NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

(INCORPORATED IN SINGAPORE. REGISTRATION NUMBER: 200604346E)

FULL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 MARCH 2016

NUS
National University
of Singapore

TRUSTEES' STATEMENT AND CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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TRUSTEES' STATEMENT

TRUSTEES' STATEMENT

The Trustees are pleased to present their statement to the members together with the audited consolidated financial statements of the National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group") and statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company, as of and for the financial year ended 31 March 2016.

OPINION OF THE TRUSTEES

In the opinion of the Trustees,

a) the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as set out on pages 6 to 74 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016, and of the financial performance, changes in funds and reserves of the Group and the Company and cash flows of the Group for the financial year from 1 April 2015 to 31 March 2016; and

b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

TRUSTEES

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

ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE SHARES AND DEBENTURES

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

TRUSTEES' INTERESTS IN SHARES OR DEBENTURES

As the Company is a 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

29 July 2016

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2016, 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 2015 to 31 March 2016, 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"), the Singapore Charities Act, Chapter 37 (the "Charities Act"), and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements 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 TRUSTEES OF NATIONAL UNIVERSITY OF SINGAPORE

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of the financial performance and changes in funds and reserves of the Group and the Company and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

ERNST & YOUNG LLP

Public Accountants and
Chartered Accountants

Singapore
29 July 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

		GROUP		COMPANY	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Note	S$'000	S$'000	S$'000	S$'000
NON-CURRENT ASSETS					
Subsidiary companies	5	–	–	328	328
Associated companies	6	122,925	115,777	73,057	72,457
Fixed assets	7	3,484,025	3,485,032	3,481,580	3,482,924
Intangible assets	8	8,109	9,916	8,094	9,904
Available-for-sale investments	9	8,428	11,215	4,773	4,742
Student loans (repayable after 12 months)	12	226,811	227,228	226,811	227,228
Long-term loan to subsidiary company	13	–	–	250	250
Prepayments (to be utilised after 12 months)	15	458	528	458	528
Total Non-Current Assets		**3,850,756**	**3,849,696**	**3,795,351**	**3,798,361**
CURRENT ASSETS					
Student loans (repayable within 12 months)	12	78,041	73,780	78,041	73,780
Debtors	14	487,445	492,503	485,712	490,755
Consumable stores		457	624	265	336
Deposits and prepayments (to be utilised within 12 months)	15	42,994	105,071	42,617	103,934
Amounts owing by subsidiary companies	13	–	–	889	979
Investments at fair value through income or expenditure	10	6,379,425	5,984,437	6,379,425	5,984,437
Derivative financial instruments	11	82,771	4,242	82,771	4,242
Cash and cash equivalents	16	753,977	728,450	733,145	708,465
		7,825,110	7,389,107	7,802,865	7,366,928
Assets held for sale	17	–	11,200	–	11,200
Total Current Assets		**7,825,110**	**7,400,307**	**7,802,865**	**7,378,128**
TOTAL ASSETS		**11,675,866**	**11,250,003**	**11,598,216**	**11,176,489**

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

		GROUP		COMPANY	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Note	S$'000	S$'000	S$'000	S$'000
CURRENT LIABILITIES					
Creditors and accrued expenses	18	384,961	310,483	382,381	307,532
Provisions	18	97,240	92,093	95,080	89,687
Grants received in advance	19	456,926	435,988	452,859	431,136
Deferred tuition and other fees		69,373	67,953	69,248	67,808
Derivative financial instruments	11	709	49,606	709	49,606
Amounts owing to subsidiary companies	13	–	–	25,937	26,222
Advances from Government for student loans (due within 12 months)	20	75,494	71,721	75,494	71,721
Fixed rate notes and term loan (due within 12 months)	21	–	350,000	–	350,000
Total Current Liabilities		**1,084,703**	**1,377,844**	**1,101,708**	**1,393,712**
NON-CURRENT LIABILITIES					
Advances from Government for student loans (due after 12 months)	20	217,430	177,681	217,430	177,681
Fixed rate notes and term loan (due after 12 months)	21	900,000	500,000	900,000	500,000
Deferred capital grants	22	1,874,875	2,002,377	1,872,498	2,000,378
Total Non-Current Liabilities		**2,992,305**	**2,680,058**	**2,989,928**	**2,678,059**
TOTAL LIABILITIES		**4,077,008**	**4,057,902**	**4,091,636**	**4,071,771**
NET ASSETS		**7,598,858**	**7,192,101**	**7,506,580**	**7,104,718**
FUNDS AND RESERVES					
ACCUMULATED SURPLUS					
– Designated General Funds	23	2,406,939	2,267,288	2,337,013	2,195,353
– Restricted Funds	23	1,703,656	1,801,039	1,682,438	1,788,354
		4,110,595	4,068,327	4,019,451	3,983,707
ENDOWMENT FUNDS	24	3,486,406	3,120,319	3,485,974	3,119,887
FAIR VALUE RESERVE		1,801	3,377	1,155	1,124
TRANSLATION RESERVE		56	78	–	–
TOTAL FUNDS AND RESERVES		**7,598,858**	**7,192,101**	**7,506,580**	**7,104,718**

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

GROUP

		DESIGNATED GENERAL FUNDS		RESTRICTED FUNDS		TOTAL	
		2016	2015	2016	2015	2016	2015
	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
OPERATING INCOME							
Tuition and other related fees		445,752	416,280	–	–	445,752	416,280
Other income	26	212,074	206,766	120,596	90,218	332,670	296,984
		657,826	623,046	120,596	90,218	778,422	713,264
OPERATING EXPENDITURE							
Expenditure on manpower	27	887,909	869,214	341,667	311,034	1,229,576	1,180,248
Depreciation and amortisation expenditure	7,8	84,894	81,296	256,919	237,879	341,813	319,175
Other operating expenditure		431,076	392,038	514,019	473,185	945,095	865,223
		1,403,879	1,342,548	1,112,605	1,022,098	2,516,484	2,364,646
Operating deficit		(746,053)	(719,502)	(992,009)	(931,880)	(1,738,062)	(1,651,382)
Net investment (loss) income	29	4,999	110,303	(35,087)	603,278	(30,088)	713,581
Share of results (net of tax) of associated companies	6	(1,985)	(2,580)	8,533	12,685	6,548	10,105
Deficit before Grants	30	(743,039)	(611,779)	(1,018,563)	(315,917)	(1,761,602)	(927,696)
GRANTS							
Operating Grants:							
Government	31a	728,689	712,500	523,949	479,370	1,252,638	1,191,870
Others	31b	18,514	544	261,646	203,629	280,160	204,173
Deferred capital grants amortised	22	31,877	33,154	249,040	233,345	280,917	266,499
		779,080	746,198	1,034,635	916,344	1,813,715	1,662,542
SURPLUS FOR THE YEAR BEFORE TAX		36,041	134,419	16,072	600,427	52,113	734,846
Income tax	32	–	–	–	–	–	–
SURPLUS FOR THE YEAR	33	**36,041**	**134,419**	**16,072**	**600,427**	**52,113**	**734,846**
OTHER COMPREHENSIVE INCOME:							
Items that may be reclassified subsequently to income or expenditure:							
Exchange differences on translating foreign operations		(22)	116	–	–	(22)	116
Change in fair value of available-for-sale investments		–	–	(1,576)	2,409	(1,576)	2,409
Transfer of fair value reserve on sale of available-for-sale investments to income or expenditure		–	–	–	(53,598)	–	(53,598)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(22)	116	(1,576)	(51,189)	(1,598)	(51,073)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**36,019**	**134,535**	**14,496**	**549,238**	**50,515**	**683,773**

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

COMPANY

		DESIGNATED GENERAL FUNDS		RESTRICTED FUNDS		TOTAL	
		2016	2015	2016	2015	2016	2015
	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
OPERATING INCOME							
Tuition and other related fees		440,972	411,402	–	–	440,972	411,402
Other income	26	208,595	202,361	120,596	90,218	329,191	292,579
		649,567	613,763	120,596	90,218	770,163	703,981
OPERATING EXPENDITURE							
Expenditure on manpower	27	865,928	847,379	341,667	311,034	1,207,595	1,158,413
Depreciation and amortisation expenditure	7,8	84,211	80,514	256,919	237,879	341,130	318,393
Other operating expenditure		422,647	383,108	514,019	473,185	936,666	856,293
		1,372,786	1,311,001	1,112,605	1,022,098	2,485,391	2,333,099
Operating deficit		(723,219)	(697,238)	(992,009)	(931,880)	(1,715,228)	(1,629,118)
Net investment (loss) income	29	5,340	109,934	(35,087)	603,278	(29,747)	713,212
Deficit before Grants	30	(717,879)	(587,304)	(1,027,096)	(328,602)	(1,744,975)	(915,906)
GRANTS							
Operating Grants:							
Government	31a	708,241	691,410	523,949	479,370	1,232,190	1,170,780
Others	31b	16,450	–	261,646	203,629	278,096	203,629
Deferred capital grants amortised	22	31,238	32,392	249,040	233,345	280,278	265,737
		755,929	723,802	1,034,635	916,344	1,790,564	1,640,146
SURPLUS FOR THE YEAR BEFORE TAX		38,050	136,498	7,539	587,742	45,589	724,240
Income tax	32	–	–	–	–	–	–
SURPLUS FOR THE YEAR	33	**38,050**	**136,498**	**7,539**	**587,742**	**45,589**	**724,240**
OTHER COMPREHENSIVE INCOME:							
Items that may be reclassified subsequently to income or expenditure:							
Change in fair value of available-for-sale investments		–	–	31	166	31	166
Transfer of fair value reserve on sale of available-for-sale investments to income or expenditure		–	–	–	(53,598)	–	(53,598)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		–	–	31	(53,432)	31	(53,432)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**38,050**	**136,498**	**7,570**	**534,310**	**45,620**	**670,808**

