

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

(INCORPORATED IN SINGAPORE. REGISTRATION NUMBER: 200604346E)

FULL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015



TRUSTEES' REPORT
AND CONSOLIDATED
FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

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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 2015.

TRUSTEES

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

Mr Wong Ngit Liong - Chairman	Mr Han Fook Kwang	Mr Abdullah Tarmugi
Professor Tan Chorh Chuan	Dr Noeleen Heyzer	Dr Teh Kok Peng
Mr Hans-Dieter Bott	Mr Peter Ho Hak Ean	Ms Elaine Yew Wen Suen
Ms Chan Chia Lin	Professor Olaf Kubler	Mr Goh Choon Phong <i>(Appointed 1 April 2015)</i>
Ambassador Chan Heng Chee	Mdm Kay Kuok Oon Kwong	Mr Chaly Mah Chee Kheong <i>(Appointed 1 April 2015)</i>
Dr Cheong Koon Hean	Mr Michael Lien Jown Leam	Mr Ng Wai King <i>(Appointed 1 April 2015)</i>
Ms Chong Siak Ching	Mr Andrew Lim Ming-Hui	
Mr Lucas Chow Wing Keung	Mr Neo Kian Hong	
Mr Goh Yew Lin	Mr Phillip Tan Eng Seong	

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.

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.

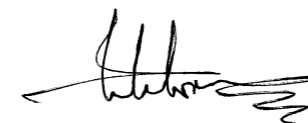
TRUSTEES CONTRACTUAL BENEFITS

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

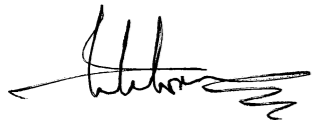
24 July 2015

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 80 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015, and of the financial performance, changes in funds and reserves of the Group and the Company and cash flows of the Group for the financial year from 1 April 2014 to 31 March 2015; 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

24 July 2015

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 80, which comprise the statements of financial position of the Group and the Company as at 31 March 2015, 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 2014 to 31 March 2015, 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 financial statements 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 financial position of the Group and of the Company as at 31 March 2015 and of the financial performance 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 subsidiary corporations 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:

- 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
- 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

Public Accountants and
Chartered Accountants

Singapore
24 July 2015

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	GROUP		COMPANY	
		31 March 2015 S\$'000	31 March 2014 S\$'000	31 March 2015 S\$'000	31 March 2014 S\$'000
ACCUMULATED SURPLUS	5	4,068,327	3,333,794	3,983,707	3,259,780
ENDOWMENT FUNDS	6	3,120,319	2,843,069	3,119,887	2,842,657
FAIR VALUE RESERVE		3,377	54,566	1,124	54,556
TRANSLATION RESERVE		78	(38)	-	-
TOTAL EQUITY		7,192,101	6,231,391	7,104,718	6,156,993
NON-CURRENT ASSETS					
Subsidiary companies	7	-	-	328	328
Associated companies	8	115,777	33,715	72,457	500
Fixed assets	9	3,485,032	3,332,009	3,482,924	3,329,519
Intangible assets	10	9,916	13,174	9,904	13,136
Available-for-sale investments	11,14	11,215	87,269	4,742	82,955
Student loans (repayable after 12 months)	15	227,228	226,198	227,228	226,198
Long-term loan to subsidiary companies	16	-	-	250	356
Prepayments (to be utilised after 12 months)	18	528	599	528	599
Total Non-Current Assets		3,849,696	3,692,964	3,798,361	3,653,591
CURRENT ASSETS					
Student loans (repayable within 12 months)	15	73,780	70,622	73,780	70,622
Debtors	17	492,503	413,508	490,755	412,126
Consumable stores		624	631	336	270
Deposits and prepayments (to be utilised within 12 months)	18	105,071	111,964	103,934	111,174
Amounts owing by subsidiary companies	16	-	-	979	979
Investments at fair value through income or expenditure	12,14	5,984,437	5,446,205	5,984,437	5,446,214
Derivative financial instruments	13,14	4,242	13,845	4,242	13,845
Cash and cash equivalents	19	728,450	692,639	708,465	671,393
		7,389,107	6,749,414	7,366,928	6,726,623
Assets held for sale	20	11,200	12,500	11,200	12,500
Total Current Assets		7,400,307	6,761,914	7,378,128	6,739,123
TOTAL ASSETS		11,250,003	10,454,878	11,176,489	10,392,714

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Note	GROUP		COMPANY	
		31 March 2015 S\$'000	31 March 2014 S\$'000	31 March 2015 S\$'000	31 March 2014 S\$'000
CURRENT LIABILITIES					
Creditors and accrued expenses	21	310,483	256,061	307,532	251,557
Provisions	21	92,093	72,521	89,687	71,781
Grants received in advance	22	435,988	373,296	431,136	367,955
Deferred tuition and other fees		67,953	61,250	67,808	61,185
Derivative financial instruments	13,14	49,606	3,995	49,606	3,995
Amounts owing to subsidiary companies	16	-	-	26,222	25,352
Advances from Government for student loans (due within 12 months)	23	71,721	69,148	71,721	69,148
Fixed rate notes and term loan (due within 12 months)	24	350,000	250,000	350,000	250,000
Total Current Liabilities		1,377,844	1,086,271	1,393,712	1,100,973
NON-CURRENT LIABILITIES					
Advances from Government for student loans (due after 12 months)	23	177,681	216,949	177,681	216,949
Fixed rate notes and term loan (due after 12 months)	24	500,000	850,000	500,000	850,000
Deferred capital grants	25	2,002,377	2,070,267	2,000,378	2,067,799
Total Non-Current Liabilities		2,680,058	3,137,216	2,678,059	3,134,748
TOTAL LIABILITIES		4,057,902	4,223,487	4,071,771	4,235,721
NET ASSETS		7,192,101	6,231,391	7,104,718	6,156,993

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	GROUP		COMPANY	
		2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
OPERATING INCOME					
Tuition and other related fees		416,280	388,131	411,402	383,036
Other income	27	296,984	254,775	292,579	250,524
		713,264	642,906	703,981	633,560
OPERATING EXPENDITURE					
Expenditure on manpower	28	1,180,248	1,100,478	1,158,413	1,078,810
Depreciation and amortisation expenditure	9, 10	319,175	315,186	318,393	314,398
Other operating expenditure		865,223	833,568	856,293	823,988
		2,364,646	2,249,232	2,333,099	2,217,196
Operating deficit		(1,651,382)	(1,606,326)	(1,629,118)	(1,583,636)
Net investment income	30	713,581	274,821	713,212	271,213
Share of results (net of tax) of associated companies	8	10,105	9,047	-	-
Deficit before Grants	31	(927,696)	(1,322,458)	(915,906)	(1,312,423)
GRANTS					
Operating Grants :					
Government	32a	1,191,870	1,181,790	1,170,780	1,159,941
Others	32b	204,173	191,381	203,629	190,608
Deferred capital grants amortised	25	266,499	270,263	265,737	269,478
		1,662,542	1,643,434	1,640,146	1,620,027
SURPLUS FOR THE YEAR BEFORE TAX		734,846	320,976	724,240	307,604
Income tax	33	-	-	-	-
SURPLUS FOR THE YEAR	34	734,846	320,976	724,240	307,604
OTHER COMPREHENSIVE INCOME:					
Items that may be reclassified subsequently to income or expenditure:					
Exchange differences on translating foreign operations		116	5	-	-
Change in fair value of available-for-sale investments		2,409	26,611	166	26,611
Transfer of fair value reserve on sale of available-for-sale investments to income or expenditure		(53,598)	-	(53,598)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(51,073)	26,616	(53,432)	26,611
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		683,773	347,592	670,808	334,215

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 2015

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 2014		3,333,794	2,843,069	54,566	(38)	6,231,391
Matching grants received/accrued	6	-	196,962	-	-	196,962
Donations received	6	-	79,975	-	-	79,975
Total comprehensive income for the year		734,846	-	(51,189)	116	683,773
Total recognised gains and losses for the year		734,846	276,937	(51,189)	116	960,710
Transfer to endowment funds	6	(313)	313	-	-	-
Balance at 31 March 2015		4,068,327	3,120,319	3,377	78	7,192,101
Balance as at 1 April 2013		3,016,455	2,577,359	27,955	(43)	5,621,726
Matching grants received/accrued	6	-	176,678	-	-	176,678
Donations received	6	-	85,395	-	-	85,395
Total comprehensive income for the year		320,976	-	26,611	5	347,592
Total recognised gains and losses for the year		320,976	262,073	26,611	5	609,665
Transfer to endowment funds	6	(3,637)	3,637	-	-	-
Balance at 31 March 2014		3,333,794	2,843,069	54,566	(38)	6,231,391

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 2015

COMPANY	Note	Accumulated Surplus S\$'000	Endowment Funds S\$'000	Fair Value Reserve S\$'000	Total S\$'000
Balance as at 1 April 2014		3,259,780	2,842,657	54,556	6,156,993
Matching grants received/accrued	6	-	196,952	-	196,952
Donations received	6	-	79,965	-	79,965
Total comprehensive income for the year		724,240	-	(53,432)	670,808
Total recognised gains and losses for the year		724,240	276,917	(53,432)	947,725
Transfer to endowment funds	6	(313)	313	-	-
Balance at 31 March 2015		3,983,707	3,119,887	1,124	7,104,718
Balance as at 1 April 2013		2,955,813	2,576,961	27,945	5,560,719
Matching grants received/accrued	6	-	176,671	-	176,671
Donations received	6	-	85,388	-	85,388
Total comprehensive income for the year		307,604	-	26,611	334,215
Total recognised gains and losses for the year		307,604	262,059	26,611	596,274
Transfer to endowment funds	6	(3,637)	3,637	-	-
Balance at 31 March 2014		3,259,780	2,842,657	54,556	6,156,993

