

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

(INCORPORATED IN SINGAPORE. REGISTRATION NUMBER: 200604346E)

FULL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 MARCH 2020

NATIONAL UNIVERSITY OF SINGAPORE

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TRUSTEES’ STATEMENT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

TRUSTEES’ STATEMENT

The Trustees are pleased to present their statement to the members together with the audited consolidated financial statements of the National University of Singapore (“the Company”) and its subsidiaries (collectively, “the Group”) and statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company, as of and for the financial year ended 31 March 2020.

OPINION OF THE TRUSTEES

In the opinion of the Trustees,

- a) the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2020, and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and the financial performance and changes in funds and reserves of the Company for the financial year then ended; and
- b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

TRUSTEES

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

Mr Hsieh Fu Hua – Chairman	Mr Andrew Lim Ming-Hui
Professor Tan Eng Chye	Mr Loh Chin Hua
Ambassador Chan Heng Chee	Mr Chaly Mah Chee Kheong
Dr Cheong Koon Hean	Mr Ng Wai King
Mr Goh Choon Phong	Ms Tan Hooi Ling
Mr Peter Ho Hak Ean	Mr Abdullah Tarmugi
Professor Ho Teck Hua	Ms Elaine Yew Wen Suen
Mr Lai Chung Han	Ms Chew Gek Khim <i>(Appointed on 1 April 2020)</i>
Mr Lee Ming San	Professor Timothy L. Killeen <i>(Appointed on 1 April 2020)</i>
Mr Michael Lien Jown Leam	Ms Jeanette Wong <i>(Appointed on 1 April 2020)</i>

ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE SHARES AND DEBENTURES

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

TRUSTEES’ STATEMENT

TRUSTEES’ INTERESTS IN SHARES OR DEBENTURES

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

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

AUDITOR

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

On behalf of the Trustees



MR HSIEH FU HUA
Trustee

12 August 2020



PROFESSOR TAN ENG CHYE
Trustee

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of National University of Singapore (“the Company”) and its subsidiaries (collectively, “the Group”), which comprise the statements of financial position of the Group and the Company as at 31 March 2020, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Company and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 89.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “Act”), the Charities Act, Chapter 37 and other relevant regulations (the “Charities Act and Regulations”) and Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and the financial performance and changes in funds and reserves of the Company for the year ended on that date.

Basis for Opinion

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

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

Management is responsible for other information. The other information comprises the Trustees’ statement but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont’d)

Responsibilities of Management and Trustees for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Trustees’ responsibilities include overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Trustees with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

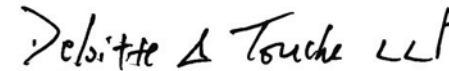
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATIONAL UNIVERSITY OF SINGAPORE

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- the Company has not used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- the Company has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



[DELOITTE & TOUCHE LLP]

Public Accountants and
Chartered Accountants

Singapore
12 August 2020

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		GROUP		COMPANY	
	Note	31 March 2020 S\$'000	31 March 2019 S\$'000	31 March 2020 S\$'000	31 March 2019 S\$'000
NON-CURRENT ASSETS					
Subsidiary companies	5	–	–	128	128
Associated companies	6	160,335	139,763	65,290	66,118
Fixed assets	8	3,186,923	3,453,261	3,184,911	3,451,062
Right-of-use assets	9	298,174	–	298,174	–
Investment properties	10	45,874	44,869	45,874	44,869
Intangible assets	11	11,533	10,652	11,533	10,652
Investments at fair value through other comprehensive income (FVTOCI)	12	2,204	5,303	1,596	2,673
Student loans	15	3,139	3,854	3,139	3,854
Long-term loan to subsidiary company	16	–	–	5,000	–
Prepayments	18	3,129	1,136	3,129	1,136
Total Non-Current Assets		3,711,311	3,658,838	3,618,774	3,580,492
CURRENT ASSETS					
Student loans	15	1,745	2,078	1,745	2,078
Debtors	17	685,212	611,221	676,246	606,037
Consumable stores		509	535	307	287
Deposits and prepayments	18	37,037	96,256	36,512	95,769
Amounts owing from subsidiary companies	16	–	–	4	880
Investments at fair value through income or expenditure (FVTIE)	13	10,059,710	9,647,005	10,059,710	9,647,005
Derivative financial instruments	14	6,888	3,137	6,888	3,137
Cash and cash equivalents	19	169,726	160,579	136,246	136,361
Total Current Assets		10,960,827	10,520,811	10,917,658	10,491,554
TOTAL ASSETS		14,672,138	14,179,649	14,536,432	14,072,046

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		GROUP		COMPANY	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Note	S\$'000	S\$'000	S\$'000	S\$'000
CURRENT LIABILITIES					
Creditors and accrued expenses	20a	335,395	284,210	333,108	281,729
Provisions for employee leave liability	20b	118,840	107,832	116,066	105,287
Lease liabilities	21	21,404	–	21,404	–
Grants received in advance	22	359,384	310,383	357,975	308,765
Sinking fund	22	37,044	45,023	37,044	45,023
Deferred tuition and other fees		87,686	91,448	87,654	91,394
Derivative financial instruments	14	90,211	11,710	90,211	11,710
Amounts owing to subsidiary companies	16	–	–	28,294	28,031
Borrowings	23	416,722	270,000	416,722	270,000
Total Current Liabilities		1,466,686	1,120,606	1,488,478	1,141,939
NON-CURRENT LIABILITIES					
Borrowings	23	593,176	750,000	593,176	750,000
Lease liabilities	21	38,541	–	38,541	–
Deferred capital grants	24	1,715,158	1,778,151	1,713,163	1,776,011
Sinking fund	22	88,840	54,271	88,840	54,271
Total Non-Current Liabilities		2,435,715	2,582,422	2,433,720	2,580,282
TOTAL LIABILITIES		3,902,401	3,703,028	3,922,198	3,722,221
NET ASSETS		10,769,737	10,476,621	10,614,234	10,349,825
FUNDS AND RESERVES					
ACCUMULATED SURPLUS					
– Designated General Funds	25	3,225,908	3,105,324	3,091,027	3,000,876
– Other Restricted Funds	25	1,040,792	954,981	1,040,792	954,981
		4,266,700	4,060,305	4,131,819	3,955,857
Endowment Funds	26	6,466,821	6,375,282	6,442,704	6,353,450
Fair Value Reserve	25	(5,304)	(476)	(1,752)	(945)
Revaluation Reserve	25	41,463	41,463	41,463	41,463
Translation Reserve	25	57	47	–	–
TOTAL FUNDS AND RESERVES		10,769,737	10,476,621	10,614,234	10,349,825
Funds managed on behalf of the Government Ministry	27	307,411	305,669	307,411	305,669
Represented by:					
Net assets managed on behalf of the Government Ministry	27	307,955	307,522	307,955	307,522
Amount receivable from the Government Ministry	27	(544)	(1,853)	(544)	(1,853)
		307,411	305,669	307,411	305,669

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

GROUP		DESIGNATED GENERAL FUNDS		ENDOWMENT FUNDS		OTHER RESTRICTED FUNDS		TOTAL	
		2020	2019	2020	2019	2020	2019	2020	2019
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
OPERATING INCOME									
Tuition and other fees	29	548,572	524,082	–	–	7,421	–	555,993	524,082
Less: Scholarship expenses		(12,154)	(9,381)	(29,105)	(25,920)	(57,629)	(67,313)	(98,888)	(102,614)
Net tuition and other fees		536,418	514,701	(29,105)	(25,920)	(50,208)	(67,313)	457,105	421,468
Other income	30	249,044	239,812	9	31	152,224	216,898	401,277	456,741
		785,462	754,513	(29,096)	(25,889)	102,016	149,585	858,382	878,209
OPERATING EXPENDITURE									
Expenditure on manpower	31	988,931	966,796	76,117	67,301	356,873	344,167	1,421,921	1,378,264
Depreciation and amortisation expenditure	8,9,11	96,977	78,169	5,053	4,564	268,868	269,305	370,898	352,038
Other operating expenditure		527,628	517,794	89,566	65,911	325,181	325,346	942,375	909,051
		1,613,536	1,562,759	170,736	137,776	950,922	938,818	2,735,194	2,639,353
Operating deficit		(828,074)	(808,246)	(199,832)	(163,665)	(848,906)	(789,233)	(1,876,812)	(1,761,144)
Net operating investment income	33	27,851	77,344	245,607	213,117	12,505	22,790	285,963	313,251
Share of results (net of tax) of associated companies	6	17,887	2,608	2,285	5,133	–	–	20,172	7,741
(Deficit) surplus before Grants	34	(782,336)	(728,294)	48,060	54,585	(836,401)	(766,443)	(1,570,677)	(1,440,152)
GRANTS									
Operating Grants:									
Government	35a	704,376	856,150	–	–	551,419	556,876	1,255,795	1,413,026
Others	35b	36,079	19,778	–	–	219,032	199,173	255,111	218,951
Deferred capital grants amortised	24	46,084	25,742	–	–	265,745	264,930	311,829	290,672
		786,539	901,670	–	–	1,036,196	1,020,979	1,822,735	1,922,649
SURPLUS FOR THE YEAR BEFORE NON-OPERATING INVESTMENT (LOSS) INCOME AND INCOME TAX									
		4,203	173,376	48,060	54,585	199,795	254,536	252,058	482,497
Non-operating investment (loss) income	33	–	–	(171,395)	88,043	–	–	(171,395)	88,043
Income tax	36	(28)	(6)	–	–	–	–	(28)	(6)
SURPLUS (DEFICIT) FOR THE YEAR	37	4,175	173,370	(123,335)	142,628	199,795	254,536	80,635	570,534
OTHER COMPREHENSIVE INCOME (LOSS):									
Items that will not be reclassified subsequently to income or expenditure:									
Change in fair value of equity instruments designated as FVTOCI		–	–	(4,828)	(749)	–	–	(4,828)	(749)
Items that may be reclassified subsequently to income or expenditure:									
Exchange differences on translating foreign operations		10	14	–	–	–	–	10	14
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX		10	14	(4,828)	(749)	–	–	(4,818)	(735)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		4,185	173,384	(128,163)	141,879	199,795	254,536	75,817	569,799