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 2016

GROUP

		ACCUMULATED SURPLUS		ENDOWMENT FUNDS	FAIR VALUE RESERVE	TRANSLATION RESERVE	TOTAL
		Designated General Funds	Restricted Funds				
	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 April 2015		**2,267,288**	**1,801,039**	**3,120,319**	**3,377**	**78**	**7,192,101**
Surplus for the year		36,041	16,072	–	–	–	**52,113**
Other comprehensive income		–	–	–	(1,576)	(22)	**(1,598)**
Total comprehensive income for the year		36,041	16,072	–	(1,576)	(22)	**50,515**
Matching grants received/accrued	24	–	–	245,947	–	–	**245,947**
Donations received	24	–	–	110,295	–	–	**110,295**
Total recognised gains and losses for the year		36,041	16,072	356,242	(1,576)	(22)	**406,757**
Transfer between Designated General Funds and Restricted Funds	25	103,610	(103,610)	–	–	–	**–**
Transfer to endowment funds	24	–	(9,845)	9,845	–	–	**–**
Balance at 31 March 2016		**2,406,939**	**1,703,656**	**3,486,406**	**1,801**	**56**	**7,598,858**
Balance as at 1 April 2014		**2,037,396**	**1,296,398**	**2,843,069**	**54,566**	**(38)**	**6,231,391**
Surplus for the year		134,419	600,427	–	–	–	**734,846**
Other comprehensive income		–	–	–	(51,189)	116	**(51,073)**
Total comprehensive income for the year		134,419	600,427	–	(51,189)	116	**683,773**
Matching grants received/accrued	24	–	–	196,962	–	–	**196,962**
Donations received	24	–	–	79,975	–	–	**79,975**
Total recognised gains and losses for the year		134,419	600,427	276,937	(51,189)	116	**960,710**
Transfer between Designated General Funds and Restricted Funds	25	95,473	(95,473)	–	–	–	**–**
Transfer to endowment funds	24	–	(313)	313	–	–	**–**
Balance at 31 March 2015		**2,267,288**	**1,801,039**	**3,120,319**	**3,377**	**78**	**7,192,101**

STATEMENTS OF CHANGES IN FUNDS AND RESERVES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

COMPANY

		ACCUMULATED SURPLUS		ENDOWMENT FUNDS	FAIR VALUE RESERVE	TOTAL
		Designated General Funds	Restricted Funds			
	Note	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 April 2015		**2,195,353**	**1,788,354**	**3,119,887**	**1,124**	**7,104,718**
Surplus for the year		38,050	7,539	–	–	**45,589**
Other comprehensive income		–	–	–	31	**31**
Total comprehensive income for the year		38,050	7,539	–	31	**45,620**
Matching grants received/accrued	24	–	–	245,947	–	**245,947**
Donations received	24	–	–	110,295	–	**110,295**
Total recognised gains and losses for the year		38,050	7,539	356,242	31	**401,862**
Transfer between Designated General Funds and Restricted Funds	25	103,610	(103,610)	–	–	**–**
Transfer to endowment funds	24	–	(9,845)	9,845	–	–
Balance at 31 March 2016		**2,337,013**	**1,682,438**	**3,485,974**	**1,155**	**7,506,580**
Balance as at 1 April 2014		**1,963,382**	**1,296,398**	**2,842,657**	**54,556**	**6,156,993**
Surplus for the year		136,498	587,742	–	–	**724,240**
Other comprehensive income		–	–	–	(53,432)	**(53,432)**
Total comprehensive income for the year		136,498	587,742	–	(53,432)	**670,808**
Matching grants received/accrued	24	–	–	196,952	–	**196,952**
Donations received	24	–	–	79,965	–	**79,965**
Total recognised gains and losses for the year		136,498	587,742	276,917	(53,432)	**947,725**
Transfer between Designated General Funds and Restricted Funds	25	95,473	(95,473)	–	–	**–**
Transfer to endowment funds	24	–	(313)	313	–	**–**
Balance at 31 March 2015		**2,195,353**	**1,788,354**	**3,119,887**	**1,124**	**7,104,718**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 S$'000	2015 S$'000
Cash flows from operating activities:			
Deficit before Grants		(1,761,602)	(927,696)
Adjustments for:			
Depreciation of fixed assets	7	336,398	313,658
Amortisation of intangible assets	8	5,415	5,517
Donated artifacts additions	24	(483)	–
Net investment loss (income)	29	30,088	(713,581)
Loss on disposal of fixed and intangible assets	30	4,617	1,326
Bad and doubtful debts	30	835	184
Exchange differences arising on translation of foreign subsidiary		(22)	116
Gain on valuation of assets transferred to associated company		–	(7,200)
Share of results (net of tax) of associated companies		(6,548)	(10,105)
Deficit before working capital changes		(1,391,302)	(1,337,781)
Change in operating assets and liabilities:			
Decrease (increase) in debtors, consumable stores, deposits and prepayments		2,619	(89,493)
Increase in creditors and accrued expenses, provisions and deferred tuition and other fees		88,578	2,167
Cash used in operations		(1,300,105)	(1,425,107)
Other grants received, net of refund		319,749	239,854
Donations received for endowment funds	24	110,295	79,975
Student loans granted		(81,285)	(76,180)
Student loans repaid		77,460	71,974
Net cash outflow from operating activities		**(873,886)**	**(1,109,484)**
Cash flows from investing activities:			
Payments for purchase of fixed assets	7	(345,956)	(475,371)
Payments for purchase of intangible assets	8	(3,628)	(2,268)
Proceeds from disposal of fixed assets and intangible assets		124	284
Investment in associated companies		(600)	(58,265)
Net (purchase) sale of investments		(542,090)	370,542
Interest and dividend received		79,476	54,094
Net foreign currency exchange losses	29	(88,677)	(88,934)
Net cash outflow from investing activities		**(901,351)**	**(199,918)**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 S$'000	2015 S$'000
Cash flows from financing activities:			
Government grants received, net of refund		1,477,615	1,439,881
Government grants received for endowment funds		228,961	190,149
Student tuition fee loan funds received from government		100,400	32,543
Student loan funds received from government		18,399	6,111
Overseas student loan funds received from government		389	–
Student tuition fee loan funds repaid to government		(60,861)	(60,659)
Student loan funds repaid to government		(13,818)	(12,287)
Overseas student loan funds repaid to government		(321)	(525)
Proceeds from issue of fixed rate note	21	400,000	–
Fixed rate term loan and note repaid	21	(350,000)	(250,000)
Net cash inflow from financing activities		**1,800,764**	**1,345,213**
Net increase in cash and cash equivalents		**25,527**	**35,811**
Cash and cash equivalents at the beginning of the year		**728,450**	**692,639**
Cash and cash equivalents at the end of the year	16	**753,977**	**728,450**

Note

During the financial year, the Group acquired fixed assets amounting to S$347,645,000 (2015: S$476,518,000), out of which S$345,956,000 (2015: S$475,371,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

1 GENERAL

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

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

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

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as of and for the year ended 31 March 2016 were authorised for issue in accordance with a resolution of the Trustees on 29 July 2016.

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 2015. 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 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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

Description	Effective for annual periods beginning on or after
FRS 114 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 16 and FRS 41 Agriculture - Bearer Plants	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Improvements to FRSs (November 2014)	
Amendments to FRS 111 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
(a) Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
(b) Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2016
(c) Amendments to FRS 19 Employee Benefits	1 January 2016
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

At the date of authorisation of these financial statements, the management has considered and anticipated that the adoption of the FRSs, INT FRSs and amendments to FRS that were issued but not effective until future periods will have no material impact on the financial statements of the Group and the Company in the year of their initial adoption, except for FRS 115 and FRS 109 which the Group is currently assessing the impact. The details are as follows:

FRS 115 Revenue from Contracts with Customers

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

Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

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

FRS 109 Financial Instruments

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

The Group is currently assessing the impact of FRS 109 and plans to adopt the new standard on the required effective date.

b) BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS

i) Basis of consolidation

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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

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

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

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

ii) Business combinations

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

c) SUBSIDIARIES AND ASSOCIATES

i) Subsidiaries

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

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

ii) Associates

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

ii) Associates *(cont'd)*

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

d) FINANCIAL INSTRUMENTS

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

Effective interest method

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

Financial Assets

i) Cash and cash equivalents

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

ii) Student loans, debtors and deposits

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

iii) Financial Assets at Fair Value through Income or Expenditure (FVTIE)

Financial Assets are classified as FVTIE if they are acquired principally for the purpose of selling in the near future or designated as such upon initial recognition. These assets are designated as FVTIE if the Group manages them and makes purchases and sales decisions based on their fair value in accordance with the Group's risk management and investment strategies.

Financial assets at FVTIE 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) FINANCIAL INSTRUMENTS *(cont'd)*

Financial Assets *(cont'd)*

(iv) Available-for-sale investments

Certain unquoted equity securities held by the Group are classified as available for sale and are stated at fair value. 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, 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.

For equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) FINANCIAL INSTRUMENTS *(cont'd)*

Financial Assets *(cont'd)*

(iv) Available-for-sale investments *(cont'd)*

Impairment of financial assets *(cont'd)*

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

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

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

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

Derecognition of financial assets

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

Regular way purchase or sale of financial assets

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) FINANCIAL INSTRUMENTS *(cont'd)*

Financial Assets *(cont'd)*

(iv) Available-for-sale investments *(cont'd)*

Financial liabilities and equity *(cont'd)*

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

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

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

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

i) Creditors and accrued expenses

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

ii) Fixed rate notes and term loan

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

iii) Derivative financial instruments

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

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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

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

f) REVENUE RECOGNITION

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

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

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

h) GRANTS *(cont'd)*

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

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

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

Grants are accounted for on an accrual basis.

i) ENDOWMENT FUNDS

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

j) FUNDS

Designated General funds

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

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 2016

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 2016

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

r) INCOME TAX *(cont'd)*

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

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

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

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

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

s) RESEARCH EXPENDITURE

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

a) Key sources of estimation uncertainty

(i) Fair value estimation

The Group holds unquoted equity securities that are not traded in an active market. The Group has used the net asset value disclosed in the financial statements of the entities (as these pertain mainly to funds whose investments are stated at fair value) and external valuations as the fair value for these financial assets. The carrying amounts of these unquoted securities for Group and Company at the end of the reporting period were S$4,514,771,000 (2015: S$4,395,671,000) and S$4,512,499,000 (2015: S$4,392,136,000) respectively.

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	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
FINANCIAL ASSETS				
At fair value through income or expenditure (FVTIE):				
Investments	6,379,425	5,984,437	6,379,425	5,984,437
Derivative financial instruments	82,771	4,242	82,771	4,242
Sub-total	**6,462,196**	**5,988,679**	**6,462,196**	**5,988,679**
Loans and receivables at amortised cost:				
– Debtors	487,445	492,503	485,712	490,755
– Student loans	304,852	301,008	304,852	301,008
– Fixed deposits	135,582	144,962	135,582	144,962
– Cash and bank balances	618,395	583,488	597,563	563,503
– Advances for investment in funds	6,733	71,123	6,733	71,123
– Deposits	900	1,306	839	1,020
– Long-term loan to subsidiary company	–	–	250	250
– Amount owing by subsidiary companies	–	–	889	979
Sub-total	**1,553,907**	**1,594,390**	**1,532,420**	**1,573,600**
Available-for-sale financial assets, at fair value through other comprehensive income	8,428	11,215	4,773	4,742

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

a) Categories of financial instruments *(cont'd)*

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
FINANCIAL LIABILITIES				
At fair value through income or expenditure (FVTIE):				
Derivative financial instruments	709	49,606	709	49,606
Financial liabilities at amortised cost:				
– Creditors and accrued expenses	384,961	310,483	382,381	307,532
– Advances from Government for student loans	292,924	249,402	292,924	249,402
– Fixed rate notes and term loan	900,000	850,000	900,000	850,000
– Amount owing to subsidiary companies	–	–	25,937	26,222
Sub-total	**1,577,885**	**1,409,885**	**1,601,242**	**1,433,156**

b) Financial risk management policies and objectives

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

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

The long term asset allocation policy is the long-term asset mix of the Group's portfolio of investments and defines the assets that the Group 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 having a diversified portfolio and target weights, thus monitoring and controlling exposure risk. The performance of the managed funds is regularly reviewed by the Investment Office, which manages the portfolio.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 2016 will result in a +/- S$248,849,000 (2015: +/- S$242,537,000) gain / loss in net surplus for the Group and Company. This analysis has been performed with all other variables constant.

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

(ii) Interest rate risk management

The Group's investments are subject to interest rate risk as the Group invests in fixed income securities, either directly or through externally managed fixed income funds. 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 2016 will result in a -/+ S$48,962,000 (2015: -/+ S$35,028,000) gain / loss in net surplus for the Group and Company. Similarly this analysis was performed with all other variables constant. The correlation of the other variables has been assumed to be constant.

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

(iii) Foreign exchange risk management

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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)*

a) Investments

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

	2016		2015	
	Investments at FVTIE	Derivatives Financial Instruments	Investments at FVTIE	Derivatives Financial Instruments
	S$'000	S$'000	S$'000	S$'000
United States Dollars	4,611,744	1,819,782	4,444,506	1,691,769
Other foreign currencies	152,378	112,326	79,503	149,208

If the United States dollars were to change by 1% against the Singapore dollar, the Group's surplus will increase/decrease by S$27,830,000 (2015: increase/decrease by S$27,527,000).

b) Other Financial Assets and Financial Liabilities

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

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

	GROUP				COMPANY			
	ASSETS		LIABILITIES		ASSETS		LIABILITIES	
	2016	2015	2016	2015	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
United States Dollars	35,369	132,774	31,282	1,816	34,922	132,077	30,876	1,437
Other foreign currencies	1,837	38,688	1,242	247	1,649	38,473	1,155	186

If the United States dollars were to change by 1% against the Singapore dollar, the Group's and Company's surplus will increase/decrease by S$41,000 and S$40,000 (2015: increase/decrease by S$1,310,000 and S$1,306,000 respectively).

(iv) Liquidity risk management

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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, 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. It 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.

	Weighted average effective interest rate	On demand or within 1 year	Within 2-5 years	Total
GROUP	%	S$'000	S$'000	S$'000
2016				
Non-interest bearing	–	384,961	–	384,961
Interest bearing	1.7	15,665	937,876	953,541
Total		**400,626**	**937,876**	**1,338,502**
2015				
Non-interest bearing	–	310,483	–	310,483
Interest bearing	1.5	360,129	516,967	877,096
Total		**670,612**	**516,967**	**1,187,579**
COMPANY				
2016				
Non-interest bearing	–	382,381	–	382,381
Interest bearing	1.7	15,665	937,876	953,541
Total		**398,046**	**937,876**	**1,335,922**
2015				
Non-interest bearing	–	307,532	–	307,532
Interest bearing	1.5	360,129	516,967	877,096
Total		**667,661**	**516,967**	**1,184,628**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

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

b) Non-derivative financial assets

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

GROUP	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2-5 years S$'000	After 5 years S$'000	Total S$'000
2016					
Non-interest bearing	–	619,094	–	–	619,094
Interest bearing	1.22	631,815	–	–	631,815
Investments at FVTIE	–	4,674,706	652,808	1,051,911	6,379,425
Available-for-sale investments	–	4,773	–	3,655	8,428
Total		**5,930,388**	**652,808**	**1,055,566**	**7,638,762**
2015					
Non-interest bearing	–	1,119,581	–	–	1,119,581
Interest bearing	0.72	175,029	–	–	175,029
Investments at FVTIE	–	4,625,979	504,956	853,502	5,984,437
Available-for-sale investments	–	–	–	11,215	11,215
Total		**5,920,589**	**504,956**	**864,717**	**7,290,262**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

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

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

COMPANY	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2-5 years S$'000	After 5 years S$'000	Total S$'000
2016					
Non-interest bearing	–	597,357	250	–	597,607
Interest bearing	1.22	631,620	–	–	631,620
Investments at FVTIE	–	4,674,706	652,808	1,051,911	6,379,425
Available-for-sale investments	–	4,773	–	–	4,773
Total		**5,908,456**	**653,058**	**1,051,911**	**7,613,425**
2015					
Non-interest bearing	–	1,098,541	250	–	1,098,791
Interest bearing	0.72	174,617	–	–	174,617
Investments at FVTIE	–	4,625,979	504,956	853,502	5,984,437
Available-for-sale investments	–	–	–	4,742	4,742
Total		**5,899,137**	**505,206**	**858,244**	**7,262,587**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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
2016	
Forward foreign exchange contracts:	
Assets	82,771
Liabilities	(709)
2015	
Forward foreign exchange contracts:	
Assets	4,242
Liabilities	(49,606)

(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 financial position.

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

As 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% is funded by the Government, hence the maximum exposure to credit risk is 50% of the carrying amount of the loans. For notebook computer loans and other student loans, the maximum exposure to credit risk is the carrying amount of the loans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

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

Collateral Held

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

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

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

	2016 S$'000	2015 S$'000
Fair value of collateral accepted in the form of cash / given in the form of Treasury Notes	2,670	–

The above collateral is subject to the standard industry terms of ISDA's Credit Support Annex (CSA). Securities received or given as collateral are allowed to be pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. Each counter party also has the right to terminate the related transactions on the counterparty's failure to post collateral.