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015 S\$'000	2014 S\$'000
Cash flows from operating activities:			
Deficit before Grants		(927,696)	(1,322,458)
Adjustments for :			
Depreciation of fixed assets	9	313,658	309,743
Amortisation of intangible assets	10	5,517	5,443
Net investment income	30	(713,581)	(274,821)
Loss on disposal of fixed and intangible assets	31	1,326	2,693
Bad and doubtful debts	31	184	807
Exchange differences arising on translation of foreign subsidiary		116	5
Donated artifacts additions		-	(679)
Gain on valuation of assets transferred to associated company		(7,200)	-
Share of results (net of tax) of associated companies		(10,105)	(9,047)
Deficit before working capital changes		(1,337,781)	(1,288,314)
Change in operating assets and liabilities:			
Increase in debtors, consumable stores, deposits and prepayments		(89,493)	(91,771)
Increase in creditors and accrued expenses, provisions and deferred tuition and other fees		2,167	52,077
Cash used in operations		(1,425,107)	(1,328,008)
Other grants received, net of refund		239,854	195,171
Donations received for endowment funds	6	79,975	85,395
Student loans granted		(76,180)	(75,179)
Student loans repaid		71,974	75,367
Net cash outflow from operating activities		(1,109,484)	(1,047,254)
Cash flows from investing activities:			
Payments for purchase of fixed assets	9	(475,371)	(432,514)
Payments for purchase of intangible assets	10	(2,268)	(1,778)
Proceeds from disposal of fixed assets and intangible assets		284	370
Investment in associated companies		(58,265)	-
Net sale (purchase) of investments		370,542	(636,636)
Interest and dividend received		54,094	33,304
Net settlement of foreign exchange contracts	30	(88,934)	(43,579)
Decrease in amount owing by an investee company		-	53,351
Net cash outflow from investing activities		(199,918)	(1,027,482)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015 S\$'000	2014 S\$'000
Cash flows from financing activities:			
Government grants received, net of refund		1,439,881	1,553,073
Government grants received for endowment funds		190,149	277,241
Student tuition fee loan funds received from government		32,543	59,666
Student loan funds received from government		6,111	12,072
Overseas student loan funds received from government		-	535
Student tuition fee loan funds repaid to government		(60,659)	(58,560)
Student loan funds repaid to government		(12,287)	(11,729)
Overseas student loan funds repaid to government		(525)	(483)
Proceeds from issue of fixed rate note	24	-	250,000
Fixed rate note repaid	24	(250,000)	-
Net cash inflow from financing activities		1,345,213	2,081,815
Net increase in cash and cash equivalents		35,811	7,079
Cash and cash equivalents at the beginning of the year		692,639	685,560
Cash and cash equivalents at the end of the year		728,450	692,639

Note

During the financial year, the Group acquired fixed assets amounting to S\$476,518,000 (2014: S\$436,181,000), out of which S\$475,371,000 (2014: S\$432,514,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 2015 were authorised for issue in accordance with a resolution of the Board of Trustees on 24 July 2015.

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 financial statements are presented in Singapore dollars (S\$) and all values in the table are rounded to the nearest thousand (S\$'000) as indicated.

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 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the financial statements for the current or prior years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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
Amendments to FRS 19: Defined Benefit Plans: Employee Contributions Improvements to FRSs (January 2014)	1 July 2014
(a) Amendments to FRS 102 Share Based Payment	1 July 2014
(b) Amendments to FRS 103 Business Combinations	1 July 2014
(c) Amendments to FRS 108 Operating Segments	1 July 2014
(d) Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets	1 July 2014
(e) Amendments to FRS 24 Related Party Disclosures Improvements to FRSs (February 2014)	1 July 2014
(a) Amendments to FRS 103 Business Combinations	1 July 2014
(b) Amendments to FRS 113 Fair Value Measurement	1 July 2014
(c) Amendments to FRS 40 Investment Property	1 July 2014
Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations Improvements to FRSs (November 2014)	1 January 2016
(a) Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
(b) Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2016
(c) Amendments to FRS 19 Employee Benefits	1 January 2016
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 114 Regulatory Deferral Accounts	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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 FRS115 and FRS109 which the Group is currently assessing the impact. The details are as follows:

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers.

Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

In December 2014, the ASC issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption.

The Group is currently assessing the impact of FRS109 and plans to adopt the new standard on the required effective date.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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

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

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

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

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control 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.

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 profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, 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. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

c) SUBSIDIARIES AND ASSOCIATES

i) Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

ii) Associates

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

ii) Associates *(cont'd)*

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

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 financial 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) FINANCIAL INSTRUMENTS *(cont'd)*

Financial Assets *(cont'd)*

iii) Investments *(cont'd)*

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.

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 asset is impaired.

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

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, or continue to be recognized, are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) FINANCIAL INSTRUMENTS *(cont'd)*

Impairment of financial assets *(cont'd)*

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.

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 or convention in the marketplace concerned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) FINANCIAL INSTRUMENTS *(cont'd)*

Financial liabilities and equity

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

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

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

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

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

i) Creditors and accrued expenses

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION *(cont'd)*

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.

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 related 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

j) FUNDS *(cont'd)*

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.

k) ASSETS AND LIABILITIES HELD FOR SALE

The Group classifies assets and liabilities as held for sale when its carrying amount will be recovered through a sale transaction. The assets and liabilities must be available for immediate sale and the Group must be committed to selling the asset either through entering into a contractual sale agreement or the activation and commitment to a program to locate a buyer and dispose of the assets or liabilities.

Upon classification as held for sale, non-current assets are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any difference is recognised in income or expenditure.

l) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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.

m) INTANGIBLE ASSETS

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

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

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

n) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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.

o) PROVISIONS

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.

p) 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.

q) EMPLOYEE LEAVE ENTITLEMENT

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

r) 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.

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.

s) RESEARCH EXPENDITURE

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

t) 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.

As lessee

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

As lessor

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, 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 judgments, 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\$4,395,671,000 (2014: S\$3,581,932,000) and S\$4,392,136,000 (2014: S\$3,577,977,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
FINANCIAL ASSETS				
At fair value through income or expenditure (FVTIE):				
Investments	5,984,437	5,446,205	5,984,437	5,446,214
Derivative financial instruments	4,242	13,845	4,242	13,845
Sub-total	5,988,679	5,460,050	5,988,679	5,460,059
Loans and receivables at amortised cost:				
- Debtors	492,503	413,508	490,755	412,126
- Student loans	301,008	296,820	301,008	296,820
- Fixed deposits	144,962	380,416	144,962	380,416
- Cash and bank balances	583,488	312,223	563,503	290,977
- Advances for investment in funds	71,123	75,450	71,123	75,450
- Deposits	1,306	1,084	1,020	1,070
- Long-term loan to subsidiary companies	-	-	250	356
- Amount owing by subsidiary companies	-	-	979	979
Sub-total	1,594,390	1,479,501	1,573,600	1,458,194
Available-for-sale financial assets, at fair value through other comprehensive income	11,215	87,269	4,742	82,955
FINANCIAL LIABILITIES				
At fair value through income or expenditure (FVTIE):				
Derivative financial instruments	49,606	3,995	49,606	3,995
Financial liabilities at amortised cost:				
- Creditors and accrued expenses	310,483	256,061	307,532	251,557
- Advances from Government for student loans	249,402	286,097	249,402	286,097
- Fixed rate notes and term loan	850,000	1,100,000	850,000	1,100,000
- Amount owing to subsidiary company	-	-	26,222	25,352
Sub-total	1,409,885	1,642,158	1,433,156	1,663,006

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

b) FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 respect of quoted and unquoted equity securities, a +/-5% change in investment value as at March 2015 will result in a +/- S\$242,537,000 (2014: +/- S\$204,794,000) 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.

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

(ii) Interest rate risk management

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 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.

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 2015 will result in a +/- S\$35,028,000 (2014: +/- S\$37,477,000) 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.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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:

	2015		2014	
	Investments at FVTIE S\$'000	Derivatives Financial Instruments S\$'000	Investments at FVTIE S\$'000	Derivatives Financial Instruments S\$'000
United States Dollars	4,444,506	1,691,769	3,586,200	1,534,660
Other Currencies	79,503	149,208	68,243	128,101

If the United States dollars were to change by 1% against the Singapore dollar, the Group's surplus will increase/decrease by S\$27,527,000 (2014: increase/decrease by S\$20,515,000).

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.

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	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
United States Dollars	132,774	89,229	1,816	1,077	132,077	88,782	1,437	814
Euro	37,338	8,666	140	76	37,338	8,666	140	76

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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)*

The sensitivity rate used when reporting foreign currency risk to key management personnel is 5%, 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 5% against the Singapore dollar, the Group's and Company's surplus will increase/decrease by S\$6,548,000 and S\$6,532,000 (2014: increase/decrease by S\$4,408,000 and S\$4,398,000 respectively).

If the Euro were to change by 5% against the Singapore dollar, Group's and Company's surplus will increase/decrease by S\$1,860,000 (2014: increase/decrease by S\$430,000).

