NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

(INCORPORATED IN SINGAPORE, REGISTRATION NUMBER: 200604346E)

FULL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 MARCH 2012

NUS
National University
of Singapore

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Trustees' Report and Consolidated Financial Statements

For the financial year ended 31 March 2012

CONTENTS

Report of the Trustees

The Board of Trustees are pleased to present their report to the members together with the audited consolidated financial statements of the National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group") and statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as of and for the financial year ended 31 March 2012.

TRUSTEES

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

ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE SHARES AND DEBENTURES

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

Report of the Trustees

TRUSTEES' INTERESTS IN SHARES OR DEBENTURES

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

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

TRUSTEES CONTRACTUAL BENEFITS

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

On behalf of the Trustees

WONG Ngit Liong
Trustee

Professor TAN Chorh Chuan
Trustee

20 July 2012

Statement by Trustees

In the opinion of the Trustees,

a) the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as set out on pages 7 to 88 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2012, and of the results, changes in funds and reserves of the Group and the Company and cash flows of the Group for the financial year from 1 April 2011 to 31 March 2012; and

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

On behalf of the Trustees

WONG Ngit Liong
Trustee

Professor TAN Chorh Chuan
Trustee

20 July 2012

Independent Auditors' Report to the Board of Trustees of National University of Singapore

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group") on pages 7 to 88, which comprise the statements of financial position of the Group and the Company as at 31 March 2012, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Company and consolidated statement of cash flows of the Group for the year from 1 April 2011 to 31 March 2012, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

Independent Auditors' Report to the Board of Trustees of National University of Singapore

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2012 and of the results and changes in funds and reserves of the Group and the Company and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore
20 July 2012

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Statements of Financial Position

As at 31 March 2012

		GROUP			COMPANY		
	Note	31 March 2012 S$'000	31 March 2011 S$'000 (Restated)	1 April 2010 S$'000 (Restated)	31 March 2012 S$'000	31 March 2011 S$'000 (Restated)	1 April 2010 S$'000 (Restated)
ACCUMULATED SURPLUS	5	2,714,451	2,604,095	2,240,223	2,659,734	2,552,289	2,207,560
ENDOWMENT FUNDS	6	2,223,803	1,812,328	1,688,844	2,223,426	1,811,972	1,688,500
FAIR VALUE RESERVE		15,072	1,195	406	15,062	566	396
TRANSLATION RESERVE		(81)	(78)	(19)	–	–	–
TOTAL EQUITY		**4,953,245**	**4,417,540**	**3,929,454**	**4,898,222**	**4,364,827**	**3,896,456**
NON-CURRENT ASSETS							
Subsidiary companies	7	–	–	–	200	200	200
Associated companies	8	21,640	18,837	12,816	500	500	500
Fixed assets	9	3,088,359	2,580,244	2,088,413	3,085,733	2,577,651	2,085,525
Intangible assets	10	16,152	19,801	19,169	15,913	19,560	18,964
Available-for-sale investments	11,14	51,155	37,595	7,122	46,668	4,172	3,997
Student loans (repayable after 12 months)	15	236,021	236,157	252,395	236,021	236,157	252,395
Long-term loan to subsidiary companies	16	–	–	–	250	28,250	250
Amount owing by an investee company	17	53,351	53,351	53,351	53,351	53,351	53,351
Prepayments (to be utilised after 12 months)	19	14,923	25,992	37,236	14,923	25,992	37,236
Total Non-Current Assets		**3,481,601**	**2,971,977**	**2,470,502**	**3,453,559**	**2,945,833**	**2,452,418**
CURRENT ASSETS							
Student loans (repayable within 12 months)	15	60,430	60,484	62,193	60,430	60,484	62,193
Debtors	18	552,509	396,529	361,897	548,289	394,823	360,478
Consumable stores		892	871	642	358	379	213
Deposits and prepayments (to be utilised within 12 months)	19	119,922	36,499	92,272	119,641	35,880	91,324
Amount owing by subsidiary companies	16	–	–	–	731	783	463
Investments at fair value through income or expenditure	12,14	3,793,615	3,346,197	2,804,148	3,793,615	3,346,197	2,804,148
Derivative financial instruments	13,14	767	9,008	1,238	767	9,008	1,238
Fixed deposits	20	301,968	376,570	385,055	301,968	376,570	385,055
Cash and bank balances	21	201,722	398,167	298,924	165,102	365,633	270,946
Total Current Assets		**5,031,825**	**4,624,325**	**4,006,369**	**4,990,901**	**4,589,757**	**3,976,058**
TOTAL ASSETS		**8,513,426**	**7,596,302**	**6,476,871**	**8,444,460**	**7,535,590**	**6,428,476**

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

Statements of Financial Position

As at 31 March 2012

		GROUP			COMPANY		
	Note	**31 March 2012** S$'000	**31 March 2011** S$'000 (Restated)	**1 April 2010** S$'000 (Restated)	**31 March 2012** S$'000	**31 March 2011** S$'000 (Restated)	**1 April 2010** S$'000 (Restated)
CURRENT LIABILITIES							
Creditors and accrued expenses	22	215,173	263,295	274,551	210,917	258,689	270,285
Provisions	22	62,559	57,963	53,500	62,059	57,491	53,108
Grants received in advance	23	314,624	227,056	243,403	308,281	226,943	235,712
Deferred tuition and other fees		45,057	44,066	40,219	45,057	44,066	40,219
Derivative financial instruments	13,14	5,322	641	874	5,322	641	874
Total Current Liabilities		**642,735**	**593,021**	**612,547**	**631,636**	**587,830**	**600,198**
NON-CURRENT LIABILITIES							
Advances from Government for student loans	24	290,438	290,533	272,275	290,438	290,533	272,275
Fixed rate notes and term loan	25	600,000	600,000	250,000	600,000	600,000	250,000
Deferred capital grants	26	2,027,008	1,695,208	1,412,595	2,024,164	1,692,400	1,409,547
Total Non-Current Liabilities		**2,917,446**	**2,585,741**	**1,934,870**	**2,914,602**	**2,582,933**	**1,931,822**
TOTAL LIABILITIES		**3,560,181**	**3,178,762**	**2,547,417**	**3,546,238**	**3,170,763**	**2,532,020**
NET ASSETS		**4,953,245**	**4,417,540**	**3,929,454**	**4,898,222**	**4,364,827**	**3,896,456**

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

Statements of Comprehensive Income

For the financial year ended 31 March 2012

		GROUP		COMPANY	
	Note	**2012** S$'000	**2011** S$'000 (Restated)	**2012** S$'000	**2011** S$'000 (Restated)
OPERATING INCOME					
Tuition and other fees		328,694	303,435	324,088	298,948
Other income	28	222,762	189,234	219,161	186,080
		551,456	492,669	543,249	485,028
OPERATING EXPENDITURE					
Expenditure on manpower	29	976,172	887,067	958,288	869,907
Depreciation and amortisation expenditure	9,10	282,329	242,649	281,566	241,843
Other operating expenditure		777,945	689,628	763,999	681,459
		2,036,446	1,819,344	2,003,853	1,793,209
Operating deficit		(1,484,990)	(1,326,675)	(1,460,604)	(1,308,181)
Net investment income	31	118,172	251,572	116,597	250,656
Share of results (net of tax) of associated companies	8	2,803	6,021	–	–
Deficit before Grants	32	(1,364,015)	(1,069,082)	(1,344,007)	(1,057,525)
GRANTS					
Operating Grants:					
Government	33a	1,053,822	1,049,274	1,031,677	1,019,588
Agency for Science, Technology & Research	33b	60,889	65,528	60,889	65,528
Others	33c	119,001	110,324	118,979	110,320
Deferred capital grants amortised	26	242,537	208,135	241,785	207,125
		1,476,249	1,433,261	1,453,330	1,402,561
SURPLUS FOR THE YEAR BEFORE TAX		112,234	364,179	109,323	345,036
Income tax	34	–	–	–	–
SURPLUS FOR THE YEAR	35	**112,234**	**364,179**	**109,323**	**345,036**
OTHER COMPREHENSIVE INCOME:					
Exchange differences on translating foreign operations		(3)	(59)	–	–
Change in fair value of available-for-sale investments		13,877	789	14,496	170
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		13,874	730	14,496	170
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**126,108**	**364,909**	**123,819**	**345,206**