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

COMPANY									
		DESIGNATED GENERAL FUNDS		ENDOWMENT FUNDS		OTHER RESTRICTED FUNDS		TOTAL	
		2020	2019	2020	2019	2020	2019	2020	2019
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
OPERATING INCOME									
Tuition and other fees	29	542,661	518,519	–	–	7,421	–	550,082	518,519
Less: Scholarship expenses		(10,272)	(7,486)	(29,105)	(25,920)	(57,629)	(67,313)	(97,006)	(100,719)
Net tuition and other fees		532,389	511,033	(29,105)	(25,920)	(50,208)	(67,313)	453,076	417,800
Other income	30	244,144	236,112	9	31	152,224	216,898	396,377	453,041
		776,533	747,145	(29,096)	(25,889)	102,016	149,585	849,453	870,841
OPERATING EXPENDITURE									
Expenditure on manpower	31	966,183	943,144	76,117	67,301	356,873	344,167	1,399,173	1,354,612
Depreciation and amortisation expenditure	8,9,11	96,424	77,564	5,053	4,564	268,868	269,305	370,345	351,433
Other operating expenditure		525,233	522,928	89,566	65,911	325,181	325,346	939,980	914,185
		1,587,840	1,543,636	170,736	137,776	950,922	938,818	2,709,498	2,620,230
Operating deficit		(811,307)	(796,491)	(199,832)	(163,665)	(848,906)	(789,233)	(1,860,045)	(1,749,389)
Net operating investment income	33	25,526	75,788	245,607	213,117	12,505	22,790	283,638	311,695
(Deficit) surplus before Grants	34	(785,781)	(720,703)	45,775	49,452	(836,401)	(766,443)	(1,576,407)	(1,437,694)
GRANTS									
Operating Grants:									
Government	35a	679,137	831,482	–	–	551,419	556,876	1,230,556	1,388,358
Others	35b	34,810	18,602	–	–	219,032	199,173	253,842	217,775
Deferred capital grants amortised	24	45,576	25,186	–	–	265,745	264,930	311,321	290,116
		759,523	875,270	–	–	1,036,196	1,020,979	1,795,719	1,896,249
(DEFICIT) SURPLUS FOR THE YEAR BEFORE NON-OPERATING INVESTMENT (LOSS) INCOME AND INCOME TAX									
		(26,258)	154,567	45,775	49,452	199,795	254,536	219,312	458,555
Non-operating investment (loss) income	33	–	–	(171,395)	88,043	–	–	(171,395)	88,043
Income tax	36	–	–	–	–	–	–	–	–
(DEFICIT) SURPLUS FOR THE YEAR	37	(26,258)	154,567	(125,620)	137,495	199,795	254,536	47,917	546,598
OTHER COMPREHENSIVE LOSS:									
Items that will not be reclassified subsequently to income or expenditure:									
Change in fair value of equity instruments designated as FVTOCI		–	–	(807)	(1,208)	–	–	(807)	(1,208)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		–	–	(807)	(1,208)	–	–	(807)	(1,208)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		(26,258)	154,567	(126,427)	136,287	199,795	254,536	47,110	545,390

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN FUNDS AND RESERVES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

GROUP								
		Accumulated Surplus		Endowment Funds	Fair Value Reserve	Revaluation Reserve	Translation Reserve	TOTAL
		Designated General Funds	Other Restricted Funds					
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 31 March 2019		3,105,324	954,981	6,375,282	(476)	41,463	47	10,476,621
Surplus (deficit) for the year		4,175	199,795	(123,335)	–	–	–	80,635
Other comprehensive (loss) income		–	–	–	(4,828)	–	10	(4,818)
Total comprehensive income (loss) for the year		4,175	199,795	(123,335)	(4,828)	–	10	75,817
Matching grants received/accrued	26	–	–	186,781	–	–	–	186,781
Donations received	26	–	–	30,215	–	–	–	30,215
Disposal of equity instruments designated as FVTOCI		303	–	–	–	–	–	303
Total recognised gains and losses for the year		4,478	199,795	93,661	(4,828)	–	10	293,116
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds	28	116,106	(113,984)	(2,122)	–	–	–	–
Balance at 31 March 2020		3,225,908	1,040,792	6,466,821	(5,304)	41,463	57	10,769,737
Balance as at 31 March and 1 April 2018 (restated)		2,833,978	792,594	5,917,074	273	41,463	33	9,585,415
Surplus for the year		173,370	254,536	142,628	–	–	–	570,534
Other comprehensive (loss) income		–	–	–	(749)	–	14	(735)
Total comprehensive income (loss) for the year		173,370	254,536	142,628	(749)	–	14	569,799
Matching grants received/accrued	26	–	–	270,623	–	–	–	270,623
Donations received	26	–	–	47,387	–	–	–	47,387
Disposal of equity instruments designated as FVTOCI		3,397	–	–	–	–	–	3,397
Total recognised gains and losses for the year		176,767	254,536	460,638	(749)	–	14	891,206
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds	28	94,579	(92,149)	(2,430)	–	–	–	–
Balance at 31 March 2019		3,105,324	954,981	6,375,282	(476)	41,463	47	10,476,621

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN FUNDS AND RESERVES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

COMPANY							
		Accumulated Surplus		Endowment Funds	Fair Value Reserve	Revaluation Reserve	TOTAL
		Designated General Funds	Other Restricted Funds				
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 31 March 2019		3,000,876	954,981	6,353,450	(945)	41,463	10,349,825
(Deficit) surplus for the year		(26,258)	199,795	(125,620)	–	–	47,917
Other comprehensive loss		–	–	–	(807)	–	(807)
Total comprehensive income (loss) for the year		(26,258)	199,795	(125,620)	(807)	–	47,110
Matching grants received/accrued	26	–	–	186,781	–	–	186,781
Donations received	26	–	–	30,215	–	–	30,215
Gain on equity instruments designated as FVTOCI		303	–	–	–	–	303
Total recognised gains and losses for the year		(25,955)	199,795	91,376	(807)	–	264,409
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds	28	116,106	(113,984)	(2,122)	–	–	–
Balance at 31 March 2020		3,091,027	1,040,792	6,442,704	(1,752)	41,463	10,614,234
Balance as at 31 March and 1 April 2018 (restated)		2,751,730	792,594	5,900,375	263	41,463	9,486,425
Surplus for the year		154,567	254,536	137,495	–	–	546,598
Other comprehensive loss		–	–	–	(1,208)	–	(1,208)
Total comprehensive income (loss) for the year		154,567	254,536	137,495	(1,208)	–	545,390
Matching grants received/accrued	26	–	–	270,623	–	–	270,623
Donations received	26	–	–	47,387	–	–	47,387
Total recognised gains and losses for the year		154,567	254,536	455,505	(1,208)	–	863,400
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds	28	94,579	(92,149)	(2,430)	–	–	–
Balance at 31 March 2019		3,000,876	954,981	6,353,450	(945)	41,463	10,349,825

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S\$'000	2019 S\$'000
Cash flows from operating activities:			
Deficit before Grants		(1,570,677)	(1,440,152)
Adjustments for:			
Depreciation of fixed assets	8	338,336	348,342
Depreciation of right-of-use assets	9	28,621	–
Amortisation of intangible assets	11	3,941	3,696
Donated artifacts and other donated assets additions	26	(411)	(513)
Net operating investment income	33	(285,963)	(313,251)
Borrowing costs expensed off	34	19,132	15,821
Loss on disposal of fixed and intangible assets	34	2,600	373
Bad debts and loss allowance	34	1,026	528
Exchange differences arising on translation of foreign subsidiary		10	14
Gain on revaluation of investment properties	10	(1,005)	(3,406)
Share of results (net of tax) of associated companies		(20,172)	(7,741)
Operating cash flows before working capital changes		(1,484,562)	(1,396,289)
Change in operating assets and liabilities:			
Increase in debtors, consumable stores, deposits and prepayments		(4,415)	(76,257)
Increase (decrease) in creditors and accrued expenses, provisions and deferred tuition and other fees		67,927	(8,307)
Cash used in operations		(1,421,050)	(1,480,853)
Other grants received, net of refund		297,080	311,062
Donations received for endowment funds	26	30,215	47,387
Student loans granted		(1,052)	(1,076)
Student loans repaid		2,133	2,627
Interest on lease liabilities		(1,422)	–
Net cash outflow from operating activities		(1,094,096)	(1,120,853)
Cash flows from investing activities:			
Payments for purchase of fixed assets	8	(327,303)	(326,651)
Payments for purchase of intangible assets	11	(4,867)	(3,996)
Proceeds from disposal of fixed assets and intangible assets		582	819
Investment in associated companies		(400)	(200)
Net purchase of investments		(318,723)	(456,480)
Interest and dividend received		121,578	106,614
Net foreign currency exchange gains	33	(28,816)	(3,108)
Net cash outflow from investing activities		(557,949)	(683,002)
Cash flows from financing activities:			
Government grants received, net of refund		1,520,728	1,480,340
Government grants received for endowment funds		188,505	353,239
Net funds received (paid) for funds and net assets managed on behalf of the Government Ministry		1,997	(1,060)
Repayment of lease liabilities		(22,263)	–
Interest paid		(17,673)	(16,371)
Proceeds from issue of fixed rate term loan	23	–	270,000
Fixed rate note repaid	23	(10,102)	(250,000)
Net cash inflow from financing activities		1,661,192	1,836,148
Net increase in cash and cash equivalents		9,147	32,293
Cash and cash equivalents at the beginning of the year		160,579	128,286
Cash and cash equivalents at the end of the year	19	169,726	160,579

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

1 GENERAL

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

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

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

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as of and for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Trustees on 12 August 2020.

2 SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

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

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

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

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 April 2019. 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 except as disclosed below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

FRS 116 Leases

FRS 116 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of FRS 116 on the Group's financial statements is described below.

The date of initial application of FRS 116 for the Group is 1 April 2019.

The Group has applied FRS 116 using the cumulative catch-up approach which:

- requires the Group to recognise the cumulative effect of initially applying FRS 116 as an adjustment to the opening balance of retained earnings at the date of initial application; and
- does not permit restatement of comparatives, which continue to be presented under FRS 17 and INT FRS 104.

(a) Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to FRS 116 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with FRS 17 and INT FRS 104 will continue to be applied to those leases entered or changed before 1 April 2019.

The change in definition of a lease mainly relates to the concept of control. FRS 116 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in FRS 17 and INT FRS 104.

The Group applies the definition of a lease and related guidance set out in FRS 116 to all lease contracts entered into or modified on or after 1 April 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in FRS 116 does not significantly change the scope of contracts that meet the definition of a lease for the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

(b) Impact on lessee accounting

Former operating leases

FRS 116 changes how the Group accounts for leases previously classified as operating leases under FRS 17, which were off-balance-sheet.

Applying FRS 116, for all leases, the Group:

- Recognises right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of the remaining lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with FRS 116. C8(b)(ii);
- Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income; and
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under FRS 17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under FRS 116, right-of-use assets are tested for impairment in accordance with FRS 36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes leases of copier and printer machines), the Group has opted to recognise a lease expense on a straight-line basis as permitted by FRS 116. This expense is presented within income or expenditure.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying FRS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use assets at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) BASIS OF ACCOUNTING (cont'd)

(c) Financial impact of initial application of FRS 116

The lessee’s incremental borrowing rates applied to the lease liabilities recognised in the statement of financial position of the Group on 1 April 2019 is 2.2%.

The following table shows the operating lease commitments disclosed applying FRS 17 as at 31 March 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial positon at the date of initial application.

	GROUP AND COMPANY
	S\$'000
Operating lease commitments at 31 March 2019	229
Leases previously not included	86,542
Less: Effect of discounting the above amounts	(4,563)
Lease liabilities recognised as at 1 April 2019	82,208

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

During the year, the Group’s leasehold land amounted to S\$244,587,000 have been reclassified to ‘right-of-use assets’ under FRS 116 at date of initial application as disclosed in Note 8.

(d) Impact on Lessor Accounting

FRS 116 does not change substantially how a lessor accounts for leases. Under FRS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

NEW/REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS NOT YET ADOPTED – At the date of authorisation of these financial statements, the following new/revised FRS relevant to the Group which are issued but not effective:

Effective for annual periods beginning on or after 1 April 2020

- Amendments to FRS 1 *Presentation of Financial Statements* and FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*
- Amendments to References to the Conceptual Framework in FRS Standards

Management anticipates that the adoption of the above amendments to FRSs in future periods will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) BASIS OF CONSOLIDATION

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

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

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

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

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

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

c) SUBSIDIARIES AND ASSOCIATES

i) Subsidiaries

A subsidiary is an investee that is controlled by the Company. The Company 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

ii) Associates

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) JOINT ARRANGEMENTS

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

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

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

Joint operations

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

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

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

e) FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through income or expenditure) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through income or expenditure are recognised immediately in income or expenditure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

i) Financial assets

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

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

Classification of financial assets

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

i) Financial assets (cont'd)

Amortised cost and effective interest method

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

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

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

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

Equity instruments designated as at FVTOCI

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

A financial asset is held for trading if:

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

i) Financial assets *(cont'd)*

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

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

Financial assets at FVTIE

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

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

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

Impairment of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

i) Financial assets *(cont'd)*

Impairment of financial assets *(cont'd)*

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

Significant increase in credit risk

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

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

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

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

Definition of default

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

i) Financial assets *(cont'd)*

Credit-impaired financial assets

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

Write-off policy

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

Measurement and recognition of expected credit losses

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

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

Derecognition of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) FINANCIAL INSTRUMENTS *(cont'd)*

ii) Cash and cash equivalents

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

iii) Financial liabilities

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

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

Creditors and accrued expenses

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

Fixed rate notes and term loan

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

Derivative financial instruments

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

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

Derecognition of financial liabilities

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

f) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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

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

g) REVENUE RECOGNITION

The Group recognises income from the following major sources:

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

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

Tuition and other fees

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

g) REVENUE RECOGNITION *(cont'd)*

Non-endowed donations

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

Rental income

Rental income is mainly from the rental of hostels and apartments and is recognised on a straight-line basis over the term of the relevant lease in accordance with FRS 116 *Leases*.