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 *(cont'd)*

GROUP	Weighted average effective interest rate	On demand or within 1 year	Within 2- 5 years	Total
	%	S\$'000	S\$'000	S\$'000
2015				
Non-interest bearing	-	310,483	-	310,483
Interest bearing	1.5	360,129	516,967	877,096
Total		670,612	516,967	1,187,579
2014				
Non-interest bearing	-	256,061	-	256,061
Interest bearing	1.9	264,744	877,095	1,141,839
Total		520,805	877,095	1,397,900
COMPANY				
2015				
Non-interest bearing	-	307,532	-	307,532
Interest bearing	1.5	360,129	516,967	877,096
Total		667,661	516,967	1,184,628
2014				
Non-interest bearing	-	251,557	-	251,557
Interest bearing	1.9	264,744	877,095	1,141,839
Total		516,301	877,095	1,393,396

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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	Within 2- 5 years	After 5 years	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000
2015					
Non-interest bearing	-	1,119,581	-	-	1,119,581
Interest bearing	0.72	175,029	-	-	175,029
Investments at FVTIE	-	4,625,979	504,956	853,502	5,984,437
Available-for-sale investments	-	-	-	11,215	11,215
Total		5,920,589	504,956	864,717	7,290,262
2014					
Non-interest bearing	-	773,651	-	-	773,651
Interest bearing	0.34	420,525	-	-	420,525
Investments at FVTIE	-	4,392,088	483,219	570,898	5,446,205
Available-for-sale investments	-	-	-	87,269	87,269
Total		5,586,264	483,219	658,167	6,727,650

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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	Within 2- 5 years	After 5 years	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000
2015					
Non-interest bearing	-	1,098,541	250	-	1,098,791
Interest bearing	0.72	174,617	-	-	174,617
Investments at FVTIE	-	4,625,979	504,956	853,502	5,984,437
Available-for-sale investments	-	-	-	4,742	4,742
Total		5,899,137	505,206	858,244	7,262,587
2014					
Non-interest bearing	-	751,988	356	-	752,344
Interest bearing	0.34	420,372	-	-	420,372
Investments at FVTIE	-	4,392,097	483,219	570,898	5,446,214
Available-for-sale investments	-	-	-	82,955	82,955
Total		5,564,457	483,575	653,853	6,701,855

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 2015

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
2015	
Forward foreign exchange contracts:	
Assets	4,242
Liabilities	(49,606)
2014	
Forward foreign exchange contracts:	
Assets	13,309
Liabilities	(3,995)
Options:	
Assets	536

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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)*

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

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

(vi) Fair Value of financial assets and liabilities

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

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

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

Level 1

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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)*

There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year ended 31 March 2015.

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

GROUP	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2015					
Recurring fair value measurements					
Financial Assets:					
<u>Available-for-sale investments</u>					
Quoted equity securities		2,638	-	-	2,638
Unquoted equity securities		-	3,674	4,603	8,277
Redeemable convertible loan stocks		-	-	300	300
Sub-total	11	2,638	3,674	4,903	11,215
<u>Investments at fair value through income or expenditure</u>					
Quoted Government bonds		1,103,359	-	-	1,103,359
Quoted debt securities		35,078	-	-	35,078
Quoted equity securities		458,606	-	-	458,606
Unquoted equity securities		-	-	4,387,394	4,387,394
Sub-total	12	1,597,043	-	4,387,394	5,984,437
<u>Derivative financial instruments</u>					
Forward foreign exchange contracts		4,242	-	-	4,242
Sub-total	13	4,242	-	-	4,242
Total		1,603,923	3,674	4,392,297	5,999,894
Financial Liabilities:					
<u>Derivative financial instruments</u>					
Forward foreign exchange contracts		(49,606)	-	-	(49,606)
Total	13	(49,606)	-	-	(49,606)
Non-recurring fair value measurements					
Assets held for sale		-	11,200	-	11,200
Total	20	-	11,200	-	11,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2014					
Recurring fair value measurements					
Financial Assets:					
<u>Available-for-sale investments</u>					
Unquoted equity securities		-	3,665	83,245	86,910
Redeemable convertible loan stocks		-	-	359	359
Sub-total	11	-	3,665	83,604	87,269
<u>Investments at fair value through income or expenditure</u>					
Quoted Government bonds		1,375,841	-	-	1,375,841
Quoted debt securities		57,450	-	-	57,450
Quoted equity securities		517,892	-	-	517,892
Unquoted equity securities		-	-	3,495,022	3,495,022
Sub-total	12	1,951,183	-	3,495,022	5,446,205
<u>Derivative financial instruments</u>					
Forward foreign exchange contracts		13,309	-	-	13,309
Options		536	-	-	536
Sub-total	13	13,845	-	-	13,845
Total		1,965,028	3,665	3,578,626	5,547,319
Financial Liabilities:					
<u>Derivative financial instruments</u>					
Forward foreign exchange contracts		(3,995)	-	-	(3,995)
Total	13	(3,995)	-	-	(3,995)
Non-recurring fair value measurements					
Assets held for sale		-	12,500	-	12,500
Total	20	-	12,500	-	12,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2015					
Recurring fair value measurements					
Financial Assets:					
<i>Available-for-sale investments</i>					
Unquoted equity securities		-	3,674	1,068	4,742
Sub-total	11	-	3,674	1,068	4,742
<i>Investments at fair value through income or expenditure</i>					
Quoted Government bonds		1,103,359	-	-	1,103,359
Quoted debt securities		35,078	-	-	35,078
Quoted equity securities		458,606	-	-	458,606
Unquoted equity securities		-	-	4,387,394	4,387,394
Sub-total	12	1,597,043	-	4,387,394	5,984,437
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		4,242	-	-	4,242
Sub-total	13	4,242	-	-	4,242
Total		1,601,285	3,674	4,388,462	5,993,421
Financial Liabilities:					
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		(49,606)	-	-	(49,606)
Total	13	(49,606)	-	-	(49,606)
Non-recurring fair value measurements					
Assets held for sale		-	11,200	-	11,200
Total	20	-	11,200	-	11,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2014					
Recurring fair value measurements					
Financial Assets:					
<i>Available-for-sale investments</i>					
Unquoted equity securities		-	3,665	79,290	82,955
Sub-total	11	-	3,665	79,290	82,955
<i>Investments at fair value through income or expenditure</i>					
Quoted Government bonds		1,375,841	-	-	1,375,841
Quoted debt securities		57,450	-	-	57,450
Quoted equity securities		517,901	-	-	517,901
Unquoted equity securities		-	-	3,495,022	3,495,022
Sub-total	12	1,951,192	-	3,495,022	5,446,214
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		13,309	-	-	13,309
Options		536	-	-	536
Sub-total	13	13,845	-	-	13,845
Total		1,965,037	3,665	3,574,312	5,543,014
Financial Liabilities:					
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		(3,995)	-	-	(3,995)
Total	13	(3,995)	-	-	(3,995)
Non-recurring fair value measurements					
Assets held for sale		-	12,500	-	12,500
Total	20	-	12,500	-	12,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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)*

The following table summarizes the valuation techniques used in the fair value measurements of the Group's and Company's Level 3 investments.

Quantitative Information about the Level 3 Fair Value Measurement

	Fair Value	Valuation Technique	Significant Unobservable Input	Range (weighted average)
GROUP	\$'000			
2015				
Unquoted equity securities and redeemable convertible loan stocks	4,392,297	Net Asset Value	Not applicable*	Not applicable*
2014				
Unquoted equity securities and redeemable convertible loan stocks	3,578,626	Net Asset Value	Not applicable*	Not applicable*
COMPANY				
2015				
Unquoted Equity Securities	4,388,462	Net Asset Value	Not applicable*	Not applicable*
2014				
Unquoted Equity Securities	3,574,312	Net Asset Value	Not applicable*	Not applicable*

* As the net asset values are determined by the alternative investment managers without any adjustment, quantitative information on the unobservable inputs are not presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

b) FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES *(cont'd)*

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

Movements of the Level 3 financial assets during the reporting period

	GROUP	COMPANY
	\$'000	\$'000
Fair value as at 1 April 2014	3,578,626	3,574,312
Realised gains – included in Income or Expenditure	6,328	6,344
Unrealised gains – included in Income or Expenditure	682,808	682,808
Unrealised gains – included in Other Comprehensive Income	2,401	158
Impairment loss	(23)	-
Purchases during the year	1,303,164	1,303,164
Sale during the year	(1,178,157)	(1,175,474)
Reclass from Level 3 to associated company	(2,850)	(2,850)
Fair value as at 31 March 2015	4,392,297	4,388,462
Fair value as at 1 April 2013	2,961,232	2,956,499
Realised gains – included in Income or Expenditure	34,647	31,196
Unrealised gains – included in Income or Expenditure	207,141	207,141
Unrealised gains – included in Other Comprehensive Income	26,874	26,874
Purchases during the year	840,693	840,693
Sale during the year	(491,961)	(488,091)
Fair value as at 31 March 2014	3,578,626	3,574,312

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 24. 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 2015. The Group's overall strategy remains unchanged from 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

5 ACCUMULATED SURPLUS, FAIR VALUE RESERVE AND TRANSLATION RESERVE

Accumulated 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.

Total accumulated surplus of the Group of S\$4,068,327,000 (2014: S\$3,333,794,000) and the Company of S\$3,983,707,000 (2014: S\$3,259,780,000) comprise the following:

	Note	GROUP		COMPANY	
		31 March 2015 S\$'000	31 March 2014 S\$'000	31 March 2015 S\$'000	31 March 2014 S\$'000
General Funds under Accumulated Surplus					
Funds set aside for specific purposes and commitments ^(a)		1,773,351	1,556,016	1,701,535	1,482,118
Funds utilised to acquire assets, which will be amortised to match future depreciation when assets are put into use		493,818	481,264	493,818	481,264
Accumulated surplus from non-endowed donations	6	119	116	-	-
		2,267,288	2,037,396	2,195,353	1,963,382
Restricted Funds under Accumulated Surplus					
Accumulated surplus from non-endowed donations ^(b)	6	560,411	512,857	560,411	512,857
Accumulated surplus from endowment funds ^(c)	6	1,240,628	783,541	1,227,943	783,541
		1,801,039	1,296,398	1,788,354	1,296,398
Total Accumulated Surplus		4,068,327	3,333,794	3,983,707	3,259,780

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

^(b) These are restricted expendable gifts that can only be used for purposes specified by donors.