(vi) Fair Value of financial assets and liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

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

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

2016

GROUP	Note	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Recurring fair value measurements					
Financial Assets:					
Available-for-sale investments					
Equity securities		1,383	3,507	3,538	8,428
Sub-total	9	**1,383**	**3,507**	**3,538**	**8,428**
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,402,454	–	–	1,402,454
Equity securities		674,709	366,649	3,935,613	4,976,971
Sub-total	10	**2,077,163**	**366,649**	**3,935,613**	**6,379,425**
Derivative financial instruments					
Forward foreign exchange contracts		–	82,771	–	82,771
Sub-total	11	**–**	**82,771**	**–**	**82,771**
Total		**2,078,546**	**452,927**	**3,939,151**	**6,470,624**
Financial Liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(709)	–	(709)
Total	11	**–**	**(709)**	**–**	**(709)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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)*

2015

GROUP	Note	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Recurring fair value measurements					
Financial Assets:					
Available-for-sale investments					
Equity securities		2,638	3,674	4,603	10,915
Redeemable convertible loan stocks		–	–	300	300
Sub-total	9	**2,638**	**3,674**	**4,903**	**11,215**
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,138,437	–	–	1,138,437
Equity securities		458,606	–	4,387,394	4,846,000
Sub-total	10	**1,597,043**	**–**	**4,387,394**	**5,984,437**
Derivative financial instruments					
Forward foreign exchange contracts		4,242	–	–	4,242
Sub-total	11	**4,242**	**–**	**–**	**4,242**
Total		**1,603,923**	**3,674**	**4,392,297**	**5,999,894**
Financial Liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		(49,606)	–	–	(49,606)
Total	11	**(49,606)**	**–**	**–**	**(49,606)**
Non-recurring fair value measurements					
Assets held for sale		–	11,200	–	11,200
Total	17	**–**	**11,200**	**–**	**11,200**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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)*

2016

COMPANY	Note	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Recurring fair value measurements					
Financial Assets:					
Available-for-sale investments					
Equity securities		–	3,507	1,266	4,773
Sub-total	9	**–**	**3,507**	**1,266**	**4,773**
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,402,454	–	–	1,402,454
Equity securities		674,709	366,649	3,935,613	4,976,971
Sub-total	10	**2,077,163**	**366,649**	**3,935,613**	**6,379,425**
Derivative financial instruments					
Forward foreign exchange contracts		–	82,771	–	82,771
Sub-total	11	**–**	**82,771**	**–**	**82,771**
Total		**2,077,163**	**452,927**	**3,936,879**	**6,466,969**
Financial Liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(709)	–	(709)
Total	11	**–**	**(709)**	**–**	**(709)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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)*

2015

COMPANY	Note	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Recurring fair value measurements					
Financial Assets:					
Available-for-sale investments					
Equity securities		–	3,674	1,068	4,742
Sub-total	9	**–**	**3,674**	**1,068**	**4,742**
Investments at fair value through income or expenditure					
Government bonds		1,138,437	–	–	1,138,437
Equity securities		458,606	–	4,387,394	4,846,000
Sub-total	10	**1,597,043**	**–**	**4,387,394**	**5,984,437**
Derivative financial instruments					
Forward foreign exchange contracts		4,242	–	–	4,242
Sub-total	11	**4,242**	**–**	**–**	**4,242**
Total		**1,601,285**	**3,674**	**4,388,462**	**5,993,421**
Financial Liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		(49,606)	–	–	(49,606)
Total	11	**(49,606)**	**–**	**–**	**(49,606)**
Non-recurring fair value measurements					
Assets held for sale		–	11,200	–	11,200
Total	17	**–**	**11,200**	**–**	**11,200**

The Group reviews its valuation policy yearly. In FY 2015/2016, the following changes were made to the determination of hierarchy of investments at the beginning of FY2015/2016: The fair value of the forward foreign exchange contracts which are derived by interpolating with different period exchange rates are transferred from Level 1 to Level 2. Investments in open-ended funds free of lock-up, redeemable at the net asset value at any business day, are transferred from level 3 to level 1. Investments in open-ended funds free of lock-up, redeemable at the net asset value on a monthly basis, are transferred from level 3 to level 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 shows transfers of investments between the different levels for the year ended 31 March 2016.

		GROUP AND COMPANY
		S$'000
Transfers from Level 1 to Level 2	Pending forward foreign exchange contracts	(45,364)
Transfers from Level 3 to Level 1	Investments in funds free of lock-up and redeemable on any business day	440,945
Transfers from Level 3 to Level 2	Investments in funds free of lock-up and redeemable on a monthly basis	430,280

Movements of the Level 3 financial assets during the reporting period

	GROUP	COMPANY
	S$'000	S$'000
Fair value as at 1 April 2015	**4,392,297**	**4,388,462**
Reclass from Level 3 to Level 1 and Level 2	(871,225)	(871,225)
Total gain on sale – included in Income or Expenditure	31,420	31,157
Change in Fair Value – included in Income or Expenditure	(122,776)	(122,776)
Change in Fair Value – included in Other Comprehensive Income	198	198
Impairment loss	(804)	–
Purchases during the year	1,342,061	1,342,061
Sales during the year	(832,020)	(830,998)
Fair value as at 31 March 2016	**3,939,151**	**3,936,879**
Fair value as at 1 April 2014	**3,578,626**	**3,574,312**
Total gain on sale – included in Income or Expenditure	6,328	6,344
Change in Fair Value – included in Income or Expenditure	682,808	682,808
Change in Fair Value – included in Other Comprehensive Income	2,401	158
Impairment loss	(23)	–
Purchases during the year	1,303,164	1,303,164
Sales during the year	(1,178,157)	(1,175,474)
Reclass from Level 3 to associated company	(2,850)	(2,850)
Fair value as at 31 March 2015	**4,392,297**	**4,388,462**

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 23 and 24 and fixed rate notes and fixed rate term loan disclosed in Note 21. 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 2016. The Group's overall strategy remains unchanged from 2015.

NOTES TO THE FINANCIAL STATEMENTS
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5 SUBSIDIARY COMPANIES

	COMPANY	
	2016	2015
	S$'000	S$'000
Unquoted equity shares at cost	428	428
Impairment loss	(100)	(100)
Carrying amount	328	328

Name of company	Principal Activities	Country of incorporation (or registration) and operation	Share Capital	Proportion of ownership interest and voting power held	
			S$	2016	2015
Singapore University Press Pte Ltd [a]	Publisher	Singapore	100,001	100%	100%
NUS Technology Holdings Pte Ltd [a]	To carry out research and development, to own and exploit all forms of intellectual property interests and to engage in the acquisition, dissemination and transfer of technologies.	Singapore	2	100%	100%
NUS High School of Mathematics and Science [a]	To promote and undertake the advancement of education, with particular emphasis on mathematics and science at secondary and junior college levels and to participate in schemes established to promote research, development and education, in particular in relation to mathematics and science and to a high school for that purpose.	Singapore	#	#	#
NUS America, Inc [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	200,000	100%	100%
CAMRI Managed Portfolio Pte Ltd [a, f]	To provide platform to the NUS Business School's students to have a hands-on investment management experience.	Singapore	2	–	100%
Suzhou NUSRI Management Co Ltd [e]	To manage NUS Research Institute (Suzhou)	People's Republic of China	128,380	100%	100%
Singapore International Mediation Institute Limited [a]	Set standards and provide accreditation for mediators	Singapore	#	#	#

NOTES TO THE FINANCIAL STATEMENTS
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5 SUBSIDIARY COMPANIES *(cont'd)*

Name of company	Principal Activities	Country of incorporation (or registration) and operation	Share Capital	Proportion of ownership interest and voting power held	
			S$	2016	2015
Held by subsidiaries					
NUS Press Pte Ltd [(a)]	Publishers	Singapore	100,000	100%	100%
NUS Ventures Pte Ltd [(a)]	Provide mentoring and financial support to startup companies.	Singapore	100,000	100%	100%
Bioinformatics Technology Group Pte Ltd [(a)]	IT development, IT services, research and experimental development on technology.	Singapore	500,000	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	237,440	100%	100%
KR Consulting Pte Ltd [(a)]	Provide consulting services	Singapore	1	100%	100%
Star Incubator Sdn Bhd [(b)]	Management of incubator activities	Brunei Darussalam	100	100%	100%

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

(a) Audited by 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 3 March 2016.

6 ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Unquoted equity shares at cost	73,057	72,457	73,057	72,457
Share of post-acquisition profits, net of dividend received	49,868	43,320	–	–
	122,925	115,777	73,057	72,457

NOTES TO THE FINANCIAL STATEMENTS
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6 ASSOCIATED COMPANIES *(cont'd)*

Name of company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held	
			2016	**2015**
National University Health System Pte Ltd [(a)]	Clinical service, education and research	Singapore	33%	33%
InVivos Pte Ltd [(a)]	To carry on the business of an animal breeding centre and the provision of related services in support of biomedical research.	Singapore	25%	25%
Valparaiso Capital I Ltd [(b)]	Investment holding in property companies	Singapore	24%	24%

(a) Audited by other auditors.

(b) Audited by Ernst & Young LLP, Singapore.