Dividend income

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

Interest income

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

h) BORROWING COST

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

i) GRANTS

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

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

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

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

Grants are accounted for on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) FUNDS

Designated General Funds

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

Endowment Funds

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

Other Restricted Funds

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

- (i) funds created from non-endowed donations for specific purposes; and
- (ii) external grants received from grantors as they are received for restricted purpose specified by grantors.

k) FIXED ASSETS AND DEPRECIATION

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

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

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

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

	No. of years
Leasehold land (before 1 April 2019)	30 to 90
Buildings	30
Leasehold improvements	10
Infrastructure	30 to 90
Equipment, furniture and fittings and library materials	3 to 10

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) FIXED ASSETS AND DEPRECIATION (cont'd)

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

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

l) INVESTMENT PROPERTIES

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs.

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

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income or expenditure in the year of retirement or disposal.

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

m) INTANGIBLE ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

m) INTANGIBLE ASSETS *(cont'd)*

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.

n) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

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

o) PROVISIONS

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

p) RETIREMENT BENEFIT COSTS

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

q) EMPLOYEE LEAVE ENTITLEMENT

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

r) INCOME TAX

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

r) INCOME TAX (cont'd)

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.

t) LEASES

Leases (before 1 April 2019)

The Group as lessee

Rentals payable under operating leases are charged to income or expenditure on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease (after 1 April 2019)

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate specific to the lessee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

t) LEASES (cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

t) LEASES *(cont'd)*

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(n).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use assets. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenditure' in the statement of comprehensive income.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

a) Key sources of estimation uncertainty

(i) Fair value estimation

The Group holds unquoted equity securities that are not traded in an active market. The Group has used the net asset value disclosed in the financial statements of the entities (as these pertain mainly to funds whose investments are stated at fair value) and external valuations as the fair value for these financial assets. The carrying amounts of these unquoted securities for Group and Company at the end of the reporting period were S\$6,882,723,000 (2019: S\$6,900,095,000) and S\$6,882,916,000 (2019: S\$6,897,947,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Financial Assets				
At FVTIE:				
Investments	10,059,710	9,647,005	10,059,710	9,647,005
Derivative financial instruments	6,888	3,137	6,888	3,137
Sub-total	10,066,598	9,650,142	10,066,598	9,650,142
Loans and receivables at amortised cost:				
– Debtors	685,212	611,221	676,246	606,037
– Student loans	4,884	5,932	4,884	5,932
– Fixed deposits	633	630	633	630
– Cash and bank balances	169,093	159,949	135,613	135,731
– Advances for investment in funds	–	54,180	–	54,180
– Deposits paid	691	1,069	691	887
– Long-term loan to subsidiary company	–	–	5,000	–
– Amounts owing from subsidiary companies	–	–	4	880
Sub-total	860,513	832,981	823,071	804,277
Investments at FVTOCI	2,204	5,303	1,596	2,673
Sub-total	2,204	5,303	1,596	2,673
Total	10,929,315	10,488,426	10,891,265	10,457,092
Financial Liabilities				
At FVTIE:				
Derivative financial instruments	90,211	11,710	90,211	11,710
Financial liabilities at amortised cost:				
– Creditors and accrued expenses	335,395	284,210	333,108	281,729
– Borrowings	1,009,898	1,020,000	1,009,898	1,020,000
– Amounts owing to subsidiary companies	–	–	28,294	28,031
Sub-total	1,345,293	1,304,210	1,371,300	1,329,760
Lease liabilities	59,945	–	59,945	–
Total	1,495,449	1,315,920	1,521,456	1,341,470

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

b) Financial risk management policies and objectives

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

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

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

During the year ended 31 March 2020, the Board of Trustees approved a long term risk tolerance in the management of the funds. The risk tolerance provides clarity on the investment risk to be assumed in the portfolio and ensures that any investment decision or deviation from the policy targets is consistent with the risk tolerance of the Board of Trustee. There has been no significant change to the Group's exposure to these financial risks.

(i) Market risk – price risk management

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

In respect of quoted and unquoted equity securities, a +/-5% change in investment value as at 31 March 2020 will result in a +/- S\$399,425,000 (2019: +/- S\$396,082,000) gain / loss in net surplus for the Group and Company. This analysis has been performed with all other variables constant.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

(ii) Interest rate risk management

The Group's investments are subject to interest rate risk as the Group invests in fixed income securities. 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 31 March 2020 will result in a +/- S\$106,584,000 (2019: +/- S\$46,717,000) loss / gain in net surplus for the Group and Company. Similarly this analysis was performed with all other variables constant. The correlation of the other variables has been assumed to be constant.

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

(iii) Foreign exchange risk management

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

a) Investments

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

	GROUP AND COMPANY			
	2020		2019	
	Investments at FVTIE S\$'000	Derivatives Financial Instruments S\$'000	Investments at FVTIE S\$'000	Derivatives Financial Instruments S\$'000
United States Dollars	6,926,777	2,884	6,302,208	(6,715)
Other Currencies	648,232	(4,710)	686,286	(1,858)

If the United States dollars were to change by 1% against the Singapore dollar, the Group's surplus will increase/decrease by S\$48,573,000 (2019: increase/decrease by S\$44,578,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

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

b) Other financial assets and financial liabilities

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

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

	GROUP				COMPANY			
	Assets		Liabilities		Assets		Liabilities	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
United States Dollars	135,457	81,862	990	1,150	134,769	80,710	979	1,120
Other foreign currencies	9,520	6,721	881	1,062	9,264	6,588	787	1,062

If the United States dollars were to change by 1% against the Singapore dollar, the Group’s and Company’s surplus will increase/decrease by S\$1,345,000 and S\$1,338,000 (2019: increase/decrease by S\$807,000 and S\$796,000 respectively).

(iv) Liquidity risk management

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

(iv) Liquidity risk management (cont'd)

a) Financial liabilities (excluding derivatives)

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

	Weighted average effective interest rate %	On demand or within 1 year S\$'000	Within 2 to 5 years S\$'000	After 5 years S\$'000	Total S\$'000
GROUP					
2020					
Non-interest bearing	–	335,395	–	–	335,395
Interest bearing	2.1	13,737	1,031,608	–	1,045,345
Lease liabilities	2.2	22,523	36,171	4,392	63,086
Total		371,655	1,067,779	4,392	1,443,826

2019					
Non-interest bearing	–	284,210	–	–	284,210
Interest bearing	2.1	16,019	1,033,982	–	1,050,001
Total		300,229	1,033,982	–	1,334,211

	Weighted average effective interest rate %	On demand or within 1 year S\$'000	Within 2 to 5 years S\$'000	After 5 years S\$'000	Total S\$'000
COMPANY					
2020					
Non-interest bearing	–	361,402	–	–	361,402
Interest bearing	2.1	13,737	1,031,608	–	1,045,345
Lease liabilities	2.2	22,523	36,171	4,392	63,086
Total		397,662	1,067,779	4,392	1,469,833

2019					
Non-interest bearing	–	309,760	–	–	309,760
Interest bearing	2.1	16,019	1,033,982	–	1,050,001
Total		325,779	1,033,982	–	1,359,761

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

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

(iv) Liquidity risk management (cont'd)

b) Financial assets (excluding derivatives)

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

GROUP	Weighted average effective interest rate %	On demand or within 1 year S\$'000	Within 2 to 5 years S\$'000	After 5 years S\$'000	Total S\$'000
2020					
Non-interest bearing	–	856,472	2,602	–	859,074
Fixed deposits	1.57	643	–	–	643
Overseas Student Programme loans	4.75	282	639	–	921
Investments at FVTIE	–	6,366,596	1,810,682	1,882,432	10,059,710
Investments at FVTOCI	–	2,153	–	51	2,204
Total		7,226,146	1,813,923	1,882,483	10,922,552
2019					
Non-interest bearing	–	828,230	3,368	–	831,598
Fixed deposits	1.54	640	–	–	640
Overseas Student Programme loans	4.75	280	578	–	858
Investments at FVTIE	–	6,282,754	1,482,064	1,882,187	9,647,005
Investments at FVTOCI	–	3,155	–	2,148	5,303
Total		7,115,059	1,486,010	1,884,335	10,485,404
COMPANY	Weighted average effective interest rate %	On demand or within 1 year S\$'000	Within 2 to 5 years S\$'000	After 5 years S\$'000	Total S\$'000
2020					
Non-interest bearing	–	814,030	7,602	–	821,632
Fixed deposits	1.57	643	–	–	643
Overseas Student Programme loans	4.75	282	639	–	921
Investments at FVTIE	–	6,366,596	1,810,682	1,882,432	10,059,710
Investments at FVTOCI	–	1,596	–	–	1,596
Total		7,183,147	1,818,923	1,882,432	10,884,502
2019					
Non-interest bearing	–	799,526	3,368	–	802,894
Fixed deposits	1.54	640	–	–	640
Overseas Student Programme loans	4.75	280	578	–	858
Investments at FVTIE	–	6,282,754	1,482,064	1,882,187	9,647,005
Investments at FVTOCI	–	2,673	–	–	2,673
Total		7,085,873	1,486,010	1,882,187	10,454,070

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

(iv) Liquidity risk management (cont'd)

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

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

c) Derivative financial instruments

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

GROUP AND COMPANY	On demand or within 1 year S\$'000
2020	
Forward foreign exchange contracts:	
Assets	2,327
Liabilities	(88,360)
Options:	
Assets	161
Liabilities	–
Futures:	
Assets	4,400
Liabilities	(1,851)
2019	
Forward foreign exchange contracts:	
Assets	2,423
Liabilities	(8,757)
Options:	
Assets	47
Liabilities	(30)
Futures:	
Assets	667
Liabilities	(2,923)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

(v) Counterparty and credit risk management

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

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

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

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

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

GROUP	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S\$’000	Loss allowance S\$’000	Net carrying amount S\$’000
2020						
Debtors	17	(i)	Lifetime ECL (simplified approach)	685,607	(395)	685,212
Student loans	15	(i)	Lifetime ECL (simplified approach)	4,899	(15)	4,884
Deposits paid	18	Performing	12-month ECL	691	–	691
					(410)	

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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)

