92)	(86)
Group's share of associates' profit after tax for the year	3,028	2,803

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

9. FIXED ASSETS

GROUP	Freehold Land S$'000	Leasehold Land S$'000	Buildings S$'000	Leasehold Improve-ments S$'000	Infra-structure S$'000	Equipment, Furniture & Fittings, Library Materials S$'000	Artifacts S$'000	Capital Work-in-Progress S$'000	Total S$'000
COST									
At 1 April 2011	2,007	286,281	1,642,724	650,752	38,718	1,416,274	11,608	703,210	4,751,574
Additions	–	234	334,429	36,179	790	123,391	3,833	286,432	785,288
Transfers	–	5	485,098	18,290	–	109,102	–	(612,495)	–
Disposals	–	–	(2,243)	(105)	–	(28,097)	(63)	–	(30,508)
At 31 March and 1 April 2012	2,007	286,520	2,460,008	705,116	39,508	1,620,670	15,378	377,147	5,506,354
Additions	–	46,308	132,326	53,705	–	104,014	6,068	134,529	476,950
Transfers	–	–	230,540	9,415	–	74,799	–	(314,754)	–
Disposals	–	(11,654)	(31,536)	(2,018)	–	(26,036)	–	–	(71,244)
Written-off	–	–	–	–	–	(21,612)	–	–	(21,612)
Cost adjustment	–	–	(36)	(307)	–	(370)	–	(15,607)	(16,320)
At 31 March 2013	2,007	321,174	2,791,302	765,911	39,508	1,751,465	21,446	181,315	5,874,128
ACCUMULATED DEPRECIATION									
At 1 April 2011	–	36,326	813,521	304,723	161	1,016,599	–	–	2,171,330
Depreciation	–	5,439	71,186	67,392	646	130,627	–	–	275,290
Transfers	–	–	–	(526)	–	526	–	–	–
Disposals	–	–	(1,446)	(105)	–	(27,074)	–	–	(28,625)
At 31 March and 1 April 2012	–	41,765	883,261	371,484	807	1,120,678	–	–	2,417,995
Depreciation	–	5,287	83,561	66,402	659	142,295	–	–	298,204
Transfers	–	–	(4)	(92)	–	96	–	–	–
Disposals	–	(7,381)	(19,238)	(2,009)	–	(25,615)	–	–	(54,243)
Written-off	–	–	–	–	–	(6,093)	–	–	(6,093)
Cost adjustment	–	–	(4)	(6)	–	(168)	–	–	(178)
At 31 March 2013	–	39,671	947,576	435,779	1,466	1,231,193	–	–	2,655,685
CARRYING AMOUNT									
At 31 March 2013	2,007	281,503	1,843,726	330,132	38,042	520,272	21,446	181,315	3,218,443
At 31 March 2012	2,007	244,755	1,576,747	333,632	38,701	499,992	15,378	377,147	3,088,359

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

9. FIXED ASSETS *(cont'd)*

COMPANY	Freehold Land S$'000	Leasehold Land S$'000	Buildings S$'000	Leasehold Improve-ments S$'000	Infra-structure S$'000	Equipment, Furniture & Fittings, Library Materials S$'000	Artifacts S$'000	Capital Work-in-Progress S$'000	Total S$'000
COST									
At 1 April 2011	2,007	286,281	1,642,019	650,299	38,718	1,412,081	11,608	703,210	4,746,223
Additions	–	234	334,429	35,865	790	122,999	3,833	286,432	784,582
Transfers	–	5	485,098	18,290	–	109,102	–	(612,495)	–
Disposals	–	–	(2,243)	(105)	–	(28,083)	(63)	–	(30,494)
At 31 March and 1 April 2012	2,007	286,520	2,459,303	704,349	39,508	1,616,099	15,378	377,147	5,500,311
Additions	–	46,308	132,326	53,444	–	103,615	6,068	134,529	476,290
Transfers	–	–	230,540	9,415	–	74,799	–	(314,754)	–
Disposals	–	(11,654)	(31,536)	(2,018)	–	(25,876)	–	–	(71,084)
Written-off	–	–	–	–	–	(21,612)	–	–	(21,612)
Cost adjustment	–	–	(36)	(307)	–	(370)	–	(15,607)	(16,320)
At 31 March 2013	2,007	321,174	2,790,597	764,883	39,508	1,746,655	21,446	181,315	5,867,585
ACCUMULATED DEPRECIATION									
At 1 April 2011	–	36,326	813,392	304,637	161	1,014,056	–	–	2,168,572
Depreciation	–	5,439	71,163	67,337	646	130,036	–	–	274,621
Transfers	–	–	–	(526)	–	526	–	–	–
Disposals	–	–	(1,446)	(105)	–	(27,064)	–	–	(28,615)
At 31 March and 1 April 2012	–	41,765	883,109	371,343	807	1,117,554	–	–	2,414,578
Depreciation	–	5,287	83,537	66,315	659	141,667	–	–	297,465
Transfers	–	–	(4)	(92)	–	96	–	–	–
Disposals	–	(7,381)	(19,238)	(2,009)	–	(25,455)	–	–	(54,083)
Written-off	–	–	–	–	–	(6,093)	–	–	(6,093)
Cost adjustment	–	–	(4)	(6)	–	(168)	–	–	(178)
At 31 March 2013	–	39,671	947,400	435,551	1,466	1,227,601	–	–	2,651,689
CARRYING AMOUNT									
At 31 March 2013	2,007	281,503	1,843,197	329,332	38,042	519,054	21,446	181,315	3,215,896
At 31 March 2012	2,007	244,755	1,576,194	333,006	38,701	498,545	15,378	377,147	3,085,733