^(c) These are income generated from endowed gifts which can only be used for specific purposes if stipulated by donors or which are matched to specific commitments.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

6 ENDOWED AND NON-ENDOWED DONATIONS

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

During the financial year, total donations received by the Group and the Company amounted to S\$168,905,000 (2014: S\$144,428,000) and S\$168,892,000 (2014: S\$144,403,000) respectively, of which S\$168,893,000 (2014: S\$144,413,000) of the Group and S\$168,892,000 (2014: S\$144,403,000) of the Company are tax-deductible. Of the total donations received, S\$79,975,000 (2014: S\$85,395,000) for the Group and S\$79,965,000 (2014: S\$85,388,000) for the Company represent endowed donations while the balance represents non-endowed donations. Endowed donations received are recognised directly to the endowment funds. The non-endowed donations are received for specific purposes and cannot be used towards the general operating expenses of the Group and Company.

GROUP	Note	2015			2014		
		Endowed Donations S\$'000	Non- endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non- endowed Donations S\$'000	Total S\$'000
Accumulated Surplus							
General Funds	5	-	119	119	-	116	116
Restricted Funds	5	1,240,628	560,411	1,801,039	783,541	512,857	1,296,398
		1,240,628	560,530	1,801,158	783,541	512,973	1,296,514
Endowment Funds		3,120,319	-	3,120,319	2,843,069	-	2,843,069
Fair Value Reserve		-	-	-	53,598	-	53,598
		4,360,947	560,530	4,921,477	3,680,208	512,973	4,193,181
Represented by:							
Non-Current Assets							
Associated Companies		69,550	-	69,550	-	-	-
Fixed assets		19,682	397,777	417,459	30,474	388,502	418,976
Available-for-sale investments		-	-	-	75,529	-	75,529
Student loans		4,093	19,501	23,594	2,924	19,878	22,802
		93,325	417,278	510,603	108,927	408,380	517,307
Current Assets							
Debtors		81,557	47	81,604	48,317	10	48,327
Investments at fair value through income or expenditure		4,224,024	387,507	4,611,531	3,522,143	375,131	3,897,274
Derivative financial instruments		4,226	-	4,226	10,953	-	10,953
Cash and cash equivalents		882	23,619	24,501	862	8,616	9,478
		4,310,689	411,173	4,721,862	3,582,275	383,757	3,966,032
Total Assets		4,404,014	828,451	5,232,465	3,691,202	792,137	4,483,339
Current Liabilities							
Creditors and accrued expenses		9,874	-	9,874	7,998	-	7,998
Derivative financial instruments		33,193	-	33,193	2,996	-	2,996
		43,067	-	43,067	10,994	-	10,994
Non-Current Liabilities							
Deferred capital grants		-	267,921	267,921	-	279,164	279,164
Total Liabilities		43,067	267,921	310,988	10,994	279,164	290,158
Net Assets		4,360,947	560,530	4,921,477	3,680,208	512,973	4,193,181

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

GROUP	2015			2014		
	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000
Accumulated Surplus:						
Balance as at 1 April	783,541	512,973	1,296,514	620,286	498,060	1,118,346
Donations received	-	88,930	88,930	-	59,033	59,033
Donated artifacts additions	-	-	-	-	679	679
Investment income (including change in fair value of investment held for trading)	585,736	16,365	602,101	224,516	10,447	234,963
Other operating income	39	55	94	7,238	244	7,482
Expenditure on manpower	(38,829)	(10,927)	(49,756)	(29,398)	(11,375)	(40,773)
Depreciation	(4,039)	(6,789)	(10,828)	(4,682)	(6,446)	(11,128)
Other operating expenditure	(68,289)	(40,077)	(108,366)	(30,782)	(37,669)	(68,451)
Amount transferred to General Funds ^(a)	(29,903)	-	(29,903)	-	-	-
Share of results of associated company	12,685	-	12,685	-	-	-
Amount transferred to endowment funds ^(b)	(313)	-	(313)	(3,637)	-	(3,637)
Balance as at 31 March	1,240,628	560,530	1,801,158	783,541	512,973	1,296,514
Endowment Funds:						
Balance as at 1 April	2,843,069	-	2,843,069	2,577,359	-	2,577,359
Matching grants received/accrued	196,962	-	196,962	176,678	-	176,678
Donations received	79,975	-	79,975	85,395	-	85,395
Amount transferred from accumulated surplus ^(b)	313	-	313	3,637	-	3,637
Balance as at 31 March	3,120,319	-	3,120,319	2,843,069	-	2,843,069
Fair Value Reserve:						
Balance as at 1 April	53,598	-	53,598	26,876	-	26,876
Net movement for the year	(53,598)	-	(53,598)	26,722	-	26,722
Balance as at 31 March	-	-	-	53,598	-	53,598
Balance as at 31 March	4,360,947	560,530	4,921,477	3,680,208	512,973	4,193,181

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

COMPANY	Note	2015			2014		
		Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000
Accumulated Surplus							
(Restricted Funds)	5	1,227,943	560,411	1,788,354	783,541	512,857	1,296,398
Endowment Funds		3,119,887	-	3,119,887	2,842,657	-	2,842,657
Fair Value Reserve		-	-	-	53,598	-	53,598
		4,347,830	560,411	4,908,241	3,679,796	512,857	4,192,653
Represented by:							
Non-Current Assets							
Associated Companies		56,865	-	56,865	-	-	-
Fixed assets		19,682	397,777	417,459	30,474	388,502	418,976
Available-for-sale investments		-	-	-	75,529	-	75,529
Student loans		4,093	19,051	23,594	2,924	19,878	22,802
		80,640	417,278	497,918	108,927	408,380	517,307
Current Assets							
Debtors		81,557	47	81,604	48,317	10	48,327
Investments at fair value through income or expenditure		4,224,024	387,507	4,611,531	3,522,143	375,131	3,897,274
Derivative financial instruments		4,226	-	4,226	10,953	-	10,953
Cash and cash equivalents		450	23,500	23,950	450	8,500	8,950
		4,310,257	411,054	4,721,311	3,581,863	383,641	3,965,504
Total Assets		4,390,897	828,332	5,219,229	3,690,790	792,021	4,482,811
Current Liabilities							
Creditors and accrued expenses		9,874	-	9,874	7,998	-	7,998
Derivative financial instruments		33,193	-	33,193	2,996	-	2,996
		43,067	-	43,067	10,994	-	10,994
Non-Current Liabilities							
Deferred capital grants		-	267,921	267,921	-	279,164	279,164
Total Liabilities		43,067	267,921	310,988	10,944	279,164	290,158
Net Assets		4,347,830	560,411	4,908,241	3,679,796	512,857	4,192,653

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

COMPANY	2015			2014		
	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000
Accumulated Surplus:						
Balance as at 1 April	783,541	512,857	1,296,398	620,286	497,960	1,118,246
Donations received	-	88,927	88,927	-	59,015	59,015
Donated artifacts additions	-	-	-	-	679	679
Investment income (including change in fair value of investment held for trading)	585,736	16,365	602,101	224,516	10,447	234,963
Other operating income	39	55	94	7,238	244	7,482
Expenditure on manpower	(38,829)	(10,927)	(49,756)	(29,398)	(11,375)	(40,773)
Depreciation	(4,039)	(6,789)	(10,828)	(4,682)	(6,446)	(11,128)
Other operating expenditure	(68,289)	(40,077)	(108,366)	(30,782)	(37,667)	(68,449)
Amount transferred to General Funds ^(a)	(29,903)	-	(29,903)	-	-	-
Amount transferred to endowment funds ^(b)	(313)	-	(313)	(3,637)	-	(3,637)
Balance as at 31 March	1,227,943	560,411	1,788,354	783,541	512,857	1,296,398
Endowment Funds:						
Balance as at 1 April	2,842,657	-	2,842,657	2,576,961	-	2,576,961
Matching grants received/accrued	196,952	-	196,952	176,671	-	176,671
Donations received	79,965	-	79,965	85,388	-	85,388
Amount transferred from accumulated surplus ^(b)	313	-	313	3,637	-	3,637
Balance as at 31 March	3,119,887	-	3,119,887	2,842,657	-	2,842,657
Fair Value Reserve:						
Balance as at 1 April	53,598	-	53,598	26,876	-	26,876
Net movement for the year	(53,598)	-	(53,598)	26,722	-	26,722
Balance as at 31 March	-	-	-	53,598	-	53,598
Balance as at 31 March	4,347,830	560,411	4,908,241	3,679,796	512,857	4,192,653

^(a) This relates to transfer of funds from accumulated surplus from Endowment Funds to General Funds to fund operating activities (Note 26).

^(b) This represents mainly change in gift purpose for amounts received by the Group and Company in prior years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

7 SUBSIDIARY COMPANIES

	COMPANY			
	2015 S\$'000	2014 S\$'000		
Unquoted equity shares at cost	428	428		
Impairment loss	(100)	(100)		
Carrying amount	328	328		
Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held 2015	2014
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%
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%	100%
Suzhou NUSRI Management Co Ltd ^(e)	To manage the Suzhou NUS Research Institute.	People's Republic of China	100%	100%
Singapore International Mediation Institute Limited ^(a)	Set standards and provide accreditation for mediators.	Singapore	#	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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	
			2015	2014
Held by Subsidiaries				
NUS Press Pte Ltd ^(a)	Publisher	Singapore	100%	100%
NUS Ventures Pte Ltd ^(a)	Provide mentoring and financial support to startup companies.	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 and Singapore International Mediation Institute Limited are companies 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 2015

8 ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Unquoted equity shares at cost	72,457	500	72,457	500
Share of post-acquisition profits, net of dividend received	43,320	33,215	-	-
	115,777	33,715	72,457	500

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2015	2014
National University Health System Pte Ltd	Clinical service, education and research	Singapore	33%	33%
InVivos Pte Ltd ^(a)	To carry on the business of an animal breeding centre and the provision of related services in support of biomedical research.	Singapore	25%	-
Valparaiso Capital I Ltd ^(b)	Investment holding in property companies	Singapore	24%	-

^(a) Associated company with effect from 15 April 2014

^(b) Associated company with effect from 26 June 2014

All of the above associates are audited by other auditors.

