

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

(INCORPORATED IN SINGAPORE. REGISTRATION NUMBER: 200604346E)

**FULL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**



NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

TRUSTEES' STATEMENT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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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 2018.

OPINION OF THE TRUSTEES

In the opinion of the Trustees,

- a) the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2018, and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and the financial performance and changes in funds and reserves of the Company for the financial year from 1 April 2017 to 31 March 2018; and
- b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

TRUSTEES

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

Mr Hsieh Fu Hua – Chairman	Mr Lee Ming San
Professor Tan Eng Chye	Mr Michael Lien Jown Leam
Ambassador Chan Heng Chee	Mr Andrew Lim Ming-Hui
Dr Cheong Koon Hean	Mr Loh Chin Hua
Mr Goh Choon Phong	Mr Chaly Mah Chee Kheong
Mr Goh Yew Lin	Mr Ng Wai King
Dr Noeleen Heyzer	Mr Phillip Tan Eng Seong
Mr Peter Ho Hak Ean	Mr Abdullah Tarmugi
Professor Ho Teck Hua	Dr Leslie Teo Eng Sipp
Mdm Kay Kuok Oon Kwong	Ms Elaine Yew Wen Suen
Mr Lai Chung Han	

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' STATEMENT

TRUSTEES' INTERESTS IN SHARES OR DEBENTURES

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

At the end of the financial year, the Trustees of the Company have no interest in the share capital (including any share options) and debentures of the Company'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.

On behalf of the Trustees



MR HSIEH FU HUA
Trustee



PROFESSOR TAN ENG CHYE
Trustee

26 July 2018

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2018, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Company and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and the financial performance and changes in funds and reserves of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

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

Responsibilities of Management and Trustees for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- a) the Company has not used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- 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
26 July 2018

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Note	GROUP		COMPANY	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		S\$'000	S\$'000	S\$'000	S\$'000
NON-CURRENT ASSETS					
Subsidiary companies	5	–	–	128	128
Associated companies	6	131,822	127,512	77,330	77,161
Fixed assets	8	3,477,796	3,482,295	3,475,741	3,479,820
Investment properties	9	41,463	–	41,463	–
Intangible assets	10	10,645	8,325	10,644	8,317
Available-for-sale investments	11	5,903	6,416	3,881	4,518
Student loans (repayable after 12 months)	14	5,087	6,880	5,087	6,880
Long-term loan to subsidiary company	15	–	–	250	250
Prepayments (to be utilised after 12 months)	17	85	197	85	197
Total Non-Current Assets		3,672,801	3,631,625	3,614,609	3,577,271
CURRENT ASSETS					
Student loans (repayable within 12 months)	14	2,401	2,647	2,401	2,647
Debtors	16	676,660	509,307	674,718	507,714
Consumable stores		605	575	347	333
Deposits and prepayments (to be utilised within 12 months)	17	51,928	45,521	51,449	45,023
Amounts owing from subsidiary companies	15	–	–	883	921
Investments at fair value through income or expenditure	12	8,804,856	7,977,964	8,804,856	7,977,964
Derivative financial instruments	13	81,863	16,007	81,863	16,007
Cash and cash equivalents	18	128,286	160,502	105,420	137,696
Total Current Assets		9,746,599	8,712,523	9,721,937	8,688,305
TOTAL ASSETS		13,419,400	12,344,148	13,336,546	12,265,576

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Note	GROUP		COMPANY	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		S\$'000	S\$'000	S\$'000	S\$'000
CURRENT LIABILITIES					
Creditors and accrued expenses	19	300,919	283,725	298,556	281,623
Provisions for employee leave liability	19	105,522	103,341	102,975	100,895
Grants received in advance	20	448,007	391,305	444,154	387,225
Deferred tuition and other fees		87,518	72,608	87,464	72,354
Derivative financial instruments	13	5,602	40,864	5,602	40,864
Amounts owing to subsidiary companies	15	–	–	26,904	26,156
Fixed rate notes (due within 12 months)	21	250,000	250,000	250,000	250,000
Total Current Liabilities		1,197,568	1,141,843	1,215,655	1,159,117
NON-CURRENT LIABILITIES					
Fixed rate notes (due after 12 months)	21	750,000	750,000	750,000	750,000
Deferred capital grants	22	1,886,417	1,954,006	1,884,466	1,951,671
Total Non-Current Liabilities		2,636,417	2,704,006	2,634,466	2,701,671
TOTAL LIABILITIES		3,833,985	3,845,849	3,850,121	3,860,788
NET ASSETS		9,585,415	8,498,299	9,486,425	8,404,788
FUNDS AND RESERVES					
ACCUMULATED SURPLUS					
– Designated General Funds	23	2,833,978	2,619,993	2,751,730	2,546,661
– Restricted Funds	23	2,632,550	2,147,333	2,616,283	2,127,632
		5,466,528	4,767,326	5,368,013	4,674,293
ENDOWMENT FUNDS	24	4,077,118	3,730,027	4,076,686	3,729,595
FAIR VALUE RESERVE	23	273	910	263	900
REVALUATION RESERVE	23	41,463	–	41,463	–
TRANSLATION RESERVE	23	33	36	–	–
TOTAL FUNDS AND RESERVES		9,585,415	8,498,299	9,486,425	8,404,788
Funds managed on behalf of the Government Ministry	25	305,456	298,375	305,456	298,375
Represented by:					
Net assets managed on behalf of the Government Ministry	25	305,371	298,674	305,371	298,674
Amount payable to (receivable from) Government Ministry	25	85	(299)	85	(299)
		305,456	298,375	305,456	298,375

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

GROUP		DESIGNATED GENERAL FUNDS		RESTRICTED FUNDS		TOTAL	
	Note	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
OPERATING INCOME							
Tuition and other related fees		483,521	468,201	–	–	483,521	468,201
Other income	27	235,889	237,149	230,564	99,155	466,453	336,304
		719,410	705,350	230,564	99,155	949,974	804,505
OPERATING EXPENDITURE							
Expenditure on manpower	28	941,674	923,349	400,052	369,883	1,341,726	1,293,232
Depreciation and amortisation expenditure	8,10	78,332	82,624	280,552	264,232	358,884	346,856
Other operating expenditure		471,323	436,136	541,159	550,178	1,012,482	986,314
		1,491,329	1,442,109	1,221,763	1,184,293	2,713,092	2,626,402
Operating deficit		(771,919)	(736,759)	(991,199)	(1,085,138)	(1,763,118)	(1,821,897)
Net investment income	30	122,836	93,774	497,313	535,153	620,149	628,927
Share of results (net of tax) of associated companies	6	7,575	2,000	(3,434)	(1,517)	4,141	483
Deficit before Grants	31	(641,508)	(640,985)	(497,320)	(551,502)	(1,138,828)	(1,192,487)
GRANTS							
Operating Grants :							
Government	32a	717,391	702,379	572,267	593,775	1,289,658	1,296,154
Others	32b	6,223	8,389	250,677	255,135	256,900	263,524
Deferred capital grants amortised	22	28,559	30,403	271,960	259,289	300,519	289,692
		752,173	741,171	1,094,904	1,108,199	1,847,077	1,849,370
SURPLUS FOR THE YEAR BEFORE TAX		110,665	100,186	597,584	556,697	708,249	656,883
Income tax	33	(6)	–	–	–	(6)	–
SURPLUS FOR THE YEAR	34	110,659	100,186	597,584	556,697	708,243	656,883
OTHER COMPREHENSIVE INCOME:							
Items that may be reclassified subsequently to income or expenditure:							
Exchange differences on translating foreign operations		(3)	(20)	–	–	(3)	(20)
Change in fair value of available-for- sale investments		–	–	(637)	(255)	(637)	(255)
Transfer of fair value reserve on sale of available-for-sale investments to income or expenditure		–	–	–	(636)	–	(636)
Surplus on the revaluation of buildings transferred to investment properties		41,463	–	–	–	41,463	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		41,460	(20)	(637)	(891)	40,823	(911)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		152,119	100,166	596,947	555,806	749,066	655,972

