

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

(INCORPORATED IN SINGAPORE, REGISTRATION NUMBER: 200604346E)

FULL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014



TRUSTEES' REPORT
AND CONSOLIDATED
FINANCIAL STATEMENTS
For the financial year ended 31 March 2014

CONTENTS

Report of the Trustees	2 - 3	Statement by Trustees	4	Independent Auditor's Report	5 - 6
Statements of Financial Position	7 - 8	Statements of Comprehensive Income	9		
Statements of Changes in Funds and Reserves	10 - 11	Consolidated Statement of Cash Flows	12 - 13		
Notes to the Financial Statements	14 - 83				

REPORT OF THE TRUSTEES

The Board of Trustees are pleased to present their report to the members together with the audited consolidated financial statements of the National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group") and statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as of and for the financial year ended 31 March 2014.

TRUSTEES

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

Mr Wong Ngit Liong - Chairman	Mr Goh Yew Lin	Mr Paul Ma Kah Woh
Professor Tan Chorh Chuan	Mr Han Fook Kwang	Mr Neo Kian Hong
Mr Hans-Dieter Bott	Dr Noeleen Heyzer	Professor Saw Swee Hock
Ms Chan Chia Lin	Mr Peter Ho Hak Ean	Mr Davinder Singh
Ambassador Chan Heng Chee	Professor Olaf Kubler	Mr Phillip Tan Eng Seong
Dr Cheong Koon Hean	Mdm Kay Kuok Oon Kwong	Mr Abdullah Tarmugi
Ms Chong Siak Ching	Mr Michael Lien Jown Leam	Dr Teh Kok Peng
Mr Lucas Chow Wing Keung	Mr Andrew Lim Ming-Hui	Ms Elaine Yew Wen Suen <i>(Appointed 1 April 2014)</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.

REPORT OF THE TRUSTEES

TRUSTEES' INTERESTS IN SHARES OR DEBENTURES

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

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


TRUSTEES CONTRACTUAL BENEFITS

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

AUDITOR

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

On behalf of the Trustees



MR WONG NGIT LIONG

Trustee



PROFESSOR TAN CHORH CHUAN

Trustee

18 July 2014

STATEMENT BY TRUSTEES

In the opinion of the Trustees,

- a. the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as set out on pages 7 to 83 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014, and of the results, changes in funds and reserves of the Group and the Company and cash flows of the Group for the financial year from 1 April 2013 to 31 March 2014; and
- b. at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

On behalf of the Trustees



MR WONG NGIT LIONG
Trustee



PROFESSOR TAN CHORH CHUAN
Trustee

18 July 2014

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group") on pages 7 to 83, which comprise the statements of financial position of the Group and the Company as at 31 March 2014, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Company and consolidated statement of cash flows of the Group for the year from 1 April 2013 to 31 March 2014, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

OPINION

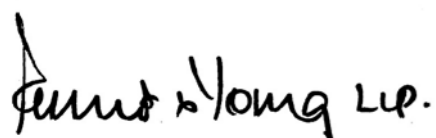
In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and of the results and changes in funds and reserves of the Group and the Company and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- the use of the donation monies was not in accordance with the objectives of the Company and required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- the Company has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



ERNST & YOUNG LLP

Public Accountants and
Chartered Accountants

Singapore
18 July 2014

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	GROUP		COMPANY	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
		S\$'000	S\$'000	S\$'000	S\$'000
ACCUMULATED SURPLUS	5	3,333,794	3,016,455	3,259,780	2,955,813
ENDOWMENT FUNDS	6	2,843,069	2,577,359	2,842,657	2,576,961
FAIR VALUE RESERVE		54,566	27,955	54,556	27,945
TRANSLATION RESERVE		(38)	(43)	-	-
TOTAL EQUITY		6,231,391	5,621,726	6,156,993	5,560,719
NON-CURRENT ASSETS					
Subsidiary companies	7	-	-	328	226
Associated companies	8	33,715	24,668	500	500
Fixed assets	9	3,332,009	3,218,443	3,329,519	3,215,896
Intangible assets	10	13,174	16,874	13,136	16,736
Available-for-sale investments	11, 14	87,269	58,222	82,955	53,489
Student loans (repayable after 12 months)	15	226,198	223,413	226,198	223,413
Long-term loan to subsidiary companies	16	-	-	356	356
Amounts owing by an investee company	17	-	53,351	-	53,351
Prepayments (to be utilised after 12 months)	19	599	3,853	599	3,853
Total Non-Current Assets		3,692,964	3,598,824	3,653,591	3,567,820
CURRENT ASSETS					
Student loans (repayable within 12 months)	15	70,622	73,618	70,622	73,618
Debtors	18	413,508	498,586	412,126	498,057
Consumable stores		631	632	270	244
Deposits and prepayments (to be utilised within 12 months)	19	111,964	81,776	111,174	81,508
Amounts owing by subsidiary companies	16	-	-	979	1,048
Investments at fair value through income or expenditure	12, 14	5,446,205	4,531,682	5,446,214	4,531,681
Derivative financial instruments	13, 14	13,845	578	13,845	578
Cash and cash equivalents	20	692,639	685,560	671,393	644,348
		6,749,414	5,872,432	6,726,623	5,831,082
Assets held for sale	21	12,500	-	12,500	-
Total Current Assets		6,761,914	5,872,432	6,739,123	5,831,082
TOTAL ASSETS		10,454,878	9,471,256	10,392,714	9,398,902

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

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	GROUP		COMPANY	
		31 March	31 March	31 March	31 March
		2014	2013	2014	2013
		S\$'000	S\$'000	S\$'000	S\$'000
CURRENT LIABILITIES					
Creditors and accrued expenses	22	256,061	200,523	251,557	196,129
Provisions	22	72,521	68,633	71,781	68,036
Grants received in advance	23	373,296	313,365	367,955	307,892
Deferred tuition and other fees		61,250	59,773	61,185	59,615
Derivative financial instruments	13,14	3,995	14,171	3,995	14,171
Amounts owing to subsidiary companies	16	-	-	25,352	1,902
Advances from Government for student loans (due within 12 months)	24	69,148	70,618	69,148	70,618
Fixed rate note (due within 12 months)	25	250,000	-	250,000	-
Total Current Liabilities		1,086,271	727,083	1,100,973	718,363
NON-CURRENT LIABILITIES					
Advances from Government for student loans (due after 12 months)	24	216,949	214,153	216,949	214,153
Fixed rate note and term loan (due after 12 months)	25	850,000	850,000	850,000	850,000
Deferred capital grants	26	2,070,267	2,058,294	2,067,799	2,055,667
Total Non-Current Liabilities		3,137,216	3,122,447	3,134,748	3,119,820
TOTAL LIABILITIES		4,223,487	3,849,530	4,235,721	3,838,183
NET ASSETS		6,231,391	5,621,726	6,156,993	5,560,719

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	GROUP		COMPANY	
		2014	2013	2014	2013
		S\$'000	S\$'000	S\$'000	S\$'000
OPERATING INCOME					
Tuition and other related fees		388,131	344,141	383,036	339,115
Other income	28	254,775	257,206	250,524	253,175
		642,906	601,347	633,560	592,290
OPERATING EXPENDITURE					
Expenditure on manpower	29	1,100,478	1,048,505	1,078,810	1,028,638
Depreciation and amortisation expenditure	9, 10	315,186	302,946	314,398	302,106
Other operating expenditure		833,568	804,515	823,988	793,896
		2,249,232	2,155,966	2,217,196	2,124,640
Operating deficit		(1,606,326)	(1,554,619)	(1,583,636)	(1,532,350)
Net investment income	31	274,821	235,616	271,213	235,652
Share of results (net of tax) of associated companies	8	9,047	3,028	-	-
Deficit before Grants	32	(1,322,458)	(1,315,975)	(1,312,423)	(1,296,698)
GRANTS					
Operating Grants :					
Government	33a	1,181,790	1,172,389	1,159,941	1,148,725
Agency for Science, Technology & Research	33b	35,592	40,750	35,592	40,750
Others	33c	155,789	123,658	155,016	122,941
Deferred capital grants amortised	26	270,263	281,334	269,478	280,513
		1,643,434	1,618,131	1,620,027	1,592,929
SURPLUS FOR THE YEAR BEFORE TAX		320,976	302,156	307,604	296,231
Income tax	34	-	-	-	-
SURPLUS FOR THE YEAR	35	320,976	302,156	307,604	296,231
OTHER COMPREHENSIVE INCOME:					
Exchange differences on translating foreign operations		5	38	-	-
Change in fair value of available-for-sale investments		26,611	12,883	26,611	12,883
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		26,616	12,921	26,611	12,883
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		347,592	315,077	334,215	309,114

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

STATEMENTS OF CHANGES IN FUNDS AND RESERVES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

GROUP	Note	Accumulated Surplus S\$'000	Endowment Funds S\$'000	Fair Value Reserve S\$'000	Translation Reserve S\$'000	Total S\$'000
Balance as at 1 April 2013		3,016,455	2,577,359	27,955	(43)	5,621,726
Matching grants received/accrued	6	-	176,678	-	-	176,678
Donations received	6	-	85,395	-	-	85,395
Total comprehensive income for the year		320,976	-	26,611	5	347,592
Total recognised gains and losses for the year		320,976	262,073	26,611	5	609,665
Transfer to endowment funds	6	(3,637)	3,637	-	-	-
Balance at 31 March 2014		3,333,794	2,843,069	54,566	(38)	6,231,391
Balance as at 1 April 2012		2,714,451	2,223,803	15,072	(81)	4,953,245
Matching grants received/accrued	6	-	241,281	-	-	241,281
Donations received	6	-	112,123	-	-	112,123
Total comprehensive income for the year		302,156	-	12,883	38	315,077
Total recognised gains and losses for the year		302,156	353,404	12,883	38	668,481
Transfer to endowment funds	6	(152)	152	-	-	-
Balance at 31 March 2013		3,016,455	2,577,359	27,955	(43)	5,621,726