Aggregate information about the Group's associated companies that are not individually material are as follows:

	2015 S\$'000	2014 S\$'000
Profit after tax for the year	57,398	10,993
Other comprehensive income	-	-
Total comprehensive income	57,398	10,993

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

9 FIXED ASSETS

GROUP	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Infra-structure	Equipment, Furniture & Fittings, Library Materials	Artifacts	Capital Work-in-Progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COST									
At 1 April 2013	2,007	321,174	2,791,302	765,911	39,508	1,751,465	21,446	181,315	5,874,128
Additions	-	-	22,311	55,000	-	114,336	2,765	241,769	436,181
Transfers	-	-	2,201	35,491	-	19,511	-	(57,203)	-
Reclassification to intangible assets	-	-	-	-	-	(9)	-	-	(9)
Disposals	-	-	(9,260)	(3,422)	-	(63,656)	-	-	(76,338)
Cost adjustment	-	-	(4,663)	(4,651)	(18)	(52)	-	(964)	(10,348)
At 31 March and 1 April 2014	2,007	321,174	2,801,891	848,329	39,490	1,821,595	24,211	364,917	6,223,614
Additions	-	-	95,699	54,000	-	124,981	653	201,185	476,518
Transfers	-	-	177,239	13,518	-	15,103	-	(205,860)	-
Disposals	-	-	(22)	(979)	-	(55,586)	-	-	(56,587)
Transfer to associated company	-	-	(5,030)	-	-	(4,205)	-	-	(9,235)
Cost adjustment	-	-	(2,344)	(383)	-	(69)	-	(1,948)	(4,744)
At 31 March 2015	2,007	321,174	3,067,433	914,485	39,490	1,901,819	24,864	358,294	6,629,566
ACCUMULATED DEPRECIATION									
At 1 April 2013	-	39,671	947,576	435,779	1,466	1,231,193	-	-	2,655,685
Depreciation	-	6,153	86,807	69,495	658	146,630	-	-	309,743
Transfers	-	-	357	(366)	-	9	-	-	-
Reclassification to intangible assets	-	-	-	-	-	(4)	-	-	(4)
Disposals	-	-	(9,180)	(2,875)	-	(61,230)	-	-	(73,285)
Cost adjustment	-	-	(271)	(252)	(1)	(10)	-	-	(534)
At 31 March and 1 April 2014	-	45,824	1,025,289	501,781	2,123	1,316,588	-	-	2,891,605
Depreciation	-	6,153	90,997	68,728	658	147,122	-	-	313,658
Transfers	-	-	-	(227)	-	227	-	-	-
Disposals	-	-	(4)	(979)	-	(54,003)	-	-	(54,986)
Transfer to associated company	-	-	(1,720)	-	-	(3,873)	-	-	(5,593)
Cost adjustment	-	-	(117)	(20)	-	(13)	-	-	(150)
At 31 March 2015	-	51,977	1,114,445	569,283	2,781	1,406,048	-	-	3,144,534
CARRYING AMOUNT									
At 31 March 2015	2,007	269,197	1,952,988	345,202	36,709	495,771	24,864	358,294	3,485,032
At 31 March 2014	2,007	275,350	1,776,602	346,548	37,367	505,007	24,211	364,917	3,332,009

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

9 FIXED ASSETS (cont'd)

COMPANY	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Infra-structure	Equipment, Furniture & Fittings, Library Materials	Artifacts	Capital Work-in-Progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COST									
At 1 April 2013	2,007	321,174	2,790,597	764,883	39,508	1,746,655	21,446	181,315	5,867,585
Additions	-	-	22,311	54,996	-	113,699	2,765	241,769	435,540
Transfers	-	-	2,201	35,491	-	19,511	-	(57,203)	-
Reclassification to intangible assets	-	-	-	-	-	(9)	-	-	(9)
Disposals	-	-	(9,260)	(3,422)	-	(63,471)	-	-	(76,153)
Cost adjustment	-	-	(4,663)	(4,651)	(18)	(52)	-	(964)	(10,348)
At 31 March and 1 April 2014	2,007	321,174	2,801,186	847,297	39,490	1,816,333	24,211	364,917	6,216,615
Additions	-	-	95,699	54,000	-	124,619	653	201,185	476,156
Transfers	-	-	177,239	13,518	-	15,103	-	(205,860)	-
Disposals	-	-	(22)	(979)	-	(55,586)	-	-	(56,587)
Transfer to associated company	-	-	(5,030)	-	-	(4,205)	-	-	(9,235)
Cost adjustment	-	-	(2,344)	(383)	-	(69)	-	(1,948)	(4,744)
At 31 March 2015	2,007	321,174	3,066,728	913,453	39,490	1,896,195	24,864	358,294	6,622,205
ACCUMULATED DEPRECIATION									
At 1 April 2013	-	39,671	947,400	435,551	1,466	1,227,601	-	-	2,651,689
Depreciation	-	6,153	86,783	69,392	658	146,069	-	-	309,055
Transfers	-	-	357	(366)	-	9	-	-	-
Reclassification to intangible assets	-	-	-	-	-	(4)	-	-	(4)
Disposals	-	-	(9,180)	(2,875)	-	(61,055)	-	-	(73,110)
Cost adjustment	-	-	(271)	(252)	(1)	(10)	-	-	(534)
At 31 March and 1 April 2014	-	45,824	1,025,089	501,450	2,123	1,312,610	-	-	2,887,096
Depreciation	-	6,153	90,974	68,625	658	146,504	-	-	312,914
Transfers	-	-	-	(227)	-	227	-	-	-
Disposals	-	-	(4)	(979)	-	(54,003)	-	-	(54,986)
Transfer to associated company	-	-	(1,720)	-	-	(3,873)	-	-	(5,593)
Cost adjustment	-	-	(117)	(20)	-	(13)	-	-	(150)
At 31 March 2015	-	51,977	1,114,222	568,849	2,781	1,401,452	-	-	3,139,281
CARRYING AMOUNT									
At 31 March 2015	2,007	269,197	1,952,506	344,604	36,709	494,743	24,864	358,294	3,482,924
At 31 March 2014	2,007	275,350	1,776,097	345,847	37,367	503,723	24,211	364,917	3,329,519

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

10 INTANGIBLE ASSETS

GROUP	Computer Software S\$'000	Purchased Curriculum S\$'000	Total S\$'000
COST			
At 1 April 2013	28,561	11,878	40,439
Additions	1,778	-	1,778
Reclassification from fixed assets	9	-	9
Disposals	(211)	-	(211)
Cost adjustment	(30)	-	(30)
At 31 March and 1 April 2014	30,107	11,878	41,985
Additions	2,148	120	2,268
Disposals	(133)	-	(133)
At 31 March 2015	32,122	11,998	44,120
ACCUMULATED AMORTISATION			
At 1 April 2013	11,687	11,878	23,565
Amortisation	5,443	-	5,443
Reclassification from fixed assets	4	-	4
Disposals	(201)	-	(201)
At 31 March and 1 April 2014	16,933	11,878	28,811
Amortisation	5,507	10	5,517
Disposals	(124)	-	(124)
At 31 March 2015	22,316	11,888	34,204
CARRYING AMOUNT			
At 31 March 2015	9,806	110	9,916
At 31 March 2014	13,174	-	13,174

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

10 INTANGIBLE ASSETS (cont'd)

COMPANY	Computer Software S\$'000	Purchased Curriculum S\$'000	Total S\$'000
COST			
At 1 April 2013	28,051	11,878	39,929
Additions	1,778	-	1,778
Reclassification from fixed assets	9	-	9
Disposals	(211)	-	(211)
Cost adjustment	(30)	-	(30)
At 31 March and 1 April 2014	29,597	11,878	41,475
Additions	2,136	120	2,256
Disposals	(133)	-	(133)
At 31 March 2015	31,600	11,998	43,598
ACCUMULATED AMORTISATION			
At 1 April 2013	11,315	11,878	23,193
Amortisation	5,343	-	5,343
Reclassification from fixed assets	4	-	4
Disposals	(201)	-	(201)
At 31 March and 1 April 2014	16,461	11,878	28,339
Amortisation	5,469	10	5,479
Disposals	(124)	-	(124)
At 31 March 2015	21,806	11,888	33,694
CARRYING AMOUNT			
At 31 March 2015	9,794	110	9,904
At 31 March 2014	13,136	-	13,136

Computer software includes computer software work-in-progress of S\$723,000 (2014: S\$825,000) for the Group and Company, which amortisation is not provided for. The average remaining amortisation period of intangible assets is 2 years (2014: 2 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
AT FAIR VALUE				
Quoted equity securities	2,638	-	-	-
Unquoted equity securities	8,277	86,910	4,742	82,955
Redeemable convertible loan stocks	300	359	-	-
	11,215	87,269	4,742	82,955

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.

12 INVESTMENTS AT FAIR VALUE THROUGH INCOME OR EXPENDITURE

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
AT FAIR VALUE				
Quoted Government bonds	1,103,359	1,375,841	1,103,359	1,375,841
Quoted debt securities	35,078	57,450	35,078	57,450
Quoted equity securities	458,606	517,892	458,606	517,901
Unquoted equity securities	4,387,394	3,495,022	4,387,394	3,495,022
	5,984,437	5,446,205	5,984,437	5,446,214

These investments are actively managed and monitored by the Investment Office of the Group 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.

The weighted average effective interest rate of debt securities including Government bonds designated at fair value through income or expenditure at the end of the reporting period was 1.5% (2014: 0.99%) per annum. The fair values 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 alternative assets, namely capital and hedge funds which are carried at fair value. The fair values of these unquoted equity securities are valued with reference to the net asset values disclosed in the financial statements of the funds whose investments are stated at fair value and external valuations. Changes in fair value of the above investments amounting to positive S\$648,800,000 (2014: positive S\$237,430,000) for the Group and S\$648,800,000 (2014: positive S\$237,438,000) for the Company have been included in income or expenditure (Note 30).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

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 2015, the Group has commitments of S\$868,108,000 (2014: S\$547,783,000) for which capital calls had not been exercised. Such commitments generally have fixed expiration dates or other termination clauses.