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

COMPANY		DESIGNATED GENERAL FUNDS		RESTRICTED FUNDS		TOTAL	
	Note	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
OPERATING INCOME							
Tuition and other related fees		478,726	463,508	–	–	478,726	463,508
Other income	27	232,224	234,079	230,564	99,155	462,788	333,234
		710,950	697,587	230,564	99,155	941,514	796,742
OPERATING EXPENDITURE							
Expenditure on manpower	28	917,953	900,812	400,052	369,883	1,318,005	1,270,695
Depreciation and amortisation expenditure	8,10	77,707	81,960	280,552	264,232	358,259	346,192
Other operating expenditure		463,223	428,125	541,159	550,178	1,004,382	978,303
		1,458,883	1,410,897	1,221,763	1,184,293	2,680,646	2,595,190
Operating deficit		(747,933)	(713,310)	(991,199)	(1,085,138)	(1,739,132)	(1,798,448)
Net investment income	30	122,244	92,467	497,313	535,153	619,557	627,620
Deficit before Grants	31	(625,689)	(620,843)	(493,886)	(549,985)	(1,119,575)	(1,170,828)
GRANTS							
Operating Grants :							
Government	32a	694,713	681,037	572,267	593,775	1,266,980	1,274,812
Others	32b	4,716	6,797	250,677	255,135	255,393	261,932
Deferred capital grants amortised	22	28,003	29,789	271,960	259,289	299,963	289,078
		727,432	717,623	1,094,904	1,108,199	1,822,336	1,825,822
SURPLUS FOR THE YEAR BEFORE TAX		101,743	96,780	601,018	558,214	702,761	654,994
Income tax	33	–	–	–	–	–	–
SURPLUS FOR THE YEAR	34	101,743	96,780	601,018	558,214	702,761	654,994
OTHER COMPREHENSIVE INCOME:							
Items that may be reclassified subsequently to income or expenditure:							
Change in fair value of available-for- sale investments		–	–	(637)	(255)	(637)	(255)
Transfer of fair value reserve on sale of available-for-sale investments to income or expenditure		–	–	–	–	–	–
Surplus on the revaluation of buildings transferred to investment properties		41,463	–	–	–	41,463	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		41,463	–	(637)	(255)	40,826	(255)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		143,206	96,780	600,381	557,959	743,587	654,739

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 2018

GROUP

	Note	ACCUMULATED SURPLUS		ENDOWMENT FUNDS	FAIR VALUE RESERVE	REVALUATION RESERVE	TRANSLATION RESERVE	Total
		Designated General Funds	Restricted Funds					
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 31 March 2017		2,619,993	2,147,333	3,730,027	910	-	36	8,498,299
Surplus for the year		110,659	597,584	-	-	-	-	708,243
Other comprehensive income		-	-	-	(637)	41,463	(3)	40,823
Total comprehensive income for the year		110,659	597,584	-	(637)	41,463	(3)	749,066
Matching grants received/accrued	24	-	-	287,989	-	-	-	287,989
Donations received	24	-	-	50,061	-	-	-	50,061
Total recognised gains and losses for the year		110,659	597,584	338,050	(637)	41,463	(3)	1,087,116
Transfer between Designated General Funds and Restricted Funds	26	103,326	(103,326)	-	-	-	-	-
Transfer to endowment funds	24	-	(9,041)	9,041	-	-	-	-
Balance at 31 March 2018		2,833,978	2,632,550	4,077,118	273	41,463	33	9,585,415
Balance as at 1 April 2016		2,406,939	1,703,656	3,486,406	1,801	-	56	7,598,858
Surplus for the year		100,186	556,697	-	-	-	-	656,883
Other comprehensive income		-	-	-	(891)	-	(20)	(911)
Total comprehensive income for the year		100,186	556,697	-	(891)	-	(20)	655,972
Matching grants received/accrued	24	-	-	183,868	-	-	-	183,868
Donations received	24	-	-	59,601	-	-	-	59,601
Total recognised gains and losses for the year		100,186	556,697	243,469	(891)	-	(20)	899,441
Transfer between Designated General Funds and Restricted Funds	26	112,868	(112,868)	-	-	-	-	-
Transfer to endowment funds	24	-	(152)	152	-	-	-	-
Balance at 31 March 2017		2,619,993	2,147,333	3,730,027	910	-	36	8,498,299

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 2018

COMPANY

	Note	ACCUMULATED SURPLUS		ENDOWMENT FUNDS	FAIR VALUE RESERVE	REVALUATION RESERVE	Total
		Designated General Funds	Restricted Funds				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 31 March 2017		2,546,661	2,127,632	3,729,595	900	-	8,404,788
Surplus for the year		101,743	601,018	-	-	-	702,761
Other comprehensive income		-	-	-	(637)	41,463	40,826
Total comprehensive income for the year		101,743	601,018	-	(637)	41,463	743,587
Matching grants received/accrued	24	-	-	287,989	-	-	287,989
Donations received	24	-	-	50,061	-	-	50,061
Total recognised gains and losses for the year		101,743	601,018	338,050	(637)	41,463	1,081,637
Transfer between Designated General Funds and Restricted Funds	26	103,326	(103,326)	-	-	-	-
Transfer to endowment funds	24	-	(9,041)	9,041	-	-	-
Balance at 31 March 2018		2,751,730	2,616,283	4,076,686	263	41,463	9,486,425
Balance as at 1 April 2016		2,337,013	1,682,438	3,485,974	1,155	-	7,506,580
Surplus for the year		96,780	558,214	-	-	-	654,994
Other comprehensive income		-	-	-	(255)	-	(255)
Total comprehensive income for the year		96,780	558,214	-	(255)	-	654,739
Matching grants received/accrued	24	-	-	183,868	-	-	183,868
Donations received	24	-	-	59,601	-	-	59,601
Total recognised gains and losses for the year		96,780	558,214	243,469	(255)	-	898,208
Transfer between Designated General Funds and Restricted Funds	26	112,868	(112,868)	-	-	-	-
Transfer to endowment funds	24	-	(152)	152	-	-	-
Balance at 31 March 2017		2,546,661	2,127,632	3,729,595	900	-	8,404,788

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 S\$'000	2017 S\$'000
Cash flows from operating activities:			
Deficit before Grants		(1,138,828)	(1,192,487)
Adjustments for:			
Depreciation of fixed assets	8	354,877	342,846
Amortisation of intangible assets	10	4,007	4,010
Donated artifacts additions	24	(3,748)	(1,864)
Net investment income	30	(620,149)	(628,927)
Borrowing costs expensed off	31	16,491	14,826
Loss on disposal of fixed and intangible assets	31	929	4,248
Bad and doubtful debts	31	312	1,440
Exchange differences arising on translation of foreign subsidiary		(3)	(20)
Share of results (net of tax) of associated companies		(4,141)	(483)
Deficit before working capital changes		(1,390,253)	(1,456,411)
Change in operating assets and liabilities:			
Increase in debtors, consumable stores, deposits and prepayments		(129,456)	(71,360)
Increase (decrease) in creditors and accrued expenses, provisions and deferred tuition and other fees		31,752	(101,077)
Cash used in operations		(1,487,957)	(1,628,848)
Other grants received, net of refund		336,896	297,082
Donations received for endowment funds	24	50,061	59,601
Student loans granted		(832)	(1,241)
Student loans repaid		3,039	3,211
Net cash outflow from operating activities		(1,098,793)	(1,270,195)
Cash flows from investing activities:			
Payments for purchase of fixed assets	8	(349,507)	(347,623)
Payments for purchase of intangible assets	10	(6,396)	(4,339)
Proceeds from disposal of fixed assets and intangible assets		87	242
Investment in associated companies		(169)	(4,104)
Net purchase of investments		(427,409)	(958,302)
Interest and dividend received		99,926	78,089
Net foreign currency exchange gains	30	23,778	37,747
Net cash outflow from investing activities		(659,690)	(1,198,290)
Cash flows from financing activities:			
Government grants received, net of refund		1,503,702	1,598,348
Government grants received for endowment funds		235,315	188,841
Net funds received for funds and net assets managed on behalf of the Government Ministry		2,700	2,536
Interest paid		(15,450)	(14,715)
Proceeds from issue of fixed rate note, net	21	–	100,000
Net cash inflow from financing activities		1,726,267	1,875,010
Net decrease in cash and cash equivalents		(32,216)	(593,475)
Cash and cash equivalents at the beginning of the year		160,502	753,977
Cash and cash equivalents at the end of the year	18	128,286	160,502

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 2018 were authorised for issue in accordance with a resolution of the Trustees on 26 July 2018.

2 SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act, the Charities Act and Singapore Financial Reporting Standards ("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 2017, including the Amendments to FRS 7 Disclosure initiative. 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 2018

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 115 Revenue from Contracts with Customers	1 January 2018
FRS 115 Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
FRS 116 Leases	1 January 2019
Improvements to FRSs (December 2016)	
(a) FRS 101 First-time Adoption of Financial Reporting Standards	1 January 2018
(b) FRS 28 Investments in Associates and Joint Ventures	1 January 2018
Amendments to FRS 40: Transfers of Investment Property	1 January 2018
Amendments to FRS 109: Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures	1 January 2019
Improvements to FRSs (March 2018)	
(a) FRS 111 Joint Arrangements	1 January 2019
(b) FRS 23 Borrowing costs	1 January 2019
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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 109, FRS 115 and FRS 116. The nature of the impending changes are described below.

FRS 109

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on expected credit loss model and replace FRS 39 incurred loss model.

The Group plans to adopt the new standards on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) BASIS OF ACCOUNTING (cont'd)

FRS 109 (cont'd)

The Group has performed a preliminary assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109 in 2018.

The Group has assessed that the application of FRS 109 will have no material impact to the Group except for the expected credit losses on all of its debt securities, loans and trade receivables and financial guarantees, either on a 12-month or lifetime basis

The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model for revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to customers. The new standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary impact assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2018.

The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach.