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

	2016	**2015**
	S$'000	S$'000
Total assets	2,450,272	2,345,673
Total liabilities	(1,474,335)	(1,470,729)
Net assets	975,937	874,944
Total equity attributable to equity holders	428,742	462,373

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

	2016	**2015**
	S$'000	S$'000
Profit after tax for the year	29,686	57,398
Other comprehensive income	–	–
Total comprehensive income	29,686	57,398

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

7 FIXED ASSETS

GROUP

	Freehold Land	Leasehold Land	Buildings	Leasehold Improve-ments	Infra-structure	Equipment, Furniture & Fittings, Library Materials	Artifacts	Capital Work-in-Progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
COST									
At 1 April 2014	2,007	321,174	2,801,891	848,329	39,490	1,821,595	24,211	364,917	6,223,614
Additions	–	–	95,699	54,000	–	124,981	653	201,185	476,518
Transfers	–	–	177,239	13,518	–	15,103	–	(205,860)	–
Disposals	–	–	(22)	(979)	–	(55,586)	–	–	(56,587)
Transfer to associated company	–	–	(5,030)	–	–	(4,205)	–	–	(9,235)
Cost adjustment	–	–	(2,344)	(383)	–	(69)	–	(1,948)	(4,744)
At 31 March and 1 April 2015	2,007	321,174	3,067,433	914,485	39,490	1,901,819	24,864	358,294	6,629,566
Additions	–	–	49,420	92,341	–	108,475	483	96,926	347,645
Transfers	–	–	231,409	26,711	–	56,424	–	(314,544)	–
Disposals	–	–	(11,911)	(5,896)	–	(53,398)	–	–	(71,205)
Cost adjustment	–	–	–	(454)	–	(129)	–	(6,943)	(7,526)
At 31 March 2016	2,007	321,174	3,336,351	1,027,187	39,490	2,013,191	25,347	133,733	6,898,480
ACCUMULATED DEPRECIATION									
At 1 April 2014	–	45,824	1,025,289	501,781	2,123	1,316,588	–	–	2,891,605
Depreciation	–	6,153	90,997	68,728	658	147,122	–	–	313,658
Transfers	–	–	–	(227)	–	227	–	–	–
Disposals	–	–	(4)	(979)	–	(54,003)	–	–	(54,986)
Transfer to associated company	–	–	(1,720)	–	–	(3,873)	–	–	(5,593)
Cost adjustment	–	–	(117)	(20)	–	(13)	–	–	(150)
At 31 March and 1 April 2015	–	51,977	1,114,445	569,283	2,781	1,406,048	–	–	3,144,534
Depreciation	–	6,153	101,328	74,470	658	153,789	–	–	336,398
Transfers	–	–	(202)	(1,923)	–	2,125	–	–	–
Disposals	–	–	(9,276)	(5,285)	–	(51,923)	–	–	(66,484)
Cost adjustment	–	–	–	(26)	–	33	–	–	7
At 31 March 2016	–	58,130	1,206,295	636,519	3,439	1,510,072	–	–	3,414,455
CARRYING AMOUNT									
At 31 March 2016	2,007	263,044	2,130,056	390,668	36,051	503,119	25,347	133,733	3,484,025
At 31 March 2015	2,007	269,197	1,952,988	345,202	36,709	495,771	24,864	358,294	3,485,032

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

7 FIXED ASSETS *(cont'd)*

COMPANY

	Freehold Land	Leasehold Land	Buildings	Leasehold Improve-ments	Infra-structure	Equipment, Furniture & Fittings, Library Materials	Artifacts	Capital Work-in-Progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
COST									
At 1 April 2014	2,007	321,174	2,801,186	847,297	39,490	1,816,333	24,211	364,917	6,216,615
Additions	–	–	95,699	54,000	–	124,619	653	201,185	476,156
Transfers	–	–	177,239	13,518	–	15,103	–	(205,860)	–
Disposals	–	–	(22)	(979)	–	(55,586)	–	–	(56,587)
Transfer to associated company	–	–	(5,030)	–	–	(4,205)	–	–	(9,235)
Cost adjustment	–	–	(2,344)	(383)	–	(69)	–	(1,948)	(4,744)
At 31 March and 1 April 2015	2,007	321,174	3,066,728	913,453	39,490	1,896,195	24,864	358,294	6,622,205
Additions	–	–	49,420	92,341	–	107,445	483	96,926	346,615
Transfers	–	–	231,409	26,711	–	56,424	–	(314,544)	–
Disposals	–	–	(11,911)	(5,896)	–	(52,995)	–	–	(70,802)
Cost adjustment	–	–	–	(454)	–	(129)	–	(6,943)	(7,526)
At 31 March 2016	2,007	321,174	3,335,646	1,026,155	39,490	2,006,940	25,347	133,733	6,890,492
ACCUMULATED DEPRECIATION									
At 1 April 2014	–	45,824	1,025,089	501,450	2,123	1,312,610	–	–	2,887,096
Depreciation	–	6,153	90,974	68,625	658	146,504	–	–	312,914
Transfers	–	–	–	(227)	–	227	–	–	–
Disposals	–	–	(4)	(979)	–	(54,003)	–	–	(54,986)
Transfer to associated company	–	–	(1,720)	–	–	(3,873)	–	–	(5,593)
Cost adjustment	–	–	(117)	(20)	–	(13)	–	–	(150)
At 31 March and 1 April 2015	–	51,977	1,114,222	568,849	2,781	1,401,452	–	–	3,139,281
Depreciation	–	6,153	101,304	74,367	658	153,238	–	–	335,720
Transfers	–	–	(202)	(1,923)	–	2,125	–	–	–
Disposals	–	–	(9,276)	(5,285)	–	(51,535)	–	–	(66,096)
Cost adjustment	–	–	–	(26)	–	33	–	–	7
At 31 March 2016	–	58,130	1,206,048	635,982	3,439	1,505,313	–	–	3,408,912
CARRYING AMOUNT									
At 31 March 2016	2,007	263,044	2,129,598	390,173	36,051	501,627	25,347	133,733	3,481,580
At 31 March 2015	2,007	269,197	1,952,506	344,604	36,709	494,743	24,864	358,294	3,482,924

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

8 INTANGIBLE ASSETS

GROUP

	Computer Software	Purchased Curriculum	Total
	S$'000	S$'000	S$'000
COST			
At 1 April 2014	30,107	11,878	41,985
Additions	2,148	120	2,268
Disposals	(133)	–	(133)
At 31 March and 1 April 2015	32,122	11,998	44,120
Additions	3,628	–	3,628
Disposals	(337)	–	(337)
At 31 March 2016	35,413	11,998	47,411
ACCUMULATED AMORTISATION			
At 1 April 2014	16,933	11,878	28,811
Amortisation	5,507	10	5,517
Disposals	(124)	–	(124)
At 31 March and 1 April 2015	22,316	11,888	34,204
Amortisation	5,391	24	5,415
Disposals	(317)	–	(317)
At 31 March 2016	27,390	11,912	39,302
CARRYING AMOUNT			
At 31 March 2016	8,023	86	8,109
At 31 March 2015	9,806	110	9,916

NOTES TO THE FINANCIAL STATEMENTS
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8 INTANGIBLE ASSETS *(cont'd)*

COMPANY

	Computer Software	Purchased Curriculum	Total
	S$'000	S$'000	S$'000
COST			
At 1 April 2014	29,597	11,878	41,475
Additions	2,136	120	2,256
Disposals	(133)	–	(133)
At 31 March and 1 April 2015	31,600	11,998	43,598
Additions	3,620	–	3,620
Disposals	(337)	–	(337)
At 31 March 2016	34,883	11,998	46,881
ACCUMULATED AMORTISATION			
At 1 April 2014	16,461	11,878	28,339
Amortisation	5,469	10	5,479
Disposals	(124)	–	(124)
At 31 March and 1 April 2015	21,806	11,888	33,694
Amortisation	5,386	24	5,410
Disposals	(317)	–	(317)
At 31 March 2016	26,875	11,912	38,787
CARRYING AMOUNT			
At 31 March 2016	8,008	86	8,094
At 31 March 2015	9,794	110	9,904

Computer software includes computer software work-in-progress of S$1,488,000 (2015: S$723,000) for the Group and Company, which amortisation is not provided for. The average remaining amortisation period of intangible assets is 2 years (2015: 2 years).

NOTES TO THE FINANCIAL STATEMENTS
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9 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
AT FAIR VALUE				
Quoted equity securities	1,383	2,638	–	–
Unquoted equity securities	7,045	8,277	4,773	4,742
Redeemable convertible loan stocks	–	300	–	–
	8,428	11,215	4,773	4,742

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.

10 INVESTMENTS AT FAIR VALUE THROUGH INCOME OR EXPENDITURE

	GROUP AND COMPANY	
	2016	2015
	S$'000	S$'000
AT FAIR VALUE		
Quoted Government bonds	1,398,497	1,103,359
Quoted debt securities	3,957	35,078
Quoted equity securities	469,245	458,606
Unquoted equity securities	4,507,726	4,387,394
	6,379,425	5,984,437

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

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

The fair values of quoted equity securities and quoted debt securities are based on the last bid quoted market prices on the last market day of the financial year.

Under the terms of certain limited partnership agreements, the Group is obligated to make capital contributions upon receiving capital call notices from the fund managers. As at the reporting period ended 31 March 2016, the Group has unfunded commitments of S$1,222,394,000 (2015: S$868,108,000).

NOTES TO THE FINANCIAL STATEMENTS
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10 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 AND COMPANY	
	2016	2015
	S$'000	S$'000
United States dollars	4,611,744	4,444,506
Other foreign currencies	152,378	79,503
	4,764,122	4,524,009

11 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY					
	2016			2015		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Forward foreign exchange contracts	1,932,108	82,771	(709)	1,840,977	4,242	(49,606)
	1,932,108	82,771	(709)	1,840,977	4,242	(49,606)
Analysed as:						
Current	1,932,108	82,771	(709)	1,840,977	4,242	(49,606)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

12 STUDENT LOANS

	GROUP AND COMPANY	
	2016	**2015**
	S$'000	S$'000
Student tuition fee loans [a]	235,275	228,372
Study loans [a]	57,257	59,023
Notebook computer loans [b]	777	1,117
Overseas student programme loans [c]	1,607	1,665
Other student loans [d]	9,936	10,831
	304,852	301,008
Represented by:		
Amount repayable within 12 months – current assets	78,041	73,780
Amount repayable after 12 months – non-current assets	226,811	227,228
	304,852	301,008

(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% (2015: 4.75%) per annum is based on average prime rate of the 3 major local banks. The interest on the loans is remitted in full to the Government on a monthly basis.