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 2012

GROUP	Note	Accumulated Surplus S$'000	Endowment Funds S$'000	Service Income Fund S$'000	Fair Value Reserve S$'000	Translation Reserve S$'000	Total S$'000
Balance as at 1 April 2011							
(as previously reported)		**2,648,161**	**1,812,328**	**353,280**	**1,195**	**(78)**	**4,814,886**
Effects of prior year adjustments	39	(44,066)	–	(353,280)	–	–	**(397,346)**
As restated		**2,604,095**	**1,812,328**	**–**	**1,195**	**(78)**	**4,417,540**
Matching grants received/accrued	6	–	181,069	–	–	–	**181,069**
Government seed grant	6	–	150,000	–	–	–	**150,000**
Donations received	6	–	78,528	–	–	–	**78,528**
Total comprehensive income for the year		112,234	–	–	13,877	(3)	**126,108**
Total recognised gains and losses for the year		112,234	409,597	–	13,877	(3)	**535,705**
Transfer to endowment funds	6	(1,878)	1,878	–	–	–	**–**
Balance at 31 March 2012		**2,714,451**	**2,223,803**	**–**	**15,072**	**(81)**	**4,953,245**
Balance as at 1 April 2010							
(as previously reported)		**2,280,442**	**1,688,844**	**250,133**	**406**	**(19)**	**4,219,806**
Effects of prior year adjustments	39	(40,219)	–	(250,133)	–	–	**(290,352)**
As restated		**2,240,223**	**1,688,844**	**–**	**406**	**(19)**	**3,929,454**
Matching grants received/accrued	6	–	89,364	–	–	–	**89,364**
Donations received	6	–	33,813	–	–	–	**33,813**
Total comprehensive income for the year		364,179	–	–	789	(59)	**364,909**
Total recognised gains and losses for the year		364,179	123,177	–	789	(59)	**488,086**
Transfer to endowment funds	6	(307)	307	–	–	–	**–**
Balance at 31 March 2011		**2,604,095**	**1,812,328**	**–**	**1,195**	**(78)**	**4,417,540**

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

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

Statements of Changes in Funds and Reserves

For the financial year ended 31 March 2012

COMPANY	Note	Accumulated Surplus S$'000	Endowment Funds S$'000	Service Income Fund S$'000	Fair Value Reserve S$'000	Total S$'000
Balance as at 1 April 2011						
(as previously reported)		**2,596,355**	**1,811,972**	**353,280**	**566**	**4,762,173**
Effects of prior year adjustments	39	(44,066)	–	(353,280)	–	**(397,346)**
As restated		**2,552,289**	**1,811,972**	**–**	**566**	**4,364,827**
Matching grants received/accrued	6	–	181,059	–	–	**181,059**
Government seed grant	6	–	150,000	–	–	**150,000**
Donations received	6	–	78,517	–	–	**78,517**
Total comprehensive income for the year		109,323	–	–	14,496	**123,819**
Total recognised gains and losses for the year		109,323	409,576	–	14,496	**533,395**
Transfer to endowment funds	6	(1,878)	1,878	–	–	**–**
Balance at 31 March 2012		**2,659,734**	**2,223,426**	**–**	**15,062**	**4,898,222**
Balance as at 1 April 2010						
(as previously reported)		**2,247,779**	**1,688,500**	**250,133**	**396**	**4,186,808**
Effects of prior year adjustments	39	(40,219)	–	(250,133)	–	**(290,352)**
As restated		**2,207,560**	**1,688,500**	**–**	**396**	**3,896,456**
Matching grants received/accrued	6	–	89,358	–	–	**89,358**
Donations received	6	–	33,807	–	–	**33,807**
Total comprehensive income for the year		345,036	–	–	170	**345,206**
Total recognised gains and losses for the year		345,036	123,165	–	170	**468,371**
Transfer to endowment funds	6	(307)	307	–	–	**–**
Balance at 31 March 2010		**2,552,289**	**1,811,972**	**–**	**566**	**4,364,827**

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2012

	2012 S$'000	2011 S$'000 (Restated)
Cash flows from operating activities:		
Deficit before Grants	(1,364,015)	(1,069,082)
Adjustments for:		
Depreciation of fixed assets	275,290	238,621
Amortisation of intangible assets	7,039	4,028
Net investment income	(118,172)	(251,572)
Loss on disposal of fixed and intangible assets	1,446	135
Bad and doubtful debts	1,195	698
Exchange differences arising on translation of foreign subsidiary	(3)	(59)
Donated artifacts additions	(3,833)	(1,019)
Share of results (net of tax) of associated companies	(2,803)	(6,021)
Deficit before working capital changes	(1,203,856)	(1,084,271)
Change in operating assets and liabilities:		
(Increase) decrease in debtors, consumable stores, deposits and prepayments	(84,405)	67,885
(Decrease) increase in creditors and accrued expenses, provisions and deferred tuition and other fees	(36,589)	4,345
Cash used in operations	(1,324,850)	(1,012,041)
Agency for Science, Technology & Research grants received, net of refund	74,689	74,709
Other grants received, net of refund	160,469	163,476
Donations received for endowment funds	78,528	33,813
Student loans granted	(71,768)	(72,440)
Student loans repaid	71,840	90,005
Net cash outflow from operating activities	(1,011,092)	(722,478)
Cash flows from investing activities:		
Payments for purchase of fixed assets	(504,419)	(723,904)
Payments for purchase of intangible assets	(3,393)	(4,664)
Proceeds from disposal of fixed assets	440	431
Net purchase of investments	(350,885)	(471,389)
Interest and dividend received	28,300	25,886
Net settlement of foreign exchange contracts	6,578	118,372
Net cash outflow from investing activities	(823,379)	(1,055,268)

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2012

	2012 S$'000	2011 S$'000 (Restated)
Cash flows from financing activities:		
Government grants received, net of refund	1,355,676	1,459,562
Government grants received for endowment funds	207,748	40,319
Student tuition fee loan funds received from government	–	17,491
Student loan funds received from government	–	509
Overseas student loan funds received from government	–	623
Proceeds from issue of Fixed Rate Term Loan	–	350,000
Net cash inflow from financing activities	**1,563,424**	**1,868,504**
Net (decrease) increase in cash and cash equivalents	**(271,047)**	**90,758**
Cash and cash equivalents at the beginning of the year	**774,737**	**683,979**
Cash and cash equivalents at the end of the year	**503,690**	**774,737**

Note A

During the financial year, the Group acquired fixed assets amounting to S$785,288,000 (2011: S$731,014,000), out of which S$504,419,000 (2011: S$723,904,000) was paid by cash. The remaining balance represents donated assets and other non-cash items.

Note B

Cash and cash equivalents comprises:

	2012 S$'000	2011 S$'000
Fixed deposits	301,968	376,570
Cash and bank balances	201,722	398,167
	503,690	**774,737**

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

Notes to the Financial Statements

For the financial year ended 31 March 2012

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 21 Lower Kent Ridge Road Singapore 119077. The financial statements are expressed in Singapore dollars.

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

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

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Company as of and for the year ended 31 March 2012 were authorised for issue in accordance with a resolution of the Board of Trustees on 20 July 2012.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

The 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 2011. 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 amounts reported for the current or prior years.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

a) Basis of Accounting *(cont'd)*

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2013
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2013
FRS 110 Consolidated Financial Statements	1 January 2013
FRS 111 Joint Arrangements	1 January 2013
FRS 112 Disclosure of Interests in Other Entities	1 January 2013
FRS 113 Fair Value Measurements	1 January 2013
Amendments to FRS 107 Disclosures – Offsetting of Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 32 – Offsetting of Financial Assets and Financial Liabilities	1 January 2014

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

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income (OCI) is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

a) Basis of Accounting *(cont'd)*

FRS 110 Consolidated Financial Statements

FRS 110 replaces the portion of FRS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also replaces INT FRS12 Consolidation — Special Purpose Entities. FRS 110 establishes a single control model that applies to all entities including 'special purpose entities'. The changes introduced by FRS 110 will require management to exercise significant judgement to determine which entities are controlled, and therefore required to be consolidated by a parent, compared with the requirements that were in FRS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013. Management does not expect this amendment to have any significant impact on the Group's financial position or performance.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is effective for financial periods beginning on or after 1 January 2013.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. The Group is currently determining the impact of the disclosure requirements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when implemented in 2013.