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

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	4,444,506	3,586,200	4,444,506	3,586,209
Euro	40,349	41,953	40,349	41,953
Japanese yen	14,320	7,733	14,320	7,733
Swedish krona	11,960	8,970	11,960	8,970
Canadian dollars	6,623	5,077	6,623	5,077
Others	2,492	2,737	2,492	2,737
Australian dollars	2,115	-	2,115	-
Korean won	1,426	273	1,426	273
Sterling pounds	218	1,500	218	1,500
	4,524,009	3,654,443	4,524,009	3,654,452

13 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY			
	2015		2014	
	Assets	Liabilities	Assets	Liabilities
	S\$'000	S\$'000	S\$'000	S\$'000
Forward foreign exchange contracts	4,242	(49,606)	13,309	(3,995)
Options	-	-	536	-
	4,242	(49,606)	13,845	(3,995)
Analysed as:				
Current	4,242	(49,606)	13,845	(3,995)

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 2015, the settlement dates on open forward contracts ranged from between one month to up to a year (2014: one month to up to a year).

The fair values of forward foreign exchange contracts have been calculated using rates as at close of New York market.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

13 DERIVATIVE FINANCIAL INSTRUMENTS *(cont'd)*

At 31 March 2015, the contractual/notional amount of outstanding forward foreign exchange contracts to which the Group is committed are as follows:

	GROUP AND COMPANY	
	2015	2014
	S\$'000	S\$'000
Forward foreign exchange contracts	1,840,977	1,675,308
Options	-	67,491
	1,840,977	1,742,799

14 MOVEMENTS IN FAIR VALUE OF INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

(For Information Only)

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current investments				
Fair value as at 1 April	87,269	58,222	82,955	53,489
Increase due to net (sales) purchases	(71,063)	(1,015)	(71,018)	2,855
Realised (loss) gain on sale of investments	(4,527)	3,451	(4,511)	-
Impairment loss	(23)	-	-	-
Reclassification to associated company	(2,850)	-	(2,850)	-
Gain arising from changes in fair values	2,409	26,611	166	26,611
Fair value at 31 March	11,215	87,269	4,742	82,955
Current investments				
Fair value as at 1 April	5,456,055	4,518,089	5,456,064	4,518,088
Increase due to net (sales) purchases	(216,355)	656,321	(216,368)	656,327
Realised gain on sale of investments	50,573	44,215	50,577	44,211
Gain arising from changes in fair values	648,800	237,430	648,800	237,438
Fair value at 31 March	5,939,073	5,456,055	5,939,073	5,456,064
Total				
Fair value as at 1 April	5,543,324	4,576,311	5,539,019	4,571,577
Increase due to net (sales) purchases	(287,418)	655,306	(287,386)	659,182
Realised gain on sale of investments	46,046	47,666	46,066	44,211
Impairment loss	(23)	-	-	-
Reclassification to associated company	(2,850)	-	(2,850)	-
Gain arising from changes in fair values	651,209	264,041	648,966	264,049
Fair value at 31 March	5,950,288	5,543,324	5,943,815	5,539,019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

14 MOVEMENTS IN FAIR VALUE OF INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS *(cont'd)*

(For Information Only) (cont'd)

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Represented by:				
Available-for-sale investments	11,215	87,269	4,742	82,955
Investments at fair value through income or expenditure	5,984,437	5,446,205	5,984,437	5,446,214
Derivative financial instruments - assets	4,242	13,845	4,242	13,845
Derivative financial instruments - liabilities	(49,606)	(3,995)	(49,606)	(3,995)
	5,950,288	5,543,324	5,943,815	5,539,019

15 STUDENT LOANS

	GROUP AND COMPANY	
	2015	2014
	S\$'000	S\$'000
Student tuition fee loans ^(a)	228,372	224,281
Study loans ^(a)	59,023	58,898
Notebook computer loans ^(b)	1,117	1,515
Overseas student programme loans ^(c)	1,665	1,970
Other student loans ^(d)	10,831	10,156
	301,008	296,820
Represented by:		
Amount repayable within 12 months - current assets	73,780	70,622
Amount repayable after 12 months - non-current assets	227,228	226,198
	301,008	296,820

^(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% (2014: 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 on a monthly basis.

^(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% (2014: 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.

The fair value of the loans (non-current portion) cannot be measured reliably as the timing of future cash flows is not fixed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

15 STUDENT LOANS *(cont'd)*

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.

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	
	2015	2014
	S\$'000	S\$'000
Not past due and not impaired	12,104	12,159
Past due but not impaired ⁽ⁱ⁾	677	497
	12,781	12,656
Impaired student loans - individually assessed ⁽ⁱⁱ⁾	239	232
Less: Allowance for doubtful debts	(239)	(232)
	-	-
Total student loans	12,781	12,656

⁽ⁱ⁾ Aging of student loans that are past due but not impaired

- Past due < 3 months	348	274
- Past due 3 to 6 months	132	79
- Past due 6 to 12 months	197	144
	677	497

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

Movement in the allowance for doubtful debts for student loans

	GROUP AND COMPANY	
	2015	2014
	S\$'000	S\$'000
Balance as at 1 April	232	209
Amounts written off during the year	(10)	(19)
Increase in allowance recognised in income or expenditure	17	42
Balance as at 31 March	239	232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

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

17 DEBTORS

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Grants receivable	366,704	319,105	366,704	319,105
Trade debtors	77,052	61,585	75,304	60,203
Receivables from sale of investments	27,991	3,919	27,991	3,919
Interest receivable	4,037	9,320	4,037	9,320
Others	16,719	19,579	16,719	19,579
	492,503	413,508	490,755	412,126

The average credit period of trade debtors is 30 days (2014: 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	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Not past due and not impaired	55,017	40,714	53,269	39,332
Past due but not impaired ⁽ⁱ⁾	22,035	20,871	22,035	20,871
	77,052	61,585	75,304	60,203
Impaired trade debtors - individually assessed ⁽ⁱⁱ⁾	45	52	45	52
Less: Allowance for doubtful debts	(45)	(52)	(45)	(52)
	-	-	-	-
Total trade debtors, net	77,052	61,585	75,304	60,203

⁽ⁱ⁾ Aging of trade debtors that are past due but not impaired

- Past due < 3 months	6,267	4,029	6,267	4,029
- Past due 3 to 6 months	709	1,128	709	1,128
- Past due 6 to 12 months	14,449	15,297	14,449	15,297
- Past due over 12 months	610	417	610	417
	22,035	20,871	22,035	20,871

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

17 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	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Balance as at 1 April	52	65	52	65
Amounts written off during the year	(44)	-	(44)	-
Amounts recovered during the year	-	(50)	-	(50)
Increase in allowance recognised in income or expenditure	37	37	37	37
Balance as at 31 March	45	52	45	52

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

	GROUP		COMPANY	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
United States dollars	26,102	1,359	26,070	1,287
Swedish krona	596	467	596	467
Euro	138	476	133	476
Sterling pounds	97	-	97	-
Japanese yen	17	67	-	67
Australian dollars	14	12	13	12
Chinese renminbi	6	192	6	192
Korean won	-	175	-	175
	26,970	2,748	26,915	2,676

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

18 DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Non-financial assets				
Prepayments for fixed assets	10,540	8,111	10,540	8,111
Other prepayments	22,630	27,918	21,779	27,142
	33,170	36,029	32,319	35,253
Financial assets				
Deposits paid	1,306	1,084	1,020	1,070
Advances for investment in funds	71,123	75,450	71,123	75,450
	72,429	76,534	72,143	76,520
	105,599	112,563	104,462	111,773
Less: Other prepayments (amount to be utilised after 12 months - non-current assets)	(528)	(599)	(528)	(599)
Deposits and prepayments (amount to be utilised within 12 months - current assets)	105,071	111,964	103,934	111,174

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

	GROUP		COMPANY	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Euro	36,830	-	36,830	-
United States dollars	34,635	75,474	34,292	75,450
Swiss franc	3	3	3	3
Indian rupee	-	27	-	27
	71,468	75,504	71,125	75,480

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

19 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	144,962	380,416	144,962	380,416
Cash and bank balances	583,488	312,223	563,503	290,977
	728,450	692,639	708,465	671,393

a) Fixed deposits

The effective interest rates of fixed deposits at the balance sheet date are between 0.31% to 1.12% (2014: 0.22% to 0.45%) per annum and for an average tenor of 5.84 months (2014: 4.10 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	
	2015	2014
	S\$'000	S\$'000
United States dollars	46,971	3,666
Euro	-	7,983
	46,971	11,649

b) Cash and bank balances

Cash at banks earn interest at floating rates based on daily bank deposit rates. 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	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	25,123	8,754	24,744	8,379
Euro	375	207	375	207
Canadian dollars	254	-	254	-
Chinese renminbi	192	169	-	-
Hong Kong dollars	69	39	69	39
Australian dollars	46	-	46	-
Mexican peso	31	-	31	-
Norwegian krone	10	-	10	-
Malaysian ringgit	7	-	7	-
New Zealand dollars	3	21	3	21
South African rand	2	-	2	-
South Korean won	1	-	1	-
Swedish krona	-	55	-	55
Sterling pounds	-	48	-	48
Japanese yen	-	1	-	1
	26,113	9,294	25,542	8,750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

20 ASSETS HELD FOR SALE

	GROUP AND COMPANY
	S\$'000
Fair value of donated asset at initial recognition	14,800
Fair value changes	(2,300)
Carrying amount as at 31 March and 1 April 2014	12,500
Fair value changes	(1,300)
Carrying amount as at 31 Mar 2015	11,200

The Company received a donation-in-kind in the form of a residential property in 2013. Permission was given by the donor to sell the donated property and sale proceeds be used to support the activities of the Company.