The Group has assessed that the application of FRS 115 will have no material impact on the Group's revenue recognition procedure, except for certain scholarship expenses which meet the definition as consideration payable to customer which will be accounted for as a reduction of the tuition fee revenue.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) BASIS OF CONSOLIDATION

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

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

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

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

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

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

c) SUBSIDIARIES AND ASSOCIATES

i) Subsidiaries

A subsidiary is an investee that is controlled by the 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) SUBSIDIARIES AND ASSOCIATES (cont'd)

ii) Associates

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) JOINT ARRANGEMENTS

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

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

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

Joint operations

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

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

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

e) FINANCIAL INSTRUMENTS

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

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 expenditure 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".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

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.

An impairment loss on financial assets carried at amortised 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 recognised in income or expenditure.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

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

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.

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. If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in income or expenditure, is transferred from other comprehensive income and recognised in income or expenditure. Reversals of impairment losses in respect of equity instruments are not recognised in income or expenditure; increase in their fair value after impairment are recognised directly in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in income or expenditure.

Financial liabilities

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

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

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

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

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

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

g) REVENUE RECOGNITION

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) BORROWING COST

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

i) GRANTS

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

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

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

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

Grants are accounted for on an accrual basis.

j) 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.

k) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) FUNDS (cont'd)

Restricted funds

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

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

l) FIXED ASSETS AND DEPRECIATION

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

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

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

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

	No. of years
Leasehold land	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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m) INVESTMENT PROPERTIES

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

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

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

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for fixed assets set out in Note 21 up to the date of change in use.

n) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income or expenditure unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

p) PROVISIONS

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

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

q) RETIREMENT BENEFIT COSTS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

r) 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.

s) INCOME TAX

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

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

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

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

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

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.

t) RESEARCH EXPENDITURE

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

u) LEASES

As lessee

Operating lease payments are recognised as an expense in income or expenditure on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

a) Key sources of estimation uncertainty

i) Fair value estimation

The Group holds unquoted equity securities that are not traded in an active market. The Group has used the net asset value disclosed in the financial statements of the entities (as these pertain mainly to funds whose investments are stated at fair value) and external valuations as the fair value for these financial assets. The carrying amounts of these unquoted securities for Group and Company at the end of the reporting period were S\$6,536,004,000 (2017: S\$5,533,235,000) and S\$6,533,982,000 (2017: S\$5,531,337,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
At fair value through income or expenditure (FVTIE):				
Investments	8,804,856	7,977,964	8,804,856	7,977,964
Derivative financial instruments	81,863	16,007	81,863	16,007
Sub-total	8,886,719	7,993,971	8,886,719	7,993,971
Loans and receivables at amortised cost:				
– Debtors	676,660	509,307	674,718	507,714
– Student loans	7,488	9,527	7,488	9,527
– Fixed deposits	628	60,284	628	60,284
– Cash and bank balances	127,658	100,218	104,792	77,412
– Advances for investment in funds	–	10,480	–	10,480
– Deposits	932	1,014	758	837
– Long-term loan to subsidiary company	–	–	250	250
– Amounts owing from subsidiary companies	–	–	883	921
Sub-total	813,366	690,830	789,517	667,425
Available-for-sale financial assets, at fair value through other comprehensive income	5,903	6,416	3,881	4,518
Total	9,705,988	8,691,217	9,680,117	8,665,914
Financial Liabilities				
At fair value through income or expenditure (FVTIE):				
Derivative financial instruments	5,602	40,864	5,602	40,864
Financial liabilities at amortised cost:				
– Creditors and accrued expenses	300,919	283,725	298,556	281,623
– Fixed rate notes	1,000,000	1,000,000	1,000,000	1,000,000
– Amounts owing to subsidiary companies	–	–	26,904	26,156
Sub-total	1,300,919	1,283,725	1,325,460	1,307,779
Total	1,306,521	1,324,589	1,331,062	1,348,643

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

b) Financial risk management policies and objectives

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

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

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

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.

In respect of quoted and unquoted equity securities, a +/-5% change in investment value as at March 2018 will result in a +/- S\$381,099,000 (2017: +/- S\$313,618,000) gain / loss in net surplus for the Group and Company. This analysis has been performed with all other variables constant.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

ii) Interest rate risk management

The Group's investments are subject to interest rate risk as the Group invests in fixed income securities, 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 2018 will result in a +/- S\$33,111,000 (2017: +/- S\$34,115,000) loss / gain in net surplus for the Group and Company. Similarly this analysis was performed with all other variables constant. The correlation of the other variables has been assumed to be constant.

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

iii) Foreign exchange risk management

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

a) Investments

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

	GROUP AND COMPANY			
	2018		2017	
	Investments at FVTIE S\$'000	Derivatives Financial Instruments S\$'000	Investments at FVTIE S\$'000	Derivatives Financial Instruments S\$'000
United States Dollars	6,206,678	76,782	5,405,635	2,171,094
Other Currencies	507,627	(521)	308,689	362,005

If the United States dollars were to change by 1% against the Singapore dollar, the Group's surplus will increase/decrease by S\$39,427,000 (2017: increase/decrease by S\$33,111,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

iii) Foreign exchange risk management (cont'd)

b) Other financial assets and financial liabilities

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

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

	GROUP				COMPANY			
	ASSETS		LIABILITIES		ASSETS		LIABILITIES	
	2018	2017	2018	2017	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
United States Dollars	88,302	38,711	5,313	641	87,447	37,812	5,283	621
Other foreign currencies	3,225	2,167	1,183	2,850	2,984	1,951	1,061	2,757

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\$830,000 and S\$822,000 (2017: increase/decrease by S\$380,000 and S\$372,000 respectively).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

iv) Liquidity risk management

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

a) Financial liabilities (excluding derivatives)

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

	Weighted average effective interest rate	On demand or within 1 year	Within 2-5 years	Total
GROUP				
2018				
Non-interest bearing	–	300,919	–	300,919
Interest bearing	2.0	268,968	779,271	1,048,239
Total		569,887	779,271	1,349,158
2017				
Non-interest bearing	–	283,725	–	283,725
Interest bearing	1.7	266,992	778,888	1,045,880
Total		550,717	778,888	1,329,605
COMPANY				
2018				
Non-interest bearing	–	325,460	–	325,460
Interest bearing	2.0	268,968	779,271	1,048,239
Total		594,428	779,271	1,373,699
2017				
Non-interest bearing	–	307,779	–	307,779
Interest bearing	1.7	266,992	778,888	1,045,880
Total		574,771	778,888	1,353,659

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

iv) Liquidity risk management (cont'd)

b) Financial assets (excluding derivatives)

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

GROUP	Weighted average effective interest rate %	On demand or within 1 year S\$'000	Within 2-5 years S\$'000	After 5 years S\$'000	Total S\$'000
2018					
Non-interest bearing	-	807,390	4,616	-	812,006
Fixed Deposit	1.17	635	-	-	635
Overseas Student Programme loans	4.75	273	560	-	833
Investments at FVTIE	-	5,850,486	1,335,199	1,619,171	8,804,856
Available-for-sale investments	-	3,881	-	2,022	5,903
Total		6,662,665	1,340,375	1,621,193	9,624,233

2017					
Non-interest bearing	-	623,367	6,407	-	629,774
Fixed Deposit	1.19	62,571	-	-	62,571
Overseas Student Programme loans	4.75	313	563	-	876
Investments at FVTIE	-	5,687,056	1,282,271	1,008,637	7,977,964
Available-for-sale investments	-	4,518	-	1,898	6,416
Total		6,377,825	1,289,241	1,010,535	8,677,601

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
2018					
Non-interest bearing	-	783,291	4,866	-	788,157
Fixed Deposit	1.17	635	-	-	635
Overseas Student Programme loans	4.75	273	560	-	833
Investments at FVTIE	-	5,850,486	1,335,199	1,619,171	8,804,856
Available-for-sale investments	-	3,881	-	-	3,881
Total		6,638,566	1,340,625	1,619,171	9,598,362

2017					
Non-interest bearing	-	599,712	6,657	-	606,369
Fixed Deposit	1.19	62,345	-	-	62,345
Overseas Student Programme loans	4.75	313	563	-	876
Investments at FVTIE	-	5,687,056	1,282,271	1,008,637	7,977,964
Available-for-sale investments	-	4,518	-	-	4,518
Total		6,353,944	1,289,491	1,008,637	8,652,072

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

iv) Liquidity risk management (cont'd)

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

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

c) Derivative financial instruments

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

GROUP AND COMPANY	On demand or within 1 year S\$'000
2018	
Forward foreign exchange contracts:	
Assets	81,743
Liabilities	(3,570)
Futures:	
Assets	120
Liabilities	(2,032)
2017	
Forward foreign exchange contracts:	
Assets	15,750
Liabilities	(40,134)
Futures:	
Assets	257
Liabilities	(730)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

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

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

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

Collateral held

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

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

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

	2018	2017
	S\$'000	S\$'000
Fair value of collateral accepted in the form of cash / given in the form of Treasury Notes	24,680	3,898

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

vi) Fair value of financial assets and liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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:

2018					
GROUP	Note	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Financial assets:					
Available-for-sale investments					
Equity securities		–	2,210	3,693	5,903
Sub-total	11	–	2,210	3,693	5,903
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,182,876	–	–	1,182,876
Equity securities		1,372,123	755,390	5,494,467	7,621,980
Sub-total	12	2,554,999	755,390	5,494,467	8,804,856
Derivative financial instruments					
Forward foreign exchange contracts		–	81,743	–	81,743
Futures		120	–	–	120
Sub-total	13	120	81,743	–	81,863
Total		2,555,119	839,343	5,498,160	8,892,622
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(3,570)	–	(3,570)
Futures		(2,032)	–	–	(2,032)
Total	13	(2,032)	(3,570)	–	(5,602)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

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

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

2017					
GROUP	Note	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Financial assets:					
Available-for-sale investments					
Equity securities		–	3,104	3,312	6,416
Sub-total	11	–	3,104	3,312	6,416
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,664,654	–	40,954	1,705,608
Equity securities		1,012,915	475,754	4,783,687	6,272,356
Sub-total	12	2,677,569	475,754	4,824,641	7,977,964
Derivative financial instruments					
Forward foreign exchange contracts		–	15,750	–	15,750
Futures		257	–	–	257
Sub-total	13	257	15,750	–	16,007
Total		2,677,826	494,608	4,827,953	8,000,387
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(40,134)	–	(40,134)
Futures		(730)	–	–	(730)
Total	13	(730)	(40,134)	–	(40,864)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

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

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

2018					
COMPANY	Note	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Financial assets:					
Available-for-sale investments					
Equity securities		–	2,210	1,671	3,881
Sub-total	11	–	2,210	1,671	3,881
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,182,876	–	–	1,182,876
Equity securities		1,372,123	755,390	5,494,467	7,621,980
Sub-total	12	2,554,999	755,390	5,494,467	8,804,856
Derivative financial instruments					
Forward foreign exchange contracts		–	81,743	–	81,743
Futures		120	–	–	120
Sub-total	13	120	81,743	–	81,863
Total		2,555,119	839,343	5,496,138	8,890,600
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(3,570)	–	(3,570)
Futures		(2,032)	–	–	(2,032)
Total	13	(2,032)	(3,570)	–	(5,602)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

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

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

2017					
COMPANY	Note	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Financial assets:					
Available-for-sale investments					
Equity securities		–	3,104	1,414	4,518
Sub-total	11	–	3,104	1,414	4,518
Investments at fair value through income or expenditure					
Government bonds and debt securities		1,664,654	–	40,954	1,705,608
Equity securities		1,012,915	475,754	4,783,687	6,272,356
Sub-total	12	2,677,569	475,754	4,824,641	7,977,964
Derivative financial instruments					
Forward foreign exchange contracts		–	15,750	–	15,750
Futures		257	–	–	257
Sub-total	13	257	15,750	–	16,007
Total		2,677,826	494,608	4,826,055	7,998,489
Financial liabilities:					
Derivative financial instruments					
Forward foreign exchange contracts		–	(40,134)	–	(40,134)
Futures		(730)	–	–	(730)
Total	13	(730)	(40,134)	–	(40,864)

The Group reviews its valuation policy yearly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

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

Movements of the Level 3 financial assets during the reporting period

	GROUP		COMPANY	
	S\$'000		S\$'000	
Fair value as at 1 April 2017	4,827,953	4,826,055		
Reclass from Level 3 to Level 1	(40,953)	(40,953)		
Total gain on sale– included in Income or Expenditure	81,618	81,618		
Change in Fair Value – included in Income or Expenditure	270,178	270,178		
Change in Fair Value – included in Other Comprehensive Income	257	257		
Purchases during the year	1,517,585	1,517,461		
Sales during the year	(1,158,478)	(1,158,478)		
Fair value as at 31 March 2018	5,498,160	5,496,138		
Fair value as at 1 April 2016	3,939,151	3,936,879		
Reclass from Level 1 to Level 3	1,264	1,264		
Total gain on sale– included in Income or Expenditure	22,319	22,319		
Change in Fair Value – included in Income or Expenditure	475,831	475,831		
Change in Fair Value – included in Other Comprehensive Income	148	148		
Purchases during the year	1,445,953	1,445,828		
Sales during the year	(1,056,713)	(1,056,214)		
Fair value as at 31 March 2017	4,827,953	4,826,055		

Transfer of investments from Level 3 to Level 1 for the year ended 31 March 2018 was S\$40,953,000. The quoted debt securities was transferred from Level 3 into Level 1 as it was listed on the exchange during the financial year. Prior to the transfer, the fair value of the debt securities was determined using comparable bonds. Since the transfer, the fair value of the debt securities is determined based on market price quoted in the exchange.

Transfer of investments from Level 1 to Level 3 for the year ended 31 March 2017 was S\$1,264,000. The transfer was due to quoted securities being delisted and became unquoted securities. These securities have since been sold during the year.

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 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 2018 and 2017. The Group's overall strategy remains unchanged from 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

5 SUBSIDIARY COMPANIES

	COMPANY	
	2018	2017
	S\$'000	S\$'000
Unquoted equity shares at cost	228	228
Impairment loss	(100)	(100)
Carrying amount	128	128

Name of company	Principal Activities	Country of incorporation (or registration) and operation	Share Capital	Proportion of ownership interest and voting power held	
				S\$	2018
Singapore University Press Pte Ltd ^(a)	Publisher	Singapore	100,001	100%	100%
NUS Technology Holdings Pte Ltd ^(a)	To carry out research and development, to own and exploit all forms of intellectual property interests and to engage in the acquisition, dissemination and transfer of technologies.	Singapore	2	100%	100%
NUS High School of Mathematics and Science ^(a)	To promote and undertake the advancement of education, with particular emphasis on mathematics and science at secondary and junior college levels and to participate in schemes established to promote research, development and education, in particular in relation to mathematics and science and to a high school for that purpose.	Singapore	#	#	#
NUS America, Inc ^(c)	This is a non-profit public benefit corporation organised under the 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	#	#	#
NUSU Enterprise Pte Ltd ^(a)	To manage the commercial activities of NUS Student Union.	Singapore	–	–	100%
Suzhou NUSRI Management Co Ltd ^(d)	To manage NUS Research Institute (Suzhou)	People's Republic of China	128,380	100%	100%
Singapore International Mediation Institute Limited ^(a)	Set standards and provide accreditation for mediators	Singapore	#	#	#

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

5 SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal Activities	Country of incorporation (or registration) and operation	Share Capital S\$	Proportion of ownership interest and voting power held	
				2018	2017
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 ^(c)	IT development, IT services, research and experimental development on technology.	Singapore	500,000	100%	100%
Shanghai NUS Enterprise Services Co Ltd ^(d)	Sourcing of student internship opportunities with Shanghai companies and developing increased research opportunities and forging closer partnerships.	People's Republic of China	237,440	100%	100%
KR Consulting Pte Ltd ^(a)	Provide consulting services	Singapore	1	100%	100%
Star Incubator Sdn Bhd ^{(b),(f)}	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) Not required to be audited in country of incorporation.

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

(e) Held in trust by NUS Technology Holdings Pte Ltd on behalf of the Company and was wound up on 6 December 2017.

(f) Bioinformatics Technology Group Pte Ltd and Star Incubator Sdn Bhd are in the process of winding up.

6 ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Unquoted equity shares at cost	77,330	77,161	77,330	77,161
Share of post-acquisition profits, net of dividend received	54,492	50,351	–	–
	131,822	127,512	77,330	77,161

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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	
			2018	2017
National University Health System Pte Ltd ^(a)	Clinical service, education and research	Singapore	33%	33%
InVivos Pte Ltd ^(a)	To carry on the business of an animal breeding centre and the provision of related services in support of biomedical research.	Singapore	25%	25%
Dwell Capital Ltd ^(b)	Investment holding in property companies	Singapore	25%	25%

(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:

	2018 S\$'000	2017 S\$'000
Total assets	3,251,264	2,484,190
Total liabilities	(2,084,355)	(1,498,013)
Net assets	1,166,909	986,177
Total equity attributable to equity holders	427,750	417,260

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:

	2018 S\$'000	2017 S\$'000
Profit after tax for the year	102,260	20,815
Other comprehensive income	–	–
Total comprehensive income	102,260	20,815