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

STATEMENTS OF CHANGES IN FUNDS AND RESERVES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

COMPANY	Note	Accumulated Surplus S\$'000	Endowment Funds S\$'000	Fair Value Reserve S\$'000	Total S\$'000
Balance as at 1 April 2013		2,955,813	2,576,961	27,945	5,560,719
Matching grants received/accrued	6	-	176,671	-	176,671
Donations received	6	-	85,388	-	85,388
Total comprehensive income for the year		307,604	-	26,611	334,215
Total recognised gains and losses for the year		307,604	262,059	26,611	596,274
Transfer to endowment funds	6	(3,637)	3,637	-	-
Balance at 31 March 2014		3,259,780	2,842,657	54,556	6,156,993
Balance as at 1 April 2012		2,659,734	2,223,426	15,062	4,898,222
Matching grants received/accrued	6	-	241,270	-	241,270
Donations received	6	-	112,113	-	112,113
Total comprehensive income for the year		296,231	-	12,883	309,114
Total recognised gains and losses for the year		296,231	353,383	12,883	662,497
Transfer to endowment funds	6	(152)	152	-	-
Balance at 31 March 2013		2,955,813	2,576,961	27,945	5,560,719

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 S\$'000	2013 S\$'000
Cash flows from operating activities:			
Deficit before Grants		(1,322,458)	(1,315,975)
Adjustments for :			
Depreciation of fixed assets	9	309,743	298,204
Amortisation of intangible assets	10	5,443	4,742
Net investment income	31	(274,821)	(235,616)
Loss on disposal of fixed and intangible assets	32	2,693	16,882
Bad and doubtful debts	32	807	436
Exchange differences arising on translation of foreign subsidiary		5	38
Donated artifacts additions		(679)	(656)
Fixed assets written-off	9	-	15,519
Share of results (net of tax) of associated companies		(9,047)	(3,028)
Deficit before working capital changes		(1,288,314)	(1,219,454)
Change in operating assets and liabilities:			
(Increase)/decrease in debtors, consumable stores, deposits and prepayments		(91,771)	20,473
Increase/(decrease) in creditors and accrued expenses, provisions and deferred tuition and other fees		52,077	6,889
Cash used in operations		(1,328,008)	(1,192,092)
Agency for Science, Technology & Research grants received, net of refund		45,316	38,855
Other grants received, net of refund		149,855	141,732
Donations received for endowment funds	6	85,395	112,123
Student loans granted		(75,179)	(72,345)
Student loans repaid		75,367	71,772
Net cash outflow from operating activities		(1,047,254)	(899,955)
Cash flows from investing activities:			
Payments for purchase of fixed assets	9	(432,514)	(476,592)
Payments for purchase of intangible assets	10	(1,778)	(5,478)
Proceeds from disposal of fixed assets and intangible assets		370	121
Net purchase of investments		(636,636)	(535,167)
Interest and dividend received		33,304	27,231
Net settlement of foreign exchange contracts	31	(43,579)	23,125
Decrease in amount owing by an investee company	17	53,351	-
Net cash outflow from investing activities		(1,027,482)	(966,760)

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 S\$'000	2013 S\$'000
Cash flows from financing activities:			
Government grants received, net of refund		1,553,073	1,491,943
Government grants received for endowment funds		277,241	311,830
Student tuition fee loan funds received from government		59,666	58,591
Student loan funds received from government		12,072	12,176
Overseas student loan funds received from government		535	674
Student tuition fee loan funds repaid to government		(58,560)	(64,096)
Student loan funds repaid to government		(11,729)	(11,855)
Overseas student loan funds repaid to government		(483)	(678)
Proceeds from issue of Fixed Rate Term Loan	25	250,000	250,000
Net cash inflow from financing activities		2,081,815	2,048,585
Net increase in cash and cash equivalents		7,079	181,870
Cash and cash equivalents at the beginning of the year		685,560	503,690
Cash and cash equivalents at the end of the year		692,639	685,560

Note A

During the financial year, the Group acquired fixed assets amounting to S\$436,181,000 (2013: S\$476,950,000), out of which S\$432,514,000 (2013: S\$476,592,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

Note B

Cash and cash equivalents comprise:

	2014 S\$'000	2013 S\$'000
Fixed deposits	380,416	361,707
Cash and bank balances	312,223	323,853
	692,639	685,560

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

1. GENERAL

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

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

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as of and for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Board of Trustees on 18 July 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF ACCOUNTING

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

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

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2013. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the financial statements for the current or prior years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a. BASIS OF ACCOUNTING (cont'd)

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

Description	Effective for annual periods beginning on or after
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 – Offsetting of Financial Assets and Financial Liabilities	1 January 2014
Amendments to the transition guidance of FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities	1 January 2014
Amendments to FRS 36 Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to FRS 39 Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to FRS 19: Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs (January 2014)	1 July 2014
Improvements to FRSs (February 2014)	1 July 2014
INT FRS 121 Levies	1 January 2014

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

FRS 110 Consolidated Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

FRS 112 Disclosure of Interests in Other Entities

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

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

b. BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS

i. Basis of consolidation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

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

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

ii. Business combinations

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

ii. Business combinations *(cont'd)*

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

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

c. SUBSIDIARIES AND ASSOCIATES

i. Subsidiaries

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

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

ii. Associates

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

ii. Associates *(cont'd)*

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

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

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

d. FINANCIAL INSTRUMENTS

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments, other than those financial instruments "at fair value through income or expenditure".

Financial Assets

i. Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

d. FINANCIAL INSTRUMENTS *(cont'd)*

Financial Assets *(cont'd)*

ii. Student loans, debtors and deposits

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

iii. Investments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

d. FINANCIAL INSTRUMENTS *(cont'd)*

Available-for-sale investments

Certain unquoted equity securities held by the Group are classified as being available for sale as they are not classified as fair value through income or expenditure at inception and are stated at fair value. Fair value is determined in the manner described in the notes to the financial statements. Gains and losses arising from changes in fair value are recognised directly in the other comprehensive income and accumulated in the Group's fair value reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in income or expenditure. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in fair value reserve is included in income or expenditure for the period. Dividends on available-for-sale equity instruments are recognised in income or expenditure when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in income or expenditure, and other changes are recognised in other comprehensive income.

Impairment of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

d. FINANCIAL INSTRUMENTS *(cont'd)*

Impairment of financial assets *(cont'd)*

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to income or expenditure. Changes in the carrying amount of the allowance account are recognised in income or expenditure.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

d. FINANCIAL INSTRUMENTS *(cont'd)*

Derecognition of financial assets

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

Regular way purchase or sale of financial assets

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

Financial liabilities and equity

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

d. FINANCIAL INSTRUMENTS *(cont'd)*

Financial liabilities and equity *(cont'd)*

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

i. Creditors and accrued expenses

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

ii. Fixed rate notes and term loan

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

iii. Derivative financial instruments and hedge accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 13 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in income or expenditure immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in income or expenditure depends on the nature of the hedge relationship. The Group uses certain derivatives as hedges of the fair value of net investments. However, the Group does not adopt hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

e. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

f. REVENUE RECOGNITION

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

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

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

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

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

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

g. BORROWING COST

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

h. GRANTS

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

h. GRANTS *(cont'd)*

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

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

Grants are accounted for on an accrual basis.

i. ENDOWMENT FUNDS

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

j. FUNDS

General funds

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

Restricted funds

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k. ASSETS AND LIABILITIES HELD FOR SALE

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

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

l. FIXED ASSETS AND DEPRECIATION

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m. INTANGIBLE ASSETS

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

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

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

n. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

o. PROVISIONS

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

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

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

p. RETIREMENT BENEFIT COSTS

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

q. EMPLOYEE LEAVE ENTITLEMENT

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

r. INCOME TAX

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

s. RESEARCH EXPENDITURE

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

t. LEASES

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

As lessee

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

As lessor

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

a. CRITICAL JUDGMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

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

b. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Fair value estimation

The Group holds unquoted equity securities that are not traded in an active market. The Group has used the net asset value disclosed in the financial statements of the entities (as these pertain mainly to funds whose investments are stated at fair value) and external valuations as the fair value for these financial assets. The carrying amounts of these unquoted securities for Group and Company at the end of the reporting period were S\$3,581,932,000 (2013: S\$2,964,446,000) and S\$3,577,977,000 (2013: S\$2,960,422,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
FINANCIAL ASSETS				
At fair value through income or expenditure (FVTIE):				
Investments	5,446,205	4,531,682	5,446,214	4,531,681
Derivative financial instruments	13,845	578	13,845	578
Sub-total	5,460,050	4,532,260	5,460,059	4,532,259
Loans and receivables at amortised cost:				
- Debtors	413,508	498,586	412,126	498,057
- Student loans	296,820	297,031	296,820	297,031
- Amount owing by an investee company	-	53,351	-	53,351
- Fixed deposits	380,416	361,107	380,416	361,707
- Cash and bank balances	312,223	323,853	290,977	282,641
- Purchased securities not yet settled	75,450	53,352	75,450	53,352
- Deposits	1,084	1,235	1,070	1,211
- Long-term loan to subsidiary companies	-	-	356	356
- Amount owing by subsidiary companies	-	-	979	1,048
Sub-total	1,479,501	1,589,115	1,458,194	1,548,754
Available-for-sale financial assets, at fair value through other comprehensive income	87,269	58,222	82,955	53,489
FINANCIAL LIABILITIES				
At fair value through income or expenditure (FVTIE):				
Derivative financial instruments	3,995	14,171	3,995	14,171
Financial liabilities at amortised cost:				
- Creditors and accrued expenses	256,061	200,523	251,557	196,129
- Advances from Government for student loans	286,097	284,771	286,097	284,771
- Fixed rate notes and term loan	1,100,000	850,000	1,100,000	850,000
- Amount owing to subsidiary company	-	-	25,352	1,902
Sub-total	1,642,158	1,335,294	1,663,006	1,332,802

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

b. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

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

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

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

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

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

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

i. Market risk - price risk management

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

In respect of quoted and unquoted equity securities, a +/-5% change in investment value as at March 2014 will result in a +/- S\$204,794,000 (2013: +/- S\$165,379,000) gain / loss in net surplus for the Group and Company. This analysis has been performed for reasonably possible movements in prices with all other variables constant. The correlation between the other variables has been assumed to be constant.

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

ii. Interest rate risk management

The Group's surplus and operating cash flows are mainly invested in fixed rate instruments and hence are substantially independent of changes in market interest rates. The Group monitors interest rates regularly to ensure excess funds are invested at competitive rates.