As at 31 March 2015, the property continues to be classified as assets held for sale as the Company's management still considers the sale to be probable and likely to be completed within a year.

21 CREDITORS AND ACCRUED EXPENSES/PROVISIONS

a) Creditors and accrued expenses

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Creditors	36,839	29,411	36,225	28,632
Payable for purchase of investments	83,124	18,670	83,124	18,670
Accrued expenses	186,003	204,281	183,742	200,618
Deposits received	4,517	3,699	4,441	3,637
	310,483	256,061	307,532	251,557

The average credit period on purchases of goods is 30 days (2014: 30 days). No interest is charged on the creditors.

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

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	1,816	1,077	1,437	814
Euro	140	76	140	76
Chinese renminbi	61	4	-	-
Sterling pounds	40	341	40	341
Japanese yen	3	26	3	26
Australian dollar	2	53	2	53
Swiss franc	-	2	-	2
Canadian dollars	-	1	-	1
Korean won	-	1	-	1
Others	1	2	1	2
	2,063	1,583	1,623	1,316

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

b) Provisions

Movement in the provisions for employee leave liability

	GROUP		COMPANY	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Balance as at 1 April	72,521	68,633	71,781	68,036
Increase in provisions recognised in income or expenditure	19,572	3,888	17,906	3,745
Balance as at 31 March	92,093	72,521	89,687	71,781

22 GRANTS RECEIVED IN ADVANCE

	GROUP		COMPANY	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Grants received in advance from				
- Government	362,302	312,576	358,028	307,374
- Others	73,686	60,720	73,108	60,581
	435,988	373,296	431,136	367,955

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

23 ADVANCES FROM THE GOVERNMENT FOR STUDENT LOANS

	GROUP AND COMPANY	
	2015 S\$'000	2014 S\$'000
Balance as at 1 April	286,097	284,771
Advances received from Government during the year	38,654	72,273
Advances repaid to Government during the year	(73,471)	(70,772)
	251,280	286,272
Miscellaneous expenditure	(1,878)	(175)
Balance as at 31 March	249,402	286,097
Represented by :		
Amount due within 12 months - current liabilities	71,721	69,148
Amount due after 12 months - non-current liabilities	177,681	216,949
	249,402	286,097
Student tuition fee loans	228,372	224,281
Study loans	59,023	58,898
Overseas student programme loans	846	1,263
Advances (receivable) repayable , pooled investments, fixed deposits and bank balances	(38,839)	1,655
	249,402	286,097

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 fair value of the advances (non-current portion) cannot be measured reliably as the timing of future cash flows is not fixed.

24 FIXED RATE NOTES AND TERM LOAN

	GROUP AND COMPANY	
	2015 S\$'000	2014 S\$'000
Fixed rate notes	500,000	750,000
Fixed rate term loan	350,000	350,000
	850,000	1,100,000
Represented by:		
Amount due within 12 months - current liabilities	350,000	250,000
Amount due after 12 months - non-current liabilities	500,000	850,000
	850,000	1,100,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

24 FIXED RATE NOTES AND TERM LOAN (cont'd)

a) Fixed rate notes

Under the Multicurrency Medium Term Note (MTN) programme to finance development projects under the debt-grant framework initiated by the Government, the Company has issued 3 fixed rate notes. Unless previously redeemed or purchased and cancelled, the notes will be redeemed at its redemption amount on maturity date. The Company is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the notes.

The fair value of the fixed rate notes were determined based on prices (unadjusted) from the active dealer markets (Level 1 of fair value hierarchy).

Fixed rate note of S\$250,000,000 issued in 2009 matured on 12 June 2014.

			Issued Amount	Fair Value 2015	Fair Value 2014
			S\$'000	S\$'000	S\$'000
Fixed Rate Notes Issued	Issue Date	Coupon			
Fixed rate note due 12 June 2014	12 June 2009	3.200%	-	-	251,740
Fixed rate note due 23 January 2018	23 January 2013	1.038%	250,000	245,093	242,423
Fixed rate note due 13 February 2019	13 February 2014	1.708%	250,000	245,918	250,198
			500,000	491,011	744,361

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 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. Similar to the Fixed Rate Notes, 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 2015 is S\$349,921,000 (2014: S\$349,857,000).

The fair values of fixed rate term loan were determined using significant observable inputs other than quoted prices (Level 2 of the fair value hierarchy).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

25 DEFERRED CAPITAL GRANTS

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Fixed Assets</u>				
Government				
Balance as at 1 April	1,593,213	1,582,784	1,591,274	1,580,296
Capital grants utilised during the year	100,489	178,900	100,489	178,900
Amount transferred from operating grants (Note 32)	71,788	57,885	71,645	57,828
	1,765,490	1,819,569	1,763,408	1,817,024
Deferred capital grants amortised	(222,662)	(226,356)	(222,034)	(225,750)
Balance as at 31 March	1,542,828	1,593,213	1,541,374	1,591,274
Others				
Balance as at 1 April	465,097	460,351	464,606	460,351
Capital grants utilised during the year and donated assets	1,191	18,286	1,191	17,967
Amount transferred from operating grants (Note 32)	23,034	25,502	22,896	25,252
	489,322	504,139	488,693	503,570
Deferred capital grants amortised	(38,956)	(39,042)	(38,860)	(38,964)
Balance as at 31 March	450,366	465,097	449,833	464,606
Total deferred capital grants balance for fixed assets as at 31 March	1,993,194	2,058,310	1,991,207	2,055,880
<u>Intangible Assets</u>				
Government				
Balance as at 1 April	11,099	14,260	11,061	14,121
Capital grants utilised during the year	783	721	783	721
Amount transferred from operating grants (Note 32)	1,155	578	1,143	578
	13,037	15,559	12,987	15,420
Deferred capital grants amortised	(4,495)	(4,460)	(4,457)	(4,359)
Balance as at 31 March	8,542	11,099	8,530	11,061
Others				
Balance as at 1 April	858	899	858	899
Amount transferred from operating grants (Note 32)	169	364	169	364
	1,027	1,263	1,027	1,263
Deferred capital grants amortised	(386)	(405)	(386)	(405)
Balance as at 31 March	641	858	641	858
Total deferred capital grants balance for intangible assets as at 31 March	9,183	11,957	9,171	11,919
<u>Fixed Assets and Intangible Assets</u>				
Balance as at 1 April	2,070,267	2,058,294	2,067,799	2,055,667
Capital grants utilised during the year and donated assets	102,463	197,907	102,463	197,588
Amount transferred from operating grants (Note 32)	96,146	84,329	95,853	84,022
	2,268,876	2,340,530	2,266,115	2,337,277
Deferred capital grants amortised	(266,499)	(270,263)	(265,737)	(269,478)
Balance as at 31 March	2,002,377	2,070,267	2,000,378	2,067,799

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

26 SUPPLEMENTARY INFORMATION ON GENERAL FUNDS AND RESTRICTED FUNDS

GROUP	Note	GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (Note A)		TOTAL	
		2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
OPERATING INCOME									
Tuition and other related fees		416,280	388,131	-	-	-	-	416,280	388,131
Other income	27	231,896	221,538	90,321	62,548	(25,233)	(29,311)	296,984	254,775
		648,176	609,669	90,321	62,548	(25,233)	(29,311)	713,264	642,906
OPERATING EXPENDITURE									
Expenditure on manpower	28	869,214	827,883	311,034	272,595	-	-	1,180,248	1,100,478
Depreciation and amortisation expenditure	9,10	81,296	79,762	237,879	235,424	-	-	319,175	315,186
Other operating expenditure		392,141	398,764	498,315	464,115	(25,233)	(29,311)	865,223	833,568
		1,342,651	1,306,409	1,047,228	972,134	(25,233)	(29,311)	2,364,646	2,249,232
Operating Deficit		(694,475)	(696,740)	(956,907)	(909,586)	-	-	(1,651,382)	(1,606,326)
Net investment income	30	110,303	38,857	603,278	235,964	-	-	713,581	274,821
Share of results (net of tax) of associated companies	8	(2,580)	9,047	12,685	-	-	-	10,105	9,047
Deficit before Grants	31	(586,752)	(648,836)	(340,944)	(673,622)	-	-	(927,696)	(1,322,458)
GRANTS									
Operating Grants :									
Government	32a	712,500	718,295	479,370	463,495	-	-	1,191,870	1,181,790
Others	32b	544	773	203,629	190,608	-	-	204,173	191,381
Deferred capital grants amortised	25	33,154	32,889	233,345	237,374	-	-	266,499	270,263
		746,198	751,957	916,344	891,477	-	-	1,662,542	1,643,434
SURPLUS FOR THE YEAR BEFORE TAX									
		159,446	103,121	575,400	217,855	-	-	734,846	320,976
Income tax	33	-	-	-	-	-	-	-	-
SURPLUS FOR THE YEAR	34	159,446	103,121	575,400	217,855	-	-	734,846	320,976
Accumulated Surplus Balance at 1 April									
		2,037,396	1,898,209	1,296,398	1,118,246	-	-	3,333,794	3,016,455
Transfer between General Funds and Restricted Funds (Note B)		70,446	36,066	(70,446)	(36,066)	-	-	-	-
Transfer to endowment funds		-	-	(313)	(3,637)	-	-	(313)	(3,637)
Accumulated Surplus Balance at 31 March		2,267,288	2,037,396	1,801,039	1,296,398	-	-	4,068,327	3,333,794