7 INVESTMENT IN JOINT OPERATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

8 FIXED ASSETS

GROUP

	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Infra-structure	Equipment, Furniture & Fittings, Library Materials	Artifacts	Capital Work-in-Progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COST									
At 1 April 2016	2,007	321,174	3,336,351	1,027,187	39,490	2,013,191	25,347	133,733	6,898,480
Additions	-	-	32,851	87,113	-	121,821	1,879	107,432	351,096
Transfers	-	-	55,054	31,035	-	30,572	-	(116,661)	-
Disposals	-	-	(15,493)	(11,559)	-	(51,729)	-	-	(78,781)
Cost adjustment	-	-	(682)	(703)	-	(129)	-	(4,182)	(5,696)
At 31 March and 1 April 2017	2,007	321,174	3,408,081	1,133,073	39,490	2,113,726	27,226	120,322	7,165,099
Additions	-	-	17,299	91,699	-	107,844	3,760	133,324	353,926
Transfers	-	-	1,267	26,847	-	48,000	-	(76,114)	-
Disposals	-	-	(6,635)	(2,747)	-	(41,934)	-	-	(51,316)
Cost adjustment	-	-	(283)	(512)	-	(224)	(3)	(1,647)	(2,669)
Revaluation surplus	-	-	41,463	-	-	-	-	-	41,463
Elimination of accumulated depreciation on revaluation	-	-	(2,316)	-	-	-	-	-	(2,316)
Transfer to investment properties (Note 9)	-	-	(41,463)	-	-	-	-	-	(41,463)
At 31 March 2018	2,007	321,174	3,417,413	1,248,360	39,490	2,227,412	30,983	175,885	7,462,724
ACCUMULATED DEPRECIATION									
At 1 April 2016	-	58,130	1,206,295	636,519	3,439	1,510,072	-	-	3,414,455
Depreciation	-	6,152	100,849	79,554	659	155,632	-	-	342,846
Transfers	-	-	-	(2,338)	-	2,338	-	-	-
Disposals	-	-	(12,715)	(10,810)	-	(50,804)	-	-	(74,329)
Cost adjustment	-	-	(95)	(50)	-	(23)	-	-	(168)
At 31 March and 1 April 2017	-	64,282	1,294,334	702,875	4,098	1,617,215	-	-	3,682,804
Depreciation	-	6,154	103,213	79,585	660	165,265	-	-	354,877
Transfers	-	-	(2,737)	(1,941)	-	4,678	-	-	-
Disposals	-	-	(6,408)	(2,641)	-	(41,272)	-	-	(50,321)
Cost adjustment	-	-	(23)	(50)	-	(43)	-	-	(116)
Elimination of accumulated depreciation on revaluation	-	-	(2,316)	-	-	-	-	-	(2,316)
At 31 March 2018	-	70,436	1,386,063	777,828	4,758	1,745,843	-	-	3,984,928
CARRYING AMOUNT									
At 31 March 2018	2,007	250,738	2,031,350	470,532	34,732	481,569	30,983	175,885	3,477,796
At 31 March 2017	2,007	256,892	2,113,747	430,198	35,392	496,511	27,226	120,322	3,482,295

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

8 FIXED ASSETS (cont'd)

COMPANY

	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Infra-structure	Equipment, Furniture & Fittings, Library Materials	Artifacts	Capital Work-in-Progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COST									
At 1 April 2016	2,007	321,174	3,335,646	1,026,155	39,490	2,006,940	25,347	133,733	6,890,492
Additions	-	-	32,851	87,113	-	121,132	1,879	107,432	350,407
Transfers	-	-	55,054	31,035	-	30,572	-	(116,661)	-
Disposals	-	-	(15,493)	(11,559)	-	(51,705)	-	-	(78,757)
Cost adjustment	-	-	(682)	(703)	-	(129)	-	(4,182)	(5,696)
At 31 March and 1 April 2017	2,007	321,174	3,407,376	1,132,041	39,490	2,106,810	27,226	120,322	7,156,446
Additions	-	-	17,299	91,699	-	107,637	3,760	133,324	353,719
Transfers	-	-	1,267	26,847	-	48,000	-	(76,114)	-
Disposals	-	-	(6,635)	(2,747)	-	(41,761)	-	-	(51,143)
Cost adjustment	-	-	(283)	(512)	-	(224)	(3)	(1,647)	(2,669)
Revaluation surplus	-	-	41,463	-	-	-	-	-	41,463
Elimination of accumulated depreciation on revaluation	-	-	(2,316)	-	-	-	-	-	(2,316)
Transfer to investment properties (Note 9)	-	-	(41,463)	-	-	-	-	-	(41,463)
At 31 March 2018	2,007	321,174	3,416,708	1,247,328	39,490	2,220,462	30,983	175,885	7,454,037
ACCUMULATED DEPRECIATION									
At 1 April 2016	-	58,130	1,206,048	635,982	3,439	1,505,313	-	-	3,408,912
Depreciation	-	6,152	100,826	79,451	659	155,099	-	-	342,187
Transfers	-	-	-	(2,338)	-	2,338	-	-	-
Disposals	-	-	(12,715)	(10,810)	-	(50,780)	-	-	(74,305)
Cost adjustment	-	-	(95)	(50)	-	(23)	-	-	(168)
At 31 March and 1 April 2017	-	64,282	1,294,064	702,235	4,098	1,611,947	-	-	3,676,626
Depreciation	-	6,154	103,189	79,482	660	164,776	-	-	354,261
Transfers	-	-	(2,737)	(1,941)	-	4,678	-	-	-
Disposals	-	-	(6,408)	(2,641)	-	(41,103)	-	-	(50,152)
Cost adjustment	-	-	(23)	(50)	-	(50)	-	-	(123)
Elimination of accumulated depreciation on revaluation	-	-	(2,316)	-	-	-	-	-	(2,316)
At 31 March 2018	-	70,436	1,385,769	777,085	4,758	1,740,248	-	-	3,978,296
CARRYING AMOUNT									
At 31 March 2018	2,007	250,738	2,030,939	470,243	34,732	480,214	30,983	175,885	3,475,741
At 31 March 2017	2,007	256,892	2,113,312	429,806	35,392	494,863	27,226	120,322	3,479,820

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

8 FIXED ASSETS (cont'd)

During the financial year, the Group acquired fixed assets amounting to S\$353,926,000 (2017: S\$351,096,000), out of which S\$349,507,000 (2017: S\$347,623,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

9 INVESTMENT PROPERTIES

	GROUP AND COMPANY
	2018
	S\$'000
Statement of Financial Position:	
At 1 April	–
Transfer from fixed assets (Note 8)	41,463
At 31 March	41,463
Statement of Comprehensive Income:	
Rental income from investment properties:	
– Minimum lease payments	713
	713
Direct operating expenses (including repairs and maintenance) arising from:	
– Rental generating expenses	184
	184

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

Valuation of investment properties

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10 INTANGIBLE ASSETS

GROUP	Computer Software	Purchased Curriculum	Total
	S\$'000	S\$'000	S\$'000
COST			
At 1 April 2016	35,413	11,998	47,411
Additions	4,339	–	4,339
Disposals	(204)	–	(204)
Cost adjustment	(79)	–	(79)
At 31 March and 1 April 2017	39,469	11,998	51,467
Additions	6,396	–	6,396
Disposals	(236)	–	(236)
Cost adjustment	(68)	–	(68)
At 31 March 2018	45,561	11,998	57,559
ACCUMULATED AMORTISATION			
At 1 April 2016	27,390	11,912	39,302
Amortisation	3,986	24	4,010
Disposals	(166)	–	(166)
Cost adjustment	(4)	–	(4)
At 31 March and 1 April 2017	31,206	11,936	43,142
Amortisation	3,983	24	4,007
Disposals	(215)	–	(215)
Cost adjustment	(20)	–	(20)
At 31 March 2018	34,954	11,960	46,914
CARRYING AMOUNT			
At 31 March 2018	10,607	38	10,645
At 31 March 2017	8,263	62	8,325

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10 INTANGIBLE ASSETS (cont'd)

COMPANY	GROUP AND COMPANY		
	2018	2017	
	S\$'000	S\$'000	S\$'000
COST			
At 1 April 2016	34,883	11,998	46,881
Additions	4,339	–	4,339
Disposals	(202)	–	(202)
Cost adjustment	(79)	–	(79)
At 31 March and 1 April 2017	38,941	11,998	50,939
Additions	6,394	–	6,394
Disposals	(236)	–	(236)
Cost adjustment	(68)	–	(68)
At 31 March 2018	45,031	11,998	57,029
ACCUMULATED AMORTISATION			
At 1 April 2016	26,875	11,912	38,787
Amortisation	3,981	24	4,005
Disposals	(166)	–	(166)
Cost adjustment	(4)	–	(4)
At 31 March and 1 April 2017	30,686	11,936	42,622
Amortisation	3,974	24	3,998
Disposals	(215)	–	(215)
Cost adjustment	(20)	–	(20)
At 31 March 2018	34,425	11,960	46,385
CARRYING AMOUNT			
At 31 March 2018	10,606	38	10,644
At 31 March 2017	8,255	62	8,317

Computer software includes computer software work-in-progress of S\$2,425,000 (2017: S\$1,165,000) for the Group and Company, which amortisation is not provided for. The average remaining amortisation period of intangible assets is 2 years (2017: 2 years).

11 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
AT FAIR VALUE				
Unquoted equity securities	5,903	6,416	3,881	4,518
	5,903	6,416	3,881	4,518

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

12 INVESTMENTS AT FAIR VALUE THROUGH INCOME OR EXPENDITURE

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
AT FAIR VALUE		
Quoted Government bonds	1,099,515	1,632,641
Quoted debt securities	83,361	72,967
Quoted equity securities	1,091,879	745,537
Unquoted equity securities	6,530,101	5,526,819
	8,804,856	7,977,964

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

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

Under the terms of certain limited partnership agreements, the Group is obligated to make capital contributions upon receiving capital call notices from the fund managers. As at the reporting period ended 31 March 2018, the Group has unfunded commitments of S\$2,068,585,000 (2017: S\$1,615,526,000).