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

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

In respect of the quoted and unquoted Government bonds and debt securities, a +/-1% change in interest rates as at March 2014 will result in a +/- S\$37,477,000 (2013: +/- S\$38,431,000) gain / loss in net surplus (comprising of interest income and anticipated fair value changes) for the Group and Company. Similarly this analysis was performed for reasonably possible movements in interest rates with all other variables constant. The correlation of the other variables has been assumed to be constant.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

iii. Foreign exchange risk management

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

a. Investments

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

	2014		2013	
	Investments at FVTIE S\$'000	Derivatives Financial Instruments S\$'000	Investments at FVTIE S\$'000	Derivatives Financial Instruments S\$'000
United States Dollars	3,586,200	1,534,660	2,947,858	1,332,418
Other Currencies	68,243	128,101	58,487	47,133

If the United States dollars were to change by 1% against the Singapore dollar, the Company's surplus will increase/decrease by S\$20,515,000 (2013: increase/decrease by S\$16,154,000).

b. Other Financial Assets and Financial Liabilities

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

The Group's foreign currency exposures arise mainly from the exchange rate movements of the United States dollar, Japanese Yen and Euro against the Singapore dollar. Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

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

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

	GROUP				COMPANY			
	ASSETS		LIABILITIES		ASSETS		LIABILITIES	
	2014	2013	2014	2013	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
United States Dollars	89,229	79,340	1,077	1,193	88,782	78,859	814	876
Euro	8,666	1,692	76	17	8,666	1,692	76	17

The sensitivity rate used when reporting foreign currency risk to key management personnel is 5%, which is the change in foreign exchange rate that Management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If the United States dollars were to change by 5% against the Singapore dollar, the Group's and Company's surplus will increase/decrease by S\$4,408,000 and S\$4,398,000 (2013: increase/decrease by S\$3,907,000 and S\$3,899,000 respectively).

If the Euro were to change by 5% against the Singapore dollar, Group's and Company's surplus will increase/decrease by S\$430,000 (2013: increase/decrease by S\$84,000).

iv. Liquidity risk management

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

a. Non-derivative financial liabilities

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

GROUP	Weighted average effective interest rate	On demand or within 1 year	Within 2- 5 years	Total
	%	S\$'000	S\$'000	S\$'000
2014				
Non-interest bearing	-	256,061	-	256,061
Interest bearing	1.9	264,744	877,095	1,141,839
Total		520,805	877,095	1,397,900
2013				
Non-interest bearing	-	200,523	-	200,523
Interest bearing	2.0	16,895	871,027	887,922
Total		217,418	871,027	1,088,445
COMPANY				
	%	S\$'000	S\$'000	S\$'000
2014				
Non-interest bearing	-	251,557	-	251,557
Interest bearing	1.9	264,744	877,095	1,141,839
Total		516,301	877,095	1,393,396
2013				
Non-interest bearing	-	196,129	-	196,129
Interest bearing	2.0	16,895	871,027	887,922
Total		213,024	871,027	1,084,051

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

b. Non-derivative financial assets

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

GROUP	Weighted average effective interest rate	On demand or within 1 year	Within 2- 5 years	After 5 years	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000

2014

Non-interest bearing	-	773,651	-	-	773,651
Interest bearing	0.34	420,525	-	-	420,525
Investments at FVTIE	-	4,392,088	483,219	570,898	5,446,205
Available-for-sale investments	-	-	-	87,269	87,269
Total		5,586,264	483,219	658,167	6,727,650

2013

Non-interest bearing	-	871,163	-	-	871,163
Interest bearing	0.70	370,341	63,559	-	433,900
Investments at FVTIE	-	3,524,786	287,813	719,083	4,531,682
Available-for-sale investments	-	-	-	58,222	58,222
Total		4,766,290	351,372	777,305	5,894,967

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

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

COMPANY	Weighted average effective interest rate	On demand or within 1 year	Within 2- 5 years	After 5 years	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000

2014

Non-interest bearing	-	751,988	356	-	752,344
Interest bearing	0.34	420,372	-	-	420,372
Investments at FVTIE	-	4,392,097	483,219	570,898	5,446,214
Available-for-sale investments	-	-	-	82,955	82,955
Total		5,564,457	483,575	653,853	6,701,855

2013

Non-interest bearing	-	830,446	356	-	830,802
Interest bearing	0.70	370,340	63,559	-	433,899
Investments at FVTIE	-	3,524,785	287,813	719,083	4,531,681
Available-for-sale investments	-	-	-	53,489	53,489
Total		4,725,571	351,728	772,572	5,849,871

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

c. Derivative financial instruments

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

GROUP AND COMPANY	On demand or within 1 year S\$'000
2014	
Net settled:	
Foreign exchange forward contracts	9,314
Options	536
2013	
Net settled:	
Foreign exchange forward contracts	13,593

v. **Counterparty and credit risk management**

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

Level 2

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

Level 3

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year ended 31 March 2014.

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

GROUP	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2014					
Recurring fair value measurements					
Financial Assets					
<i>Available-for-sale investments</i>					
Unquoted equity securities		-	3,665	83,245	86,910
Redeemable convertible loan stocks		-	-	359	359
Sub-total	11	-	3,665	83,604	87,269
<i>Investments at fair value through income or expenditure</i>					
Quoted Government bonds		1,375,841	-	-	1,375,841
Quoted debt securities		57,450	-	-	57,450
Quoted equity securities		517,892	-	-	517,892
Unquoted equity securities		-	-	3,495,022	3,495,022
Sub-total	12	1,951,183	-	3,495,022	5,446,205
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		13,309	-	-	13,309
Options		536	-	-	536
Sub-total	13	13,845	-	-	13,845
Total		1,965,028	3,665	3,578,626	5,547,319
Financial Liabilities					
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		(3,995)	-	-	(3,995)
Total	13	(3,995)	-	-	(3,995)
Non-recurring fair value measurements					
Assets held for sale		-	12,500	-	12,500
Total	21	-	12,500	-	12,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

GROUP	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2013					
Recurring fair value measurements					
Financial Assets					
<i>Available-for-sale investments</i>					
Unquoted equity securities		-	3,923	53,590	57,513
Redeemable convertible loan stocks		-	-	709	709
Sub-total	11	-	3,923	54,299	58,222
<i>Investments at fair value through income or expenditure</i>					
Quoted Government bonds		1,240,447	-	-	1,240,447
Quoted debt securities		37,133	-	-	37,133
Quoted equity securities		347,169	-	-	347,169
Unquoted equity securities		-	-	2,906,933	2,906,933
Sub-total	12	1,624,749	-	2,906,933	4,531,682
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		578	-	-	578
Sub-total	13	578	-	-	578
Total		1,625,327	3,923	2,961,232	4,590,482
Financial Liabilities					
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		(14,171)	-	-	(14,171)
Total	13	(14,171)	-	-	(14,171)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

COMPANY	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2014					
Recurring fair value measurements					
Financial Assets					
<i>Available-for-sale investments</i>					
Unquoted equity securities		-	3,665	79,290	82,955
Sub-total	11	-	3,665	79,290	82,955
<i>Investments at fair value through income or expenditure</i>					
Quoted Government bonds		1,375,841	-	-	1,375,841
Quoted debt securities		57,450	-	-	57,450
Quoted equity securities		517,901	-	-	517,901
Unquoted equity securities		-	-	3,495,022	3,495,022
Sub-total	12	1,951,192	-	3,495,022	5,446,214
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		13,309	-	-	13,309
Options		536	-	-	536
Sub-total	13	13,845	-	-	13,845
Total		1,965,037	3,665	3,574,312	5,543,014
Financial Liabilities					
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		(3,995)	-	-	(3,995)
Total	13	(3,995)	-	-	(3,995)
Non-recurring fair value measurements					
Assets held for sale		-	12,500	-	12,500
Total	21	-	12,500	-	12,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

COMPANY	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2013					
Recurring fair value measurements					
Financial Assets					
<i>Available-for-sale investments</i>					
Unquoted equity securities		-	3,923	49,566	53,489
Sub-total	11	-	3,923	49,566	53,489
<i>Investments at fair value through income or expenditure</i>					
Quoted Government bonds		1,240,447	-	-	1,240,447
Quoted debt securities		37,133	-	-	37,133
Quoted equity securities		347,168	-	-	347,168
Unquoted equity securities		-	-	2,906,933	2,906,933
Sub-total	12	1,624,748	-	2,906,933	4,531,681
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		578	-	-	578
Sub-total	13	578	-	-	578
Total		1,625,326	3,923	2,956,499	4,585,748
Financial Liabilities					
<i>Derivative financial instruments</i>					
Forward foreign exchange contracts		(14,171)	-	-	(14,171)
Total	13	(14,171)	-	-	(14,171)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

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

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

Quantitative Information about the Level 3 Fair Value Measurement

	Fair Value \$'000	Valuation Technique	Significant Unobservable input	Range (weighted average)
Unquoted Equity Securities	3,574,312	Net Asset Value	Not applicable*	Not applicable*

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

Movements of the Level 3 financial assets during the reporting period

	GROUP \$'000	COMPANY \$'000
Fair value as at 1 April 2013	2,961,232	2,956,499
Realised gains – included in Income or Expenditure	34,647	31,196
Unrealised gains – included in Income or Expenditure	207,141	207,141
Unrealised gains – included in Other Comprehensive Income	26,874	26,874
Purchases during the year	840,693	840,693
Sale during the year	(491,961)	(488,091)
Fair value as at 31 March 2014	3,578,626	3,574,312
Fair value as at 1 April 2012	2,490,379	2,485,892
Realised losses – included in Income or Expenditure	(5,564)	(5,564)
Unrealised gains – included in Income or Expenditure	178,950	178,950
Unrealised gains – included in Other Comprehensive Income	12,385	12,385
Impairment loss	(45)	-
Purchases during the year	516,489	516,198
Sale during the year	(231,362)	(231,362)
Fair value as at 31 March 2013	2,961,232	2,956,499

c. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group reviews its capital structure at least annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group comprises reserves as disclosed in Notes 5 and 6 and fixed rate notes and fixed rate term loan disclosed in Note 25. The Group is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. The Group is in compliance with externally imposed capital requirements for the reporting period ended 31 March 2014. The Group's overall strategy remains unchanged from 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

5. ACCUMULATED SURPLUS, FAIR VALUE RESERVE AND TRANSLATION RESERVE

Accumulated Surplus

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

Total accumulated surplus of the Group of S\$3,333,794,000 (2013: S\$3,016,455,000) and the Company of S\$3,259,780,000 (2013: S\$2,955,813,000) comprise the following:

	Note	GROUP		COMPANY	
		31 March 2014 S\$'000	31 March 2013 S\$'000	31 March 2014 S\$'000	31 March 2013 S\$'000
General Funds under Accumulated Surplus					
Funds set aside for specific purposes and commitments ^(a)		1,556,016	1,416,498	1,482,118	1,355,956
Funds utilised to acquire assets, which will be amortised to match future depreciation when assets are put into use		481,264	481,611	481,264	481,611
Accumulated surplus from non-endowed donations	6	116	100	-	-
		2,037,396	1,898,209	1,963,382	1,837,567
Restricted Funds under Accumulated Surplus					
Accumulated surplus from non-endowed donations	6	512,857	497,960	512,857	497,960
Accumulated surplus from endowment funds	6	783,541	620,286	783,541	620,286
		1,296,398	1,118,246	1,296,398	1,118,246
Total Accumulated Surplus		3,333,794	3,016,455	3,259,780	2,955,813

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

Fair Value Reserve

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

Translation Reserve

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

6. ENDOWED AND NON-ENDOWED DONATIONS

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

During the financial year, total donations received by the Group and the Company amounted to S\$144,428,000 (2013: S\$184,914,000) and S\$144,403,000 (2013: S\$184,903,000) respectively, of which S\$144,413,000 (2013: S\$173,921,000) of the Group and S\$144,403,000 (2013: S\$173,920,000) of the Company are tax-deductible. Of the total donations received, S\$85,395,000 (2013: S\$112,123,000) for the Group and S\$85,388,000 (2013: S\$112,113,000) for the Company represent endowed donations while the balance represents non-endowed donations. Endowed donations received are recognised directly to the endowment funds. The non-endowed donations are received for specific purposes and cannot be used towards the general operating expenses of the Group and Company.