GROUP	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S\$’000	Loss allowance S\$’000	Net carrying amount S\$’000
2019						
Debtors	17	(i)	Lifetime ECL (simplified approach)	611,525	(304)	611,221
Student loans	15	(i)	Lifetime ECL (simplified approach)	5,983	(51)	5,932
Deposits paid	18	Performing	12-month ECL	1,069	–	1,069
					(355)	
COMPANY	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S\$’000	Loss allowance S\$’000	Net carrying amount S\$’000
2020						
Debtors	17	(i)	Lifetime ECL (simplified approach)	676,637	(391)	676,246
Student loans	15	(i)	Lifetime ECL (simplified approach)	4,899	(15)	4,884
Deposits paid	18	Performing	12-month ECL	691	–	691
Amount owing from subsidiary companies	16	Performing	12-month ECL	4	–	4
					(406)	
2019						
Debtors	17	(i)	Lifetime ECL (simplified approach)	606,338	(301)	606,037
Student loans	15	(i)	Lifetime ECL (simplified approach)	5,983	(51)	5,932
Deposits paid	18	Performing	12-month ECL	887	–	887
Amount owing from subsidiary companies	16	Performing	12-month ECL	880	–	880
					(352)	

(i) For debtors and students loans, the Group and the Company has applied the simplified approach in FRS 9 to measure the loss allowance at lifetime ECL. The Group and the Company determine the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Notes 15 and 17 include further details on the loss allowance for these assets respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

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

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

Collateral held

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

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

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

	2020 S\$'000	2019 S\$'000
Fair value of collateral given out in the form of cash and Treasury Notes	69,611	–

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

(vi) Fair value of financial assets and liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

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

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

2020					
		Level 1	Level 2	Level 3	Total
GROUP	Note	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets:					
Investments at FVTOCI					
Equity securities		801	1,403	–	2,204
Sub-total	12	801	1,403	–	2,204
Investments at FVTIE					
Government bonds and debt securities		2,151,840	7,119	–	2,158,959
Equity securities		1,268,051	709,691	5,923,009	7,900,751
Sub-total	13	3,419,891	716,810	5,923,009	10,059,710
Derivative financial instruments					
Forward foreign exchange contracts		–	2,327	–	2,327
Options		161	–	–	161
Futures		4,400	–	–	4,400
Sub-total	14	4,561	2,327	–	6,888
Total		3,425,253	720,540	5,923,009	10,068,802
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(88,360)	–	(88,360)
Futures		(1,851)	–	–	(1,851)
Total	14	(1,851)	(88,360)	–	(90,211)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

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

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

2019					
		Level 1	Level 2	Level 3	Total
GROUP	Note	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets:					
Investments at FVTOCI					
Equity securities		482	2,113	2,708	5,303
Sub-total	12	482	2,113	2,708	5,303
Investments at FVTIE					
Government bonds and debt securities		1,787,172	–	–	1,787,172
Equity securities		1,258,030	754,973	5,846,830	7,859,833
Sub-total	13	3,045,202	754,973	5,846,830	9,647,005
Derivative financial instruments					
Forward foreign exchange contracts		–	2,423	–	2,423
Options		47	–	–	47
Futures		667	–	–	667
Sub-total	14	714	2,423	–	3,137
Total		3,046,398	759,509	5,849,538	9,655,445
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(8,757)	–	(8,757)
Options		(30)	–	–	(30)
Futures		(2,923)	–	–	(2,923)
Total	14	(2,953)	(8,757)	–	(11,710)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

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

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

2020					
COMPANY	Note	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Financial assets:					
Investments at FVTOCI					
Equity securities		–	1,596	–	1,596
Sub-total	12	–	1,596	–	1,596
Investments at FVTIE					
Government bonds and debt securities		2,151,840	7,119	–	2,158,959
Equity securities		1,268,051	709,691	5,923,009	7,900,751
Sub-total	13	3,419,891	716,810	5,923,009	10,059,710
Derivative financial instruments					
Forward foreign exchange contracts		–	2,327	–	2,327
Options		161	–	–	161
Futures		4,400	–	–	4,400
Sub-total	14	4,561	2,327	–	6,888
Total		3,424,452	720,733	5,923,009	10,068,194
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(88,360)	–	(88,360)
Futures		(1,851)	–	–	(1,851)
Total	14	(1,851)	(88,360)	–	(90,211)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

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

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

2019					
COMPANY	Note	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Financial assets:					
Investments at FVTOCI					
Equity securities		–	2,113	560	2,673
Sub-total	12	–	2,113	560	2,673
Investments at FVTIE					
Government bonds and debt securities		1,787,172	–	–	1,787,172
Equity securities		1,258,030	754,973	5,846,830	7,859,833
Sub-total	13	3,045,202	754,973	5,846,830	9,647,005
Derivative financial instruments					
Forward foreign exchange contracts		–	2,423	–	2,423
Options		47	–	–	47
Futures		667	–	–	667
Sub-total	14	714	2,423	–	3,137
Total		3,045,916	759,509	5,847,390	9,652,815
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(8,757)	–	(8,757)
Options		(30)	–	–	(30)
Futures		(2,923)	–	–	(2,923)
Total	14	(2,953)	(8,757)	–	(11,710)

The Group reviews its valuation policy yearly.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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

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

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

Movements of the Level 3 financial assets during the reporting period

	GROUP	COMPANY
	S\$'000	S\$'000
Fair value as at 1 April 2019	5,849,538	5,847,390
Total loss on sale – included in Income or Expenditure	(571)	(571)
Change in Fair Value – included in Income or Expenditure	(5,034)	(5,034)
Purchases during the year	1,429,695	1,429,451
Sales during the year	(1,350,619)	(1,348,227)
Fair value as at 31 March 2020	5,923,009	5,923,009
Fair value as at 1 April 2018	5,498,160	5,496,138
Total gain on sale – included in Income or Expenditure	24,536	24,536
Change in Fair Value – included in Income or Expenditure	264,423	263,965
Change in Fair Value – included in Other Comprehensive Income	(1,111)	(1,111)
Impairment loss	(508)	-
Purchases during the year	1,875,471	1,874,864
Sales during the year	(1,811,433)	(1,811,002)
Fair value as at 31 March 2019	5,849,538	5,847,390

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 25 and 26 and borrowings disclosed in Note 23. 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 2020 and 2019. The Group's overall strategy remains unchanged from 2019.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
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5 SUBSIDIARY COMPANIES

		COMPANY				
		2020	2019			
		S\$'000	S\$'000			
Unquoted equity shares at cost		228	228			
Impairment loss		(100)	(100)			
Carrying amount		128	128			
Name of company	Principal Activities	Country of incorporation (or registration) and operation	Share Capital S\$	Proportion of ownership interest and voting power held		
				2020	2019	
Singapore University Press Pte Ltd ^(a)	Publisher	Singapore	100,001	100%	100%	
NUS Technology Holdings Pte Ltd ^(a)	To carry out research and development, to own and exploit all forms of intellectual property interests and to engage in the acquisition, dissemination and transfer of technologies.	Singapore	2	100%	100%	
NUS High School of Mathematics and Science ^(a)	To promote and undertake the advancement of education, with particular emphasis on mathematics and science at secondary and junior college levels and to participate in schemes established to promote research, development and education, in particular in relation to mathematics and science and to a high school for that purpose.	Singapore	#	#	#	
NUS America, Inc ^(c)	This is a non-profit public benefit corporation organised under the Non-profit Public Corporation Law for public and charitable purposes. It performs the functions of or to carry out the purposes of the National University of Singapore.	United States of America	#	#	#	
Suzhou NUSRI Management Co Ltd ^(d)	To manage NUS Research Institute (Suzhou)	People's Republic of China	128,380	100%	100%	
Singapore International Mediation Institute Limited ^(a)	Set standards and provide accreditation for mediators	Singapore	#	#	#	
Graduate Investment Pte Ltd	Hold the investments arising from the Graduate Research Innovation Programme (GRIP) on behalf of NUS.	Singapore	10	100%	100%	

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5 SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal Activities	Country of incorporation (or registration) and operation	Share Capital S\$	Proportion of ownership interest and voting power held	
				2020	2019
Held by Subsidiaries					
NUS Press Pte Ltd ^(a)	Publishers	Singapore	100,000	100%	100%
NUS Ventures Pte Ltd ^(a)	Provide mentoring and financial support to startup companies.	Singapore	100,000	100%	100%
Shanghai NUS Enterprise Services Co Ltd ^(d)	Sourcing of student internship opportunities with Shanghai companies and developing increased research opportunities and forging closer partnerships.	People's Republic of China	237,440	100%	100%
KR Consulting Pte Ltd ^(a)	Provide consulting services	Singapore	1	100%	100%
Star Incubator Sdn Bhd ^{(b),(e)}	Management of incubator activities	Brunei Darussalam	100	100%	100%

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

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

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

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

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

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

6 ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Unquoted equity shares at cost	77,930	77,530	77,930	77,530
Share of post-acquisition profits, net of dividend received	82,405	62,233	–	–
Impairment loss	–	–	(12,640)	(11,412)
	160,335	139,763	65,290	66,118

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6 ASSOCIATED COMPANIES (cont'd)

Name of company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2020	2019
National University Health System Pte Ltd ^(a)	Clinical service, education and research	Singapore	33%	33%
InVivos Pte Ltd ^(a)	To carry on the business of an animal breeding centre and the provision of related services in support of biomedical research.	Singapore	25%	25%
Dwell Capital Ltd ^(a)	Investment holding in property companies	Singapore	25%	25%

(a) Audited by other auditors.

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

	2020 S\$'000	2019 S\$'000
Total assets	3,751,017	3,454,851
Total liabilities	(2,306,059)	(2,244,982)
Net assets	1,444,958	1,209,869
Total equity attributable to equity holders	506,413	416,808

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

	2020 S\$'000	2019 S\$'000
Profit after tax for the year	53,848	36,572
Other comprehensive income	–	–
Total comprehensive income	53,848	36,572

During the year ended 31 March 2020, the Group's share of results of associated companies are amounting to S\$20,172,000 (2019 : S\$7,741,000).

7 INVESTMENT IN JOINT OPERATION

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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8 FIXED ASSETS

GROUP

	Freehold Land S\$'000	Leasehold Land S\$'000	Buildings S\$'000	Leasehold Improvements S\$'000	Infrastructure S\$'000	Equipment, Furniture & Fittings, Library Materials S\$'000	Artifacts S\$'000	Capital Work-in- Progress S\$'000	Total S\$'000
COST									
At 1 April 2018	2,007	321,174	3,417,413	1,248,360	39,490	2,227,412	30,983	175,885	7,462,724
Additions	–	–	48,089	30,640	1,840	81,828	214	164,818	327,429
Transfers	–	–	71,023	27,380	–	17,731	–	(116,134)	–
Disposals	–	–	(1,178)	–	–	(329,119)	–	–	(330,297)
Cost adjustment	–	–	(120)	(609)	–	(2,808)	–	(237)	(3,774)
At 31 March 2019	2,007	321,174	3,535,227	1,305,771	41,330	1,995,044	31,197	224,332	7,456,082
Adoption of FRS 116 (Note 2)	–	(321,174)	–	–	–	–	–	–	(321,174)
At 1 April 2019 (restated)	2,007	–	3,535,227	1,305,771	41,330	1,995,044	31,197	224,332	7,134,908
Additions	–	–	41,590	32,664	–	92,229	161	162,834	329,478
Transfers	–	–	124,933	13,354	–	30,143	–	(168,430)	–
Disposals	–	–	(4,730)	(2,394)	–	(74,720)	–	–	(81,844)
Cost adjustment	–	–	(1)	(281)	–	(28,121)	(30)	(1,676)	(30,109)
At 31 March 2020	2,007	–	3,697,019	1,349,114	41,330	2,014,575	31,328	217,060	7,352,433
ACCUMULATED DEPRECIATION									
At 1 April 2018	–	70,436	1,386,063	777,828	4,758	1,745,843	–	–	3,984,928
Depreciation	–	6,151	101,921	86,441	713	153,116	–	–	348,342
Transfers	–	–	(40)	(1,422)	–	1,462	–	–	–
Disposals	–	–	(1,065)	–	–	(328,103)	–	–	(329,168)
Cost adjustment	–	–	(14)	(34)	–	(1,233)	–	–	(1,281)
At 31 March 2019	–	76,587	1,486,865	862,813	5,471	1,571,085	–	–	4,002,821
Adoption of FRS 116 (Note 2)	–	(76,587)	–	–	–	–	–	–	(76,587)
At 1 April 2019 (restated)	–	–	1,486,865	862,813	5,471	1,571,085	–	–	3,926,234
Depreciation	–	–	107,003	83,314	750	147,269	–	–	338,336
Transfers	–	–	(197)	(483)	–	680	–	–	–
Disposals	–	–	(4,424)	(2,214)	–	(72,061)	–	–	(78,699)
Cost adjustment	–	–	–	(30)	–	(20,331)	–	–	(20,361)
At 31 March 2020	–	–	1,589,247	943,400	6,221	1,626,642	–	–	4,165,510
CARRYING AMOUNT									
At 31 March 2020	2,007	–	2,107,772	405,714	35,109	387,933	31,328	217,060	3,186,923
At 1 April 2019 (Restated)	2,007	–	2,048,362	442,958	35,859	423,959	31,197	224,332	3,208,674
At 31 March 2019	2,007	244,587	2,048,362	442,958	35,859	423,959	31,197	224,332	3,453,261