13 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY					
	Notional Amount	2018		Notional Amount	2017	
		Assets	Liabilities		Assets	Liabilities
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Forward foreign exchange contracts	3,152,664	81,743	(3,570)	2,582,048	15,750	(40,134)
Futures	260,410	120	(2,032)	241,441	257	(730)
	3,413,074	81,863	(5,602)	2,823,489	16,007	(40,864)

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 2018

14 STUDENT LOANS

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
Notebook computer loans ^(a)	270	441
Overseas student programme loans ^(b)	732	772
Student assistance loans and in house student loans ^(c)	6,440	8,255
Other student loans ^(d)	46	59
	7,488	9,527
Represented by:		
Amount repayable within 12 months – current assets	2,401	2,647
Amount repayable after 12 months – non-current assets	5,087	6,880
	7,488	9,527

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

(b) The overseas student programme loans are repayable by monthly instalments over periods of up to 5 years. The interest at 4.75% (2017: 4.75%) per annum is based on average prime rate of the 3 major local banks.

(c) The student assistance loans and in-house student loans are interest-free and repayable by monthly instalments, over periods of up to 5 years.

(d) The other student loans are interest-free and repayable by yearly instalments, over periods of up to 6 years.

Secured assets

The student loans are unsecured.

Fair values

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

Credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

14 STUDENT LOANS *(cont'd)*

The table below is an analysis of student loans as at 31 March:

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
Not past due and not impaired	7,359	9,306
Past due but not impaired ⁽ⁱ⁾	129	221
	7,488	9,527
Impaired student loans – individually assessed	52	240
Less: Allowance for doubtful debts	(52)	(240)
	–	–
Total student loans	7,488	9,527
(i) Aging of student loans that are past due but not impaired		
– Past due < 3 months	109	150
– Past due 3 to 6 months	20	54
– Past due 6 to 12 months	–	8
– Past due over 12 months	–	9
	129	221

Movement in the allowance for doubtful debts for student loans

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
Balance as at 1 April	240	220
Amounts written off during the year	(182)	(2)
Amounts recovered during the year	(50)	(18)
Increase in allowance recognised in income or expenditure	44	40
Balance as at 31 March	52	240

15 LONG-TERM LOAN TO SUBSIDIARY COMPANY AND AMOUNTS OWING FROM/TO SUBSIDIARY COMPANIES

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

16 DEBTORS

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Grants receivable	560,219	418,756	560,219	418,756
Trade debtors	51,591	51,393	49,757	49,898
Receivables from sale of investments	44,049	20,266	44,049	20,266
Interest receivable	3,349	3,542	3,349	3,542
Others	17,452	15,350	17,344	15,252
	676,660	509,307	674,718	507,714

The average credit period of trade debtors is 30 days (2017: 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	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Not past due and not impaired	34,519	43,585	32,685	42,090
Past due but not impaired ⁽ⁱ⁾	17,072	7,808	17,072	7,808
	51,591	51,393	49,757	49,898
Impaired trade debtors – individually assessed ⁽ⁱⁱ⁾	663	1,224	663	1,224
Less: Allowance for doubtful debts	(663)	(1,224)	(663)	(1,224)
	–	–	–	–
Total trade debtors, net	51,591	51,393	49,757	49,898

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

– Past due < 3 months	2,058	2,265	2,058	2,265
– Past due 3 to 6 months	1,226	1,370	1,226	1,370
– Past due 6 to 12 months	13,427	3,280	13,427	3,280
– Past due over 12 months	361	893	361	893
	17,072	7,808	17,072	7,808

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

16 DEBTORS (cont'd)

Movement in the allowance for doubtful debts for trade debtors

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April	1,224	303	1,224	303
Amounts written off during the year	(562)	(39)	(562)	(39)
Amounts recovered during the year	(107)	–	(107)	–
Increase in allowance recognised in income or expenditure	108	960	108	960
Balance as at 31 March	663	1,224	663	1,224

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

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	42,776	20,035	42,726	19,977
Other foreign currencies	254	882	252	860
	43,030	20,917	42,978	20,837

17 DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Non-financial assets				
Prepayments for fixed assets	1,691	885	1,691	885
Other prepayments	49,390	33,339	49,085	33,018
	51,081	34,224	50,776	33,903
Financial assets				
Deposits paid	932	1,014	758	837
Advances for investment in funds	–	10,480	–	10,480
	932	11,494	758	11,317
	52,013	45,718	51,534	45,220
Less: Other prepayments (amount to be utilised after 12 months – non-current assets)	(85)	(197)	(85)	(197)
Deposits and prepayments (amount to be utilised within 12 months – current assets)	51,928	45,521	51,449	45,023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

17 DEPOSITS AND PREPAYMENTS (cont'd)

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

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	13,254	10,728	13,018	10,480
Other foreign currencies	3	3	3	3
	13,257	10,731	13,021	10,483

18 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	628	60,284	628	60,284
Cash and bank balances	127,658	100,218	104,792	77,412
	128,286	160,502	105,420	137,696

a) Fixed deposits

The effective interest rates of fixed deposits at the balance sheet date are between 1.03% to 1.13% (2017: 1.00% to 1.38%) per annum and for an average tenor of 12.02 months (2017: 9.99 months).

b) Cash and bank balances

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

Cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	32,272	7,948	31,703	7,355
Other foreign currencies	2,968	1,282	2,729	1,088
	35,240	9,230	34,432	8,443

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

19 CREDITORS AND ACCRUED EXPENSES/PROVISIONS

a) Creditors and accrued expenses

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Creditors	68,184	44,216	67,024	42,141
Payable for purchase of investments	4,087	18,345	4,087	18,345
Accrued expenses	223,741	217,097	222,591	217,070
Deposits received	4,907	4,067	4,854	4,067
	300,919	283,725	298,556	281,623

The average credit period on purchases of goods is 30 days (2017: 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	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	5,313	641	5,283	621
Other foreign currencies	1,183	2,850	1,061	2,757
	6,496	3,491	6,344	3,378

b) Provisions for employee leave liability

Movement in the provisions for employee leave liability

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April	103,341	97,240	100,895	95,080
Increase in provisions recognised in income or expenditure	2,181	6,101	2,080	5,815
Balance as at 31 March	105,522	103,341	102,975	100,895

20 GRANTS RECEIVED IN ADVANCE

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Grants received in advance from				
– Government	320,356	297,617	314,231	291,490
– Others	127,651	93,688	129,923	95,735
	448,007	391,305	444,154	387,225

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 2018

21 FIXED RATE NOTES

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
Fixed rate notes	1,000,000	1,000,000
	1,000,000	1,000,000
Represented by:		
Amount due within 12 months – current liabilities	250,000	250,000
Amount due after 12 months – non-current liabilities	750,000	750,000
	1,000,000	1,000,000

Under the Multicurrency Medium Term Note (MTN) programme to finance development projects under the debt-grant framework initiated by the Government, the Company has issued 4 fixed rate notes. Unless previously redeemed or purchased and cancelled, the notes will be redeemed at its redemption amount on maturity date. The Company is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the notes.

Fixed Rate Notes Issued	Issue Date	Coupon	Issued Amount	Fair Value	Issued Amount	Fair Value
			S\$'000	2018 S\$'000	S\$'000	2017 S\$'000
Fixed rate note due 23 January 2018	23 January 2013	1.038%	–	–	250,000	249,708
Fixed rate note due 13 February 2019	13 February 2014	1.708%	250,000	249,558	250,000	250,735
Fixed rate note due 27 May 2020	27 May 2015	2.200%	400,000	400,476	400,000	404,680
Fixed rate note due 1 September 2021	1 September 2016	1.810%	100,000	98,518	100,000	98,913
Fixed rate note due 2 June 2022	2 June 2017	1.855%	250,000	244,683	–	–
			1,000,000	993,235	1,000,000	1,004,036

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

21 FIXED RATE NOTES (cont'd)

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

	2017	Cash Flows	Non-Cash changes	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed rate notes				
– Current	250,000	(250,000)	250,000	250,000
– Non-current	750,000	250,000	(250,000)	750,000
	1,000,000	–	–	1,000,000

	2016	Cash Flows	Non-Cash changes	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed rate notes				
– Current	–	–	250,000	250,000
– Non-current	900,000	100,000	(250,000)	750,000
	900,000	100,000	–	1,000,000