FRS 113 – Fair Value measurement

FRS 113 establishes a single source of guidance under FRS for all fair value measurements. FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

CHANGE IN ACCOUNTING POLICY

During the financial year, the Group changed its accounting treatment for the annual service income from Government under the Debt-Grant Framework to reflect specifically the intended purpose of the annual service income, which is for debt principal repayment under the Debt-Grant Framework and future asset acquisitions and replacements. The change in accounting policy was applied retrospectively and the impact is a decrease in surplus amounting to S$139,615,000 in the financial year ended 31 March 2012. The restated statement of financial position as at 1 April 2010 has been accordingly represented as required by FRS 1, Presentation of Financial Statements. Note 39 provides information on the impact on the comparatives.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

b) Basis of Consolidation and Business Combinations

i) Basis of consolidation

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

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

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

b) Basis of Consolidation and Business Combinations *(cont'd)*

ii) Business combinations

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

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

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

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

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

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

c) Subsidiaries and Associates

i) Subsidiaries

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

c) Subsidiaries and Associates *(cont'd)*

i) Subsidiaries *(cont'd)*

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

ii) Associates

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

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

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

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

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

d) Financial Instruments

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) Financial Instruments *(cont'd)*

Effective interest method

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

Financial Assets

i) Cash and cash equivalents

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

ii) Student loans, debtors and deposits

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

iii) Investments

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) Financial Instruments *(cont'd)*

Available-for-sale investments

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

Impairment of financial assets

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

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) Financial Instruments *(cont'd)*

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

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

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

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

Derecognition of financial assets

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

Financial liabilities and equity

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

d) Financial Instruments *(cont'd)*

Financial liabilities and equity *(cont'd)*

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

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

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

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

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

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

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in income or expenditure immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in income or expenditure depends on the nature of the hedge relationship. The Group uses certain derivatives as hedges of the fair value of net investments.

e) Foreign Currency Transactions and Translation

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

e) Foreign Currency Transactions and Translation *(cont'd)*

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

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

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

f) Revenue Recognition

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

Tuition and other 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

f) Revenue Recognition *(cont'd)*

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

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

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

g) Borrowing Cost

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

h) Grants

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

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

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

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

Grants are accounted for on an accrual basis.

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

i) Endowment Funds

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

j) Funds

General funds

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

Restricted funds

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

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

k) Fixed Assets and Depreciation

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

k) Fixed Assets and Depreciation *(cont'd)*

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

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

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

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

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

l) Intangible Assets

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

m) Impairment of Non-Financial Assets

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

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

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

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

n) Provision

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

n) Provision *(cont'd)*

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

o) Retirement Benefit Costs

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

p) 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.

q) Income Tax

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

q) Income Tax *(cont'd)*

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

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

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

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

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

r) Research Expenditure

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

s) Leases

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

<u>As lessee</u>

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

2 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

s) Leases *(cont'd)*

<u>As lessor</u>

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a) Critical Judgments in Applying the Group's Accounting Policies

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

b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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$2,493,493,000 (2011: S$2,175,269,000) and S$2,489,309,000 (2011: S$2,142,061,000) respectively.

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

b) Key Sources of Estimation Uncertainty *(cont'd)*

ii) Provision for employee leave liability

Determining the amount of provision to be made for employee leave liability requires an estimation of the employer's portion of the retirement benefit. Standard rates, based on the Singapore Central Provident Fund contribution rate for employers, are used to compute the retirement benefit. The carrying amount of the provision for employee leave liability for Group and Company at the end of the reporting period were S$62,559,000 (2011: S$57,963,000) and S$62,059,000 (2011: S$57,491,000) respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

a) Categories of Financial Instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Financial Assets				
At fair value through income or expenditure (FVTIE):				
Investments	3,793,615	3,346,197	3,793,615	3,346,197
Derivative financial instruments	767	9,008	767	9,008
Loans and receivables (including cash and cash equivalents) at amortised cost	1,495,188	1,527,569	1,455,329	1,522,362
Available-for-sale financial assets, at fair value through other comprehensive income	51,155	37,595	46,668	4,172
Financial Liabilities				
At fair value through income or expenditure (FVTIE):				
Derivative financial instruments	5,322	641	5,322	641
Loans, advances, creditors and accrued expenses at amortised cost	1,105,611	1,153,828	1,101,355	1,149,222

b) Financial Risk Management Policies and Objectives

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

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

The Group manages its exposure to financial risks using a variety of techniques and instruments. The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management policies.

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

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

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

i) Market risk – price risk management

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

In respect of quoted and unquoted equity securities, a +/-5% change in investment value as at March 2012 will result in a +/- S$139,291,000 (2011: +/- S$122,194,000) gain/loss in net surplus for the Group and Company. This analysis has been performed for reasonably possible movements in prices with all other variables constant. The correlation between the other variables has been assumed to be constant.

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

i) Market risk – price risk management *(cont'd)*

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

ii) Interest rate risk management

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

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

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

In respect of the quoted and unquoted Government bonds and debt securities, a +/-1% change in interest rates as at March 2012 will result in a -/+ S$39,638,000 (2011: -/+ S$46,076,000) gain/loss in net surplus (comprising of interest income and anticipated fair value changes) for the Group and Company. Similarly this analysis was performed for reasonably possible movements in interest rates with all other variables constant. The correlation of the other variables has been assumed to be constant.

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

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

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

iii) Foreign exchange risk management

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

a) Investments

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

	2012	2011
	Investments at FVTIE	**Investments at FVTIE**
	S$'000	S$'000
United States Dollars	2,456,485	2,095,013
Other Currencies	51,708	43,451

In Management's opinion, no sensitivity analysis for investments is presented as its foreign currency investments are hedged through currency swap contracts. The exposure to foreign exchange risk is minimal and any impact to income or expenditure is not considered material by Management.

b) Other Financial Assets and Financial Liabilities

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

The Group's foreign currency exposures arise mainly from the exchange rate movements of the United States dollar, Japanese Yen and Euro against the Singapore dollar.

Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

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

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

At the end of each reporting period, the carrying amounts of monetary assets and monetary liabilities (other than investments) denominated in currencies other than the functional currency of entities in the Group are as follows:

	Group				Company			
	Assets		Liabilities		Assets		Liabilities	
	2012	2011	2012	2011	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
United States Dollars	108,387	45,129	650	2,293	108,027	44,825	307	2,104
Euro	709	23,423	396	110	709	23,423	396	110

The sensitivity rate used when reporting foreign currency risk to key management personnel is 10%, which is the change in foreign exchange rate that Management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If the United States dollars were to change by 10% against the Singapore dollar, the Group's and Company's surplus will increase/decrease by S$10,774,000 and S$10,772,000 respectively (2011: increase/decrease by S$4,283,000 and S$4,272,000 respectively).

If the Euro were to change by 10% against the Singapore dollar, Group's and Company's surplus will increase/decrease by S$31,000 (2011: increase/decrease by S$2,331,000).