GROUP	Note	2014			2013		
		Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000
Accumulated Surplus	5	783,541	512,973	1,296,514	620,286	498,060	1,118,346
Endowment Funds		2,843,069	-	2,843,069	2,577,359	-	2,577,359
Fair Value Reserve		53,598	-	53,598	26,876	-	26,876
		3,680,208	512,973	4,193,181	3,224,521	498,060	3,722,581
Represented by:							
Non-Current Assets							
Fixed assets		30,474	388,502	418,976	25,992	375,402	401,394
Available-for-sale investments		75,529	-	75,529	48,806	-	48,806
Student loans		2,924	19,878	22,802	2,209	19,971	22,180
		108,927	408,380	517,307	77,007	395,373	472,380
Current Assets							
Debtors		48,317	10	48,327	156,608	16	156,624
Investments at fair value through income or expenditure		3,522,143	375,131	3,897,274	3,010,325	353,746	3,364,071
Derivative financial instruments		10,953	-	10,953	527	-	527
Cash and cash equivalents		862	8,616	9,478	848	25,372	26,220
		3,582,275	383,757	3,966,032	3,168,308	379,134	3,547,442
Total Assets		3,691,202	792,137	4,483,339	3,245,315	774,507	4,019,822
Current Liabilities							
Creditors and accrued expenses		7,998	-	7,998	11,000	-	11,000
Derivative financial instruments		2,996	-	2,996	9,794	-	9,794
		10,994	-	10,994	20,794	-	20,794
Non-Current Liabilities							
Deferred capital grants		-	279,164	279,164	-	276,447	276,447
Total Liabilities		10,994	279,164	290,158	20,794	276,447	297,241
Net Assets		3,680,208	512,973	4,193,181	3,224,521	498,060	3,722,581

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

GROUP	2014			2013		
	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000
Accumulated Surplus:						
Balance as at 1 April	620,286	498,060	1,118,346	489,397	455,725	945,122
Donations received	-	59,033	59,033	51	72,740	72,791
Donated artifacts additions	-	679	679	-	656	656
Investment income (including change in fair value of investment held for trading)	224,516	10,447	234,963	182,816	11,088	193,904
Other operating income	7,238	244	7,482	-	202	202
Expenditure on manpower	(29,398)	(11,375)	(40,773)	(20,975)	(11,235)	(32,210)
Depreciation	(4,682)	(6,446)	(11,128)	(4,223)	(6,430)	(10,653)
Other operating expenditure	(30,782)	(37,669)	(68,451)	(26,628)	(24,686)	(51,314)
Amount transferred to endowment funds ^(a)	(3,637)	-	(3,637)	(152)	-	(152)
Balance as at 31 March	783,541	512,973	1,296,514	620,286	498,060	1,118,346
Endowment Funds:						
Balance as at 1 April	2,577,359	-	2,577,359	2,223,803	-	2,223,803
Matching grants received/acrued	176,678	-	176,678	241,281	-	241,281
Donations received	85,395	-	85,395	112,123	-	112,123
Amount transferred from accumulated surplus ^(a)	3,637	-	3,637	152	-	152
Balance as at 31 March	2,843,069	-	2,843,069	2,577,359	-	2,577,359
Fair Value Reserve:						
Balance as at 1 April	26,876	-	26,876	14,526	-	14,526
Net movement for the year	26,722	-	26,722	12,350	-	12,350
Balance as at 31 March	53,598	-	53,598	26,876	-	26,876
Balance as at 31 March	3,680,208	512,973	4,193,181	3,224,521	498,060	3,722,581

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

COMPANY	Note	2014			2013		
		Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000
Accumulated Surplus	5	783,541	512,857	1,296,398	620,286	497,960	1,118,246
Endowment Funds		2,842,657	-	2,842,657	2,576,961	-	2,576,961
Fair Value Reserve		53,598	-	53,598	26,876	-	26,876
		3,679,796	512,857	4,192,653	3,224,123	497,960	3,722,083
<i>Represented by:</i>							
Non-Current Assets							
Fixed assets		30,474	388,502	418,976	25,992	375,402	401,394
Available-for-sale investments		75,529	-	75,529	48,806	-	48,806
Student loans		2,924	19,878	22,802	2,209	19,971	22,180
		108,927	408,380	517,307	77,007	395,373	472,380
Current Assets							
Debtors		48,317	10	48,327	156,608	16	156,624
Investments at fair value through income or expenditure		3,522,143	375,131	3,897,274	3,010,325	353,746	3,364,071
Derivative financial instruments		10,953	-	10,953	527	-	527
Cash and cash equivalents		450	8,500	8,950	450	25,272	25,722
		3,581,863	383,641	3,965,504	3,167,910	379,034	3,546,944
Total Assets		3,690,790	792,021	4,482,811	3,244,917	774,407	4,019,324
Current Liabilities							
Creditors and accrued expenses		7,998	-	7,998	11,000	-	11,000
Derivative financial instruments		2,996	-	2,996	9,794	-	9,794
		10,994	-	10,994	20,794	-	20,794
Non-Current Liabilities							
Deferred capital grants		-	279,164	279,164	-	276,447	276,447
Total Liabilities		10,994	279,164	290,158	20,794	276,447	297,241
Net Assets		3,679,796	512,857	4,192,653	3,224,123	497,960	3,722,083

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

COMPANY	2014			2013		
	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000	Endowed Donations S\$'000	Non-endowed Donations S\$'000	Total S\$'000
<u>Accumulated Surplus:</u>						
Balance as at 1 April	620,286	497,960	1,118,246	489,397	455,624	945,021
Donations received	-	59,015	59,015	51	72,739	72,790
Donated artifacts additions	-	679	679	-	656	656
Investment income (including change in fair value of investment held for trading)	224,516	10,447	234,963	182,816	11,088	193,904
Other operating income	7,238	244	7,482	-	202	202
Expenditure on manpower	(29,398)	(11,375)	(40,773)	(20,975)	(11,235)	(32,210)
Depreciation	(4,682)	(6,446)	(11,128)	(4,223)	(6,430)	(10,653)
Other operating expenditure	(30,782)	(37,667)	(68,449)	(26,628)	(24,684)	(51,312)
Amount transferred to endowment funds ^(a)	(3,637)	-	(3,637)	(152)	-	(152)
Balance as at 31 March	783,541	512,857	1,296,398	620,286	497,960	1,118,246
<u>Endowment Funds:</u>						
Balance as at 1 April	2,576,961	-	2,576,961	2,223,426	-	2,223,426
Matching grants received/acrued	176,671	-	176,671	241,270	-	241,270
Donations received	85,388	-	85,388	112,113	-	112,113
Amount transferred from accumulated surplus ^(a)	3,637	-	3,637	152	-	152
Balance as at 31 March	2,842,657	-	2,842,657	2,576,961	-	2,576,961
<u>Fair Value Reserve:</u>						
Balance as at 1 April	26,876	-	26,876	14,526	-	14,526
Net movement for the year	26,722	-	26,722	12,350	-	12,350
Balance as at 31 March	53,598	-	53,598	26,876	-	26,876
Balance as at 31 March	3,679,796	512,857	4,192,653	3,224,123	497,960	3,722,083

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

7. SUBSIDIARY COMPANIES

	COMPANY	
	2014	2013
	S\$'000	S\$'000
Unquoted equity shares at cost	428	326
Impairment loss	(100)	(100)
Carrying amount	328	226

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2014	2013
Singapore University Press Pte Ltd ^(a)	Publisher	Singapore	100%	100%
NUS Technology Holdings Pte Ltd ^(a)	To carry out research and development, to own and exploit all forms of intellectual property interests and to engage in the acquisition, dissemination and transfer of technologies.	Singapore	100%	100%
NUS High School of Mathematics and Science ^(a)	To promote and undertake the advancement of education, with particular emphasis on mathematics and science at secondary and junior college levels and to participate in schemes established to promote research, development and education, in particular in relation to mathematics and science and to a high school for that purpose.	Singapore	#	#
NUS America, Inc ^(d)	This is a nonprofit public benefit corporation organised under the Nonprofit Public Corporation Law for public and charitable purposes. It performs the functions of or to carry out the purposes of the National University of Singapore.	United States of America	#	#
NUSSU Enterprise Pte Ltd ^(a, c)	To manage the commercial activities of NUS Student Union.	Singapore	100%	100%
Lanthanum Pte Ltd ^(b)	Investment holding company to hold NUS' direct investments.	Singapore	-	100%
CAMRI Managed Portfolio Pte Ltd ^(a)	To provide platform to the NUS Business School's students to have a hands-on investment management experience.	Singapore	100%	100%
Suzhou NUSRI Management Co Ltd ^(e)	To manage the Suzhou NUS Research Institute.	People's Republic of China	100%	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

7. SUBSIDIARY COMPANIES (cont'd)

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2014	2013
Held by Subsidiaries				
NUS Press Pte Ltd ^(a)	Publishers	Singapore	100%	100%
NUS Ventures Pte Ltd ^(a)	Distributor of new telecommunication technologies via direct selling and licensing.	Singapore	100%	100%
Bioinformatics Technology Group Pte Ltd ^(a)	IT development, IT services, research and experimental development on technology.	Singapore	100%	100%
Shanghai NUS Enterprise Services Co Ltd ^(e)	Sourcing of student internship opportunities with Shanghai companies and developing increased research opportunities and forging closer partnerships.	People's Republic of China	100%	100%
KR Consulting Pte Ltd ^(a)	Provide consulting services	Singapore	100%	100%
Star Incubator Sdn Bhd ^(b)	Management of incubator activities	Brunei Darussalam	100%	100%

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

^(a) Audited by Ernst & Young LLP, Singapore

^(b) Audited by overseas practices of Ernst & Young LLP

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

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

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

^(f) Wound up on 7 June 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

8. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Unquoted equity shares at cost	500	550	500	500
Share of post-acquisition profits, net of dividend received	33,215	24,118	-	-
	33,715	24,668	500	500

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2014	2013
National University Health System Pte Ltd	Clinical service, education and research	Singapore	33%	33%
Held by Subsidiaries				
Munchie Monkey Pte Ltd ^(a)	Café operator	Singapore	-	50%

All of the above associates are audited by other auditors.