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

10. INTANGIBLE ASSETS

GROUP	Computer Software S$'000	Purchased Curriculum S$'000	Total S$'000
COST			
At 1 April 2011	19,834	11,878	31,712
Additions	3,393	–	3,393
Disposals	(5)	–	(5)
At 31 March and 1 April 2012	23,222	11,878	35,100
Additions	5,478	–	5,478
Disposals	(126)	–	(126)
Cost adjustment	(13)	–	(13)
At 31 March 2013	28,561	11,878	40,439
ACCUMULATED AMORTISATION			
At 1 April 2011	2,579	9,332	11,911
Amortisation	4,493	2,546	7,039
Disposals	(2)	–	(2)
At 31 March and 1 April 2012	7,070	11,878	18,948
Amortisation	4,742	–	4,742
Disposals	(124)	–	(124)
Cost adjustment	(1)	–	(1)
At 31 March 2013	11,687	11,878	23,565
CARRYING AMOUNT			
At 31 March 2013	16,874	–	16,874
At 31 March 2012	16,152	–	16,152

10. INTANGIBLE ASSETS *(cont'd)*

COMPANY	Computer Software S$'000	Purchased Curriculum S$'000	Total S$'000
COST			
At 1 April 2011	19,416	11,878	31,294
Additions	3,301	–	3,301
Disposals	(5)	–	(5)
At 31 March and 1 April 2012	22,712	11,878	34,590
Additions	5,478	–	5,478
Disposals	(126)	–	(126)
Cost adjustment	(13)	–	(13)
At 31 March 2013	28,051	11,878	39,929
ACCUMULATED AMORTISATION			
At 1 April 2011	2,402	9,332	11,734
Amortisation	4,399	2,546	6,945
Disposals	(2)	–	(2)
At 31 March and 1 April 2012	6,799	11,878	18,677
Amortisation	4,641	–	4,641
Disposals	(124)	–	(124)
Cost adjustment	(1)	–	(1)
At 31 March 2013	11,315	11,878	23,193
CARRYING AMOUNT			
At 31 March 2013	16,736	–	16,736
At 31 March 2012	15,913	–	15,913

Computer software includes computer software work-in-progress of S$1,872,000 (2012: S$1,573,000) for the Group and Company, which amortisation is not provided for. The average remaining amortisation period of intangible assets is 2 years (2012: 2 years).

11. AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
AT FAIR VALUE				
Unquoted equity securities	57,513	50,852	53,489	46,668
Redeemable convertible loan stocks	709	303	–	–
	58,222	51,155	53,489	46,668

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.

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

12. INVESTMENTS AT FAIR VALUE THROUGH INCOME OR EXPENDITURE

	GROUP		COMPANY	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
AT FAIR VALUE				
Quoted Government bonds	1,240,447	993,867	1,240,447	993,867
Quoted debt securities	37,133	60,602	37,133	60,602
Quoted equity securities	347,169	296,505	347,168	296,505
Unquoted equity securities	2,906,933	2,442,641	2,906,933	2,442,641
	4,531,682	3,793,615	4,531,681	3,793,615

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 0.78% (2012: 1%) 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 which are carried at fair value. 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$160,541,000 (2012: positive S$68,273,000) 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 2013, the Group has commitments of S$272,772,000 (2012: S$262,078,000) for which capital calls had not been exercised. Such commitments generally have fixed expiration dates or other termination clauses.

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

Investments at fair value through income or expenditure denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	S$'000	S$'000	S$'000	S$'000
United States dollars	2,947,858	2,456,485	2,947,857	2,456,485
Euro	41,065	35,420	41,065	35,420
Japanese yen	7,530	7,107	7,530	7,107
Australian dollars	1,172	1,664	1,172	1,664
Sterling pounds	1,649	1,538	1,649	1,538
Canadian dollars	1,260	1,414	1,260	1,414
Others	5,811	4,565	5,811	4,565
	3,006,345	2,508,193	3,006,344	2,508,193

13. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY			
	2013		2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	S$'000	S$'000	S$'000	S$'000
Forward foreign exchange contracts	578	(14,171)	767	(5,322)
	578	(14,171)	767	(5,322)
Analysed as:				
Current	578	(14,171)	767	(5,322)

Forward foreign exchange contracts 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 2013, the settlement dates on open forward contracts ranged from between one month to up to a year (2012: one month to up to a year).