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

COMPANY	Note	GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (Note A)		TOTAL	
		2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
OPERATING INCOME									
Tuition and other related fees		411,402	383,036	-	-	-	-	411,402	383,036
Other income	27	227,491	217,287	90,321	62,548	(25,233)	(29,311)	292,579	250,524
		638,893	600,323	90,321	62,548	(25,233)	(29,311)	703,981	633,560
OPERATING EXPENDITURE									
Expenditure on manpower	28	847,379	806,215	311,034	272,595	-	-	1,158,413	1,078,810
Depreciation and amortisation expenditure	9,10	80,514	78,974	237,879	235,424	-	-	318,393	314,398
Other operating expenditure		383,211	389,184	498,315	464,115	(25,233)	(29,311)	856,293	823,988
		1,311,104	1,274,373	1,047,228	972,134	(25,233)	(29,311)	2,333,099	2,217,196
Operating Deficit		(672,211)	(674,050)	(956,907)	(909,586)	-	-	(1,629,118)	(1,583,636)
Net investment income	30	109,934	35,249	603,278	235,964	-	-	713,212	271,213
Deficit before Grants	31	(562,277)	(638,801)	(353,629)	(673,622)	-	-	(915,906)	(1,312,423)
GRANTS									
Operating Grants :									
Government	32a	691,410	696,446	479,370	463,495	-	-	1,170,780	1,159,941
Others	32b	-	-	203,629	190,608	-	-	203,629	190,608
Deferred capital grants amortised	25	32,392	32,104	233,345	237,374	-	-	265,737	269,478
		723,802	728,550	916,344	891,477	-	-	1,640,146	1,620,027
SURPLUS FOR THE YEAR	34	161,525	89,749	562,715	217,855	-	-	724,240	307,604
Accumulated Surplus Balance at 1 April									
		1,963,382	1,837,567	1,296,398	1,118,246	-	-	3,259,780	2,955,813
Transfer between General Funds and Restricted Funds (Note B)		70,446	36,066	(70,446)	(36,066)	-	-	-	-
Transfer to endowment funds		-	-	(313)	(3,637)	-	-	(313)	(3,637)
Accumulated Surplus Balance at 31 March		2,195,353	1,963,382	1,788,354	1,296,398	-	-	3,983,707	3,259,780

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

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:

- i) 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; and
- ii) transfer of funds from accumulated surplus from Endowment Funds to General Funds to fund operating activities (Note 6).

27 OTHER INCOME

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Donations received	88,930	59,033	88,927	59,015
Rental income and student hostel residential fees	85,324	81,074	83,155	78,837
Courses and conference fees	39,096	39,986	38,766	39,626
Clinical fees/consultancy fees	14,118	14,915	14,118	14,915
Others	69,516	59,767	67,613	58,131
	296,984	254,775	292,579	250,524

28 EXPENDITURE ON MANPOWER

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Wages and salaries	1,064,423	1,007,816	1,044,285	987,957
Employer's contribution to Provident Funds	71,701	66,578	70,146	65,060
Other staff benefits	44,124	26,084	43,982	25,793
	1,180,248	1,100,478	1,158,413	1,078,810

29 KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for nineteen (2014: nineteen) key management personnel (includes the remuneration of an executive trustee) are as follows:

	GROUP AND COMPANY	
	2015	2014
	S\$'000	S\$'000
Short-term benefits	13,587	14,642
Post-employment benefits	295	299
	13,882	14,941

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

30 NET INVESTMENT INCOME

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income:				
Government bonds	15,723	14,674	15,723	14,674
Bonds/loan stocks in corporations/associated company	2,126	2,052	2,126	2,052
Fixed deposits and bank current accounts	1,228	1,287	816	1,134
	19,077	18,013	18,665	17,860
Dividend income:				
Quoted equity shares	11,637	8,441	11,637	8,441
Unquoted equity shares	23,380	6,850	23,380	6,842
	35,017	15,291	35,017	15,283
Net gain on sale of investments at fair value through income or expenditure ("FVTIE")	50,573	44,215	50,577	44,211
Net (loss) gain on sale of available-for-sale investments	(4,527)	3,451	(4,511)	-
Impairment loss on available-for-sale investments	(23)	-	-	-
Transfer from fair value reserve on sale of available-for-sale investments	53,598	-	53,598	-
Net foreign currency exchange losses	(88,934)	(43,579)	(88,934)	(43,579)
Change in fair value of investments at FVTIE due to foreign currency changes (Note A)	296,876	81,003	296,876	81,003
	207,942	37,424	207,942	37,424
Change in fair value of investments at FVTIE due to price change (Note A)	351,924	156,427	351,924	156,435
	713,581	274,821	713,212	271,213
Note A				
Total change in fair value of investments at FVTIE comprises of:				
Change in fair value of investments due to foreign currency changes	296,876	81,003	296,876	81,003
Change in fair value of investments due to price change	351,924	156,427	351,924	156,435
Total change in fair value of investments at FVTIE	648,800	237,430	648,800	237,438

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

31 DEFICIT BEFORE GRANTS

This is arrived at after taking in:

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Bad and doubtful debts	184	807	184	807
Rental expenses	6,798	6,339	6,798	6,339
Borrowing costs expensed off	11,074	12,027	11,074	12,027
Loss on disposal of fixed and intangible assets	1,326	2,693	1,326	2,684
Fair value changes on assets held for sale	1,300	2,300	1,300	2,300
Research and development costs	510,645	497,674	510,645	497,674

Borrowing costs incurred during the year is analysed as follows:

	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Interest on fixed rate notes	8,515	11,145	8,515	11,145
Interest on fixed rate term loan	6,300	6,300	6,300	6,300
Less : amounts included in cost of qualifying fixed assets	(3,741)	(5,418)	(3,741)	(5,418)
Borrowing costs expensed off	11,074	12,027	11,074	12,027

32 OPERATING GRANTS

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
(a) Operating Grants (Government)				
Operating grants utilised during the year	1,264,813	1,240,253	1,243,568	1,218,347
Amount transferred to deferred capital grants	(72,943)	(58,463)	(72,788)	(58,406)
	1,191,870	1,181,790	1,170,780	1,159,941
(b) Operating Grants (Others)				
Operating grants utilised during the year	227,376	217,247	226,694	216,224
Amount transferred to deferred capital grants	(23,203)	(25,866)	(23,065)	(25,616)
	204,173	191,381	203,629	190,608

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33 INCOME TAX

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 17% (2014: 17%) to surplus before income tax as a result of the following differences:

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Surplus for the year before income tax	734,846	320,976	724,240	307,604
Income tax expense calculated at statutory tax rate	124,924	54,566	123,121	52,293
Income not subject to tax	(124,972)	(54,624)	(123,121)	(52,293)
Tax effect of share of results of associate	(1,718)	(1,538)	-	-
Others	1,766	1,596	-	-
	-	-	-	-

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

34 SURPLUS FOR THE YEAR

The surplus for the year in the Statement of the comprehensive income of the Group and Company of S\$734,846,000 (2014: S\$320,976,000) and S\$724,240,000 (2014: S\$307,604,000) respectively includes the following:

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-endowed donations	88,930	59,033	88,927	59,015
Net investment income (include change in fair value of investment)	713,581	274,821	713,212	271,213
	802,511	333,854	802,139	330,228

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

35 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	
	2015	2014
	S\$'000	S\$'000
Authorised and contracted for	321,795	451,580

b) Operating Lease Commitments – as Lessee

	GROUP AND COMPANY	
	2015	2014
	S\$'000	S\$'000
Minimum lease payments under operating leases included in the income or expenditure	1,180	679

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	944	573
Within second to fifth year inclusive	158	-
	1,102	573

Operating lease payments represent rentals payable by the Group for certain office properties which are fixed for an average of 2 years (2014: 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	
	2015	2014
	S\$'000	S\$'000
Future minimum lease payments receivable:		
Within one year	2,892	2,985
After one year	1,497	2,399
	4,389	5,384

Operating lease payments represent rentals receivable by the Group for rental of premises with remaining lease terms ranging from 1 to 3 years (2014: 1 to 3 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

36 RELATED PARTIES TRANSACTIONS

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

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

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

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

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

	GROUP		COMPANY	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000

Government-controlled enterprises and companies within the Group

Balances

Debtors	376,365	344,295	376,657	344,760
Amount owing by subsidiary companies	-	-	979	979
Long-term loan to subsidiary companies	-	-	250	356
Creditors and accrued expenses	689	960	689	960
Amount owing to subsidiary company	-	-	26,222	25,352
Deferred Capital Grants	2,001,841	2,069,776	2,000,378	2,067,799
Grants received in advance	410,190	341,333	406,383	336,131

Transactions

Endowed donations	1,134	1,000	1,134	1,000
Non-endowed donations	10,322	8,781	10,322	8,781
Other income	18,847	22,153	20,265	23,111
Other operating expenditure	75,552	53,296	78,535	57,234
Operating/capital grants received	1,620,774	1,704,361	1,600,989	1,681,114

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

36 RELATED PARTIES TRANSACTIONS *(cont'd)*

	GROUP		COMPANY	
	2015	2014	2015	2014
	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)				
<u>Balances</u>				
Debtors	3	27	3	27
Creditors and accrued expenses	90	1	90	1
<u>Transactions</u>				
Endowed donations	9,920	2,383	9,920	2,383
Non-endowed donations	788	2,767	788	2,767
Other income	299	219	299	219
Other operating expenditure	1,132	1,223	1,132	1,223
Operating/capital grants received	14	16	14	16

37 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 2015, the fund balance held in trust by the Group is S\$4,000 (2014: S\$4,447).

38 EVENT OCCURRING AFTER THE REPORTING PERIOD

Subsequent to year-end, on 27 May 2015, the Company pre-paid the fixed rate term loan of S\$350,000,000 due on 5 October 2015. On the same date, the Company issued a S\$400,000,000, 5-years fixed rate note at 2.2% per annum to re-finance development projects under the debt-grant framework initiated by the Government. The fixed rate note will mature on 27 May 2020.





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