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

	2014 S\$'000	2013 S\$'000 (Restated)*
Total assets	1,496,164	1,454,903
Total liabilities	(986,153)	(955,885)
Net assets	510,011	499,018
Total equity attributable to equity holders	102,498	90,884

Only the equity interest attributable to equity holders is equity accounted for in arriving at the Group's share of net assets.

	2014 S\$'000	2013 S\$'000 (Restated)*
Revenue	667,336	599,056
Government subvention income	493,819	430,672
	1,161,155	1,029,728
Profit after tax for the year	10,993	16,267

^(a) Wound up on 9 October 2013

* Associate's financial statements were restated on early adoption of new standard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

9. FIXED ASSETS

GROUP	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Infra-structure	Equipment, Furniture & Library Materials	Artifacts	Capital Work-in-Progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COST									
At 1 April 2012	2,007	286,520	2,460,008	705,116	39,508	1,620,670	15,378	377,147	5,506,354
Additions	-	46,308	132,326	53,705	-	104,014	6,068	134,529	476,950
Transfers	-	-	230,540	9,415	-	74,799	-	(314,754)	-
Disposals	-	(11,654)	(31,536)	(2,018)	-	(26,036)	-	-	(71,244)
Written-off	-	-	-	-	-	(21,612)	-	-	(21,612)
Cost adjustment	-	-	(36)	(307)	-	(370)	-	(15,607)	(16,320)
At 31 March and 1 April 2013	2,007	321,174	2,791,302	765,911	39,508	1,751,465	21,446	181,315	5,874,128
Additions	-	-	22,311	55,000	-	114,336	2,765	241,769	436,181
Transfers	-	-	2,201	35,491	-	19,511	-	(57,203)	-
Reclassification to intangible assets	-	-	-	-	-	(9)	-	-	(9)
Disposals	-	-	(9,260)	(3,422)	-	(63,656)	-	-	(76,338)
Cost adjustment	-	-	(4,663)	(4,651)	(18)	(52)	-	(964)	(10,348)
At 31 March 2014	2,007	321,174	2,801,891	848,329	39,490	1,821,595	24,211	364,917	6,223,614
ACCUMULATED DEPRECIATION									
At 1 April 2012	-	41,765	883,261	371,484	807	1,120,678	-	-	2,417,995
Depreciation	-	5,287	83,561	66,402	659	142,295	-	-	298,204
Transfers	-	-	(4)	(92)	-	96	-	-	-
Disposals	-	(7,381)	(19,238)	(2,009)	-	(25,615)	-	-	(54,243)
Written-off	-	-	-	-	-	(6,093)	-	-	(6,093)
Cost adjustment	-	-	(4)	(6)	-	(168)	-	-	(178)
At 31 March and 1 April 2013	-	39,671	947,576	435,779	1,466	1,231,193	-	-	2,655,685
Depreciation	-	6,153	86,807	69,495	658	146,630	-	-	309,743
Transfers	-	-	357	(366)	-	9	-	-	-
Reclassification to intangible assets	-	-	-	-	-	(4)	-	-	(4)
Disposals	-	-	(9,180)	(2,875)	-	(61,230)	-	-	(73,285)
Cost adjustment	-	-	(271)	(252)	(1)	(10)	-	-	(534)
At 31 March 2014	-	45,824	1,025,289	501,781	2,123	1,316,588	-	-	2,891,605
CARRYING AMOUNT									
At 31 March 2014	2,007	275,350	1,776,602	346,548	37,367	505,007	24,211	364,917	3,332,009
At 31 March 2013	2,007	281,503	1,843,726	330,132	38,042	520,272	21,446	181,315	3,218,443

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

9. FIXED ASSETS (cont'd)

COMPANY	Freehold	Leasehold	Buildings	Leasehold	Infra-structure	Equipment, Furniture & Fittings, Library Materials	Artifacts	Capital	Total
	Land	Land		Improvements		Work-in-Progress			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COST									
At 1 April 2012	2,007	286,520	2,459,303	704,349	39,508	1,616,099	15,378	377,147	5,500,311
Additions	-	46,308	132,326	53,444	-	103,615	6,068	134,529	476,290
Transfers	-	-	230,540	9,415	-	74,799	-	(314,754)	-
Disposals	-	(11,654)	(31,536)	(2,018)	-	(25,876)	-	-	(71,084)
Written-off	-	-	-	-	-	(21,612)	-	-	(21,612)
Cost adjustment	-	-	(36)	(307)	-	(370)	-	(15,607)	(16,320)
At 31 March and 1 April 2013	2,007	321,174	2,790,597	764,883	39,508	1,746,655	21,446	181,315	5,867,585
Additions	-	-	22,311	54,996	-	113,699	2,765	241,769	435,540
Transfers	-	-	2,201	35,491	-	19,511	-	(57,203)	-
Reclassification to intangible assets	-	-	-	-	-	(9)	-	-	(9)
Disposals	-	-	(9,260)	(3,422)	-	(63,471)	-	-	(76,153)
Cost adjustment	-	-	(4,663)	(4,651)	(18)	(52)	-	(964)	(10,348)
At 31 March 2014	2,007	321,174	2,801,186	847,297	39,490	1,816,333	24,211	364,917	6,216,615
ACCUMULATED DEPRECIATION									
At 1 April 2012	-	41,765	883,109	371,343	807	1,117,554	-	-	2,414,578
Depreciation	-	5,287	83,537	66,315	659	141,667	-	-	297,465
Transfers	-	-	(4)	(92)	-	96	-	-	-
Disposals	-	(7,381)	(19,238)	(2,009)	-	(25,455)	-	-	(54,083)
Written-off	-	-	-	-	-	(6,093)	-	-	(6,093)
Cost adjustment	-	-	(4)	(6)	-	(168)	-	-	(178)
At 31 March and 1 April 2013	-	39,671	947,400	435,551	1,466	1,227,601	-	-	2,651,689
Depreciation	-	6,153	86,783	69,392	658	146,069	-	-	309,055
Transfers	-	-	357	(366)	-	9	-	-	-
Reclassification to intangible assets	-	-	-	-	-	(4)	-	-	(4)
Disposals	-	-	(9,180)	(2,875)	-	(61,055)	-	-	(73,110)
Cost adjustment	-	-	(271)	(252)	(1)	(10)	-	-	(534)
At 31 March 2014	-	45,824	1,025,089	501,450	2,123	1,312,610	-	-	2,887,096
CARRYING AMOUNT									
At 31 March 2014	2,007	275,350	1,776,097	345,847	37,367	503,723	24,211	364,917	3,329,519
At 31 March 2013	2,007	281,503	1,843,197	329,332	38,042	519,054	21,446	181,315	3,215,896

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

10. INTANGIBLE ASSETS

GROUP	Computer Software	Purchased Curriculum	Total
	S\$'000	S\$'000	S\$'000
COST			
At 1 April 2012	23,222	11,878	35,100
Additions	5,478	-	5,478
Disposals	(126)	-	(126)
Cost adjustment	(13)	-	(13)
At 31 March and 1 April 2013	28,561	11,878	40,439
Additions	1,778	-	1,778
Reclassification from fixed assets	9	-	9
Disposals	(211)	-	(211)
Cost adjustment	(30)	-	(30)
At 31 March 2014	30,107	11,878	41,985
ACCUMULATED AMORTISATION			
At 1 April 2012	7,070	11,878	18,948
Amortisation	4,742	-	4,742
Disposals	(124)	-	(124)
Cost adjustment	(1)	-	(1)
At 31 March and 1 April 2013	11,687	11,878	23,565
Amortisation	5,443	-	5,443
Reclassification from fixed assets	4	-	4
Disposals	(201)	-	(201)
At 31 March 2014	16,933	11,878	28,811
CARRYING AMOUNT			
At 31 March 2014	13,174	-	13,174
At 31 March 2013	16,874	-	16,874

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

10. INTANGIBLE ASSETS (cont'd)

COMPANY	Computer Software	Purchased Curriculum	Total
	S\$'000	S\$'000	S\$'000
COST			
At 1 April 2012	22,712	11,878	34,590
Additions	5,478	-	5,478
Disposals	(126)	-	(126)
Cost adjustment	(13)	-	(13)
At 31 March and 1 April 2013	28,051	11,878	39,929
Additions	1,778	-	1,778
Reclassification from fixed assets	9	-	9
Disposals	(211)	-	(211)
Cost adjustment	(30)	-	(30)
At 31 March 2014	29,597	11,878	41,475
ACCUMULATED AMORTISATION			
At 1 April 2012	6,799	11,878	18,677
Amortisation	4,641	-	4,641
Disposals	(124)	-	(124)
Cost adjustment	(1)	-	(1)
At 31 March and 1 April 2013	11,315	11,878	23,193
Amortisation	5,343	-	5,343
Reclassification from fixed assets	4	-	4
Disposals	(201)	-	(201)
At 31 March 2014	16,461	11,878	28,339
CARRYING AMOUNT			
At 31 March 2014	13,136	-	13,136
At 31 March 2013	16,736	-	16,736

Computer software includes computer software work-in-progress of S\$825,000 (2013: S\$1,872,000) for the Group and Company, which amortisation is not provided for. The average remaining amortisation period of intangible assets is 1 year 2 months (2013: 2 years).

11. AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
AT FAIR VALUE				
Unquoted equity securities	86,910	57,513	82,955	53,489
Redeemable convertible loan stocks	359	709	-	-
	87,269	58,222	82,955	53,489

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

11. AVAILABLE-FOR-SALE INVESTMENTS (cont'd)

The fair value of unquoted equity securities available for sale is estimated based on the net asset values disclosed in the financial statements of the entities.

12. INVESTMENTS AT FAIR VALUE THROUGH INCOME OR EXPENDITURE

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
AT FAIR VALUE				
Quoted Government bonds	1,375,841	1,240,447	1,375,841	1,240,447
Quoted debt securities	57,450	37,133	57,450	37,133
Quoted equity securities	517,892	347,169	517,901	347,168
Unquoted equity securities	3,495,022	2,906,933	3,495,022	2,906,933
	5,446,205	4,531,682	5,446,214	4,531,681

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

The weighted average effective interest rate of debt securities including Government bonds designated at fair value through income or expenditure at the end of the reporting period was 0.99% (2013: 0.78%) per annum. The fair value of quoted equity securities and quoted debt securities are based on the last bid quoted market prices on the last market day of the financial year.

The investments in unquoted equity securities represent investments in venture capital funds and hedge funds which are carried at fair value. The fair values of these unquoted equity securities are estimated by reference to the net asset values disclosed in the financial statements of venture funds (as these pertain mainly to funds whose investments are stated at fair value) and external valuations. Changes in fair value of the above investments amounting to positive S\$237,430,000 (2013: positive S\$160,541,000) for the Group and S\$237,438,000 (2013: positive S\$160,541,000) for the Company have been included in income or expenditure (Note 31).

Under the terms of certain limited partnership agreements, the Group is obligated to make additional capital contributions up to contractual levels. As at the reporting period ended 31 March 2014, the Group has commitments of S\$547,783,000 (2013: S\$272,772,000) for which capital calls had not been exercised. Such commitments generally have fixed expiration dates or other termination clauses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

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

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	3,586,200	2,947,858	3,586,209	2,947,857
Euro	41,953	41,065	41,953	41,065
Swedish krona	8,970	2,944	8,970	2,944
Japanese yen	7,733	7,530	7,733	7,530
Canadian dollars	5,077	1,260	5,077	1,260
Sterling pounds	1,500	1,649	1,500	1,649
Australian dollars	-	1,172	-	1,172
Others	3,010	2,867	3,010	2,867
	3,654,443	3,006,345	3,654,452	3,006,344

13. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY			
	2014		2013	
	Assets	Liabilities	Assets	Liabilities
	S\$'000	S\$'000	S\$'000	S\$'000
Forward foreign exchange contracts	13,309	(3,995)	578	(14,171)
Options	536	-	-	-
	13,845	(3,995)	578	(14,171)
Analysed as:				
Current	13,845	(3,995)	578	(14,171)

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

At 31 March 2014, the settlement dates on open forward contracts ranged from between one month to up to a year (2013: one month to up to a year).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

At 31 March 2014, the contractual/notional amount of outstanding forward foreign exchange contracts to which the Group is committed are as follows:

	GROUP AND COMPANY	
	2014	2013
	S\$'000	S\$'000
Forward foreign exchange contracts	1,675,308	1,446,737
Options	67,491	-
	1,742,799	1,446,737

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

(For Information Only)

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current investments				
Fair value as at 1 April	58,222	51,155	53,489	46,668
Increase due to net (sales) purchases	(1,015)	(5,771)	2,855	(6,062)
Realised gain on sale of investments	3,451	-	-	-
Impairment loss	-	(45)	-	-
Gain arising from changes in fair values	26,611	12,883	26,611	12,883
Fair value at 31 March	87,269	58,222	82,955	53,489
Current investments				
Fair value as at 1 April	4,518,089	3,789,060	4,518,088	3,789,060
Increase due to net purchases	656,321	543,724	656,327	543,723
Realised gain on sale of investments	44,215	24,764	44,211	24,764
Gain arising from changes in fair values	237,430	160,541	237,438	160,541
Fair value at 31 March	5,456,055	4,518,089	5,456,064	4,518,088
Total				
Fair value as at 1 April	4,576,311	3,840,215	4,571,577	3,835,728
Increase due to net purchases	655,306	537,953	659,182	537,661
Realised gain on sale of investments	47,666	24,764	44,211	24,764
Impairment loss	-	(45)	-	-
Gain arising from changes in fair values	264,041	173,424	264,049	173,424
Fair value at 31 March	5,543,324	4,576,311	5,539,019	4,571,577

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

(For Information Only) (cont'd)

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Represented by:				
Available-for-sale investments	87,269	58,222	82,955	53,489
Investments at fair value through income or expenditure	5,446,205	4,531,682	5,446,214	4,531,681
Derivative financial instruments - assets	13,845	578	13,845	578
Derivative financial instruments - liabilities	(3,995)	(14,171)	(3,995)	(14,171)
	5,543,324	4,576,311	5,539,019	4,571,577

15. STUDENT LOANS

	GROUP AND COMPANY	
	2014	2013
	S\$'000	S\$'000
Student tuition fee loans ^(a)	224,281	224,746
Study loans ^(a)	58,898	59,392
Notebook computer loans ^(b)	1,515	2,583
Overseas student programme loans ^(c)	1,970	2,091
Other student loans ^(d)	10,156	8,219
	296,820	297,031
Represented by:		
Amount repayable within 12 months - current assets	70,622	73,618
Amount repayable after 12 months - non-current assets	226,198	223,413
	296,820	297,031

^(a) The student tuition fee and study loans are repayable by monthly instalments over periods of up to 20 years. The interest at 4.75% (2013: 4.75%) per annum is based on average prime rate of the 3 major local banks. The interest on the loans is remitted in full to the Government every 6 months.

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

^(c) The overseas student programme loans repayable by monthly instalments over periods of up to 5 years. The interest at 4.75% (2013: 4.75%) per annum is based on average prime rate of the 3 major local banks.

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

Secured Assets

The student loans are unsecured.

Fair values

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

15. STUDENT LOANS (cont'd)

Credit risk

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

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

	GROUP AND COMPANY	
	2014	2013
	S\$'000	S\$'000
Not past due and not impaired	12,159	11,128
Past due but not impaired ⁽ⁱ⁾	497	720
	12,656	11,848
Impaired student loans - individually assessed ⁽ⁱⁱ⁾	232	209
Less: Allowance for doubtful debts	(232)	(209)
	-	-
Total student loans	12,656	11,848

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

- Past due < 3 months	274	416
- Past due 3 to 6 months	79	36
- Past due 6 to 12 months	144	219
- Past due over 12 months	-	49
	497	720

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

Movement in the allowance for doubtful debts for student loans

	GROUP AND COMPANY	
	2014	2013
	S\$'000	S\$'000
Balance as at 1 April	209	217
Amounts written off during the year	(19)	(10)
Increase in allowance recognised in income or expenditure	42	2
Balance as at 31 March	232	209

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

17. AMOUNT OWING BY AN INVESTEE COMPANY

This pertained to a shareholder loan to an investee company. The total committed loan amount was S\$57,000,000, of which S\$53,351,000 had been drawn down as at the reporting period ended 31 March 2013. The loan amount had been repaid in full in the year ended 31 March 2014. The remaining interest owing of \$5,308,000 recorded in interest receivable (note 18) is expected to be repaid subsequent to year end and in 2014.

18. DEBTORS

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Grants receivable	319,105	416,778	319,105	416,778
Trade debtors	61,585	50,899	60,203	50,370
Receivables from sale of investments	3,919	2,490	3,919	2,490
Interest receivable	9,320	10,037	9,320	10,037
Others	19,579	18,382	19,579	18,382
	413,508	498,586	412,126	498,057

The average credit period of trade debtors is 30 days (2013: 30 days). No interest is charged on the trade receivables.

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

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Not past due and not impaired	40,714	35,701	39,332	35,172
Past due but not impaired ⁽ⁱ⁾	20,871	15,198	20,871	15,198
	61,585	50,899	60,203	50,370
Impaired trade debtors - individually assessed ⁽ⁱⁱ⁾	52	65	52	65
Less: Allowance for doubtful debts	(52)	(65)	(52)	(65)
	-	-	-	-
Total trade debtors, net	61,585	50,899	60,203	50,370

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

- Past due < 3 months	4,029	1,505	4,029	1,505
- Past due 3 to 6 months	1,128	405	1,128	405
- Past due 6 to 12 months	15,297	12,872	15,297	12,872
- Past due over 12 months	417	416	417	416
	20,871	15,198	20,871	15,198

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

18. DEBTORS (cont'd)

The Group's trade debtors balance which are past due but not impaired at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

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

Movement in the allowance for doubtful debts for trade debtors

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April	65	110	65	110
Amounts written off during the year	-	(93)	-	(93)
Amounts recovered during the year	(50)	-	(50)	-
Increase in allowance recognised in income or expenditure	37	48	37	48
Balance as at 31 March	52	65	52	65

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

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	1,359	4,175	1,287	4,139
Euro	476	208	476	208
Swedish krona	467	74	467	74
Chinese renminbi	192	122	192	122
Korean won	175	-	175	-
Japanese yen	67	27	67	27
Australian dollars	12	-	12	-
Sterling pounds	-	477	-	477
	2,748	5,083	2,676	5,047

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

19. DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Deposits paid	1,084	1,235	1,070	1,211
Purchased securities not yet settled	75,450	53,352	75,450	53,352
Prepayments for fixed assets	8,111	1,282	8,111	1,282
Other prepayments	27,918	29,760	27,142	29,516
	112,563	85,629	111,773	85,361
Less: Other prepayments (amount to be utilised after 12 months - non-current assets)	(599)	(3,853)	(599)	(3,853)
Deposits and prepayments (amount to be utilised within 12 months - current assets)	111,964	81,776	111,174	81,508

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

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
United States dollars	75,474	53,377	75,450	53,342
Indian rupee	27	27	27	27
Swiss franc	3	2	3	2
	75,504	53,406	75,480	53,371

20. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Fixed deposits	380,416	361,707	380,416	361,707
Cash and bank balances	312,223	323,853	290,977	282,641
	692,639	685,560	671,393	644,348

a. Fixed deposits

The effective interest rates of fixed deposits at the balance sheet date are between 0.22% to 0.45% (2013: 0.31% to 0.35%) per annum and for an average tenor of 4.10 months (2013: 11.99 months). The carrying amounts of the fixed deposits approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

20. CASH AND CASH EQUIVALENTS (cont'd)

a. Fixed deposits (cont'd)

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

	GROUP AND COMPANY	
	2014 S\$'000	2013 S\$'000
Euro	7,983	690
United States dollars	3,666	17,565
	11,649	18,255

b. Cash and bank balances

Cash at banks earn interest at floating rates based on daily bank deposit rates. The carrying amounts of the cash and bank balances approximate their fair values.