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

(c) The overseas student programme loans repayable by monthly instalments over periods of up to 5 years. The interest at 4.75% (2015: 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
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12 STUDENT LOANS *(cont'd)*

Credit risk

As 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% 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	
	2016	**2015**
	S$'000	S$'000
Not past due and not impaired	11,126	12,104
Past due but not impaired [i]	391	677
	11,517	12,781
Impaired student loans – individually assessed [ii]	220	239
Less: Allowance for doubtful debts	(220)	(239)
	–	–
Total student loans	**11,517**	**12,781**
(i) Aging of student loans that are past due but not impaired		
– Past due < 3 months	291	348
– Past due 3 to 6 months	57	132
– Past due 6 to 12 months	43	197
	391	677

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

Movement in the allowance for doubtful debts for student loans

	GROUP AND COMPANY	
	2016	**2015**
	S$'000	S$'000
Balance as at 1 April	239	232
Amounts written off during the year	(2)	(10)
Amounts recovered during the year	(23)	–
Increase in allowance recognised in income or expenditure	6	17
Balance as at 31 March	220	239

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

14 DEBTORS

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
Grants receivable	396,027	366,704	395,973	366,704
Trade debtors	48,734	77,052	47,190	75,304
Receivables from sale of investments	23,414	27,991	23,414	27,991
Interest receivable	4,303	4,037	4,303	4,037
Others	14,967	16,719	14,832	16,719
	487,445	492,503	485,712	490,755

The average credit period of trade debtors is 30 days (2015: 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	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
Not past due and not impaired	25,880	55,017	24,336	53,269
Past due but not impaired [(i)]	22,854	22,035	22,854	22,035
	48,734	77,052	47,190	75,304
Impaired trade debtors - individually assessed [(ii)]	303	45	303	45
Less: Allowance for doubtful debts	(303)	(45)	(303)	(45)
	–	–	–	–
Total trade debtors, net	**48,734**	**77,052**	**47,190**	**75,304**
(i) Aging of trade debtors that are past due but not impaired				
– Past due < 3 months	3,792	6,267	3,792	6,267
– Past due 3 to 6 months	2,615	709	2,615	709
– Past due 6 to 12 months	13,413	14,449	13,413	14,449
– Past due over 12 months	3,034	610	3,034	610
	22,854	22,035	22,854	22,035

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

14 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.

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

Movement in the allowance for doubtful debts for trade debtors

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 April	45	52	45	52
Amounts written off during the year	(41)	(44)	(41)	(44)
Increase in allowance recognised in income or expenditure	299	37	299	37
Balance as at 31 March	303	45	303	45

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

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
United States dollars	19,514	26,102	19,472	26,070
Other foreign currencies	1,310	868	1,306	845
	20,824	26,970	20,778	26,915

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

15 DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
Non-financial assets				
Prepayments for fixed assets	3,590	10,540	3,590	10,540
Other prepayments	32,229	22,630	31,913	21,779
	35,819	33,170	35,503	32,319
Financial assets				
Deposits paid	900	1,306	839	1,020
Advances for investment in funds	6,733	71,123	6,733	71,123
	7,633	72,429	7,572	72,143
	43,452	105,599	43,075	104,462
Less: Other prepayments (amount to be utilised after 12 months – non-current assets)	(458)	(528)	(458)	(528)
Deposits and prepayments (amount to be utilised within 12 months – current assets)	42,994	105,071	42,617	103,934

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

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
United States dollars	6,863	34,635	6,733	34,292
Euro	–	36,830	–	36,830
Other foreign currencies	3	3	3	3
	6,866	71,468	6,736	71,125

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

16 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
Fixed deposits	135,582	144,962	135,582	144,962
Cash and bank balances	618,395	583,488	597,563	563,503
	753,977	728,450	733,145	708,465

a) Fixed deposits

The effective interest rates of fixed deposits at the balance sheet dates are between 0.75% to 1.69% (2015: 0.31% to 1.12%) per annum and for an average tenor of 6.02 months (2015: 5.84 months). The carrying amounts of the fixed deposits approximate their fair values.

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

	GROUP AND COMPANY	
	2016	**2015**
	S$'000	S$'000
United States dollars	–	46,971
	–	46,971

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

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
United States dollars	9,122	25,123	8,717	24,744
Other foreign currencies	527	990	343	798
	9,649	26,113	9,060	25,542

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

17 ASSETS HELD FOR SALE

	GROUP AND COMPANY
	S$'000
Fair value of donated asset at initial recognition	12,500
Fair value changes	(1,300)
Carrying amount as at 31 March and 1 April 2015	11,200
Disposal	(11,200)
Carrying amount as at 31 March 2016	–

The donated asset was sold with the permission of the donor in the period ended 31 March 2016.

The sale resulted in a donation income of S$9,857,000 after netting loss on disposal of S$1,343,000 against amount transferred from deferred capital grant of S$11,200,000, for the reporting period ended 31 March 2016.

18 CREDITORS AND ACCRUED EXPENSES/PROVISIONS

a) Creditors and accrued expenses

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Creditors	43,405	36,839	42,532	36,225
Payable for purchase of investments	152,643	83,124	152,643	83,124
Accrued expenses	184,897	186,003	183,241	183,742
Deposits received	4,016	4,517	3,965	4,441
	384,961	310,483	382,381	307,532

The average credit period on purchases of goods is 30 days (2015: 30 days). No interest is charged on the creditors.

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

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
United States dollars	31,282	1,816	30,876	1,437
Sterling pounds	848	40	848	40
Other foreign currencies	394	207	307	146
	32,524	2,063	32,031	1,623

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

b) Provisions

Movement in the provisions for employee leave liability

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 April	92,093	72,521	89,687	71,781
Increase in provisions recognised in income or expenditure	5,147	19,572	5,393	17,906
Balance as at 31 March	97,240	92,093	95,080	89,687

19 GRANTS RECEIVED IN ADVANCE

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Grants received in advance from				
– Government	396,599	362,302	390,598	358,028
– Others	60,327	73,686	62,261	73,108
	456,926	435,988	452,859	431,136

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

20 ADVANCES FROM GOVERNMENT FOR STUDENT LOANS

	GROUP AND COMPANY	
	2016	**2015**
	S$'000	S$'000
Balance as at 1 April	249,402	286,097
Advances received from Government during the year	119,188	38,654
Advances repaid to Government during the year	(75,000)	(73,471)
	293,590	251,280
Miscellaneous expenditure	(666)	(1,878)
Balance as at 31 March	292,924	249,402
Represented by :		
Amount due within 12 months – current liabilities	75,494	71,721
Amount due after 12 months – non-current liabilities	217,430	177,681
	292,924	249,402
Student tuition fee loans	235,275	228,372
Study loans	57,257	59,023
Overseas student programme loans	802	846
Advances (receivable) repayable , pooled investments, fixed deposits and bank balances	(410)	(38,839)
	292,924	249,402

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 12) 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.

21 FIXED RATE NOTES AND TERM LOAN

	GROUP AND COMPANY	
	2016	**2015**
	S$'000	S$'000
Fixed rate notes	900,000	500,000
Fixed rate term loan	–	350,000
	900,000	850,000
Represented by:		
Amount due within 12 months – current liabilities	–	350,000
Amount due after 12 months – non-current liabilities	900,000	500,000
	900,000	850,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

21 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 was no significant difference between amortised cost and carrying amount of the notes.

			Issued Amount	**Fair Value 2016**	**Fair Value 2015**
			S$'000	**S$'000**	**S$'000**
Fixed Rate Notes Issued	**Issue Date**	**Coupon**			
Fixed rate note due 23 January 2018	23 January 2013	1.038%	250,000	248,190	245,093
Fixed rate note due 13 February 2019	13 February 2014	1.708%	250,000	250,675	245,918
Fixed rate note due 27 May 2020	27 May 2015	2.200%	400,000	404,460	–
			900,000	903,325	491,011

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. There was no significant difference between amortised cost and carrying amount of the loan. The fair value of the loan as at 31 March 2015 was $349,921,000. The fixed rate term loan was pre-paid in full on 27 May 2015.