The fair values of forward foreign exchange contracts 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.

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

13. DERIVATIVE FINANCIAL INSTRUMENTS *(cont'd)*

At 31 March 2013, the contractual/notional amount of outstanding forward foreign exchange contracts to which the Group is committed are as follows:

	GROUP AND COMPANY	
	2013	**2012**
	S$'000	S$'000
Forward foreign exchange contracts	1,446,737	1,362,552
	1,446,737	1,362,552

14. MOVEMENTS IN FAIR VALUE OF INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

(For Information Only)

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	S$'000	S$'000	S$'000	S$'000
Non-current investments				
Fair value as at 1 April	51,155	37,595	46,668	4,172
Increase due to net (sales) purchases	(5,771)	(10)	(6,062)	28,000
Impairment loss	(45)	(307)	–	–
Gain arising from changes in fair values	12,883	13,877	12,883	14,496
Fair value at 31 March	58,222	51,155	53,489	46,668
Current investments				
Fair value as at 1 April	3,789,060	3,354,564	3,789,060	3,354,564
Increase due to net purchases	543,724	350,895	543,723	350,895
Realised gain on sale of investments	24,764	15,328	24,764	15,328
Gain arising from changes in fair values	160,541	68,273	160,541	68,273
Fair value at 31 March	4,518,089	3,789,060	4,518,088	3,789,060
Total				
Fair value as at 1 April	3,840,215	3,392,159	3,835,728	3,358,736
Increase due to net purchases	537,953	350,885	537,661	378,895
Realised gain on sale of investments	24,764	15,328	24,764	15,328
Impairment loss	(45)	(307)	–	–
Gain arising from changes in fair values	173,424	82,150	173,424	82,769
Fair value at 31 March	4,576,311	3,840,215	4,571,577	3,835,728

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

15. STUDENT LOANS

	GROUP AND COMPANY	
	2013	2012
	S$'000	S$'000
Student tuition fee loans[a]	224,746	225,836
Study loans[a]	59,392	58,322
Notebook computer loans[b]	2,583	4,148
Overseas student programme loans[c]	2,091	2,362
Other student loans[d]	8,219	5,783
	297,031	296,451
Represented by:		
Amount repayable within 12 months – current assets	73,618	60,430
Amount repayable after 12 months – non-current assets	223,413	236,021
	297,031	296,451

(a) The student tuition fee and study loans are repayable by monthly instalments over periods of up to 20 years. The interest at 4.75% (2012: 4.75%) 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 of up to 2.5 years.

(c) The overseas student programme loans repayable by monthly instalments over periods of up to 5 years. The interest at 4.75% (2012: 4.75%) 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 of up to 5 years.

Secured Assets

The student loans are unsecured.

Fair values

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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	
	2013	2012
	S$'000	S$'000
Not past due and not impaired	11,128	9,726
Past due but not impaired[i]	720	1,386
	11,848	11,112
Impaired student loans – individually assessed[ii]	209	217
Less: Allowance for doubtful debts	(209)	(217)
	–	–
Total student loans	**11,848**	**11,112**
i. Aging of student loans that are past due but not impaired		
– Past due < 3 months	416	1,034
– Past due 3 to 6 months	36	38
– Past due 6 to 12 months	219	216
– Past due over 12 months	49	98
	720	1,386

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

Movement in the allowance for doubtful debts for student loans

	GROUP AND COMPANY	
	2013	2012
	S$'000	S$'000
Balance as at 1 April	217	179
Amounts written off during the year	(10)	(21)
Increase in allowance recognised in income or expenditure	2	59
Balance as at 31 March	209	217

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 periods ended 31 March 2013 and 31 March 2012. The effective interest rate for the loan is 3.18% (2012: 3.47%) 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 2013 is estimated to be S$55,287,000 (2012: S$53,492,000).

18. DEBTORS

	GROUP		COMPANY	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
Grants receivable	416,778	451,637	416,778	451,637
Trade debtors	50,899	56,029	50,370	51,809
Receivables from sale of investments	2,490	10,283	2,490	10,283
Interest receivable	10,037	8,095	10,037	8,095
Others	18,382	26,465	18,382	26,465
	498,586	552,509	498,057	548,289

The average credit period of trade debtors is 30 days (2012: 30 days). No interest is charged on the trade receivables.