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

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
United States dollars	8,754	4,258	8,379	3,813
Euro	207	794	207	794
Chinese renminbi	169	25	-	-
Swedish krona	55	54	55	54
Sterling pounds	48	75	48	75
Hong Kong dollars	39	73	39	73
New Zealand dollars	21	-	21	-
Japanese yen	1	27	1	27
South African rand	-	66	-	66
Canadian dollars	-	32	-	32
Swiss franc	-	27	-	27
Danish krone	-	2	-	2
	9,294	5,433	8,750	4,963

21. ASSETS HELD FOR SALE

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

21. ASSETS HELD FOR SALE (cont'd)

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

The property has been classified as assets held for sale as the Company's management considers the sale to be probable and likely to be completed within a year.

22. CREDITORS AND ACCRUED EXPENSES/PROVISIONS

a. Creditors and accrued expenses

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Creditors	29,411	35,835	28,632	33,935
Payable for purchase of investments	18,670	2,786	18,670	2,786
Accrued expenses	204,281	157,661	200,618	155,231
Deposits received	3,699	4,241	3,637	4,177
	256,061	200,523	251,557	196,129

The average credit period on purchases of goods is 30 days (2013: 30 days). No interest is charged on the creditors.

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

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	1,077	1,193	814	876
Sterling pounds	341	79	341	79
Euro	76	17	76	17
Australian Dollar	53	1	53	1
Japanese yen	26	1	26	1
Chinese renminbi	4	9	-	-
Swiss Franc	2	14	2	14
Canadian dollars	1	1	1	1
Korean Won	1	-	1	-
Thai Baht	-	3	-	3
Hong Kong Dollar	-	2	-	2
Others	2	4	2	4
	1,583	1,324	1,316	998

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

b. Provisions

Movement in the provisions for employee leave liability

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April	68,633	62,559	68,036	62,059
Increase in provisions recognised in income or expenditure	3,888	6,074	3,745	5,977
Balance as at 31 March	72,521	68,633	71,781	68,036

23. GRANTS RECEIVED IN ADVANCE

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Grants received in advance from				
- Government	312,576	228,786	307,374	224,623
- Agency for Science, Technology & Research	12,872	15,794	12,872	15,781
- Others	47,848	68,785	47,709	67,488
	373,296	313,365	367,955	307,892

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

24. ADVANCES FROM THE GOVERNMENT FOR STUDENT LOANS

	GROUP AND COMPANY	
	2014	2013
	S\$'000	S\$'000
Balance as at 1 April	284,771	290,438
Advances received from Government during the year	72,273	71,441
Advances repaid to Government during the year	(70,772)	(76,629)
	286,272	285,250
Miscellaneous expenditure	(175)	(479)
Balance as at 31 March	286,097	284,771
Represented by :		
Amount due within 12 months - current liabilities	69,148	70,618
Amount due after 12 months - non-current liabilities	216,949	214,153
	286,097	284,771
Student tuition fee loans	224,281	224,746
Study loans	58,898	59,392
Overseas student programme loans	1,263	1,212
Advances receivable (repayable), pooled investments, fixed deposits and bank balances	1,655	(579)
	286,097	284,771

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

24. ADVANCES FROM THE GOVERNMENT FOR STUDENT LOANS *(cont'd)*

The advances from the Government are for the purpose of extending loans to students mainly to assist them in paying their tuition fees. They are unsecured and repayable following the collection of the underlying loans (including interest as described in Note 15) by the Company from the students. The fair value of the advances (non-current portion) cannot be measured reliably as the timing of future cash flows is not fixed.

25. FIXED RATE NOTES AND TERM LOAN

	GROUP AND COMPANY	
	2014	2013
	S\$'000	S\$'000
Fixed rate notes	750,000	500,000
Fixed rate term loan	350,000	350,000
	1,100,000	850,000
Represented by:		
Amount due within 12 months - current liabilities	250,000	-
Amount due after 12 months - non-current liabilities	850,000	850,000
	1,100,000	850,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

25. FIXED RATE NOTES AND TERM LOAN *(cont'd)*

a. Fixed rate notes

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

	Issued Amount	Fair Value 2014	Fair Value 2013
	S\$'000	S\$'000	S\$'000
Fixed Rate Notes Issued			
Fixed rate note due 12 June 2014	250,000	251,740	257,750
Fixed rate note due 23 January 2018	250,000	242,423	251,705
Fixed rate note due 13 February 2019	250,000	250,198	-
	750,000	744,361	509,455

b. Fixed rate term loan

On 5 October 2010, the Company drew down a S\$350,000,000, 5- years fixed rate term loan at 1.8% per annum to finance development projects under the debt-grant framework initiated by the Government. The fixed rate term loan is payable in full on 5 October 2015. The Company may, with prior notice to the bank, prepay the whole or any part of the loan after 12 months from the drawdown date of the loan. Similar to the Fixed Rate Notes, the Company is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the loan. The fair value of the loan as at 31 March 2014 is S\$349,857,000 (2013: S\$344,589,000).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

26. DEFERRED CAPITAL GRANTS

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Fixed Assets</u>				
Government and Agency for Science, Technology & Research				
Balance as at 1 April	1,620,712	1,547,861	1,618,224	1,545,256
Capital grants utilised during the year	176,690	238,942	176,690	238,672
Amount transferred from operating grants (Note 33)	70,021	60,321	69,964	59,987
	1,867,423	1,847,124	1,864,878	1,843,915
Deferred capital grants amortised	(234,532)	(226,412)	(233,926)	(225,691)
Balance as at 31 March	1,632,891	1,620,712	1,630,952	1,618,224
Others				
Balance as at 1 April	422,423	465,116	422,423	465,116
Capital grants utilised during the year and donated assets	20,496	1,240	20,177	1,240
Amount transferred from operating grants (Note 33)	13,366	6,864	13,116	6,864
	456,285	473,220	455,716	473,220
Deferred capital grants amortised	(30,866)	(50,797)	(30,788)	(50,797)
Balance as at 31 March	425,419	422,423	424,928	422,423
Total deferred capital grants balance for fixed assets as at 31 March	2,058,310	2,043,135	2,055,880	2,040,647
<u>Intangible Assets</u>				
Government and Agency for Science, Technology & Research				
Balance as at 1 April	14,377	13,330	14,238	13,091
Capital grants utilised during the year	721	4,350	721	4,350
Amount transferred from operating grants (Note 33)	582	470	582	470
	15,680	18,150	15,541	17,911
Deferred capital grants amortised	(4,534)	(3,773)	(4,433)	(3,673)
Balance as at 31 March	11,146	14,377	11,108	14,238
Others				
Balance as at 1 April	782	701	782	701
Amount transferred from operating grants (Note 33)	360	433	360	433
	1,142	1,134	1,142	1,134
Deferred capital grants amortised	(331)	(352)	(331)	(352)
Balance as at 31 March	811	782	811	782
Total deferred capital grants balance for intangible assets as at 31 March	11,957	15,159	11,919	15,020
<u>Fixed Assets and Intangible Assets</u>				
Balance as at 1 April	2,058,294	2,027,008	2,055,667	2,024,164
Capital grants utilised during the year and donated assets	197,907	244,532	197,588	244,262
Amount transferred from operating grants (Note 33)	84,329	68,088	84,022	67,754
	2,340,530	2,339,628	2,337,277	2,336,180
Deferred capital grants amortised	(270,263)	(281,334)	(269,478)	(280,513)
Balance as at 31 March	2,070,267	2,058,294	2,067,799	2,055,667

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

27. SUPPLEMENTARY INFORMATION ON GENERAL FUNDS AND RESTRICTED FUNDS

GROUP	Note	GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (Note A)		TOTAL	
		2014	2013	2014	2013	2014	2013	2014	2013
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
OPERATING INCOME									
Tuition and other related fees		388,131	344,141	-	-	-	-	388,131	344,141
Other income	28	221,538	208,142	62,548	75,609	(29,311)	(26,545)	254,775	257,206
		609,669	552,283	62,548	75,609	(29,311)	(26,545)	642,906	601,347
OPERATING EXPENDITURE									
Expenditure on manpower	29	827,883	804,206	272,595	244,299	-	-	1,100,478	1,048,505
Depreciation and amortisation expenditure	9,10	79,762	77,032	235,424	225,914	-	-	315,186	302,946
Other operating expenditure		398,764	374,332	464,115	456,728	(29,311)	(26,545)	833,568	804,515
		1,306,409	1,255,570	972,134	926,941	(29,311)	(26,545)	2,249,232	2,155,966
Operating Deficit		(696,740)	(703,287)	(909,586)	(851,332)	-	-	(1,606,326)	(1,554,619)
Net investment income	31	38,857	41,298	235,964	194,318	-	-	274,821	235,616
Share of results (net of tax) of associated companies	8	9,047	3,028	-	-	-	-	9,047	3,028
Deficit before Grants	32	(648,836)	(658,961)	(673,622)	(657,014)	-	-	(1,322,458)	(1,315,975)
GRANTS									
Operating Grants :									
Government	33a	718,295	700,299	463,495	472,090	-	-	1,181,790	1,172,389
Agency for Science, Technology & Research	33b	-	-	35,592	40,750	-	-	35,592	40,750
Others	33c	773	717	155,016	122,941	-	-	155,789	123,658
Deferred capital grants amortised	26	32,889	35,244	237,374	246,090	-	-	270,263	281,334
		751,957	736,260	891,477	881,871	-	-	1,643,434	1,618,131
SURPLUS FOR THE YEAR BEFORE TAX									
		103,121	77,299	217,855	224,857	-	-	320,976	302,156
Income tax	34	-	-	-	-	-	-	-	-
SURPLUS FOR THE YEAR	35	103,121	77,299	217,855	224,857	-	-	320,976	302,156
Accumulated Surplus Balance at 1 April									
		1,898,209	1,769,430	1,118,246	945,021	-	-	3,016,455	2,714,451
Transfer between General Funds and Restricted Funds (Note B)		36,066	51,480	(36,066)	(51,480)	-	-	-	-
Transfer to endowment funds		-	-	(3,637)	(152)	-	-	(3,637)	(152)
Accumulated Surplus Balance at 31 March		2,037,396	1,898,209	1,296,398	1,118,246	-	-	3,333,794	3,016,455