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8 FIXED ASSETS (cont'd)

COMPANY

	Freehold Land S\$'000	Leasehold Land S\$'000	Buildings S\$'000	Leasehold Improvements S\$'000	Infrastructure S\$'000	Equipment, Furniture & Fittings, Library Materials S\$'000	Artifacts S\$'000	Capital Work-in- Progress S\$'000	Total S\$'000
COST									
At 1 April 2018	2,007	321,174	3,416,708	1,247,328	39,490	2,220,462	30,983	175,885	7,454,037
Additions	–	–	48,089	30,640	1,840	81,080	214	164,818	326,681
Transfers	–	–	71,023	27,380	–	17,731	–	(116,134)	–
Disposals	–	–	(1,178)	–	–	(329,092)	–	–	(330,270)
Cost adjustment	–	–	(120)	(609)	–	(2,808)	–	(237)	(3,774)
At 31 March 2019	2,007	321,174	3,534,522	1,304,739	41,330	1,987,373	31,197	224,332	7,446,674
Adoption of FRS 116 (Note 2)	–	(321,174)	–	–	–	–	–	–	(321,174)
At 1 April 2019 (restated)	2,007	–	3,534,522	1,304,739	41,330	1,987,373	31,197	224,332	7,125,500
Additions	–	–	41,590	32,618	–	92,110	161	162,587	329,066
Transfers	–	–	124,933	13,354	–	30,143	–	(168,430)	–
Disposals	–	–	(4,730)	(2,394)	–	(74,421)	–	–	(81,545)
Cost adjustment	–	–	(1)	(281)	–	(28,121)	(30)	(1,676)	(30,109)
At 31 March 2020	2,007	–	3,696,314	1,348,036	41,330	2,007,084	31,328	216,813	7,342,912
ACCUMULATED DEPRECIATION									
At 1 April 2018	–	70,436	1,385,769	777,085	4,758	1,740,248	–	–	3,978,296
Depreciation	–	6,151	101,898	86,338	713	152,638	–	–	347,738
Transfers	–	–	(40)	(1,422)	–	1,462	–	–	–
Disposals	–	–	(1,065)	–	–	(328,076)	–	–	(329,141)
Cost adjustment	–	–	(14)	(34)	–	(1,233)	–	–	(1,281)
At 31 March 2019	–	76,587	1,486,548	861,967	5,471	1,565,039	–	–	3,995,612
Adoption of FRS 116 (Note 2)	–	(76,587)	–	–	–	–	–	–	(76,587)
At 1 April 2019 (restated)	–	–	1,486,548	861,967	5,471	1,565,039	–	–	3,919,025
Depreciation	–	–	106,979	83,212	750	146,842	–	–	337,783
Transfers	–	–	(197)	(483)	–	680	–	–	–
Disposals	–	–	(4,424)	(2,214)	–	(71,808)	–	–	(78,446)
Cost adjustment	–	–	–	(30)	–	(20,331)	–	–	(20,361)
At 31 March 2020	–	–	1,588,906	942,452	6,221	1,620,422	–	–	4,158,001
CARRYING AMOUNT									
At 31 March 2020	2,007	–	2,107,408	405,584	35,109	386,662	31,328	216,813	3,184,911
At 1 April 2019 (Restated)	2,007	–	2,047,974	442,772	35,859	422,334	31,197	224,332	3,206,475
At 31 March 2019	2,007	244,587	2,047,974	442,772	35,859	422,334	31,197	224,332	3,451,062

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8 FIXED ASSETS (cont'd)

During the financial year, the Group acquired fixed assets amounting to S\$329,478,000 (2019: S\$327,429,000), out of which S\$327,303,000 (2019: S\$326,651,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

9 RIGHT-OF-USE ASSETS

GROUP AND COMPANY				
	Leasehold Land S\$'000	Properties S\$'000	Equipment S\$'000	Total S\$'000
COST				
At 1 April 2019 and 31 March 2020	321,174	66,323	15,885	403,382
ACCUMULATED AMORTISATION				
At 1 April 2019	76,587	–	–	76,587
Additions	6,151	15,815	6,655	28,621
At 31 March 2020	82,738	15,815	6,655	105,208
CARRYING AMOUNT				
At 31 March 2020	238,436	50,508	9,230	298,174

The Group leases several assets including leasehold land, properties and equipment. The average lease terms are 55 years for leasehold land, 4 years for properties and 2 years for equipment.

10 INVESTMENT PROPERTIES

GROUP AND COMPANY		
	2020 S\$'000	2019 S\$'000
Statements of Financial Position:		
At 1 April 2018		41,463
Fair value changes		3,406
At 31 March and 1 April 2019		44,869
Fair value changes		1,005
At 31 March 2020		45,874
Statements of Comprehensive Income:		
Rental income from investment properties:		
– Minimum lease payments	702	641
	702	641
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating expenses	202	189
	202	189

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10 INVESTMENT PROPERTIES (cont'd)

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

Valuation of investment properties

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

11 INTANGIBLE ASSETS

GROUP			
	Computer Software S\$'000	Purchased Curriculum S\$'000	Total S\$'000
COST			
At 1 April 2018	45,561	11,998	57,559
Additions	3,996	–	3,996
Disposals	(788)	–	(788)
Cost adjustment	(276)	–	(276)
At 31 March and 1 April 2019	48,493	11,998	60,491
Additions	4,867	–	4,867
Disposals	(671)	–	(671)
Cost adjustment	(8)	–	(8)
At 31 March 2020	52,681	11,998	64,679
ACCUMULATED AMORTISATION			
At 1 April 2018	34,954	11,960	46,914
Amortisation	3,672	24	3,696
Disposals	(725)	–	(725)
Cost adjustment	(46)	–	(46)
At 31 March and 1 April 2019	37,855	11,984	49,839
Amortisation	3,927	14	3,941
Disposals	(634)	–	(634)
Cost adjustment	–	–	–
At 31 March 2020	41,148	11,998	53,146
CARRYING AMOUNT			
At 31 March 2020	11,533	–	11,533
At 31 March 2019	10,638	14	10,652

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

11 INTANGIBLE ASSETS (cont'd)

COMPANY			
	Computer Software S\$'000	Purchased Curriculum S\$'000	Total S\$'000
COST			
At 1 April 2018	45,031	11,998	57,029
Additions	3,996	–	3,996
Disposals	(788)	–	(788)
Cost adjustment	(276)	–	(276)
At 31 March and 1 April 2019	47,963	11,998	59,961
Additions	4,867	–	4,867
Disposals	(671)	–	(671)
Cost adjustment	(8)	–	(8)
At 31 March 2020	52,151	11,998	64,149
ACCUMULATED AMORTISATION			
At 1 April 2018	34,425	11,960	46,385
Amortisation	3,671	24	3,695
Disposals	(725)	–	(725)
Cost adjustment	(46)	–	(46)
At 31 March and 1 April 2019	37,325	11,984	49,309
Amortisation	3,927	14	3,941
Disposals	(634)	–	(634)
Cost adjustment	–	–	–
At 31 March 2020	40,618	11,998	52,616
CARRYING AMOUNT			
At 31 March 2020	11,533	–	11,533
At 31 March 2019	10,638	14	10,652

Computer software includes computer software work-in-progress of S\$Nil (2019: S\$2,084,000) for the Group and Company, which amortisation is not provided for. The average remaining amortisation period of intangible assets is 2 years (2019: 2 years).

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

12 INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Investments at fair value through other comprehensive income (FVTOCI)				
AT FAIR VALUE				
Unquoted equity securities	1,403	4,821	1,596	2,673
Quoted equity securities	801	482	–	–
	2,204	5,303	1,596	2,673

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

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

	GROUP AND COMPANY	
	2020 S\$'000	2019 S\$'000
AT FAIR VALUE		
Quoted Government bonds	2,021,680	1,649,458
Quoted debt securities	137,279	137,714
Quoted equity securities	1,019,431	964,559
Unquoted equity securities	6,881,320	6,895,274
	10,059,710	9,647,005

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

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

Under the terms of certain limited partnership agreements, the Group is obligated to make capital contributions upon receiving capital call notices from the fund managers. As at 31 March 2020, the Group has unfunded commitments of S\$3,372,108,000 (2019: S\$2,812,811,000).

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

14 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY					
	2020			2019		
	Notional Amount S\$'000	Assets S\$'000	Liabilities S\$'000	Notional Amount S\$'000	Assets S\$'000	Liabilities S\$'000
Forward foreign exchange contracts	2,331,290	2,327	(88,360)	3,555,144	2,423	(8,757)
Options	312	161	–	94	47	(30)
Futures	258,679	4,400	(1,851)	353,031	667	(2,923)
	2,590,281	6,888	(90,211)	3,908,269	3,137	(11,710)

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

15 STUDENT LOANS

	GROUP AND COMPANY	
	2020 S\$'000	2019 S\$'000
Notebook computer loans ^(a)	110	169
Overseas student programme loans ^(b)	806	753
Student assistance loans and in-house student loans ^(c)	3,944	4,980
Other student loans ^(d)	24	30
	4,884	5,932
Represented by:		
Amount repayable within 12 months - current assets	1,745	2,078
Amount repayable after 12 months - non-current assets	3,139	3,854
	4,884	5,932

- (a) The interest-free notebook computer loans to students are repayable by monthly instalments, over periods of up to 2.5 years.
- (b) The overseas student programme loans are repayable by monthly instalments over periods of up to 5 years. The interest at 4.75% (2019: 4.75%) per annum is based on average prime rate of the 3 major local banks.
- (c) The student assistance loans and in-house student loans are interest-free and repayable by monthly instalments, over periods of up to 5 years.
- (d) The other student loans are interest-free and repayable by yearly instalments, over periods of up to 6 years.

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15 STUDENT LOANS *(cont'd)*

Secured assets

The student loans are unsecured.