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

	GROUP		COMPANY	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
Not past due and not impaired	35,701	38,536	35,172	29,902
Past due but not impaired[i]	15,198	17,493	15,198	21,907
	50,899	56,029	50,370	51,809
Impaired trade debtors – individually assessed[ii]	65	266	65	110
Less: Allowance for doubtful debts	(65)	(266)	(65)	(110)
	–	–	–	–
Total trade debtors, net	50,899	56,029	50,370	51,809
i. Aging of trade debtors that are past due but not impaired				
– Past due < 3 months	1,505	5,164	1,505	5,164
– Past due 3 to 6 months	405	2,394	405	2,394
– Past due 6 to 12 months	12,872	13,620	12,872	13,620
– Past due over 12 months	416	729	416	729
	15,198	21,907	15,198	21,907

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

18. DEBTORS *(cont'd)*

The Group's trade debtors balance which are past due but not impaired 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	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
Balance as at 1 April	110	266	110	266
Amounts written off during the year	(93)	(64)	(93)	(64)
Amounts recovered during the year	–	(100)	–	(100)
Increase in allowance recognised in income or expenditure	48	8	48	8
Balance as at 31 March	65	110	65	110

Debtors denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
United States dollars	4,175	11,513	4,139	11,500
Sterling pounds	477	283	477	283
Euro	208	476	208	476
Chinese renminbi	122	–	122	–
Swedish krona	74	41	74	41
Japanese yen	27	–	27	–
Korean Won	–	103	–	103
Australian dollars	–	29	–	29
	5,083	12,445	5,047	12,432

19. DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
Deposits paid	1,235	1,180	1,211	1,180
Purchased securities not yet settled	53,352	88,008	53,352	88,008
Prepayments for fixed assets	1,282	2,169	1,282	2,169
Other prepayments	29,760	43,488	29,516	43,207
	85,629	134,845	85,361	134,564
Other prepayments represented by:				
Amount to be utilised within 12 months – current assets	25,907	28,565	25,663	28,284
Amount to be utilised after 12 months – non-current assets	3,853	14,923	3,853	14,923
	29,760	43,488	29,516	43,207

Deposits and prepayments denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
United States dollars	53,377	88,034	53,342	87,996
Indian Rupee	27	27	27	27
Swiss Franc	2	1	2	1
	53,406	88,062	53,371	88,024

20. FIXED DEPOSITS

The effective interest rates of fixed deposits at the balance sheet date are between 0.31% to 0.35% (2012: 0.18% to 0.44%) per annum and for an average tenor of 11.99 months (2012: 9.12 months). The carrying amounts of the fixed deposits approximate their fair values.

Fixed deposits denominated in foreign currencies at 31 March are as follows:

	GROUP AND COMPANY	
	2013 S$'000	2012 S$'000
United States dollars	17,565	8,321
Euro	690	–
	18,255	8,321

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

21. CASH AND BANK BALANCES

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

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

	GROUP		COMPANY	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
United States dollars	4,258	557	3,813	210
Euro	794	233	794	233
Sterling Pounds	75	84	75	84
Hong Kong dollars	73	16	73	16
South African rand	66	–	66	–
Swedish krona	54	–	54	–
Canadian dollars	32	3	32	3
Swiss Franc	27	16	27	16
Japanese yen	27	6	27	6
Chinese renminbi	25	–	–	–
Danish Krone	2	101	2	101
Australian dollars	–	21	–	21
Indonesian Rupiah	–	11	–	11
Others	–	2	–	2
	5,433	1,050	4,963	703

22. CREDITORS AND ACCRUED EXPENSES/PROVISIONS

a. Creditors and accrued expenses

	GROUP		COMPANY	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
Creditors	35,835	52,882	33,935	50,752
Payable for purchase of investments	2,786	–	2,786	–
Accrued expenses	157,661	158,764	155,231	156,704
Deposits received	4,241	3,527	4,177	3,461
	200,523	215,173	196,129	210,917

The average credit period on purchases of goods is 30 days (2012: 30 days). No interest is charged on the creditors.

22. CREDITORS AND ACCRUED EXPENSES/PROVISIONS *(cont'd)*

a. Creditors and accrued expenses *(cont'd)*

Creditors and accrued expenses denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	S$'000	S$'000	S$'000	S$'000
United States dollars	1,193	650	876	307
Sterling pounds	79	35	79	35
Euro	17	396	17	396
Swiss Franc	14	9	14	9
Chinese renminbi	9	–	–	–
Thai Baht	3	1	3	1
Hong Kong Dollar	2	3	2	3
Canadian dollars	1	14	1	14
Japanese yen	1	13	1	13
Australian Dollar	1	–	1	–
New Zealand Dollar	–	16	–	16
Korean Won	–	2	–	2
Others	4	–	4	–
	1,324	1,139	998	796

b. Provisions

Movement in the provisions for employee leave liability

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 April	62,559	57,963	62,059	57,491
Increase in provisions recognised in income or expenditure	6,074	4,596	5,977	4,568
Balance as at 31 March	68,633	62,559	68,036	62,059

23. GRANTS RECEIVED IN ADVANCE

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	S$'000	S$'000	S$'000	S$'000
Grants received in advance from				
– Government	228,786	216,964	224,623	210,823
– Agency for Science, Technology & Research	15,794	18,578	15,781	18,578
– Others	68,785	79,082	67,488	78,880
	313,365	314,624	307,892	308,281

The balance represents grants received but not utilised at the end of the financial year.