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

COMPANY	Note	GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (Note A)		TOTAL	
		2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
OPERATING INCOME									
Tuition and other related fees		383,036	339,115	-	-	-	-	383,036	339,115
Other income	28	217,287	204,111	62,548	75,609	(29,311)	(26,545)	250,524	253,175
		600,323	543,226	62,548	75,609	(29,311)	(26,545)	633,560	592,290
OPERATING EXPENDITURE									
Expenditure on manpower	29	806,215	784,339	272,595	244,299	-	-	1,078,810	1,028,638
Depreciation and amortisation expenditure	9,10	78,974	76,192	235,424	225,914	-	-	314,398	302,106
Other operating expenditure		389,184	363,713	464,115	456,728	(29,311)	(26,545)	823,988	793,896
		1,274,373	1,224,244	972,134	926,941	(29,311)	(26,545)	2,217,196	2,124,640
Operating Deficit		(674,050)	(681,018)	(909,586)	(851,332)	-	-	(1,583,636)	(1,532,350)
Net investment income	31	35,249	41,334	235,964	194,318	-	-	271,213	235,652
Deficit before Grants	32	(638,801)	(639,684)	(673,622)	(657,014)	-	-	(1,312,423)	(1,296,698)
GRANTS									
Operating Grants:									
Government	33a	696,446	676,635	463,495	472,090	-	-	1,159,941	1,148,725
Agency for Science, Technology & Research	33b	-	-	35,592	40,750	-	-	35,592	40,750
Others	33c	-	-	155,016	122,941	-	-	155,016	122,941
Deferred capital grants amortised	26	32,104	34,423	237,374	246,090	-	-	269,478	280,513
		728,550	711,058	891,477	881,871	-	-	1,620,027	1,592,929
SURPLUS FOR THE YEAR	35	89,749	71,374	217,855	224,857	-	-	307,604	296,231
Accumulated Surplus Balance at 1 April									
		1,837,567	1,714,713	1,118,246	945,021	-	-	2,955,813	2,659,734
Transfer between General Funds and Restricted Funds (Note B)		36,066	51,480	(36,066)	(51,480)	-	-	-	-
Transfer to endowment funds		-	-	(3,637)	(152)	-	-	(3,637)	(152)
Accumulated Surplus Balance at 31 March		1,963,382	1,837,567	1,296,398	1,118,246	-	-	3,259,780	2,955,813

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

Note A

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

Note B

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

28. OTHER INCOME

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Donations received	59,033	72,791	59,015	72,790
Rental income and student hostel residential fees	81,074	75,049	78,837	72,593
Courses and conference fees	39,986	37,552	39,626	37,239
Clinical fees/consultancy fees	14,915	15,561	14,915	15,561
Others	59,767	56,253	58,131	54,992
	254,775	257,206	250,524	253,175

29. EXPENDITURE ON MANPOWER

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Wages and salaries	1,007,816	956,559	987,957	938,380
Employer's contribution to Provident Funds	66,578	62,780	65,060	61,313
Other staff benefits	26,084	29,166	25,793	28,945
	1,100,478	1,048,505	1,078,810	1,028,638

30. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for nineteen (2013: twenty) key management personnel (includes the remuneration of an executive trustee) are as follows:

	GROUP AND COMPANY	
	2014 S\$'000	2013 S\$'000
Short-term benefits	14,642	12,183
Post-employment benefits	299	273
	14,941	12,456

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

31. NET INVESTMENT INCOME

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Interest income:				
Government bonds	14,674	16,767	14,674	16,767
Bonds/loan stocks in corporations/associated company	2,052	1,356	2,052	1,356
Fixed deposits and bank current accounts	1,287	2,779	1,134	2,770
	18,013	20,902	17,860	20,893
Dividend income:				
Quoted equity shares	8,441	3,493	8,441	3,493
Unquoted equity shares	6,850	2,836	6,842	2,836
	15,291	6,329	15,283	6,329
Net gain on sale of investments at fair value through income or expenditure ("FVTIE")	44,215	24,764	44,211	24,764
Net gain on sale of available-for-sale investments	3,451	-	-	-
Impairment loss on available-for-sale investments	-	(45)	-	-
Net foreign currency exchange (losses)/gains	(43,579)	23,125	(43,579)	23,125
Change in fair value of investments at FVTIE due to foreign currency changes (Note A)	81,003	(32,517)	81,003	(32,517)
	37,424	(9,392)	37,424	(9,392)
Change in fair value of investments at FVTIE due to price change (Note A)	156,427	193,058	156,435	193,058
	274,821	235,616	271,213	235,652

Note A

Total change in fair value of investments at FVTIE comprises of:

Change in fair value of investments due to foreign currency changes	81,003	(32,517)	81,003	(32,517)
Change in fair value of investments due to price change	156,427	193,058	156,435	193,058
Total change in fair value of investments at FVTIE	237,430	160,541	237,438	160,541

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

32. DEFICIT BEFORE GRANTS

This is arrived at after charging:

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Bad and doubtful debts	807	436	807	436
Rental expenses	6,339	7,614	6,339	7,614
Borrowing costs expensed off	12,027	9,142	12,027	9,142
Loss on disposal of fixed and intangible assets	2,693	16,886	2,684	16,882
Write-off of fixed assets	-	15,519	-	15,519
Fair value changes on assets held for sale	2,300	-	2,300	-
Research and development costs	497,674	487,274	497,674	487,274

Borrowing costs incurred during the year is analysed as follows:

Interest on fixed rate notes	11,145	8,483	11,145	8,483
Interest on fixed rate term loan	6,300	6,300	6,300	6,300
Less : amounts included in cost of qualifying fixed assets	(5,418)	(5,641)	(5,418)	(5,641)
Borrowing costs expensed off	12,027	9,142	12,027	9,142

33. OPERATING GRANTS

	GROUP		COMPANY	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
(a) Operating Grants (Government)				
Operating grants utilised during the year	1,240,253	1,223,625	1,218,347	1,199,627
Amount transferred to deferred capital grants	(58,463)	(51,236)	(58,406)	(50,902)
	1,181,790	1,172,389	1,159,941	1,148,725
(b) Operating Grants (Agency for Science, Technology & Research)				
Operating grants utilised during the year	47,732	50,305	47,732	50,305
Amount transferred to deferred capital grants	(12,140)	(9,555)	(12,140)	(9,555)
	35,592	40,750	35,592	40,750
(c) Operating Grants (Others)				
Operating grants utilised during the year	169,515	130,955	168,492	130,238
Amount transferred to deferred capital grants	(13,726)	(7,297)	(13,476)	(7,297)
	155,789	123,658	155,016	122,941

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

34. INCOME TAX

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 17% (2013: 17%) to surplus before income tax as a result of the following differences:

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Surplus for the year before income tax	320,976	302,156	307,604	296,231
Income tax expense calculated at statutory tax rate	54,566	51,367	52,293	50,359
Income not subject to tax	(54,624)	(50,980)	(52,293)	(50,359)
Tax effect of share of results of associate	(1,538)	(515)	-	-
Others	1,596	128	-	-
	-	-	-	-

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

35. SURPLUS FOR THE YEAR

The surplus for the year in the Statement of the comprehensive income of the Group and Company of S\$320,976,000 (2013: S\$302,156,000) and S\$307,604,000 (2013: S\$296,231,000) respectively includes the following:

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-endowed donations	59,033	72,791	59,015	72,790
Net investment income (include change in fair value of investment)	274,821	235,616	271,213	235,652
	333,854	308,407	330,228	308,442

36. COMMITMENTS

a. Capital Commitments

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

	GROUP AND COMPANY	
	2014	2013
	S\$'000	S\$'000
Authorised and contracted for	451,580	752,529

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

36. COMMITMENTS (cont'd)

b. Operating Lease Commitments – as Lessee

	GROUP AND COMPANY	
	2014	2013
	S\$'000	S\$'000
Minimum lease payments under operating leases included in the income or expenditure	679	1,365
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	573	553
Within second to fifth year inclusive	-	50
	573	603

Operating lease payments represent rentals payable by the Group for certain office properties which are fixed for an average of 2 years (2013: 2 years).

c. Operating Lease Commitments - as Lessor

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

	GROUP AND COMPANY	
	2014	2013
	S\$'000	S\$'000
Future minimum lease payments receivable:		
Within one year	2,985	2,502
After one year	2,399	2,285
	5,384	4,787

Operating lease payments represent rentals receivable by the Group for rental of premises with remaining lease terms ranging from 1 to 3 years (2013: 1 to 3 years).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

37. RELATED PARTIES TRANSACTIONS

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

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

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

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

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

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Government-controlled enterprises and companies within the Group				
<u>Balances</u>				
Debtors	344,295	431,724	344,760	431,930
Amount owing by subsidiary companies	-	-	979	1,048
Long-term loan to subsidiary companies	-	-	356	356
Creditors and accrued expenses	960	490	960	490
Amount owing to subsidiary company	-	-	25,352	1,902
Deferred Capital Grants	2,069,776	2,073,339	2,067,799	2,070,722
Grants received in advance	373,157	312,068	367,955	307,892
<u>Transactions</u>				
Endowed donations	1,000	3,045	1,000	3,045
Non-endowed donations	8,781	22,349	8,781	22,349
Other income	22,153	20,783	23,111	22,072
Other operating expenditure	53,296	48,937	57,234	51,930
Operating/capital grants received	1,704,361	1,624,697	1,681,114	1,601,009

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

37. RELATED PARTIES TRANSACTIONS (cont'd)

	GROUP		COMPANY	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Corporations in which trustees have the ability to control or exercise significant influence (including donations received from trustees)				
<u>Balances</u>				
Debtors	27	43	27	43
Creditors and accrued expenses	1	1	1	1
<u>Transactions</u>				
Endowed donations	2,383	4,471	2,383	4,471
Non-endowed donations	2,767	104	2,767	104
Other income	219	246	219	246
Other operating expenditure	1,223	877	1,223	877
Operating/capital grants received	16	-	16	-

38. FUNDS HELD IN TRUST

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

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

Separate bank account has been set up to account for the funds under the Foundation. The Group will maintain the bank balance and make payments on behalf of the Foundation. As at the reporting period ended 31 March 2014, the fund balance held in trust by the Group is S\$4,447 (2013: S\$697).



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