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

iv) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generates cash flows to finance its activities.

a) Non-derivative financial liabilities

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

GROUP	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2-5 years S$'000	Adjustment S$'000	Total S$'000
2012					
Non-interest bearing	–	215,173	–	–	215,713
Interest bearing	2.4	14,300	625,423	(39,723)	600,000
Total		**229,473**	**625,423**	**(39,723)**	**815,173**
2011					
Non-interest bearing	–	263,295	–	–	263,295
Interest bearing	2.4	14,339	639,723	(54,062)	600,000
Total		**277,634**	**639,723**	**(54,062)**	**863,295**

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

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

a) Non-derivative financial liabilities *(cont'd)*

COMPANY	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2-5 years S$'000	Adjustment S$'000	Total S$'000
2012					
Non-interest bearing	–	210,917	–	–	210,917
Interest bearing	2.4	14,300	625,423	(39,723)	600,000
Total		**225,217**	**625,423**	**(39,723)**	**810,917**
2011					
Non-interest bearing	–	258,689	–	–	258,689
Interest bearing	2.4	14,339	639,723	(54,062)	600,000
Total		**273,028**	**639,723**	**(54,062)**	**858,689**

b) Non-derivative financial assets

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

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

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

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

GROUP	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2- 5 years S$'000	After 5 years S$'000	Adjustment S$'000	Total S$'000
2012						
Non-interest bearing	–	833,666	–	–	–	833,666
Interest bearing	0.78	310,258	63,559	–	(15,605)	358,212
Investments FVTIE	–	2,915,953	62,945	814,717	–	3,793,615
Available-for-sale investments	–	–	–	51,155	–	51,155
Total		**4,059,877**	**126,504**	**865,872**	**(15,605)**	**5,036,648**
2011						
Non-interest bearing	–	712,896	–	–	–	712,896
Interest bearing	0.85	467,586	63,209	–	(12,763)	518,032
Investments at FVTIE	–	2,388,781	743,633	213,783	–	3,346,197
Available-for-sale investments	–	–	–	37,595	–	37,595
Total		**3,569,263**	**806,842**	**251,378**	**(12,763)**	**4,614,720**

COMPANY	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2- 5 years S$'000	After 5 years S$'000	Adjustment S$'000	Total S$'000
2012						
Non-interest bearing	–	793,557	250	–	–	793,807
Interest bearing	0.78	310,256	63,559	–	(15,603)	358,212
Investments at FVTIE	–	2,915,953	62,945	814,717	–	3,793,615
Available-for-sale investments	–	–	–	46,668	–	46,668
Total		**4,019,766**	**126,754**	**861,385**	**(15,603)**	**4,992,302**
2011						
Non-interest bearing	–	679,439	28,250	–	–	707,689
Interest bearing	0.85	467,586	63,209	–	(12,763)	518,032
Investments at FVTIE	–	2,388,781	743,633	213,783	–	3,346,197
Available-for-sale investments	–	–	–	4,172	–	4,172
Total		**3,535,806**	**835,092**	**217,955**	**(12,763)**	**4,576,090**

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

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

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

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

c) Derivative financial instruments

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

GROUP AND COMPANY	On demand or within 1 year S$'000
2012	
Net settled:	
Foreign exchange forward contracts	4,555
2011	
Net settled:	
Foreign exchange forward contracts	8,367

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

v) Counterparty and credit risk management

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

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

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

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

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

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

Level 1

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

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

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

Level 2

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

Level 3

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

There were no transfers between Level 1 and 2 of the fair value hierarchy during the financial years ended 31 March 2012 and 31 March 2011.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS 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:

GROUP	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2012				
Financial Assets				
Available-for-sale investments				
Unquoted equity securities	–	3,417	47,435	50,852
Redeemable convertible loan stocks	–	–	303	303
Sub-total	**–**	**3,417**	**47,738**	**51,155**
Investments at fair value through income or expenditure				
Quoted Government bonds	993,867	–	–	993,867
Quoted debt securities	60,602	–	–	60,602
Quoted equity securities	296,505	–	–	296,505
Unquoted equity securities	–	–	2,442,641	2,442,641
Sub-total	**1,350,974**	**–**	**2,442,641**	**3,793,615**
Derivative financial instruments				
Forward foreign exchange contracts	767	–	–	767
Sub-total	**767**	**–**	**–**	**767**
Total	**1,351,741**	**3,417**	**2,490,379**	**3,845,537**
Financial Liabilities				
Derivative financial instruments				
Forward foreign exchange contracts	5,322	–	–	5,322
Total	**5,322**	**–**	**–**	**5,322**

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

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

GROUP	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2011				
Financial Assets				
Available-for-sale investments				
Unquoted equity securities	–	3,417	33,963	37,380
Redeemable convertible loan stocks	–	–	215	215
Sub-total	**–**	**3,417**	**34,178**	**37,595**
Investments at fair value through income or expenditure				
Quoted Government bonds	840,991	–	–	840,991
Quoted debt securities	61,330	–	–	61,330
Quoted equity securities	305,987	–	–	305,987
Unquoted equity securities	–	–	2,137,889	2,137,889
Sub-total	**1,208,308**	**–**	**2,137,889**	**3,346,197**
Derivative financial instruments				
Forward foreign exchange contracts	9,008	–	–	9,008
Sub-total	**9,008**	**–**	**–**	**9,008**
Total	**1,217,316**	**3,417**	**2,172,067**	**3,392,800**
Financial Liabilities				
Derivative financial instruments				
Forward foreign exchange contracts	641	–	–	641
Total	**641**	**–**	**–**	**641**

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

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

COMPANY	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2012				
Financial Assets				
Available-for-sale investments				
Unquoted equity securities	–	3,417	43,251	46,668
Sub-total	**–**	**3,417**	**43,251**	**46,668**
Investments at fair value through income or expenditure				
Quoted Government bonds	993,867	–	–	993,867
Quoted debt securities	60,602	–	–	60,602
Quoted equity securities	296,505	–	–	296,505
Unquoted equity securities	–	–	2,442,641	2,442,641
Sub-total	**1,350,974**	**–**	**2,442,641**	**3,793,615**
Derivative financial instruments				
Forward foreign exchange contracts	767	–	–	767
Sub-total	**767**	**–**	**–**	**767**
Total	**1,351,741**	**3,417**	**2,485,892**	**3,841,050**
Financial Liabilities				
Derivative financial instruments				
Forward foreign exchange contracts	5,322	–	–	5,322
Total	**5,322**	**–**	**–**	**5,322**

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

b) Financial Risk Management Policies and Objectives *(cont'd)*

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

COMPANY	**Level 1** $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
2011				
Financial Assets				
Available-for-sale investments				
Unquoted equity securities	–	3,417	755	4,172
Sub-total	**–**	**3,417**	**755**	**4,172**
Investments at fair value through income or expenditure				
Quoted Government bonds	840,991	–	–	840,991
Quoted debt securities	61,330	–	–	61,330
Quoted equity securities	305,987	–	–	305,987
Unquoted equity securities	–	–	2,137,889	2,137,889
Sub-total	**1,208,308**	**–**	**2,137,889**	**3,346,197**
Derivative financial instruments				
Forward foreign exchange contracts	9,008	–	–	9,008
Sub-total	**9,008**	**–**	**–**	**9,008**
Total	**1,217,316**	**3,417**	**2,138,644**	**3,359,377**
Financial Liabilities				
Derivative financial instruments				
Forward foreign exchange contracts	641	–	–	641
Total	**641**	**–**	**–**	**641**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS 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 S$'000	**COMPANY** S$'000
Fair value as at 1 April 2011	2,172,067	2,138,644
Reclassification from Level 1	58	58
Realised gains	33,161	33,161
Impairment loss	(307)	–
Unrealised gains	53,884	53,884
Net purchases	231,516	260,145
Fair value as at 31 March 2012	**2,490,379**	**2,485,892**
Fair value as at 1 April 2010	1,692,538	1,689,413
Realised gains	20,781	19,865
Unrealised gains	57,299	56,510
Net purchases	401,449	372,856
Fair value as at 31 March 2011	**2,172,067**	**2,138,644**

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 of reserves as disclosed in Notes 5 and 6 and fixed rate notes and fixed rate term loan disclosed in Note 25. The Group is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. The Group is in compliance with externally imposed capital requirements for the reporting period ended 31 March 2012. The Group's overall strategy remains unchanged from 2011.