24. ADVANCES FROM THE GOVERNMENT FOR STUDENT LOANS

	GROUP AND COMPANY	
	2013	**2012**
	S$'000	S$'000
Balance as at 1 April	290,438	290,533
Advances received from Government during the year	71,441	–
Advances repaid to Government during the year	(76,629)	–
	285,250	290,533
Miscellaneous expenditure	(479)	(95)
Balance as at 31 March	284,771	290,438
Represented by:		
Student tuition fee loans	224,746	225,836
Study loans	59,392	58,322
Overseas student programme loans	1,212	1,216
Advances (repayable) receivable, pooled investments, fixed deposits and bank balances	(579)	5,064
	284,771	290,438

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

25. FIXED RATE NOTES AND TERM LOAN

	GROUP AND COMPANY	
	2013 S$'000	**2012** S$'000
Fixed rate note due on 12 June 2014	250,000	250,000
Fixed rate note due on 23 January 2018	250,000	–
Fixed rate term loan due on 5 October 2015	350,000	350,000
	850,000	600,000

a. Fixed rate notes

On 12 June 2009, the Company 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 Company is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the notes. The fair value of the notes as at 31 March 2013 is S$257,750,000 (2012: S$260,625,000).

On 23 January 2013, the Company issued S$250,000,000 1.038% Singapore-dollar non-secured fixed rate notes due 23 January 2018 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 Company is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the notes. The fair value of the notes as at 31 March 2013 is S$251,705,000.

b. Fixed rate term loan

On 5 October 2010, the Company drew down a S$350,000,000, 5-years fixed rate term loan at 1.8% per annum to finance development projects that fall under the debt-grant framework initiated by the Government. The fixed rate term loan is payable in full on 5 October 2015. The Company may, with prior notice to the bank, prepay the whole or any part of the loan after 12 months from the drawdown date of the loan. The Company is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the loan. The fair value of the loan as at 31 March 2013 is S$344,589,000 (2012: S$335,766,000).

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

26. DEFERRED CAPITAL GRANTS

	GROUP		COMPANY	
	2013 S$'000	**2012** S$'000	**2013** S$'000	**2012** S$'000
Fixed Assets				
Government and Agency for Science, Technology & Research				
Balance as at 1 April	1,547,861	1,489,128	1,545,256	1,486,682
Capital grants utilised during the year	238,942	195,586	238,672	195,575
Amount transferred from operating grants (Note 33)	60,321	74,114	59,987	73,429
	1,847,124	1,758,828	1,843,915	1,755,686
Deferred capital grants amortised	(226,412)	(210,967)	(225,691)	(210,430)
Balance as at 31 March	1,620,712	1,547,861	1,618,224	1,545,256
Others				
Balance as at 1 April	465,116	188,863	465,116	188,742
Capital grants utilised during the year and donated assets	1,240	286,524	1,240	286,524
Amount transferred from operating grants (Note 33)	6,864	14,864	6,864	14,864
	473,220	490,251	473,220	490,130
Deferred capital grants amortised	(50,797)	(25,135)	(50,797)	(25,014)
Balance as at 31 March	422,423	465,116	422,423	465,116
Total deferred capital grants balance for fixed assets as at 31 March	2,043,135	2,012,977	2,040,647	2,010,372
Intangible Assets				
Government and Agency for Science, Technology & Research				
Balance as at 1 April	13,330	16,709	13,091	16,468
Capital grants utilised during the year	4,350	2,068	4,350	2,068
Amount transferred from operating grants (Note 33)	470	698	470	606
	18,150	19,475	17,911	19,142
Deferred capital grants amortised	(3,773)	(6,145)	(3,673)	(6,051)
Balance as at 31 March	14,377	13,330	14,238	13,091
Others				
Balance as at 1 April	701	508	701	508
Amount transferred from operating grants (Note 33)	433	483	433	483
	1,134	991	1,134	991
Deferred capital grants amortised	(352)	(290)	(352)	(290)
Balance as at 31 March	782	701	782	701
Total deferred capital grants balance for intangible assets as at 31 March	15,159	14,031	15,020	13,792
Total deferred capital grants balance as at 31 March	**2,058,294**	**2,027,008**	**2,055,667**	**2,024,164**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