Fair values

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

Credit risk

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

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

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

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

	GROUP AND COMPANY	
	Individually assessed Lifetime ECL credit-impaired	
	2020 S\$'000	2019 S\$'000
Balance as at 1 April	51	52
Amounts written off during the year	(36)	(31)
Amounts recovered during the year	(9)	(6)
Increase in loss allowance recognised in income or expenditure	9	36
Balance as at 31 March	15	51

NOTES TO THE FINANCIAL STATEMENTS
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16 LONG-TERM LOAN TO SUBSIDIARY COMPANY AND AMOUNTS OWING FROM/TO SUBSIDIARY COMPANIES

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

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

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

17 DEBTORS

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Grants receivable	500,729	518,983	496,178	516,763
Trade debtors	45,324	61,226	43,817	59,629
Receivables from sale of investments	109,686	6,061	109,686	6,061
Interest receivable	6,036	4,661	6,036	4,661
Others	23,437	20,290	20,529	18,923
	685,212	611,221	676,246	606,037

The average credit period of trade debtors is 30 days (2019: 30 days). No interest is charged on the trade receivables.

Loss allowance for trade debtors has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade debtors are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate. The Group has recognised a loss allowance of 4.05% (2019: 12.22%) against all receivables over 180 days past due because historical experience has indicated that there is reasonable assurance that receivables due are generally recoverable.

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

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

NOTES TO THE FINANCIAL STATEMENTS
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17 DEBTORS *(cont’d)*

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

- a) Ministries, Statutory Boards, Institutions of Higher Learning and Public Hospitals where receivables are mainly grants.
- b) Other debtors with a large number of small clients and trade debtors (including research grants, royalty income, recoverables and other miscellaneous income).

	GROUP					Total S\$'000
	Not past due S\$'000	< 3 months S\$'000	3 – 6 months S\$'000	6 – 12 months S\$'000	> 12 months S\$'000	
31 March 2020						
Public Sector, Statutory Boards, Institutions of Higher Learning and Public hospitals						
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	544,466	1,490	1,439	11,172	227	558,794
Others						
Expected credit loss rate	0.08%	0.78%	2.19%	4.05%	4.05%	
Estimated total gross carrying amount at default	122,607	1,838	680	778	515	126,418
Lifetime ECL	98	14	15	32	21	180
Individually assessed	–	–	–	–	215	215
Total loss allowance						395

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

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17 DEBTORS (cont'd)

	COMPANY					Total S\$'000
	Debtors – days past due					
	Not past due S\$'000	< 3 months S\$'000	3 – 6 months S\$'000	6 – 12 months S\$'000	> 12 months S\$'000	
31 March 2020						
Public Sector, Statutory Boards, Institutions of Higher Learning and Public hospitals						
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	539,915	1,490	1,439	11,172	227	554,243
Others						
Expected credit loss rate	0.08%	0.78%	2.19%	4.05%	4.05%	
Estimated total gross carrying amount at default	118,192	1,838	680	778	515	122,003
Lifetime ECL	94	14	15	32	21	176
Individually assessed	–	–	–	–	215	215
Total loss allowance						391

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

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17 DEBTORS (cont'd)

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

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Balance as at 1 April	304	663	301	663
Amounts written off during the year	(273)	(149)	(273)	(149)
Amounts recovered during the year	(2)	(241)	(2)	(241)
Increase in allowance recognised in income or expenditure	366	31	365	28
Balance as at 31 March	395	304	391	301

18 DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Non-financial assets	3,129	1,063	3,129	1,063
Prepayments for fixed assets	36,346	41,080	35,821	40,775
Other prepayments	39,475	42,143	38,950	41,838
Financial assets	691	1,069	691	887
Deposits paid	–	54,180	–	54,180
Advances for investment in funds	691	55,249	691	55,067
	40,166	97,392	39,641	96,905
Less: Prepayments for fixed assets and other prepayments (non-current assets)	(3,129)	(1,136)	(3,129)	(1,136)
Deposits and prepayments (current assets)	37,037	96,256	36,512	95,769

19 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Fixed deposits	633	630	633	630
Cash and bank balances	169,093	159,949	135,613	135,731
	169,726	160,579	136,246	136,361

a) Fixed Deposits

The effective interest rates of fixed deposits at the balance sheet date are between 1.49% to 1.64% (2019: 1.42% to 1.65%) per annum and for an average tenor of 11.08 months (2019: 12.02 months).

b) Cash and Bank Balances

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

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20 CREDITORS AND ACCRUED EXPENSES/PROVISIONS

a) Creditors and Accrued Expenses

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Creditors	102,723	56,741	101,664	55,426
Payable for purchase of investments	227	1,111	227	1,111
Accrued expenses	228,065	221,007	226,904	219,898
Deposits received	4,380	5,351	4,313	5,294
	335,395	284,210	333,108	281,729

The average credit period on purchases of goods is 30 days (2019: 30 days). No interest is charged on the creditors.

b) Provisions for Employee Leave Liability

Movement in the provisions for employee leave liability

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Balance as at 1 April	107,832	105,522	105,287	102,975
Increase in provisions recognised in income or expenditure	11,008	2,310	10,779	2,312
Balance as at 31 March	118,840	107,832	116,066	105,287

21 LEASE LIABILITIES

	GROUP AND COMPANY	
	2020 S\$'000	2019 S\$'000
Maturity analysis		
Within one year		22,523
Within second to fifth year inclusive		36,171
More than five years		4,392
		63,086
Less: Unearned interest		(3,141)
		59,945
Represented by:		
Current		21,404
Non-current		38,541
		59,945

The Group does not face significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

22 GRANTS RECEIVED IN ADVANCE/SINKING FUND

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Grants received in advance from				
– Government	236,693	206,969	231,020	201,804
– Others	122,691	103,414	126,955	106,961
	359,384	310,383	357,975	308,765
Sinking fund from				
– Government	125,884	99,294	125,884	99,294
	485,268	409,677	483,859	408,059
Represented by:				
Current				
Grants received in advance	359,384	310,383	357,975	308,765
Sinking fund	37,044	45,023	37,044	45,023
	396,428	355,406	395,019	353,788
Non-current				
Sinking fund	88,840	54,271	88,840	54,271

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

23 BORROWINGS

	GROUP AND COMPANY	
	2020 S\$'000	2019 S\$'000
a) Fixed rate term loan	259,898	270,000
b) Fixed rate notes	750,000	750,000
	1,009,898	1,020,000
Represented by:		
Amount due within 12 months – current liabilities	416,722	270,000
Amount due after 12 months – non-current liabilities	593,176	750,000
	1,009,898	1,020,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

23 BORROWINGS (cont'd)

a) Fixed Rate Term loan

	GROUP AND COMPANY	
	2020 S\$'000	2019 S\$'000
Fixed rate term loan	259,898	270,000
	259,898	270,000
Represented by:		
Amount due within 12 months – current liabilities	16,722	270,000
Amount due after 12 months – non-current liabilities	243,176	–
	259,898	270,000

On 13 February 2019, the Company drew down a S\$270,000,000 loan at 2.1% per annum to finance development projects under the debt-grant framework initiated by the Government, due 1 April 2019. On 1 April 2019, the Company converted the loan to a five-year fixed rate term loan bearing interest at 2.31% per annum. The revised repayment date will be 1 April 2024. During the year, S\$10,102,000 was repaid prior to the maturity date.

There was no significant difference between amortised cost and carrying amount of the loan.

			Loan Amount	Fair Value	Loan Amount	Fair Value
			2020 S\$'000	2020 S\$'000	2019 S\$'000	2019 S\$'000
Term Loan	Draw down date	Interest Rate				
Fixed rate term loan due 1 April 2019	13 February 2019	2.100%	–	–	270,000	270,000
Fixed rate term loan due 1 April 2024	1 April 2019	2.310%	259,898	259,898	–	–
			259,898	259,898	270,000	270,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

23 BORROWINGS (cont'd)

b) Fixed rate notes

	GROUP AND COMPANY	
	2020 S\$'000	2019 S\$'000
Fixed rate notes	750,000	750,000
	750,000	750,000
Represented by:		
Amount due within 12 months – current liabilities	400,000	–
Amount due after 12 months – non-current liabilities	350,000	750,000
	750,000	750,000

Under the Multicurrency Medium Term Note (MTN) programme to finance development projects under the debt-grant framework initiated by the Government, the Company has issued 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.

As at 31 March 2020, there are 3 fixed rate notes that have not been redeemed.

			Issued Amount	Fair Value	Issued Amount	Fair Value
			2020 S\$'000	2020 S\$'000	2019 S\$'000	2019 S\$'000
Fixed Rate Notes	Issue Date	Coupon				
Fixed rate note due 27 May 2020	27 May 2015	2.200%	400,000	400,428	400,000	399,936
Fixed rate note due 1 September 2021	1 September 2016	1.810%	100,000	100,013	100,000	99,015
Fixed rate note due 2 June 2022	2 June 2017	1.855%	250,000	248,715	250,000	245,950
			750,000	749,156	750,000	744,901

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

23 BORROWINGS (cont'd)

c) Reconciliation of liabilities arising from financing activities

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

GROUP				
	1 April 2019	Cash Flows	Non-Cash changes	31 March 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Term loan				
– Current	270,000	–	(253,278)	16,722
– Non-current	–	(10,102)	253,278	243,176
Fixed rate notes				
– Current	–	–	–	–
– Non-current	750,000	–	–	750,000
Lease liabilities	82,208	(22,263)	–	59,945
	1,102,208	(32,365)	–	1,069,843

	1 April 2018	Cash Flows	Non-Cash changes	31 March 2019
	S\$'000	S\$'000	S\$'000	S\$'000
Term loan				
– Current	–	270,000	–	270,000
Fixed rate notes				
– Current	250,000	(250,000)	–	–
– Non-current	750,000	–	–	750,000
	1,000,000	20,000	–	1,020,000

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

24 DEFERRED CAPITAL GRANTS

	GROUP		COMPANY	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed Assets				
Government				
Balance as at 1 April	1,347,828	1,454,768	1,346,442	1,453,882
Adoption of FRS 116 (Note 2)	(73,811)	–	(73,811)	–
Capital grants utilised during the year	106,313	106,407	106,313	106,407
Amount transferred from operating grants (Note 35)	37,351	35,855	36,988	35,110
	1,417,681	1,597,030	1,415,932	1,595,399
Deferred capital grants amortised	(253,064)	(249,202)	(252,843)	(248,957)
Balance as at 31 March	1,164,617	1,347,828	1,163,089	1,346,442
Others				
Balance as at 1 April	423,026	425,023	422,272	423,958
Capital grants utilised during the year and donated assets	15,797	23,885	15,797	23,885
Amount transferred from operating grants (Note 35)	14,992	12,470	14,992	12,470
	453,815	461,378	453,061	460,313
Deferred capital grants amortised	(37,255)	(38,352)	(36,968)	(38,041)
Balance as at 31 March	416,560	423,026	416,093	422,272
Total deferred capital grants balance for fixed assets as at 31 March	1,581,177	1,770,854	1,579,182	1,768,714
Intangible Assets				
Government				
Balance as at 1 April	6,533	5,542	6,533	5,542
Capital grants utilised during the year	1,065	1,245	1,065	1,245
Amount transferred from operating grants (Note 35)	2,167	2,345	2,167	2,345
	9,765	9,132	9,765	9,132
Deferred capital grants amortised	(2,816)	(2,599)	(2,816)	(2,599)
Balance as at 31 March	6,949	6,533	6,949	6,533
Others				
Balance as at 1 April	764	1,084	764	1,084
Amount transferred from operating grants (Note 35)	186	199	186	199
	950	1,283	950	1,283
Deferred capital grants amortised	(465)	(519)	(465)	(519)
Balance as at 31 March	485	764	485	764
Total deferred capital grants balance for intangible assets as at 31 March	7,434	7,297	7,434	7,297
Right-of-Use Assets				
Government				
Balance as at 1 April	–	–	–	–
Adoption of FRS 116 (Note 2)	73,811	–	73,811	–
Capital grants utilised during the year	70,965	–	70,965	–
	144,776	–	144,776	–
Deferred capital grants amortised	(18,229)	–	(18,229)	–
Balance as at 31 March	126,547	–	126,547	–
Fixed Assets, Intangible Assets and Right-of-Use Assets				
Balance as at 1 April	1,778,151	1,886,417	1,776,011	1,884,466
Capital grants utilised during the year and donated assets	194,140	131,537	194,140	131,537
Amount transferred from operating grants (Note 35)	54,696	50,869	54,333	50,124
	2,026,987	2,068,823	2,024,484	2,066,127
Deferred capital grants amortised	(311,829)	(290,672)	(311,321)	(290,116)
Balance as at 31 March	1,715,158	1,778,151	1,713,163	1,776,011