5 ACCUMULATED SURPLUS

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

Total accumulated surplus of the Group of S$2,714,451,000 (March 2011: S$2,604,095,000) and the Company of S$2,659,734,000 (2011: S$2,552,289,000) comprise the following:

		GROUP			COMPANY		
	Note	31 March 2012 S$'000	31 March 2011 S$'000 (Restated)	1 April 2010 S$'000 (Restated)	31 March 2012 S$'000	31 March 2011 S$'000 (Restated)	1 April 2010 S$'000 (Restated)
General Funds under Accumulated Surplus							
Funds set aside for specific purposes and commitments [(a)]		1,308,627	1,278,294	1,197,178	1,254,011	1,226,593	1,164,610
Funds utilised to acquire assets, which will be amortised to match future depreciation when assets are put into use		460,702	407,446	310,957	460,702	407,446	310,957
Accumulated surplus from non-endowed donations	6	101	105	95	–	–	–
		1,769,430	1,685,845	1,508,230	1,714,713	1,634,039	1,475,567
Restricted Funds under Accumulated Surplus							
Accumulated surplus from non-endowed donations	6	455,624	451,280	410,465	455,624	451,280	410,465
Accumulated surplus from endowment funds	6	489,397	466,970	321,528	489,397	466,970	321,528
		945,021	918,250	731,993	945,021	918,250	731,993
Total Accumulated Surplus		**2,714,451**	**2,604,095**	**2,240,223**	**2,659,734**	**2,552,289**	**2,207,560**

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

6 ENDOWED AND NON-ENDOWED DONATIONS

The Company is registered as a charity and is given Institute of 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.

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

During the financial year, total donations received by the Group and the Company amounted to S$141,530,000 (2011: S$88,540,000) and S$143,389,000 (2011: S$88,524,000) respectively, of which S$141,530,000 (2011: S$88,540,000) of the Group and S$141,518,000 (2011: S$88,524,000) of the Company are tax-deductible. Of the total donations received, S$78,528,000 (2011: S$33,813,000) for the Group and S$78,517,000 (2011: S$33,807,000) for the Company represent endowed donations while the balance represents non-endowed donations. Endowed donations received are taken 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.

		2012			2011		
GROUP	Note	Endowed Donations S$'000	Non-endowed Donations S$'000	Total S$'000	Endowed Donations S$'000	Non-endowed Donations S$'000	Total S$'000
Accumulated Surplus	5	489,397	455,725	945,122	466,970	451,385	918,355
Endowment Funds		2,223,803	–	2,223,803	1,812,328	–	1,812,328
Fair Value Reserve		14,526	–	14,526	–	–	–
		2,727,726	**455,725**	**3,183,451**	**2,279,298**	**451,385**	**2,730,683**
Represented by:							
Non-Current Assets							
Fixed assets		21,874	374,912	396,786	18,178	76,735	94,913
Available-for-sale investments		42,526	–	42,526	–	–	–
Student loans		2,733	19,972	22,705	5,683	20,272	25,955
		67,133	394,884	462,017	23,861	97,007	120,868
Current Assets							
Debtors		233,492	1	233,493	148,086	5	148,091
Investments at fair value through income or expenditure		2,437,795	339,798	2,777,593	2,101,492	355,521	2,457,013
Derivative financial instruments		741	–	741	7,658	–	7,658
Fixed deposits		827	7,601	8,428	806	11,105	11,911
		2,672,855	347,400	3,020,255	2,258,042	366,631	2,624,673
Total Assets		2,739,988	742,284	3,482,272	2,281,903	463,638	2,745,541
Current Liabilities							
Creditors and accrued expenses		9,042	–	9,042	1,965	–	1,965
Derivative financial instruments		3,220	–	3,220	640	–	640
		12,262	–	12,262	2,605	–	2,605
Non-Current Liabilities							
Deferred capital grants		–	286,559	286,559	–	12,253	12,253
Total Liabilities		12,262	286,559	298,821	2,605	12,253	14,858
Net Assets		**2,727,726**	**455,725**	**3,183,451**	**2,279,298**	**451,385**	**2,730,683**

Notes to the Financial Statements

For the financial year ended 31 March 2012

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

	2012			2011		
GROUP	Endowed Donations S$'000	Non-endowed Donations S$'000	Total S$'000	Endowed Donations S$'000	Non-endowed Donations S$'000	Total S$'000
Accumulated Surplus:						
Balance as at 1 April	466,970	451,385	918,355	321,528	410,560	732,088
Donations received	–	63,002	63,002	–	54,727	54,727
Donated artifacts additions	–	3,833	3,833	–	1,019	1,019
Investment income (including change in fair value of investment held for trading)	75,165	6,711	81,876	195,022	17,429	212,451
Other operating income	12	296	308	265	447	712
Expenditure on manpower	(21,498)	(11,956)	(33,454)	(20,718)	(7,343)	(28,061)
Depreciation	(3,902)	(5,701)	(9,603)	(3,005)	(5,172)	(8,177)
Other operating expenditure	(25,472)	(51,845)	(77,317)	(25,815)	(20,282)	(46,097)
Amount transferred to endowment funds	(1,878)	–	(1,878)	(307)	–	(307)
Balance as at 31 March	489,397	455,725	945,122	466,970	451,385	918,355
Endowment Funds:						
Balance as at 1 April	1,812,328	–	1,812,328	1,688,844	–	1,688,844
Matching grants received/accrued	181,069	–	181,069	89,364	–	89,364
Government seed grant	150,000	–	150,000	–	–	–
Donations received	78,528	–	78,528	33,813	–	33,813
Amount transferred from accumulated surplus	1,878	–	1,878	307	–	307
Balance as at 31 March	2,223,803	–	2,223,803	1,812,328	–	1,812,328
Fair Value Reserve:						
Balance as at 1 April	–	–	–	–	–	–
Addition for the year	14,526	–	14,526	–	–	–
Balance as at 31 March	14,526	–	14,526	–	–	–
Balance as at 31 March	**2,727,726**	**455,725**	**3,183,451**	**2,279,298**	**451,385**	**2,730,683**

Notes to the Financial Statements

For the financial year ended 31 March 2012

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

		2012			2011		
COMPANY	Note	Endowed Donations S$'000	Non-endowed Donations S$'000	Total S$'000	Endowed Donations S$'000	Non-endowed Donations S$'000	Total S$'000
Accumulated Surplus	5	489,397	455,624	945,021	466,970	451,280	918,250
Endowment Funds		2,223,426	–	2,223,426	1,811,972	–	1,811,972
Fair Value Reserve		14,526	–	14,526	–	–	–
		2,727,349	**455,624**	**3,182,973**	**2,278,942**	**451,280**	**2,730,222**
Represented by:							
Non-Current Assets							
Fixed assets		21,874	374,912	396,786	18,178	76,735	94,913
Available-for-sale investments		42,526	–	42,526	–	–	–
Student loans		2,733	19,972	22,705	5,683	20,272	25,955
		67,133	394,884	462,017	23,861	97,007	120,868
Current Assets							
Debtors		233,492	1	233,493	148,086	5	148,091
Investments at fair value through income or expenditure		2,437,795	339,798	2,777,593	2,101,492	355,521	2,457,013
Derivative financial instruments		741	–	741	7,658	–	7,658
Fixed deposits		450	7,500	7,950	450	11,000	11,450
		2,672,478	347,299	3,019,777	2,257,686	366,526	2,624,212
Total Assets		2,739,611	742,183	3,481,794	2,281,547	463,533	2,745,080
Current Liabilities							
Creditors and accrued expenses		9,042	–	9,042	1,965	–	1,965
Derivative financial instruments		3,220	–	3,220	640	–	640
		12,262	–	12,262	2,605	–	2,605
Non-Current Liabilities							
Deferred capital grants		–	286,559	286,559	–	12,253	12,253
Total Liabilities		12,262	286,559	298,821	2,605	12,253	14,858
Net Assets		**2,727,349**	**455,624**	**3,182,973**	**2,278,942**	**451,280**	**2,730,222**