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

22 DEFERRED CAPITAL GRANTS

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed Assets				
Government				
Balance as at 1 April	1,533,644	1,446,946	1,532,672	1,445,821
Capital grants utilised during the year	132,244	260,361	132,245	260,361
Amount transferred from operating grants (Note 32)	48,169	73,637	48,008	73,479
	1,714,057	1,780,944	1,712,925	1,779,661
Deferred capital grants amortised	(259,289)	(247,300)	(259,043)	(246,989)
Balance as at 31 March	1,454,768	1,533,644	1,453,882	1,532,672
Others				
Balance as at 1 April	413,708	420,653	412,350	419,411
Capital grants utilised during the year and donated assets	33,641	15,520	33,641	15,520
Amount transferred from operating grants (Note 32)	15,477	16,086	15,465	15,672
	462,826	452,259	461,456	450,603
Deferred capital grants amortised	(37,803)	(38,551)	(37,498)	(38,253)
Balance as at 31 March	425,023	413,708	423,958	412,350
Total deferred capital grants balance for fixed assets as at 31 March	1,879,791	1,947,352	1,877,840	1,945,022
Intangible Assets				
Government				
Balance as at 1 April	5,624	5,974	5,619	5,964
Capital grants utilised during the year	1,448	1,349	1,448	1,349
Amount transferred from operating grants (Note 32)	1,355	1,655	1,355	1,655
	8,427	8,978	8,422	8,968
Deferred capital grants amortised	(2,885)	(3,354)	(2,880)	(3,349)
Balance as at 31 March	5,542	5,624	5,542	5,619
Others				
Balance as at 1 April	1,030	1,302	1,030	1,302
Amount transferred from operating grants (Note 32)	596	215	596	215
	1,626	1,517	1,626	1,517
Deferred capital grants amortised	(542)	(487)	(542)	(487)
Balance as at 31 March	1,084	1,030	1,084	1,030
Total deferred capital grants balance for intangible assets as at 31 March	6,626	6,654	6,626	6,649
Fixed Assets and Intangible Assets				
Balance as at 1 April	1,954,006	1,874,875	1,951,671	1,872,498
Capital grants utilised during the year and donated assets	167,333	277,230	167,334	277,230
Amount transferred from operating grants (Note 32)	65,597	91,593	65,424	91,021
	2,186,936	2,243,698	2,184,429	2,240,749
Deferred capital grants amortised	(300,519)	(289,692)	(299,963)	(289,078)
Transferred to other income	–	–	–	–
Balance as at 31 March	1,886,417	1,954,006	1,884,466	1,951,671

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

23 ACCUMULATED SURPLUS, FAIR VALUE RESERVE, REVALUATION RESERVE AND TRANSLATION RESERVE

Accumulated Surplus

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

The total accumulated surplus that is unrestricted or not allocated amounted to S\$132,000 (2017: S\$129,000).

	Note	GROUP		COMPANY	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		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		2,357,722	2,137,693	2,275,606	2,064,490
Funds utilised to acquire assets, which will be amortised to match future depreciation when assets are put into use		476,124	482,171	476,124	482,171
From non-endowed donations	24	132	129	–	–
		2,833,978	2,619,993	2,751,730	2,546,661
Accumulated Surplus for Restricted Funds					
From non-endowed donations (restricted expendable gifts that can only be used for purposes specified by donors)	24	792,594	637,023	792,594	637,023
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	1,839,956	1,510,310	1,823,689	1,490,609
		2,632,550	2,147,333	2,616,283	2,127,632
Total Accumulated Surplus		5,466,528	4,767,326	5,368,013	4,674,293

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.

Revaluation Reserve

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

Translation Reserve

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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\$276,756,000 (2017: S\$156,621,000) and S\$276,738,000 (2017: S\$156,619,000) respectively, of which S\$276,753,000 (2017: S\$156,619,000) of the Group and S\$276,738,000 (2017: S\$156,619,000) of the Company are tax-deductible. Of the total donations received, S\$50,061,000 (2017: S\$59,601,000) for the Group and S\$50,061,000 (2017: S\$59,601,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

GROUP		2018			2017		
		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							
Designated General Funds	23	–	132	132	–	129	129
Restricted Funds	23	1,839,956	792,594	2,632,550	1,510,310	637,023	2,147,333
		1,839,956	792,726	2,632,682	1,510,310	637,152	2,147,462
Endowment Funds		4,077,118	–	4,077,118	3,730,027	–	3,730,027
		5,917,074	792,726	6,709,800	5,240,337	637,152	5,877,489
Represented by:							
Non-Current Assets							
Associated Companies		76,005	–	76,005	79,770	–	79,770
Fixed assets		35,175	350,170	385,345	22,588	359,651	382,239
Student loans		2,242	1,496	3,738	1,746	1,620	3,366
		113,422	351,666	465,088	104,104	361,271	465,375
Current Assets							
Debtors		156,083	–	156,083	75,545	–	75,545
Investments at fair value through income or expenditure		5,546,705	668,113	6,214,818	5,051,122	513,138	5,564,260
Derivative financial instruments		81,863	–	81,863	26,534	–	26,534
Cash and cash equivalents		41,502	132	41,634	32,538	129	32,667
		5,826,153	668,245	6,494,398	5,185,739	513,267	5,699,006
Total Assets		5,939,575	1,019,911	6,959,486	5,289,843	874,538	6,164,381
Current Liabilities							
Creditors and accrued expenses		16,899	–	16,899	5,354	–	5,354
Derivative financial instruments		5,602	–	5,602	44,152	–	44,152
		22,501	–	22,501	49,506	–	49,506
Non-Current Liability							
Deferred capital grants		–	227,185	227,185	–	237,386	237,386
Total Liabilities		22,501	227,185	249,686	49,506	237,386	286,892
Net Assets		5,917,074	792,726	6,709,800	5,240,337	637,152	5,877,489

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

GROUP	2018			2017		
	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	1,510,310	637,152	2,147,462	1,107,440	596,345	1,703,785
Donations received	–	226,695	226,695	–	97,020	97,020
Donated artifacts additions	–	3,748	3,748	–	1,864	1,864
Net investment income (including change in fair value of investment held for trading)	480,408	15,127	495,535	518,494	15,165	533,659
Other operating income	4	7	11	47	71	118
Expenditure on manpower	(63,931)	(20,288)	(84,219)	(59,388)	(13,348)	(72,736)
Depreciation	(3,960)	(7,177)	(11,137)	(3,698)	(7,406)	(11,104)
Other operating expenditure	(70,400)	(62,538)	(132,938)	(50,916)	(52,559)	(103,475)
Share of results of associated company	(3,434)	–	(3,434)	(1,517)	–	(1,517)
Amount transferred to endowment funds ^(a)	(9,041)	–	(9,041)	(152)	–	(152)
Balance as at 31 March	1,839,956	792,726	2,632,682	1,510,310	637,152	2,147,462
Endowment Funds:						
Balance as at 1 April	3,730,027	–	3,730,027	3,486,406	–	3,486,406
Matching grants received/accrued	287,989	–	287,989	183,868	–	183,868
Donations received	50,061	–	50,061	59,601	–	59,601
Amount transferred from accumulated surplus ^(a)	9,041	–	9,041	152	–	152
Balance as at 31 March	4,077,118	–	4,077,118	3,730,027	–	3,730,027
Balance as at 31 March	5,917,074	792,726	6,709,800	5,240,337	637,152	5,877,489

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

COMPANY	2018			2017		
	Endowed Donations	Non-endowed Donations	Total	Endowed Donations	Non-endowed Donations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	Note					
Accumulated Surplus (Restricted Funds)						
	23	1,823,689	792,594	2,616,283	1,490,609	637,023
Endowment Funds		4,076,686	–	4,076,686	3,729,595	–
		5,900,375	792,594	6,692,969	5,220,204	637,023
						5,857,227
Represented by:						
Non-Current Assets						
Associated Companies		59,738	–	59,738	60,069	–
Fixed assets		35,175	350,170	385,345	22,588	359,651
Student loans		2,242	1,496	3,738	1,746	1,620
		97,155	351,666	448,821	84,403	361,271
						445,674
Current Assets						
Debtors		156,083	–	156,083	75,545	–
Investments at fair value through income or expenditure		5,546,705	668,113	6,214,818	5,051,122	513,138
Derivative financial instruments		81,863	–	81,863	26,534	–
Cash and cash equivalents		41,070	–	41,070	32,106	–
		5,825,721	668,113	6,493,834	5,185,307	513,138
						5,698,445
Total Assets		5,922,876	1,019,779	6,942,655	5,269,710	874,409
						6,144,119
Current Liabilities						
Creditors and accrued expenses		16,899	–	16,899	5,354	–
Derivative financial instruments		5,602	–	5,602	44,152	–
		22,501	–	22,501	49,506	–
						49,506
Non-Current Liability						
Deferred capital grants		–	227,185	227,185	–	237,386
						237,386
Total Liabilities		22,501	227,185	249,686	49,506	237,386
						286,892
Net Assets		5,900,375	792,594	6,692,969	5,220,204	637,023
						5,857,227

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

COMPANY	2018			2017		
	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	1,490,609	637,023	2,127,632	1,086,222	596,216	1,682,438
Donations received	–	226,677	226,677	–	97,018	97,018
Donated artifacts additions	–	3,748	3,748	–	1,864	1,864
Net investment income (including change in fair value of investment held for trading)	480,408	15,127	495,535	518,494	15,165	533,659
Other operating income	4	7	11	47	71	118
Expenditure on manpower	(63,931)	(20,288)	(84,219)	(59,388)	(13,348)	(72,736)
Depreciation	(3,960)	(7,177)	(11,137)	(3,698)	(7,406)	(11,104)
Other operating expenditure	(70,400)	(62,523)	(132,923)	(50,916)	(52,557)	(103,473)
Amount transferred to endowment funds ^(a)	(9,041)	–	(9,041)	(152)	–	(152)
Balance as at 31 March	1,823,689	792,594	2,616,283	1,490,609	637,023	2,127,632
Endowment Funds:						
Balance as at 1 April	3,729,595	–	3,729,595	3,485,974	–	3,485,974
Matching grants received/accrued	287,989	–	287,989	183,868	–	183,868
Donations received	50,061	–	50,061	59,601	–	59,601
Amount transferred from accumulated surplus ^(a)	9,041	–	9,041	152	–	152
Balance as at 31 March	4,076,686	–	4,076,686	3,729,595	–	3,729,595
Balance as at 31 March	5,900,375	792,594	6,692,969	5,220,204	637,023	5,857,227