27. SUPPLEMENTARY INFORMATION ON GENERAL FUNDS AND RESTRICTED FUNDS

		GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (NOTE A)		TOTAL	
		2013	2012	2013	2012	2013	2012	2013	2012
GROUP	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
OPERATING INCOME									
Tuition and other fees		344,141	328,694	–	–	–	–	344,141	328,694
Other income	28	208,142	181,047	75,609	74,649	(26,545)	(32,934)	257,206	222,762
		552,283	509,741	75,609	74,649	(26,545)	(32,934)	601,347	551,456
OPERATING EXPENDITURE									
Expenditure on manpower	29	804,206	751,931	244,299	224,241	–	–	1,048,505	976,172
Depreciation and amortisation expenditure	9,10	77,032	77,355	225,914	204,974	–	–	302,946	282,329
Other operating expenditure		374,332	377,458	456,728	433,421	(26,545)	(32,934)	804,515	777,945
		1,255,570	1,206,744	926,941	862,636	(26,545)	(32,934)	2,155,966	2,036,446
Operating Deficit		(703,287)	(697,003)	(851,332)	(787,987)	–	–	(1,554,619)	(1,484,990)
Net investment income (loss)	31	41,298	48,794	194,318	69,378	–	–	235,616	118,172
Share of results (net of tax) of associated companies	8	3,028	2,803	–	–	–	–	3,028	2,803
Deficit before Grants	32	(658,961)	(645,406)	(657,014)	(718,609)	–	–	(1,315,975)	(1,364,015)
GRANTS									
Operating Grants:									
Government	33a	700,299	657,925	472,090	395,897	–	–	1,172,389	1,053,822
Agency for Science, Technology & Research	33b	–	–	40,750	60,889	–	–	40,750	60,889
Others	33c	717	22	122,941	118,979	–	–	123,658	119,001
Deferred capital grants amortised	26	35,244	41,951	246,090	200,586	–	–	281,334	242,537
		736,260	699,898	881,871	776,351	–	–	1,618,131	1,476,249
SURPLUS (DEFICIT) FOR THE YEAR BEFORE TAX		77,299	54,492	224,857	57,742	–	–	302,156	112,234
Income tax	34	–	–	–	–	–	–	–	–
SURPLUS (DEFICIT) FOR THE YEAR	35	**77,299**	**54,492**	**224,857**	**57,742**	**–**	**–**	**302,156**	**112,234**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

		GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (NOTE A)		TOTAL	
		2013	2012	2013	2012	2013	2012	2013	2012
GROUP	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Accumulated Surplus Balance at 1 April		**1,769,430**	**1,685,845**	**945,021**	**918,250**	**–**	**–**	**2,714,451**	**2,604,095**
Transfer between General Funds and Restricted Funds **(Note B)**		51,480	29,093	(51,480)	(29,093)	–	–	–	–
Transfer to endowment funds		–	–	(152)	(1,878)	–	–	(152)	(1,878)
Accumulated Surplus Balance at 31 March		**1,898,209**	**1,769,430**	**1,118,246**	**945,021**	**–**	**–**	**3,016,455**	**2,714,451**

		GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (NOTE A)		TOTAL	
		2013	2012	2013	2012	2013	2012	2013	2012
COMPANY	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
OPERATING INCOME									
Tuition and other fees		339,115	324,088	–	–	–	–	339,115	324,088
Other income	28	204,111	177,446	75,609	74,649	(26,545)	(32,934)	253,175	219,161
		543,226	501,534	75,609	74,649	(26,545)	(32,934)	592,290	543,249
OPERATING EXPENDITURE									
Expenditure on manpower	29	784,339	734,047	244,299	224,241	–	–	1,028,638	958,288
Depreciation and amortisation expenditure	9,10	76,192	76,592	225,914	204,974	–	–	302,106	281,566
Other operating expenditure		363,713	363,512	456,728	433,421	(26,545)	(32,934)	793,896	763,999
		1,224,244	1,174,151	926,941	862,636	(26,545)	(32,934)	2,124,640	2,003,853
Operating Deficit		(681,018)	(672,617)	(851,332)	(787,987)	–	–	(1,532,350)	(1,460,604)
Net investment (loss) income	31	41,334	47,219	194,318	69,378	–	–	235,652	116,597
Deficit before Grants	32	(639,684)	(625,398)	(657,014)	(718,609)	–	–	(1,296,698)	(1,344,007)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

		GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (NOTE A)		TOTAL	
		2013	2012	2013	2012	2013	2012	2013	2012
COMPANY	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
GRANTS									
Operating Grants:									
Government	33a	676,635	635,780	472,090	395,897	–	–	1,148,725	1,031,677
Agency for Science, Technology & Research	33b	–	–	40,750	60,889	–	–	40,750	60,889
Others	33c	–	–	122,941	118,979	–	–	122,941	118,979
Deferred capital grants amortised	26	34,423	41,199	246,090	200,586	–	–	280,513	241,785
		711,058	676,979	881,871	776,351	–	–	1,592,929	1,453,330
SURPLUS (DEFICIT) FOR THE YEAR		**71,374**	**51,581**	**224,857**	**57,742**	**–**	**–**	**296,231**	**109,323**
Accumulated Surplus Balance at 1 April		**1,714,713**	**1,634,039**	**945,021**	**918,250**	**–**	**–**	**2,659,734**	**2,552,289**
Transfer between General Funds and Restricted Funds **(Note B)**		51,480	29,093	(51,480)	(29,093)	–	–	–	–
Transfer to endowment funds		–	–	(152)	(1,878)	–	–	(152)	(1,878)
Accumulated Surplus Balance at 31 March		**1,837,567**	**1,714,713**	**1,118,246**	**945,021**	**–**	**–**	**2,955,813**	**2,659,734**

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

28. OTHER INCOME

	GROUP		COMPANY	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Donations received	72,791	63,002	72,790	64,872
Rental income and student hostel residential fees	75,049	62,694	72,593	60,190
Courses and conference fees	37,552	35,270	37,239	35,008
Clinical fees/consultancy fees	15,561	17,215	15,561	17,215
Others	56,253	44,581	54,992	41,876
	257,206	222,762	253,175	219,161

29. EXPENDITURE ON MANPOWER

	GROUP		COMPANY	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Wages and salaries	956,559	894,895	938,380	878,441
Employer's contribution to Provident Funds	62,780	57,705	61,313	56,409
Other staff benefits	29,166	23,572	28,945	23,438
	1,048,505	976,172	1,028,638	958,288

30. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for twenty (2012: nineteen) key management personnel are as follows:

	GROUP AND COMPANY	
	2013	2012
	S$'000	S$'000
Short-term benefits	12,183	11,954
Post-employment benefits	273	267
	12,456	12,221

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

31. NET INVESTMENT INCOME

	GROUP		COMPANY	
	2013 S$'000	**2012** S$'000	**2013** S$'000	**2012** S$'000
Interest income:				
Government bonds	16,767	16,046	16,767	16,046
Bonds/loan stocks in corporations/associated company	1,356	1,662	1,356	1,662
Fixed deposits and bank current accounts	2,779	5,397	2,770	5,395
	20,902	23,105	20,893	23,103
Dividend income:				
Quoted equity shares	3,493	2,841	3,493	2,841
Unquoted equity shares	2,836	2,354	2,836	474
	6,329	5,195	6,329	3,315
Net gain on sale of investments at fair value through income or expenditure ("FVTIE")	24,764	15,328	24,764	15,328
Impairment loss on available-for-sale investments	(45)	(307)	–	–
Net foreign currency exchange gains	23,125	6,578	23,125	6,578
Change in fair value of investments at FVTIE due to foreign currency changes (Note A)	(32,517)	(19,880)	(32,517)	(19,880)
	(9,392)	(13,302)	(9,392)	(13,302)
Change in fair value of investments at FVTIE due to price change (Note A)	193,058	88,153	193,058	88,153
	235,616	118,172	235,652	116,597
Note A				
Total change in fair value of investments at FVTIE comprises of:				
Change in fair value of investments due to foreign currency changes	(32,517)	(19,880)	(32,517)	(19,880)
Change in fair value of investments due to price change	193,058	88,153	193,058	88,153
Total change in fair value of investments at FVTIE	160,541	68,273	160,541	68,273

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

32. DEFICIT BEFORE GRANTS

This is arrived at after charging:

	GROUP		COMPANY	
	2013 S$'000	**2012** S$'000	**2013** S$'000	**2012** S$'000
Bad and doubtful debts	436	1,195	436	1,195
Rental expenses	7,614	11,225	7,614	11,225
Borrowing costs expensed off	9,142	10,664	9,142	10,664
Loss on disposal of fixed and intangible assets	16,882	1,446	16,882	1,442
Write-off of fixed assets	15,519	–	15,519	–
Research and development costs	487,274	486,322	487,274	486,322
Borrowing costs incurred during the year is analysed as follows:				
Interest on fixed rate notes	8,483	8,022	8,483	8,022
Interest on fixed rate term loan	6,300	6,317	6,300	6,317
Less: amounts included in cost of qualifying fixed assets	(5,641)	(3,675)	(5,641)	(3,675)
Borrowing costs expensed off	9,142	10,664	9,142	10,664