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

	2012			2011		
	Endowed Donations	Non-endowed Donations	Total	Endowed Donations	Non-endowed Donations	Total
COMPANY	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Accumulated Surplus:						
Balance as at 1 April	466,970	451,280	918,250	321,528	410,465	731,993
Donations received	1,871	63,001	64,872	–	54,717	54,717
Donated artifacts additions	–	3,833	3,833	–	1,019	1,019
Investment income (including change in fair value of investment held for trading)	73,294	6,711	80,005	195,022	17,429	212,451
Other operating income	12	296	308	265	447	712
Expenditure on manpower	(21,498)	(11,956)	(33,454)	(20,718)	(7,343)	(28,061)
Depreciation	(3,902)	(5,701)	(9,603)	(3,005)	(5,172)	(8,177)
Other operating expenditure	(25,472)	(51,840)	(77,312)	(25,815)	(20,282)	(46,097)
Amount transferred to endowment funds	(1,878)	–	(1,878)	(307)	–	(307)
Balance as at 31 March	489,397	455,624	945,021	466,970	451,280	918,250
Endowment Funds:						
Balance as at 1 April	1,811,972	–	1,811,972	1,688,500	–	1,688,500
Matching grants accrued	181,059	–	181,059	89,358	–	89,358
Government seed grant	150,000	–	150,000	–	–	–
Donations received	78,517	–	78,517	33,807	–	33,807
Amount transferred from accumulated surplus	1,878	–	1,878	307	–	307
Balance as at 31 March	2,223,426	–	2,223,426	1,811,972	–	1,811,972
Fair Value Reserve:						
Balance as at 1 April	–	–	–	–	–	–
Addition for the year	14,526	–	14,526	–	–	–
Balance as at 31 March	14,526	–	14,526	–	–	–
Balance as at 31 March	**2,727,349**	**455,624**	**3,182,973**	**2,278,942**	**451,280**	**2,730,222**

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

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7 SUBSIDIARY COMPANIES

	2012	2011
COMPANY	S$'000	S$'000
Unquoted equity shares at cost	300	300
Impairment loss	(100)	(100)
Carrying amount	200	200

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held 2012	2011
Singapore University Press Pte Ltd [(a)]	Publisher	Singapore	100%	100%
NUS Technology Holdings Pte Ltd [(a)]	To carry out research and development, to own and exploit all forms of intellectual property interests and to engage in the acquisition, dissemination and transfer of technologies.	Singapore	100%	100%
NUS High School of Mathematics and Science [(a)]	To promote and undertake the advancement of education, with particular emphasis on mathematics and science at secondary and junior college levels and to participate in schemes established to promote research, development and education, in particular in relation to mathematics and science and to a high school for that purpose.	Singapore	#	#
NUS America, Inc [(d)]	This is a nonprofit public benefit corporation organised under the Nonprofit Public Corporation Law for public and charitable purposes. It performs the functions of or to carry out the purposes of the National University of Singapore.	United States of America	#	#
NUSSU Enterprise Pte Ltd [(a) (c)]	To manage the commercial activities of NUS Student Union.	Singapore	100%	100%
Lanthanum Pte Ltd [(a)]	Investment holding company to hold NUS' direct investments	Singapore	100%	100%

7 SUBSIDIARY COMPANIES *(cont'd)*

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held 2012	2011
Held by Subsidiaries				
NUS Press Pte Ltd [(a)]	Publishers	Singapore	100%	100%
NUS Ventures Pte Ltd [(a)]	Distributor of new telecommunication technologies via direct selling and licensing.	Singapore	100%	100%
Bioinformatics Technology Group Pte Ltd [(a)]	IT development, IT services, research and experimental development on technology.	Singapore	100%	100%
Shanghai NUS Enterprise Services Co Ltd [(e)]	Sourcing of student internship opportunities with Shanghai companies and developing increased research opportunities and forging closer partnerships.	People's Republic of China	100%	100%
KR Consulting Pte Ltd [(a)]	Provide consulting services	Singapore	100%	100%
Star Incubator Sdn Bhd [(b)]	Management of incubator activities	Brunei Darussalam	100%	100%

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

[(a)] Audited by Ernst & Young LLP, Singapore

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

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

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

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

8 ASSOCIATED COMPANIES

	Group 2012 S$'000	Group 2011 S$'000	Company 2012 S$'000	Company 2011 S$'000
Unquoted equity shares at cost	550	550	500	500
Share of post-acquisition profits, net of dividend received	21,090	18,287	–	–
	21,640	18,837	500	500

8 ASSOCIATED COMPANIES *(cont'd)*

Name of Company	Principal Activities	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held 2012	2011
National University Health System Pte Ltd	Clinical service, education and research	Singapore	33%	33%
Held by Subsidiaries				
Munchie Monkey Pte Ltd	Café operator	Singapore	50%	50%

All of the above associates are audited by other auditors.

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

	2012 S$'000	2011 S$'000
Total assets	103,858	83,713
Total liabilities	(38,240)	(26,763)
Net assets	65,618	56,950
Group's share of associates' net assets	21,640	18,837

	2012 S$'000	2011 S$'000
Revenue	16,106	10,753
Government subvention income	17,633	20,930
	33,739	31,683
Profit after tax for the year	8,667	18,309
Group's share of associates' profit after tax for the year	2,889	6,099
Elimination of profit element of transactions between the associate and Company	(86)	(78)
Group's share of associates' profit after tax for the year	2,803	6,021

9 FIXED ASSETS

GROUP	Freehold Land S$'000	Leasehold Land S$'000	Buildings S$'000	Leasehold Improve-ments S$'000	Infra-structure S$'000	Equipment, Furniture & Fittings, Library Materials S$'000	Artifacts S$'000	Capital Work-in-Progress S$'000	Total S$'000
COST									
At 1 April 2010	2,007	286,281	1,626,346	559,413	–	1,287,815	10,589	280,619	4,053,070
Additions	–	–	22,097	69,195	–	128,382	1,019	510,321	731,014
Transfers	–	–	(5,397)	22,144	38,718	32,265	–	(87,730)	–
Disposals	–	–	(322)	–	–	(32,188)	–	–	(32,510)
At 31 March and 1 April 2011	2,007	286,281	1,642,724	650,752	38,718	1,416,274	11,608	703,210	4,751,574
Additions	–	234	334,429	36,179	790	123,391	3,833	286,432	785,288
Transfers	–	5	485,098	18,290	–	109,102	–	(612,495)	–
Disposals	–	–	(2,243)	(105)	–	(28,097)	(63)	–	(30,508)
At 31 March 2012	2,007	286,520	2,460,008	705,116	39,508	1,620,670	15,378	377,147	5,506,354
ACCUMULATED DEPRECIATION									
At 1 April 2010	–	30,888	761,762	242,134	–	929,873	–	–	1,964,657
Depreciation	–	5,438	52,004	63,115	161	117,903	–	–	238,621
Transfers	–	–	(74)	(514)	–	588	–	–	–
Disposals	–	–	(171)	(12)	–	(31,765)	–	–	(31,948)
At 31 March and 1 April 2011	–	36,326	813,521	304,723	161	1,016,599	–	–	2,171,330
Depreciation	–	5,439	71,186	67,392	646	130,627	–	–	275,290
Transfers	–	–	–	(526)	–	526	–	–	–
Disposals	–	–	(1,446)	(105)	–	(27,074)	–	–	(28,625)
At 31 March 2012	–	41,765	883,261	371,484	807	1,120,678	–	–	2,417,995
CARRYING AMOUNT									
At 31 March 2012	2,007	244,755	1,576,747	333,632	38,701	499,992	15,378	377,147	3,088,359
At 31 March 2011	2,007	249,955	829,203	346,029	38,557	399,675	11,608	703,210	2,580,244