The fair values of fixed rate notes 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 2016

22 DEFERRED CAPITAL GRANTS

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Fixed Assets				
Government				
Balance as at 1 April	1,542,828	1,593,213	1,541,374	1,591,274
Capital grants utilised during the year	79,098	100,489	79,099	100,489
Amount transferred from operating grants (Note 31)	60,197	71,788	60,012	71,645
	1,682,123	1,765,490	1,680,485	1,763,408
Deferred capital grants amortised	(235,177)	(222,662)	(234,664)	(222,034)
Balance as at 31 March	1,446,946	1,542,828	1,445,821	1,541,374
Others				
Balance as at 1 April	439,166	452,597	438,633	452,106
Capital grants utilised during the year and donated assets	2,973	1,191	2,963	1,191
Amount transferred from operating grants (Note 31)	19,458	23,034	18,637	22,896
	461,597	476,822	460,233	476,193
Deferred capital grants amortised	(40,944)	(37,656)	(40,822)	(37,560)
Balance as at 31 March	420,653	439,166	419,411	438,633
Total deferred capital grants balance for fixed assets as at 31 March	1,867,599	1,981,994	1,865,232	1,980,007
Assets Held for Sale				
Others				
Balance as at 1 April	11,200	12,500	11,200	12,500
Deferred capital grants amortised	–	(1,300)	–	(1,300)
Transferred to other income	(11,200)	–	(11,200)	–
Balance as at 31 March	–	11,200	–	11,200
Total deferred capital grants balance for assets held for sale as at 31 March	–	11,200	–	11,200
Intangible Assets				
Government				
Balance as at 1 April	8,542	11,099	8,530	11,061
Capital grants utilised during the year	582	783	582	783
Amount transferred from operating grants (Note 31)	1,216	1,155	1,214	1,143
	10,340	13,037	10,326	12,987
Deferred capital grants amortised	(4,366)	(4,495)	(4,362)	(4,457)
Balance as at 31 March	5,974	8,542	5,964	8,530
Others				
Balance as at 1 April	641	858	641	858
Amount transferred from operating grants (Note 31)	1,091	169	1,091	169
	1,732	1,027	1,732	1,027
Deferred capital grants amortised	(430)	(386)	(430)	(386)
Balance as at 31 March	1,302	641	1,302	641
Total deferred capital grants balance for intangible assets as at 31 March	7,276	9,183	7,266	9,171
Fixed Assets, Assets Held for Sale and Intangible Assets				
Balance as at 1 April	2,002,377	2,070,267	2,000,378	2,067,799
Capital grants utilised during the year and donated assets	82,653	102,463	82,644	102,463
Amount transferred from operating grants (Note 31)	81,962	96,146	80,954	95,853
	2,166,992	2,268,876	2,163,976	2,266,115
Deferred capital grants amortised	(280,917)	(266,499)	(280,278)	(265,737)
Transferred to other income	(11,200)	–	(11,200)	–
Balance as at 31 March	**1,874,875**	**2,002,377**	**1,872,498**	**2,000,378**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

23 ACCUMULATED SURPLUS, FAIR VALUE RESERVE AND TRANSLATION RESERVE

Acccumulated Surplus

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

The total accumulated surplus that is unrestricted or not allocated amounted to S$129,000 (2015: S$119,000).

		GROUP		COMPANY	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Note	S$'000	S$'000	S$'000	S$'000
Accumulated Surplus for Designated General Funds					
Funds allocated for planned operational activities of faculties, departments and halls of residences		1,921,525	1,773,351	1,851,728	1,701,535
Funds utilised to acquire assets, which will be amortised to match future depreciation when assets are put into use		485,285	493,818	485,285	493,818
From non-endowed donations	24	129	119	–	–
		2,406,939	2,267,288	2,337,013	2,195,353
Accumulated Surplus for Restricted Funds					
From non-endowed donations (restricted expendable gifts that can only be used for purposes specified by donors)	24	596,216	560,411	596,216	560,411
From endowment funds (income generated from endowed gifts which can only be used for specific purposes if stipulated by donors or which are matched to specific commitments)	24	1,107,440	1,240,628	1,086,222	1,227,943
		1,703,656	1,801,039	1,682,438	1,788,354
Total Accumulated Surplus		**4,110,595**	**4,068,327**	**4,019,451**	**3,983,707**

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 2016

24 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$217,284,000 (2015: S$168,905,000) and S$217,273,000 (2015: S$168,892,000) respectively, of which S$217,284,000 (2015: S$168,893,000) of the Group and S$217,273,000 (2015: S$168,892,000) of the Company are tax-deductible. Of the total donations received, S$110,295,000 (2015: S$79,975,000) for the Group and S$110,295,000 (2015: S$79,965,000) 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

		2016			2015		
	Note	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							
Designated General Funds	23	–	129	129	–	119	119
Restricted Funds	23	1,107,440	596,216	1,703,656	1,240,628	560,411	1,801,039
		1,107,440	596,345	1,703,785	1,240,628	560,530	1,801,158
Endowment Funds		3,486,406	-	3,486,406	3,120,319	–	3,120,319
		4,593,846	**596,345**	**5,190,191**	**4,360,947**	**560,530**	**4,921,477**
Represented by:							
Non-Current Assets							
Associated Companies		78,083	–	78,083	69,550	–	69,550
Fixed assets		21,609	392,506	414,115	19,682	386,577	406,259
Assets Held for Sale		–	–	–	–	11,200	11,200
Student loans		3,631	19,225	22,856	4,093	19,501	23,594
		103,323	411,731	515,054	93,325	417,278	510,603
Current Assets							
Debtors		83,670	–	83,670	81,557	47	81,604
Investments at fair value through income or expenditure		4,370,999	452,380	4,823,379	4,224,024	387,507	4,611,531
Derivative financial instruments		82,258	-	82,258	4,226	–	4,226
Cash and cash equivalents		882	129	1,011	882	23,619	24,501
		4,537,809	452,509	4,990,318	4,310,689	411,173	4,721,862
Total Assets		4,641,132	864,240	5,505,372	4,404,014	828,451	5,232,465
Current Liabilities							
Creditors and accrued expenses		38,421	–	38,421	9,874	–	9,874
Derivative financial instruments		8,865	–	8,865	33,193	–	33,193
		47,286	–	47,286	43,067	–	43,067
Non-Current Liability							
Deferred capital grants		–	267,895	267,895	–	267,921	267,921
Total Liabilities		47,286	267,895	315,181	43,067	267,921	310,988
Net Assets		**4,593,846**	**596,345**	**5,190,191**	**4,360,947**	**560,530**	**4,921,477**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

GROUP

	2016			2015		
	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	1,240,628	560,530	1,801,158	783,541	512,973	1,296,514
Donations received	–	106,989	106,989	–	88,930	88,930
Donated artifacts additions	–	483	483	–	–	–
Donation income from disposal of assets held for sale (Note 17)	9,857	–	9,857	–	–	–
Net investment (loss) income (including change in fair value of investment held for trading)	(37,393)	757	(36,636)	585,736	16,365	602,101
Other operating income	14	–	14	39	55	94
Expenditure on manpower	(50,506)	(15,615)	(66,121)	(38,829)	(10,927)	(49,756)
Depreciation	(4,223)	(7,938)	(12,161)	(4,039)	(6,789)	(10,828)
Other operating expenditure	(49,625)	(48,861)	(98,486)	(68,289)	(40,077)	(108,366)
Amount transferred to Designated General Funds [(a)]	–	–	–	(29,903)	–	(29,903)
Share of results of associated company	8,533	–	8,533	12,685	–	12,685
Amount transferred to endowment funds [(b)]	(9,845)	–	(9,845)	(313)	–	(313)
Balance as at 31 March	1,107,440	596,345	1,703,785	1,240,628	560,530	1,801,158
Endowment Funds:						
Balance as at 1 April	3,120,319	–	3,120,319	2,843,069	–	2,843,069
Matching grants received/ accrued	245,947	–	245,947	196,962	–	196,962
Donations received	110,295	–	110,295	79,975	–	79,975
Amount transferred from accumulated surplus [(b)]	9,845	–	9,845	313	–	313
Balance as at 31 March	3,486,406	–	3,486,406	3,120,319	–	3,120,319
Fair Value Reserve:						
Balance as at 1 April	–	–	–	53,598	–	53,598
Net movement for the year	–	–	–	(53,598)	–	(53,598)
Balance as at 31 March	–	–	–	–	–	–
Balance as at 31 March	**4,593,846**	**596,345**	**5,190,191**	**4,360,947**	**560,530**	**4,921,477**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

COMPANY

		2016			2015		
		Endowed Donations	Non-endowed Donations	Total	Endowed Donations	Non-endowed Donations	Total
	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Accumulated Surplus (Restricted Funds)	23	1,086,222	596,216	1,682,438	1,227,943	560,411	1,788,354
Endowment Funds		3,485,974	–	3,485,974	3,119,887	–	3,119,887
		4,572,196	**596,216**	**5,168,412**	**4,347,830**	**560,411**	**4,908,241**
Represented by:							
Non-Current Assets							
Associated Companies		56,865	–	56,865	56,865	–	56,865
Fixed assets		21,609	392,506	414,115	19,682	386,577	406,259
Assets Held for Sale		–	–	–	–	11,200	11,200
Student loans		3,631	19,225	22,856	4,093	19,501	23,594
		82,105	411,731	493,836	80,640	417,278	497,918
Current Assets							
Debtors		83,670	–	83,670	81,557	47	81,604
Investments at fair value through income or expenditure		4,370,999	452,380	4,823,379	4,224,024	387,507	4,611,531
Derivative financial instruments		82,258	–	82,258	4,226	–	4,226
Cash and cash equivalents		450	–	450	450	23,500	23,950
		4,537,377	452,380	4,989,757	4,310,257	411,054	4,721,311
Total Assets		4,619,482	864,111	5,483,593	4,390,897	828,332	5,219,229
Current Liabilities							
Creditors and accrued expenses		38,421	–	38,421	9,874	–	9,874
Derivative financial instruments		8,865	–	8,865	33,193	–	33,193
		47,286	–	47,286	43,067	–	43,067
Non-Current Liability							
Deferred capital grants		–	267,895	267,895	–	267,921	267,921
Total Liabilities		47,286	267,895	315,181	43,067	267,921	310,988
Net Assets		**4,572,196**	**596,216**	**5,168,412**	**4,347,830**	**560,411**	**4,908,241**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