33. OPERATING GRANTS

	GROUP		COMPANY	
	2013 S$'000	**2012** S$'000	**2013** S$'000	**2012** S$'000
a. Operating Grants (Government)				
Operating grants utilised during the year	1,223,625	1,117,366	1,199,627	1,094,444
Amount transferred to deferred capital grants	(51,236)	(63,544)	(50,902)	(62,767)
	1,172,389	1,053,822	1,148,725	1,031,677
b. Operating Grants (Agency for Science, Technology & Research)				
Operating grants utilised during the year	50,305	72,157	50,305	72,157
Amount transferred to deferred capital grants	(9,555)	(11,268)	(9,555)	(11,268)
	40,750	60,889	40,750	60,889
c. Operating Grants (Others)				
Operating grants utilised during the year	130,955	134,348	130,238	134,326
Amount transferred to deferred capital grants	(7,297)	(15,347)	(7,297)	(15,347)
	123,658	119,001	122,941	118,979

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

34. INCOME TAX

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 17% (2012: 17%) to surplus before income tax as a result of the following differences:

	GROUP		COMPANY	
	2013 S$'000	**2012** S$'000	**2013** S$'000	**2012** S$'000
Surplus for the year before income tax	302,156	112,234	296,231	109,323
Income tax expense calculated at statutory tax rate	51,367	19,080	50,359	18,585
Income not subject to tax	(50,980)	(18,814)	(50,359)	(18,585)
Tax effect of share of results of associate	(515)	(477)	–	–
Others	128	211	–	–
	–	–	–	–

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 FOR THE YEAR

The surplus for the year in the Statement of the comprehensive income of the Group and Company of S$302,156,000 (2012: S$112,234,000) and S$296,231,000 (2012: S$109,323,000) respectively includes the following:

	GROUP		COMPANY	
	2013 S$'000	**2012** S$'000	**2013** S$'000	**2012** S$'000
Non-endowed donations	72,791	63,002	72,790	64,872
Net investment income (include change in fair value of investment)	235,616	118,172	235,652	116,597
	308,407	181,174	308,442	181,469

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

36. COMMITMENTS

a. Capital Commitments

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

	GROUP AND COMPANY	
	2013 S$'000	**2012** S$'000
Authorised and contracted for	752,529	195,615

b. Operating Lease Commitments – as Lessee

	GROUP AND COMPANY	
	2013 S$'000	**2012** S$'000
Minimum lease payments under operating leases included in the income or expenditure	1,365	5,437

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

Future minimum lease payments payable:		
Within one year	553	760
Within second to fifth year inclusive	50	541
	603	1,301

Operating lease payments represent rentals payable by the Group for certain office properties which are fixed for an average of 2 years (2012: 2 years).

c. Operating Lease Commitments – as Lessor

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

	GROUP AND COMPANY	
	2013 S$'000	**2012** S$'000
Future minimum lease payments receivable:		
Within one year	2,502	3,016
After one year	2,285	7,144
	4,787	10,160

Operating lease payments represent rentals receivable by the Group for rental of premises with remaining lease terms ranging from 1 to 3 years (2012: 1 to 4 years).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

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

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	S$'000	S$'000	S$'000	S$'000
State-controlled enterprises and companies within the Group				
Balances				
Debtors	431,724	475,527	431,930	475,601
Amount owing by subsidiary companies	–	–	1,048	731
Long-term loan to subsidiary companies	–	–	356	250
Creditors and accrued expenses	490	4,647	490	4,647
Amount owing to subsidiary company	–	–	1,902	–
Deferred Capital Grants	2,073,339	1,599,757	2,070,722	1,596,913
Grants received in advance	312,068	252,515	307,892	245,964
Transactions				
Endowed donations	3,045	2,250	3,045	2,250
Non-endowed donations	22,349	5,296	22,349	7,167
Other income	20,783	18,071	22,072	19,470
Other operating expenditure	48,937	95,055	51,930	98,915
Operating/capital grants received	1,624,697	1,518,077	1,601,009	1,493,262

NATIONAL UNIVERSITY OF SINGAPORE
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

37. RELATED PARTIES TRANSACTIONS *(cont'd)*

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	S$'000	S$'000	S$'000	S$'000
Corporations in which trustees have the ability to control or exercise significant influence (including donations received from trustees)				
Balances				
Debtors	43	150	43	150
Creditors and accrued expenses	1	8	1	8
Transactions				
Endowed donations	4,471	8,550	4,471	8,550
Non-endowed donations	104	2,864	104	2,864
Other income	246	440	246	440
Other operating expenditure	877	3,660	877	3,660
Operating/capital grants received	–	160	–	160

38. FUNDS HELD IN TRUST

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

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

Separate bank account has been set up to account for the funds under the Foundation. The Group will maintain the bank balance and make payments on behalf of the Foundation. As at the reporting period ended 31 March 2013, the fund balance held in trust by the Group is S$697 (2012: S$647).

This page has been intentionally left blank.