9 FIXED ASSETS *(cont'd)*

COMPANY	Freehold Land S$'000	Leasehold Land S$'000	Buildings S$'000	Leasehold Improve-ments S$'000	Infra-structure S$'000	Equipment, Furniture & Fittings, Library Materials S$'000	Artifacts S$'000	Capital Work-in-Progress S$'000	Total S$'000
COST									
At 1 April 2010	2,007	286,281	1,625,430	558,973	–	1,284,094	10,589	280,619	4,047,993
Additions	–	–	22,097	69,182	–	127,723	1,019	510,321	730,342
Transfers	–	–	(5,397)	22,144	38,718	32,265	–	(87,730)	–
Disposals	–	–	(111)	–	–	(32,001)	–	–	(32,112)
At 31 March and 1 April 2011	2,007	286,281	1,642,019	650,299	38,718	1,412,081	11,608	703,210	4,746,223
Additions	–	234	334,429	35,865	790	122,999	3,833	286,432	784,582
Transfers	–	5	485,098	18,290	–	109,102	–	(612,495)	–
Disposals	–	–	(2,243)	(105)	–	(28,083)	(63)	–	(30,494)
At 31 March 2012	2,007	286,520	2,459,303	704,349	39,508	1,616,099	15,378	377,147	5,500,311
ACCUMULATED DEPRECIATION									
At 1 April 2010	–	30,888	761,624	242,093	–	927,863	–	–	1,962,468
Depreciation	–	5,438	51,981	63,070	161	117,238	–	–	237,888
Transfers	–	–	(74)	(514)	–	588	–	–	–
Disposals	–	–	(139)	(12)	–	(31,633)	–	–	(31,784)
At 31 March and 1 April 2011	–	36,326	813,392	304,637	161	1,014,056	–	–	2,168,572
Depreciation	–	5,439	71,163	67,337	646	130,036	–	–	274,621
Transfers	–	–	–	(526)	–	526	–	–	–
Disposals	–	–	(1,446)	(105)	–	(27,064)	–	–	(28,615)
At 31 March 2012	–	41,765	883,109	371,343	807	1,117,554	–	–	2,414,578
CARRYING AMOUNT									
At 31 March 2012	2,007	244,755	1,576,194	333,006	38,701	498,545	15,378	377,147	3,085,733
At 31 March 2011	2,007	249,955	828,627	345,662	38,557	398,025	11,608	703,210	2,577,651

10 INTANGIBLE ASSETS

GROUP	Computer Software S$'000	Purchased Curriculum S$'000	Total S$'000
COST			
At 1 April 2010	15,177	11,878	27,055
Additions	4,664	–	4,664
Disposals	(7)	–	(7)
At 31 March and 1 April 2011	19,834	11,878	31,712
Additions	3,393	–	3,393
Disposals	(5)	–	(5)
At 31 March 2012	23,222	11,878	35,100
ACCUMULATED AMORTISATION			
At 1 April 2010	1,099	6,787	7,886
Amortisation	1,483	2,545	4,028
Disposals	(3)	–	(3)
At 31 March and 1 April 2011	2,579	9,332	11,911
Amortisation	4,493	2,546	7,039
Disposals	(2)	–	(2)
At 31 March 2012	7,070	11,878	18,948
CARRYING AMOUNT			
At 31 March 2012	16,152	–	16,152
At 31 March 2011	17,255	2,546	19,801

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10 INTANGIBLE ASSETS *(cont'd)*

COMPANY	Computer Software S$'000	Purchased Curriculum S$'000	Total S$'000
COST			
At 1 April 2010	14,869	11,878	26,747
Additions	4,554	–	4,554
Disposals	(7)	–	(7)
At 31 March and 1 April 2011	19,416	11,878	31,294
Additions	3,301	–	3,301
Disposals	(5)	–	(5)
At 31 March 2012	22,712	11,878	34,590
ACCUMULATED AMORTISATION			
At 1 April 2010	996	6,787	7,783
Amortisation	1,410	2,545	3,955
Disposals	(4)	–	(4)
At 31 March and 1 April 2011	2,402	9,332	11,734
Amortisation	4,399	2,546	6,945
Disposals	(2)	–	(2)
At 31 March 2012	6,799	11,878	18,677
CARRYING AMOUNT			
At 31 March 2012	15,913	–	15,913
At 31 March 2011	17,014	2,546	19,560

Computer software includes computer software work-in-progress of S$1,573,000 (2011: S$19,000) for the Group and Company, which amortisation is not provided for.

11 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2012 S$'000	**2011** S$'000	**2012** S$'000	**2011** S$'000
AT FAIR VALUE				
Unquoted equity securities	50,852	37,380	46,668	4,172
Redeemable convertible loan stocks	303	215	–	–
	51,155	37,595	46,668	4,172

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

12 INVESTMENTS AT FAIR VALUE THROUGH INCOME OR EXPENDITURE

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
AT FAIR VALUE		
Quoted Government bonds	993,867	840,991
Quoted debt securities	60,602	61,330
Quoted equity securities	296,505	305,987
Unquoted equity securities	2,442,641	2,137,889
	3,793,615	3,346,197

These investments are actively managed and monitored by the Investment Office under the guidance and purview of the Group's Investment Committee. They are classified as investments designated at fair value through income or expenditure at inception under FRS 39.

The weighted average effective interest rate of debt securities designated at fair value through income or expenditure at the end of the reporting period was 1% (2011: 1.72%) per annum. The fair value of quoted equity securities and quoted debt securities are based on the last bid quoted market prices on the last market day of the financial year.

The investments in unquoted equity securities represent investments in venture capital funds and hedge funds. The fair values of these unquoted equity securities are estimated by reference to the net asset values disclosed in the financial statements of venture funds (as these pertain mainly to funds whose investments are stated at fair value) and external valuations. Changes in fair value of the above investments amounting to positive S$68,273,000 (2011: positive S$91,051,000) have been included in income or expenditure (Note 30).

Under the terms of certain limited partnership agreements, the Group is obligated to make additional capital contributions up to contractual levels. As at the reporting period ended 31 March 2012, the Group has commitments of S$262,078,000 (2011: S$166,913,000) for which capital calls had not been excercised. Such commitments generally have fixed expiration dates or other termination clauses.

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

Investments at fair value through income or expenditure that are not denominated in the functional currency of the respective entities are as follows:

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
United States dollars	2,456,485	2,095,013
Euro	35,420	27,921
Japanese yen	7,107	6,456
Australian dollars	1,664	2,966
Sterling pounds	1,538	1,929
Canadian dollars	1,414	317
Others	4,565	3,862
	2,508,193	2,138,464

13 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY			
	2012		2011	
	Assets S$'000	Liabilities S$'000	Assets S$'000	Liabilities S$'000
Forward foreign exchange contracts	767	(5,322)	9,008	(641)
	767	(5,322)	9,008	(641)
Analysed as:				
Current	767	(5,322)	9,008	(641)

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

At 31 March 2012, the settlement dates on open forward contracts ranged from between one month to up to a year (2011: one month to up to a year).

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

13 DERIVATIVE FINANCIAL INSTRUMENTS *(cont'd)*

At 31 March 2012, the contractual/notional amount of outstanding forward foreign exchange contracts to which the Group is committed are as follows:

	GROUP AND COMPANY	
	2012	**2011**
	S$'000	S$'000
Forward foreign exchange contracts	1,362,552	1,638,638
	1,362,552	1,638,638

14 MOVEMENTS IN FAIR VALUE OF INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

(For Information Only)

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Non-current investments				
Fair value as at 1 April	37,595	7,122	4,172	3,997
Increase due to net purchases (sales)	(10)	28,768	28,000	5
Realised gain on sale of investments	–	916	–	–
Impairment loss	(307)	–	–	–
Gain arising from changes in fair values	13,877	789	14,496	170
Fair value at 31 March	51,155	37,595	46,668	4,172
Current investments				
Fair value as at 1 April	3,354,564	2,804,512	3,354,564	2,804,512
Increase due to net purchases	350,895	442,621	350,895	442,621
Realised gain on sale of investments	15,328	16,380	15,328	16,380
Gain arising from changes in fair values	68,273	91,051	68,273	91,051
Fair value at 31 March	3,789,060	3,354,564	3,789,060	3,354,564
Total				
Fair value as at 1 April	3,392,159	2,811,634	3,358,736	2,808,509
Increase due to net purchases	350,885	471,389	378,895	442,626
Realised gain on sale of investments	15,328	17,296	15,328	16,380
Impairment loss	(307)	–	–	–
Gain arising from changes in fair values	82,150	91,840	82,769	91,221
Fair value at 31 March	3,840,215	3,392,159	3,835,728	3,358,736

15 STUDENT LOANS

	GROUP AND COMPANY	
	2012	**2011**
	S$'000	S$'000
Student tuition fee loans [a]	225,836	226,976
Study loans [a]	58,322	57,407
Notebook computer loans [b]	4,148	5,768
Overseas student programme loans [c]	2,362	2,376
Other student loans [d]	5,783	4,114
	296,451	296,641
Represented by:		
Amount repayable within 12 months – current assets	60,430	60,484
Amount repayable after 12 months – non - current assets	236,021	236,157
	296,451	296,641

[a] The student tuition fee and study loans are repayable by monthly instalments over periods of up to 20 years. The interest at 4.750% (2011: 4.750%) per annum is based on average prime rate of the 3 major local banks. The interest on the loans is remitted in full to the Government every 6 months.