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
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25 ACCUMULATED SURPLUS, FAIR VALUE RESERVE, REVALUATION RESERVE AND TRANSLATION RESERVE

Accumulated Surplus

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

		GROUP		COMPANY	
	Note	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Accumulated Surplus for Designated General Funds					
Funds allocated for planned operational activities of faculties, departments and halls of residences		2,703,422	2,606,092	2,568,672	2,501,778
Funds utilised to acquire assets, which will be amortised to match future depreciation when assets are put into use		522,355	499,098	522,355	499,098
From non-endowed donations	26	131	134	–	–
		3,225,908	3,105,324	3,091,027	3,000,876
Accumulated Surplus for Other Restricted Funds					
From non-endowed donations (restricted expendable gifts that can only be used for purposes specified by donors)	26	1,040,792	954,981	1,040,792	954,981
		1,040,792	954,981	1,040,792	954,981
Total Accumulated Surplus		4,266,700	4,060,305	4,131,819	3,955,857

Fair Value Reserve

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

Revaluation Reserve

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

Translation Reserve

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26 ENDOWMENT FUNDS AND NON-ENDOWED DONATIONS

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

During the financial year, total donations received by the Group and the Company amounted to S\$180,322,000 (2019: S\$261,363,000) and S\$180,315,000 (2019: S\$261,361,000) respectively, of which S\$180,315,000 (2019: S\$261,362,000) of the Group and S\$180,315,000 (2019: S\$261,361,000) of the Company are tax-deductible. Of the total donations received, S\$30,215,000 (2019: S\$47,387,000) for the Group and the Company represent endowed donations while the balance represents non-endowed donations. Endowed donations received are recognised directly to the endowment capital. The non-endowed donations are received for specific purposes and cannot be used towards the general operating expenses of the Group and Company.

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NOTES TO THE FINANCIAL STATEMENTS
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26 ENDOWMENT FUNDS AND NON-ENDOWED DONATIONS (cont'd)

GROUP		2020			2019		
		Endowed Funds	Non-endowed Donations	Total	Endowed Funds	Non-endowed Donations	Total
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Accumulated Surplus							
Designated General Funds	25	–	131	131	–	134	134
Other Restricted Funds	25	–	1,040,792	1,040,792	–	954,981	954,981
		–	1,040,923	1,040,923	–	955,115	955,115
Net Income from Endowment Funds							
Unrestricted		643,058	–	643,058	668,425	–	668,425
Restricted		1,203,972	–	1,203,972	1,309,339	–	1,309,339
		1,847,030	–	1,847,030	1,977,764	–	1,977,764
Endowment Capital							
Unrestricted		825,948	–	825,948	770,138	–	770,138
Restricted		3,793,843	–	3,793,843	3,627,380	–	3,627,380
		4,619,791	–	4,619,791	4,397,518	–	4,397,518
		6,466,821	1,040,923	7,507,744	6,375,282	955,115	7,330,397
Represented by:							
Non-Current Assets							
Associated Companies		83,423	–	83,423	81,138	–	81,138
Fixed assets		32,739	323,008	355,747	34,222	336,952	371,174
Student loans		–	1,564	1,564	–	1,574	1,574
		116,162	324,572	440,734	115,360	338,526	453,886
Current Assets							
Debtors		159,303	–	159,303	154,993	–	154,993
Investments at fair value through income or expenditure		6,250,790	923,336	7,174,126	6,106,611	833,519	6,940,130
Derivative financial instruments		6,888	–	6,888	3,137	–	3,137
Cash and cash equivalents		32,255	131	32,386	14,778	134	14,912
		6,449,236	923,467	7,372,703	6,279,519	833,653	7,113,172
Total Assets		6,565,398	1,248,039	7,813,437	6,394,879	1,172,179	7,567,058
Current Liabilities							
Creditors and accrued expenses		8,366	–	8,366	7,887	–	7,887
Derivative financial instruments		90,211	–	90,211	11,710	–	11,710
		98,577	–	98,577	19,597	–	19,597
Non-Current Liability							
Deferred capital grants		–	207,116	207,116	–	217,064	217,064
Total Liabilities		98,577	207,116	305,693	19,597	217,064	236,661
Net Assets		6,466,821	1,040,923	7,507,744	6,375,282	955,115	7,330,397

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

GROUP		2020			2019		
		Endowed Funds	Non-endowed Donations	Total	Endowed Funds	Non-endowed Donations	Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Net Income from Endowment Funds/							
Accumulated Surplus:							
Balance as at 1 April		1,977,764	955,115	2,932,879	1,839,956	792,726	2,632,682
Net tuition and other fees		(29,105)	(3,407)	(32,512)	(25,920)	(3,027)	(28,947)
Donations received (Note 37)		–	150,107	150,107	–	213,976	213,976
Donated artifacts additions		–	411	411	–	513	513
Net investment income (including change in fair value of investment held for trading)		74,212	8,244	82,456	301,160	19,991	321,151
Other operating income		9	77	86	31	80	111
Expenditure on manpower		(76,150)	(21,331)	(97,481)	(67,655)	(20,424)	(88,079)
Depreciation		(5,053)	(6,757)	(11,810)	(4,564)	(6,971)	(11,535)
Other operating expenditure		(91,655)	(41,536)	(133,191)	(67,987)	(41,749)	(109,736)
Share of results of associated company		2,285	–	2,285	5,133	–	5,133
Amount transferred to endowment capital ^(a)		(5,277)	–	(5,277)	(2,390)	–	(2,390)
Balance as at 31 March		1,847,030	1,040,923	2,887,953	1,977,764	955,115	2,932,879
Endowment Capital:							
Balance as at 1 April		4,397,518	–	4,397,518	4,077,118	–	4,077,118
Matching grants received/accrued		186,781	–	186,781	270,623	–	270,623
Donations received		30,215	–	30,215	47,387	–	47,387
Amount transferred from Net Income ^(a)		5,277	–	5,277	2,390	–	2,390
Balance as at 31 March		4,619,791	–	4,619,791	4,397,518	–	4,397,518
Balance as at 31 March		6,466,821	1,040,923	7,507,744	6,375,282	955,115	7,330,397

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NOTES TO THE FINANCIAL STATEMENTS
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26 ENDOWMENT FUNDS AND NON-ENDOWED DONATIONS (cont'd)

COMPANY		2020			2019		
		Endowed Funds	Non-endowed Donations	Total	Endowed Funds	Non-endowed Donations	Total
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Accumulated Surplus							
(Other Restricted Funds)	25	–	1,040,792	1,040,792	–	954,981	954,981
Net Income from Endowment Funds							
Unrestricted		643,058	–	643,058	668,425	–	668,425
Restricted		1,180,287	–	1,180,287	1,287,939	–	1,287,939
		1,823,345	–	1,823,345	1,956,364	–	1,956,364
Endowment Capital							
Unrestricted		825,516	–	825,516	769,706	–	769,706
Restricted		3,793,843	–	3,793,843	3,627,380	–	3,627,380
		4,619,359	–	4,619,359	4,397,086	–	4,397,086
		6,442,704	1,040,792	7,483,496	6,353,450	954,981	7,308,431
Represented by:							
Non-Current Assets							
Associated Companies		59,738	–	59,738	59,738	–	59,738
Fixed assets		32,739	323,008	355,747	34,222	336,952	371,174
Student loans		–	1,564	1,564	–	1,574	1,574
		92,477	324,572	417,049	93,960	338,526	432,486
Current Assets							
Debtors		159,303	–	159,303	154,993	–	154,993
Investments at fair value through income or expenditure		6,250,790	923,336	7,174,126	6,106,611	833,519	6,940,130
Derivative financial instruments		6,888	–	6,888	3,137	–	3,137
Cash and cash equivalents		31,823	–	31,823	14,346	–	14,346
		6,448,804	923,336	7,372,140	6,279,087	833,519	7,112,606
Total Assets		6,541,281	1,247,908	7,789,189	6,373,047	1,172,045	7,545,092
Current Liabilities							
Creditors and accrued expenses		8,366	–	8,366	7,887	–	7,887
Derivative financial instruments		90,211	–	90,211	11,710	–	11,710
		98,577	–	98,577	19,597	–	19,597
Non-Current Liability							
Deferred capital grants		–	207,116	207,116	–	217,064	217,064
Total Liabilities		98,577	207,116	305,693	19,597	217,064	236,661
Net Assets		6,442,704	1,040,792	7,483,496	6,353,450	954,981	7,308,431

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

COMPANY		2020			2019		
		Endowed Funds	Non-endowed Donations	Total	Endowed Funds	Non-endowed Donations	Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Net Income from Endowment Funds/							
Accumulated Surplus:							
Balance as at 1 April		1,956,364	954,981	2,911,345	1,823,689	792,594	2,616,283
Net tuition and other fees		(29,105)	(3,407)	(32,512)	(25,920)	(3,027)	(28,947)
Donations received (Note 37)		–	150,100	150,100	–	213,974	213,974
Donated artifacts additions		–	411	411	–	513	513
Net investment income (including change in fair value of investment held for trading)		74,212	8,244	82,456	301,160	19,991	321,151
Other operating income		9	77	86	31	80	111
Expenditure on manpower		(76,150)	(21,331)	(97,481)	(67,655)	(20,424)	(88,079)
Depreciation		(5,053)	(6,757)	(11,810)	(4,564)	(6,971)	(11,535)
Other operating expenditure		(91,655)	(41,526)	(133,181)	(67,987)	(41,749)	(109,736)
Amount transferred to endowment capital ^(a)		(5,277)	–	(5,277)	(2,390)	–	(2,390)
Balance as at 31 March		1,823,345	1,040,792	2,864,137	1,956,364	954,981	2,911,345
Endowment Capital:							
Balance as at 1 April		4,397,086	–	4,397,086	4,076,686	–	4,076,686
Matching grants received/accrued		186,781	–	186,781	270,623	–	270,623
Donations received		30,215	–	30,215	47,387	–	47,387
Amount transferred from Net Income ^(a)		5,277	–	5,277	2,390	–	2,390
Balance as at 31 March		4,619,359	–	4,619,359	4,397,086	–	4,397,086
Balance as at 31 March		6,442,704	1,040,792	7,483,496	6,353,450	954,981	7,308,431

(a) This represents mainly capitalisation of surplus funds.