(a) This represents mainly capitalisation of surplus funds (2017: 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 2018

25 FUNDS MANAGED ON BEHALF OF GOVERNMENT MINISTRY

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

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
Funds from the Government Ministry:		
Balance as at 1 April	298,375	292,924
Cash received	84,995	83,798
Interest income received on behalf of Government Ministry	4,475	4,799
Repayments	(75,598)	(75,924)
Bad debts incurred	(2,316)	(2,423)
Interest income transferred to Government Ministry	(4,475)	(4,799)
	305,456	298,375
Represented by:		
Student loans – TFL, SL and OSP	305,371	298,674
Net assets	305,371	298,674
Amount payable to (receivable from) Government Ministry	85	(299)
	305,456	298,375

26 TRANSFER BETWEEN DESIGNATED GENERAL FUNDS AND RESTRICTED FUNDS

	GROUP AND COMPANY			
	2018		2017	
	Designated General Funds	Restricted Funds	Designated General Funds	Restricted Funds
	S\$'000	S\$'000	S\$'000	S\$'000
Interfund transactions between Designated General Funds and Restricted Funds ^(a)	37,869	(37,869)	30,495	(30,495)
Transfer between Designated General Funds and Restricted Funds ^(b)	65,457	(65,457)	82,373	(82,373)
	103,326	(103,326)	112,868	(112,868)

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

27 OTHER INCOME

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Donations received	226,695	97,020	226,677	97,018
Rental income and student hostel residential fees	99,314	93,630	96,812	93,630
Rental income from investment properties (Note 9)	713	–	713	–
Courses and conference fees	44,374	45,434	43,886	45,308
Clinical fees/consultancy fees	15,288	13,658	15,288	13,658
Jobs credit received	6,427	12,572	6,427	12,572
Proceeds from insurers	5,077	12,449	5,077	12,449
Sponsorships received	8,784	7,252	8,780	7,252
Others	59,781	54,289	59,128	51,347
	466,453	336,304	462,788	333,234

28 EXPENDITURE ON MANPOWER

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Wages and salaries	1,215,971	1,170,467	1,194,560	1,148,155
Employer's contribution to Provident Funds	96,582	90,148	94,743	90,090
Other staff benefits	29,173	32,617	28,702	32,450
	1,341,726	1,293,232	1,318,005	1,270,695

29 KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for twenty-two (2017: twenty-one) key management personnel (includes the remuneration of two executive trustees) are as follows:

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
Short-term benefits	13,004	14,174
Post-employment benefits	222	241
	13,226	14,415

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

30 NET INVESTMENT INCOME

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income	17,899	17,317	17,132	17,083
Dividend income	81,834	60,011	81,834	60,011
Net gain on sale of investments at fair value through income or expenditure ("FVTIE")	91,181	21,954	91,181	21,954
Net gain on sale of available-for-sale investments	–	605	–	–
Impairment loss on available-for-sale investments	(175)	(168)	–	–
Transfer from fair value reserve on sale of available-for-sale investments	–	636	–	–
Net foreign currency exchange gains	23,778	37,747	23,778	37,747
Change in fair value of investments at FVTIE due to foreign currency changes	(218,645)	46,423	(218,645)	46,423
	(194,867)	84,170	(194,867)	84,170
Change in fair value of investments at FVTIE due to price change	624,277	444,402	624,277	444,402
	620,149	628,927	619,557	627,620

31 DEFICIT BEFORE GRANTS

This is arrived at after taking in:

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Bad and doubtful debts	312	1,440	312	1,440
Rental expenses	10,057	10,183	9,360	9,544
Borrowing costs expensed off ^(a)	16,491	14,826	16,491	14,826
Loss on disposal of fixed and intangible assets	929	4,285	925	4,285
Research and development costs	699,373	654,754	699,373	654,754

(a) Borrowing costs incurred during the year is analysed as follows:

Interest on fixed rate notes	19,171	16,716	19,171	16,716
Less : amounts included in cost of qualifying fixed assets	(2,680)	(1,890)	(2,680)	(1,890)
Borrowing costs expensed off	16,491	14,826	16,491	14,826

During the year ended 31 March 2018, interest cost of the Group amounting to S\$2,680,000 (2017: S\$1,890,000) was capitalised as capital work-in-progress at 1.9% (2017: 1.7%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

32 OPERATING GRANTS

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
(a) Operating Grants (Government)				
Operating grants utilised during the year	1,339,182	1,371,446	1,316,343	1,349,946
Amount transferred to deferred capital grants (Note 22)	(49,524)	(75,292)	(49,363)	(75,134)
	1,289,658	1,296,154	1,266,980	1,274,812
(b) Operating Grants (Others)				
Operating grants utilised during the year	272,973	279,825	271,454	277,819
Amount transferred to deferred capital grants (Note 22)	(16,073)	(16,301)	(16,061)	(15,887)
	256,900	263,524	255,393	261,932

33 INCOME TAX

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 17% (2017: 17%) to surplus before income tax as a result of the following differences:

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Surplus for the year before income tax	708,249	656,883	702,761	654,994
Income tax expense calculated at statutory tax rate	120,402	111,670	119,469	111,349
Income not subject to tax	(119,717)	(111,642)	(119,469)	(111,349)
Tax effect of share of results of associates	(848)	(99)	–	–
Others	169	71	–	–
	6	–	–	–

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

34 SURPLUS FOR THE YEAR

The surplus for the year in the Statement of Comprehensive Income of the Group and Company of S\$708,243,000 (2017: S\$656,883,000) and S\$702,761,000 (2017: S\$654,994,000) respectively includes the following:

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Non-endowed donations	226,695	97,020	226,677	97,018
Net investment income (include change in fair value of investment)	620,149	628,927	619,557	627,620
	846,844	725,947	846,234	724,638

35 COMMITMENTS

a) Capital Commitments

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

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
Authorised and contracted for	438,879	346,742

b) Operating Lease Commitments – as Lessee

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
Minimum lease payments under operating leases included in the income or expenditure	1,127	325

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:

	GROUP AND COMPANY	
	2018	2017
	S\$'000	S\$'000
Future minimum lease payments payable:		
Within one year	158	1,004
Within second to fifth year inclusive	107	78
	265	1,082

Operating lease payments represent rentals payable by the Group for certain office properties which are fixed for an average of 2 years (2017: 2 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

35 COMMITMENTS (cont'd)

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	
	2018	2017
	S\$'000	S\$'000
Future minimum lease payments receivable:		
Within one year	4,247	4,097
After one year	9,051	7,169
	13,298	11,266

Operating lease payments represent rentals receivable by the Group for rental of premises with remaining lease terms ranging from 1 to 7 years (2017: 1 to 7 years).

36 RELATED PARTIES TRANSACTIONS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

36 RELATED PARTIES TRANSACTIONS (cont'd)

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

	GROUP		COMPANY	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Government-controlled enterprises and companies within the Group				
Balances				
Debtors	578,060	436,205	577,633	435,889
Amount owing by subsidiary companies	–	–	883	921
Long-term loan to subsidiary company	–	–	250	250
Creditors and accrued expenses	2,017	914	2,017	914
Amount owing to subsidiary company	–	–	26,904	26,156
Deferred capital grants	1,547,795	1,597,937	1,546,922	1,596,968
Grants received in advance	415,056	365,906	408,931	360,135
Transactions				
Endowed donations	5,313	290	5,313	290
Non-endowed donations	13,262	27,257	13,262	27,257
Other income	28,162	20,858	28,162	20,858
Other operating expenditure	129,988	70,255	129,988	70,255
Operating/capital grants received	2,013,327	2,040,753	1,990,459	2,019,229
Corporations in which trustees have the ability to control or exercise significant influence (including donations received from trustees)				
Balances				
Debtors	107	175	107	175
Creditors and accrued expenses	27	14	27	14
Transactions				
Endowed donations	1,776	752	1,776	752
Non-endowed donations	44,253	2,451	44,253	2,451
Other income	1,506	1,018	1,506	1,018
Other operating expenditure	1,213	1,210	1,213	1,210
Operating/capital grants received	206	139	206	139

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

37 FUNDS HELD IN TRUST

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

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

Separate bank account has been set up to account for funds under the Foundation. The Group will maintain the bank balance and make payments on behalf of the Foundation. As at the reporting period ended 31 March 2018, the fund balance held in trust by the Group is S\$2,854 (2017: S\$48,640).