COMPANY

	2016			2015		
	Endowed Donations	Non-endowed Donations	Total	Endowed Donations	Non-endowed Donations	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Accumulated Surplus:						
Balance as at 1 April	1,227,943	560,411	1,788,354	783,541	512,857	1,296,398
Donations received	–	106,978	106,978	–	88,927	88,927
Donated artifacts additions	–	483	483	–	–	–
Donation income from disposal of assets held for sale (Note 17)	9,857	–	9,857	–	–	–
Net investment (loss) income (including change in fair value of investment held for trading)	(37,393)	757	(36,636)	585,736	16,365	602,101
Other operating income	14	–	14	39	55	94
Expenditure on manpower	(50,506)	(15,615)	(66,121)	(38,829)	(10,927)	(49,756)
Depreciation	(4,223)	(7,938)	(12,161)	(4,039)	(6,789)	(10,828)
Other operating expenditure	(49,625)	(48,860)	(98,485)	(68,289)	(40,077)	(108,366)
Amount transferred to Designated General Funds [(a)]	–	–	–	(29,903)	–	(29,903)
Amount transferred to endowment funds [(b)]	(9,845)	–	(9,845)	(313)	–	(313)
Balance as at 31 March	1,086,222	596,216	1,682,438	1,227,943	560,411	1,788,354
Endowment Funds:						
Balance as at 1 April	3,119,887	–	3,119,887	2,842,657	–	2,842,657
Matching grants received/ accrued	245,947	–	245,947	196,952	–	196,952
Donations received	110,295	–	110,295	79,965	–	79,965
Amount transferred from accumulated surplus [(b)]	9,845	–	9,845	313	–	313
Balance as at 31 March	3,485,974	–	3,485,974	3,119,887	–	3,119,887
Fair Value Reserve:						
Balance as at 1 April	–	–	–	53,598	–	53,598
Net movement for the year	–	–	–	(53,598)	–	(53,598)
Balance as at 31 March	–	–	–	–	–	–
Balance as at 31 March	**4,572,196**	**596,216**	**5,168,412**	**4,347,830**	**560,411**	**4,908,241**

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

(b) This represents mainly the net sales proceeds from disposal of assets held for sale (2015: 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 2016

25 TRANSFER BETWEEN DESIGNATED GENERAL FUNDS AND RESTRICTED FUNDS

	GROUP AND COMPANY			
	31 March 2016		31 March 2015	
	Designated General Funds S$'000	Restricted Funds S$'000	Designated General Funds S$'000	Restricted Funds S$'000
Interfund transactions between Designated General Funds and Restricted Funds [(a)]	19,758	(19,758)	25,027	(25,027)
Transfer between Designated General Funds and Restricted Funds [(b)]	83,852	(83,852)	70,446	(70,446)
	103,610	(103,610)	95,473	(95,473)

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

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

26 OTHER INCOME

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Donations received	106,989	88,930	106,978	88,927
Donation income from disposal of assets held for sale	9,857	–	9,857	–
Rental income and student hostel residential fees	94,494	85,324	92,516	83,155
Courses and conference fees	39,860	39,096	39,545	38,766
Clinical fees/consultancy fees	14,133	14,118	14,133	14,118
Others	67,337	69,516	66,162	67,613
	332,670	296,984	329,191	292,579

27 EXPENDITURE ON MANPOWER

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Wages and salaries	1,115,460	1,064,423	1,095,508	1,044,285
Employer's contribution to Provident Funds	84,009	71,701	82,322	70,146
Other staff benefits	30,107	44,124	29,765	43,982
	1,229,576	1,180,248	1,207,595	1,158,413

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

28 KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for twenty-two (2015:nineteen) key management personnel (includes the remuneration of an executive trustee) are as follows:

	GROUP AND COMPANY	
	2016	2015
	S$'000	S$'000
Short-term benefits	14,297	13,587
Post-employment benefits	327	295
	14,624	13,882

29 NET INVESTMENT (LOSS) INCOME

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Interest income:	20,691	19,077	20,496	18,665
Dividend income:	58,785	35,017	58,780	35,017
Net gain on sale of investments at fair value through income or expenditure ("FVTIE")	17,927	50,573	17,927	50,577
Net gain (loss) on sale of available-for-sale investments	263	(4,527)	–	(4,511)
Impairment loss on available-for-sale investments	(804)	(23)	–	–
Transfer from fair value reserve on sale of available-for-sale investments	–	53,598	–	53,598
Net foreign currency exchange losses	(88,677)	(88,934)	(88,677)	(88,934)
Change in fair value of investments at FVTIE due to foreign currency changes	23,408	296,876	23,408	296,876
	(65,269)	207,942	(65,269)	207,942
Change in fair value of investments at FVTIE due to price change	(61,681)	351,924	(61,681)	351,924
	(30,088)	713,581	(29,747)	713,212

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

30 DEFICIT BEFORE GRANT

This is arrived at after taking in:

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
Bad and doubtful debts	835	184	835	184
Rental expenses	7,146	6,798	7,146	6,798
Borrowing costs expensed off [a]	10,542	11,074	10,542	11,074
Loss on disposal of fixed and intangible assets	4,617	1,326	4,602	1,326
Fair value changes on assets held for sale	–	1,300	–	1,300
Research and development costs	559,490	510,645	559,490	510,645
(a) Borrowing costs incurred during the year is analysed as follows:				
Interest on fixed rate notes	14,358	8,515	14,358	8,515
Interest on fixed rate term loan	966	6,300	966	6,300
Less : amounts included in cost of qualifying fixed assets	(4,782)	(3,741)	(4,782)	(3,741)
Borrowing costs expensed off	10,542	11,074	10,542	11,074

31 OPERATING GRANTS

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
(a) Operating Grants (Government)				
Operating grants utilised during the year	1,314,051	1,264,813	1,293,416	1,243,568
Amount transferred to deferred capital grants (Note 22)	(61,413)	(72,943)	(61,226)	(72,788)
	1,252,638	1,191,870	1,232,190	1,170,780
(b) Operating Grants (Others)				
Operating grants utilised during the year	300,709	227,376	297,824	226,694
Amount transferred to deferred capital grants (Note 22)	(20,549)	(23,203)	(19,728)	(23,065)
	280,160	204,173	278,096	203,629

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

32 INCOME TAX

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 17% (2015: 17%) to surplus before income tax as a result of the following differences:

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
Surplus for the year before income tax	52,113	734,846	45,589	724,240
Income tax expense calculated at statutory tax rate	8,859	124,924	7,750	123,121
Income not subject to tax	(8,815)	(124,972)	(7,750)	(123,121)
Tax effect of share of results of associates	(1,113)	(1,718)	–	–
Others	1,069	1,766	–	–
	–	–	–	–

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

33 SURPLUS FOR THE YEAR

The surplus for the year in the Statement of comprehensive income of the Group and Company of S$52,113,000 (2015: S$734,846,000) and S$45,589,000 (2015: S$724,240,000) respectively includes the following:

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
Non-endowed donations	106,989	88,930	106,978	88,927
Net investment (loss) income (include change in fair value of investment)	(30,088)	713,581	(29,747)	713,212
	76,901	802,511	77,231	802,139

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

34 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	
	2016	2015
	S$'000	S$'000
Authorised and contracted for	258,556	321,795

b) Operating Lease Commitments – as Lessee

	GROUP AND COMPANY	
	2016	2015
	S$'000	S$'000
Minimum lease payments under operating leases included in the income or expenditure	1,354	1,180

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	234	944
Within second to fifth year inclusive	123	158
	357	1,102

Operating lease payments represent rentals payable by the Group for certain office properties which are fixed for an average of 2 years (2015: 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	
	2016	2015
	S$'000	S$'000
Future minimum lease payments receivable:		
Within one year	3,390	2,892
After one year	2,996	1,497
	6,386	4,389

Operating lease payments represent rentals receivable by the Group for rental of premises with remaining lease terms ranging from 1 to 7 years (2015: 1 to 3 years).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

35 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	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Government-controlled enterprises and companies within the Group				
Balances				
Debtors	407,029	376,365	406,747	376,657
Amount owing by subsidiary companies	–	–	889	979
Long-term loan to subsidiary company	–	–	250	250
Creditors and accrued expenses	1,632	689	1,632	689
Amount owing to subsidiary company	–	–	25,937	26,222
Deferred Capital Grants	1,875,924	2,001,841	1,874,790	2,000,378
Grants received in advance	458,463	410,190	452,854	406,383
Transactions				
Endowed donations	2,370	1,134	2,370	1,134
Non-endowed donations	5,409	10,322	5,409	10,322
Other income	18,892	18,847	18,892	20,265
Other operating expenditure	80,706	75,552	80,706	78,535
Operating/capital grants received	1,984,625	1,620,774	1,962,226	1,600,989

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

35 RELATED PARTIES TRANSACTIONS *(cont'd)*

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	S$'000	S$'000	S$'000	S$'000
Corporations in which trustees have the ability to control or exercise significant influence (including donations received from trustees)				
Balances				
Debtors	44	3	44	3
Creditors and accrued expenses	109	90	109	90
Transactions				
Endowed donations	1,363	9,920	1,363	9,920
Non-endowed donations	24,029	788	24,029	788
Other income	441	299	441	299
Other operating expenditure	1,113	1,132	1,113	1,132
Operating/capital grants received	102	14	102	14

36 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.

The Foundation has filed for termination and is in the process of finalising the required documents.

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