NOTES TO THE FINANCIAL STATEMENTS
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27 FUNDS MANAGED ON BEHALF OF THE GOVERNMENT MINISTRY

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

	GROUP AND COMPANY	
	2020	2019
	S\$'000	S\$'000
Funds from the Government Ministry:		
Balance as at 1 April	305,669	305,456
Cash received	90,452	86,737
Interest income received on behalf of the Government Ministry	4,107	4,328
Repayments	(88,022)	(85,641)
Bad debts incurred	(688)	(883)
Interest income transferred to the Government Ministry	(4,107)	(4,328)
	307,411	305,669
Represented by:		
Student loans – TFL, SL and OSP	307,955	307,522
Net assets	307,955	307,522
Amount receivable from the Government Ministry	(544)	(1,853)
	307,411	305,669

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

	GROUP AND COMPANY					
	2020			2019		
	Designated General Funds	Endowment Funds	Other Restricted Funds	Designated General Funds	Endowment Funds	Other Restricted Funds
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Inter-fund transactions between Designated General Funds, Endowment Funds and Other Restricted Funds ^(a)	30,428	(3,305)	(27,123)	27,166	(2,853)	(24,313)
Transfer between Designated General Funds, Endowment Funds and Other Restricted Funds ^(b)	85,678	1,183	(86,861)	67,413	423	(67,836)
	116,106	(2,122)	(113,984)	94,579	(2,430)	(92,149)

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

29 TUITION AND OTHER FEES

	GROUP		COMPANY	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services				
Tuition fees	534,550	508,481	528,639	502,918
Other fees	21,443	15,601	21,443	15,601
	555,993	524,082	550,082	518,519
Less: Scholarship expenses	(98,888)	(102,614)	(97,006)	(100,719)
	457,105	421,468	453,076	417,800
Timing of income recognition				
At a point in time	14,728	9,439	14,728	9,439
Over time	442,377	412,029	438,348	408,361
	457,105	421,468	453,076	417,800

Tuition and other fees are mainly generated in Singapore.

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

	GROUP		COMPANY	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services				
Tuition fees	87,687	91,448	87,654	91,394
	87,687	91,448	87,654	91,394

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31 March 2020 will be recognised as revenue during the next reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

30 OTHER INCOME

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Donations received	150,107	213,976	150,100	213,974
Rental income and student hostel residential fees	100,776	99,266	98,404	96,835
Rental income from investment properties (Note 10)	702	641	702	641
Courses and conference fees	55,716	51,429	55,418	51,088
Clinical fees/consultancy fees	13,983	15,307	13,983	15,307
Gain from change in fair value of investment property	1,005	3,406	1,005	3,406
Jobs credit received	3,469	4,774	3,469	4,770
Proceeds from insurers	335	610	335	610
Sponsorships received	12,705	6,896	12,343	6,867
Others	62,479	60,436	60,618	59,543
	401,277	456,741	396,377	453,041
Timing of income recognition				
At a point in time:	230,100	290,098	227,870	289,170
Over time:	171,177	166,643	168,507	163,871
	401,277	456,741	396,377	453,041

31 EXPENDITURE ON MANPOWER

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Wages and salaries	1,281,243	1,247,435	1,260,755	1,226,178
Employer's contribution to Central Provident Funds	101,470	99,201	99,633	97,353
Other staff benefits	39,208	31,628	38,785	31,081
	1,421,921	1,378,264	1,399,173	1,354,612

32 KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for twenty-three (2019: twenty-two) key management personnel (includes the remuneration of two executive trustees) are as follows:

	GROUP AND COMPANY	
	2020 S\$'000	2019 S\$'000
Short-term benefits	16,361	17,228
Post-employment benefits	234	267
	16,595	17,495

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33 NET INVESTMENT INCOME

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Interest income	29,168	21,921	28,812	20,723
Dividend income	93,785	86,005	91,816	85,647
Net gain on sale of investments at FVTIE	69,152	39,454	69,152	39,454
Net foreign currency exchange losses	(28,816)	(3,108)	(28,816)	(3,108)
Change in fair value of investments at FVTIE due to foreign currency changes	266,209	52,414	266,209	52,414
	237,393	49,306	237,393	49,306
Change in fair value of investments at FVTIE due to price change	(314,930)	204,608	(314,930)	204,608
	114,568	401,294	112,243	399,738
Represented by:				
Net operating Investment Income	285,963	313,251	283,638	311,695
Non-operating Investment (loss) Income	(171,395)	88,043	(171,395)	88,043
	114,568	401,294	112,243	399,738

For more meaningful presentation of the finances of the Group, net investment income is split into operating and non-operating investment income. Operating investment income consists of investment income of endowment funds as defined by the Group's endowment spending rule, and investment income of other funds. Non-operating investment (loss)/income represents the (deficit)/surplus after accounting for the spending rule of endowment funds.

34 DEFICIT BEFORE GRANTS

This is arrived at after taking in:

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Bad debts and loss allowance	1,026	528	1,026	528
Rental expenses	9,761	9,049	9,761	8,401
Borrowing costs expensed off ^(a)	19,132	15,821	19,132	15,821
Loss on disposal of fixed and intangible assets	2,600	373	2,554	373
Research and development costs	700,315	694,860	700,315	694,860
(a) Borrowing costs incurred during the year is analysed as follows:				
Interest on short-term loan	–	730	–	730
Interest on fixed rate notes	15,289	18,968	15,289	18,968
Interest on fixed rate term loan	6,223	–	6,223	–
Interest on lease liabilities	1,422	–	1,422	–
Less : amounts included in cost of qualifying fixed assets	(3,802)	(3,877)	(3,802)	(3,877)
Borrowing costs expensed off	19,132	15,821	19,132	15,821

During the year ended 31 March 2020, interest cost of the Group amounting to S\$3,802,000 (2019: S\$3,877,000) was capitalised as capital work-in-progress and is determined using a capitalisation rate of 2.1% (2019: 2.0%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

35 OPERATING GRANTS

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
(a) Operating Grants (Government)				
Operating grants utilised during the year	1,366,278	1,451,226	1,340,676	1,425,813
Amount transferred to deferred capital grants (Note 24)	(110,483)	(38,200)	(110,120)	(37,455)
	1,255,795	1,413,026	1,230,556	1,388,358
(b) Operating Grants (Others)				
Operating grants utilised during the year	270,289	231,620	269,020	230,444
Amount transferred to deferred capital grants (Note 24)	(15,178)	(12,669)	(15,178)	(12,669)
	255,111	218,951	253,842	217,775

36 INCOME TAX

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 17% (2019: 17%) to surplus before income tax as a result of the following differences:

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Surplus for the year before income tax (including non-operating investment income)	80,635	570,540	47,917	546,598
Income tax expense calculated at statutory tax rate	13,713	96,992	8,146	92,922
Income not subject to tax	(8,890)	(95,570)	(8,146)	(92,922)
Tax effect of share of results of associates	(4,132)	(1,585)	–	–
Others	(663)	169	–	–
	28	6	–	–

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

37 SURPLUS FOR THE YEAR

The surplus for the year in the Statement of Comprehensive Income of the Group and Company of S\$80,635,000 (2019: S\$570,534,000) and S\$47,917,000 (2019: S\$546,598,000) respectively includes the following:

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Non-endowed donations (Note 26)	150,107	213,976	150,100	213,974
Net investment income (include change in fair value of investment) (Note 33)	114,568	401,294	112,243	399,738
	264,675	615,270	262,343	613,712

38 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	
	2020 S\$'000	2019 S\$'000
Authorised and contracted for	392,676	378,883

On 27 July 2018, the Company committed to make an investment of S\$1,300,000 in its associated company, InVivos Pte Ltd (InVivos) to fund InVivos’s continued operations. As at 31 March 2020, a total investment of S\$400,000 (2019: S\$Nil) has been made and there is an outstanding commitment of S\$900,000 (2019: S\$1,300,000).

On 24 April 2019, the Company committed to provide an interest free convertible shareholders’ loan of S\$25,000,000 to its subsidiary, Graduate Investment Pte Ltd (GIPL). As at 31 March 2020, a total investment of S\$5,000,000 (2019: S\$Nil) has been made and there is an outstanding commitment of S\$20,000,000 (2019: S\$Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

38 COMMITMENTS (cont'd)

b) Operating Lease Commitments – as Lessee

As at 31 March 2020, the Group and Company is committed to S\$2,745,000 for short term leases.

Previous accounting policy for leases under FRS 17 (before 1 April 2019)

As at 31 March 2019, the Group and Company had outstanding commitments under non-cancellable operating leases, which fall due as follows:

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

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

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

Operating lease payments represent rentals payable by the Group for certain office properties which are fixed for an average of 2 years as at 31 March 2019.

c) Operating Lease Commitments – as Lessor

As 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	
	2020 S\$'000
Maturity analysis	
Within one year	4,170
Within second to fifth year inclusive	5,879
	10,049

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

38 COMMITMENTS (cont'd)

c) Operating Lease Commitments – as Lessor (cont'd)

Previous accounting policy for leases under FRS 17 (before 1 April 2019)

As at 31 March 2019, the Group and Company had outstanding commitments under non-cancellable operating leases for the rental of premises, which fall due as follows:

GROUP AND COMPANY	
	2019 S\$'000
Future minimum lease payments receivable:	
Within one year	4,016
After one year	6,754
	10,770

Operating lease payments represent rentals receivable by the Group for rental of premises with remaining lease terms ranging from 1 to 6 years as at 31 March 2019.

39 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39 RELATED PARTIES TRANSACTIONS (cont'd)

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

	GROUP		COMPANY	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Government-controlled enterprises and companies within the Group				
Balances				
Debtors	503,079	540,327	498,146	537,724
Amount owing by subsidiary companies	–	–	4	880
Long-term loan to subsidiary company	–	–	5,000	–
Creditors and accrued expenses	761	1,277	761	1,277
Amount owing to subsidiary company	–	–	28,294	28,031
Deferred capital grants	1,411,307	1,456,044	1,409,876	1,454,700
Grants received in advance	334,075	374,049	328,389	368,978
Transactions				
Endowed donations	463	512	463	512
Non-endowed donations	74,319	141,385	74,319	141,385
Other income	23,763	23,131	23,873	23,131
Other operating expenditure	98,125	90,905	101,164	90,905
Operating/capital grants received	2,085,026	2,094,985	2,058,831	2,070,617
Corporations in which trustees have the ability to control or exercise significant influence (including donations received from trustees)				
Balances				
Debtors	394	195	394	195
Creditors and accrued expenses	33	77	33	77
Transactions				
Endowed donations	137	9,587	137	9,587
Non-endowed donations	439	34,428	439	34,428
Other income	4,785	3,460	4,785	3,460
Other operating expenditure	702	1,070	702	1,070
Operating/capital grants received	288	134	288	134

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

40 FUNDS HELD IN TRUST

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

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

Separate bank account has been set up to account for funds under the Foundation. The Group will maintain the bank balance and make payments on behalf of the Foundation. As at the reporting period ended 31 March 2020, the fund balance held in trust by the Group is S\$4,305 (2019: S\$3,275).

41 EVENT OCCURRING AFTER THE REPORTING PERIOD

- a) Subsequent to year-end, on 27 May 2020, the Company fully paid the S\$400,000,000 5-year fixed rate notes. On 3 June 2020, the Company issued its inaugural S\$300,000,000 10-year Green Bond, at a fixed coupon rate of 1.565% per annum. The fixed rate note will mature on 3 June 2030.
- b) The Coronavirus Disease (COVID-19) outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects. The Circuit Breaker (“CB”) measures in Singapore started on 7 April 2020 and businesses which are deemed non-essential have to halt operations. There is minimal disruption to the Group as staff are working from home and classes are moved to e-learning during CB period. The Singapore government has put in place schemes to help enterprises deal with financial difficulties caused by the pandemic. The Group is working on Resilience and Growth Initiatives with the support from government grant to assist the affected students and graduating students.

As a result of the volatility in the markets globally, the Group expects its investments to be affected somewhat. As the situation is still fluid and rapidly evolving, the Group does not consider it practical to provide quantification or estimate of its potential impact to the Group. Management is monitoring the situation closely and will review its financial strategies in order to manage the financial impact to the Group. The Group has taken measures to sustain its operations, such as setting up of a Risk Mitigation Fund under the Endowment Funds to cushion the impact of market volatility, and its investment policy to maintain a reasonable liquidity profile of its investments to meet contingent capital or funding requirements.

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