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

[c] The overseas student programme loans repayable by monthly instalments over periods of up to 5 years. The interest at 4.750% (2011: 4.750%) per annum is based on average prime rate of the 3 major local banks.

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

Secured Assets

The student loans are unsecured.

Fair values

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

There are no significant differences between fair values and carrying amounts of the above loans.

15 STUDENT LOANS *(cont'd)*

Credit risk

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

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

	GROUP AND COMPANY	
	2012	**2011**
	S$'000	S$'000
Not past due and not impaired	9,726	9,497
Past due but not impaired (i)	1,386	1,573
	11,112	11,070
Impaired student loans – individually assessed (ii)	217	179
Less: Allowance for doubtful debts	(217)	(179)
	–	–
Total student loans	**11,112**	**11,070**
(i) Aging of student loans that are past due but not impaired		
– Past due < 3 months	1,034	1,147
– Past due 3 to 6 months	38	148
– Past due 6 to 12 months	216	167
– Past due over 12 months	98	111
	1,386	1,573

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

Movement in the allowance for doubtful debts for student loans

	GROUP AND COMPANY	
	2012	**2011**
	S$'000	S$'000
Balance as at 1 April	179	102
Amounts written off during the year	(21)	(20)
Increase in allowance recognised in income or expenditure	59	97
Balance as at 31 March	217	179

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

The long-term loan to subsidiary company is unsecured, interest-free and not expected to be repaid within the next twelve months. The amounts owing by/to subsidiary are unsecured, interest-free and repayable upon demand.

17 AMOUNT OWING BY AN INVESTEE COMPANY

This pertains to a shareholder loan to an investee company. The total committed loan amount is S$57,000,000, of which S$53,351,000 has been drawn down as at the reporting periods ended 31 March 2012 and 31 March 2011. The effective interest rate for the loan is 3.47% (2011: 3.51%) per annum and is expected to be repaid in August 2014. There is no significant difference between amortised cost and carrying amount of the loan. The fair value of the loan as at the reporting period ended 31 March 2012 is estimated to be S$53,492,000 (2011: S$53,790,000).

18 DEBTORS

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Grants receivable	451,637	268,886	451,637	268,886
Trade debtors	56,029	47,541	51,809	45,860
Receivables from sale of investments	10,283	52,358	10,283	52,358
Interest receivable	8,095	7,572	8,095	7,572
Others	26,465	20,172	26,465	20,147
	552,509	396,529	548,289	394,823

The average credit period of trade debtors is 30 days (2011: 30 days). No interest is charged on the trade receivables.

18 DEBTORS *(cont'd)*

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

	Group		Company	
	2012 S$'000	**2011** S$'000	**2012** S$'000	**2011** S$'000
Not past due and not impaired	34,122	30,048	29,902	28,367
Past due but not impaired (i)	21,907	17,493	21,907	17,493
	56,029	47,541	51,809	45,860
Impaired trade debtors – individually assessed (ii)	110	266	110	266
Less: Allowance for doubtful debts	(110)	(266)	(110)	(266)
	–	–	–	–
Total trade debtors, net	56,029	47,541	51,809	45,860
(i) Aging of trade debtors that are past due but not impaired				
– Past due < 3 months	5,164	2,341	5,164	2,341
– Past due 3 to 6 months	2,394	602	2,394	602
– Past due 6 to 12 months	13,620	14,452	13,620	14,452
– Past due over 12 months	729	98	729	98
	21,907	17,493	21,907	17,493

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

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

Movement in the allowance for doubtful debts for trade debtors

	Group		Company	
	2012 S$'000	**2011** S$'000	**2012** S$'000	**2011** S$'000
Balance as at 1 April	266	441	266	441
Amounts written off during the year	(64)	–	(64)	–
Amounts recovered during the year	(100)	(247)	(100)	(247)
Increase in allowance recognised in income or expenditure	8	72	8	72
Balance as at 31 March	110	266	110	266

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18 DEBTORS *(cont'd)*

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

	Group		Company	
	2012 S$'000	**2011** S$'000	**2012** S$'000	**2011** S$'000
United States dollars	11,513	21,953	11,500	21,952
Euro	476	22,891	476	22,891
Sterling pounds	283	1,826	283	1,826
Korean Won	103	–	103	–
Swedish krona	41	585	41	585
Australian dollars	29	34	29	34
Japanese yen	–	3,469	–	3,469
Mexican peso	–	952	–	952
Canadian dollars	–	533	–	533
Danish Krone	–	483	–	483
Others	–	13	–	13
	12,445	52,739	12,432	52,738

19 DEPOSITS AND PREPAYMENTS

	Group		Company	
	2012 S$'000	**2011** S$'000	**2012** S$'000	**2011** S$'000
Deposits paid	1,180	1,056	1,180	1,056
Prepayment for investment in funds	88,008	6,311	88,008	6,311
Prepayments for fixed assets	2,169	3,924	2,169	3,924
Other prepayments	43,488	51,200	43,207	50,581
	134,845	62,491	134,564	61,872
Other prepayments represented by:				
Amount to be utilised within 12 months – current assets	28,565	25,208	28,284	24,589
Amount to be utilised after 12 months – non-current assets	14,923	25,992	14,923	25,992
	43,488	51,200	43,207	50,581

19 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	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
United States dollars	88,034	6,367	87,996	6,320
Indian Rupee	27	27	27	27
Swiss Franc	1	1	1	1
Euro	–	38	–	38
	88,062	6,433	88,024	6,386

20 FIXED DEPOSITS

The effective interest rates of fixed deposits at the balance sheet date are between 0.18% to 0.44% (2011: 0.18% to 0.76%) per annum and for an average tenor of 9.12 months (2011: 9.95 months). The carrying amounts of the fixed deposits approximate their fair values.

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

	GROUP AND COMPANY	
	2012	**2011**
	S$'000	S$'000
United States dollars	8,321	15,731

21 CASH AND BANK BALANCES

The carrying amounts of the cash and bank balances approximate their fair values.

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Euro	233	532	233	532
United States dollars	557	1,141	210	838
Danish Krone	101	–	101	–
Sterling Pounds	84	–	84	–
Australian dollars	21	34	21	34
Swiss Franc	16	25	16	25
Hong Kong dollars	16	–	16	–
Indonesian Rupiah	11	–	11	–
Japanese yen	6	–	6	–
Canadian dollars	3	2	3	2
Others	2	6	2	6
	1,050	1,740	703	1,437

22 CREDITORS AND ACCRUED EXPENSES/PROVISIONS

a) Creditors and accrued expenses

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Creditors	52,882	11,798	50,752	7,389
Payable for purchase of investments	–	52,358	–	52,358
Accrued expenses	158,764	195,999	156,704	195,802
Deposits received	3,527	3,140	3,461	3,140
	215,173	263,295	210,917	258,689

The average credit period on purchases of goods is 30 days (2011: 30 days). No interest is charged on the creditors.

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

a) Creditors and accrued expenses *(cont'd)*

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Euro	396	110	396	110
United States dollars	650	2,293	307	2,104
Sterling pounds	35	71	35	71
New Zealand Dollar	16	–	16	–
Canadian dollars	14	–	14	–
Japanese yen	13	2	13	2
Swiss Franc	9	20	9	20
Hong Kong Dollar	3	–	3	–
Korean Won	2	–	2	–
Thai Baht	1	25	1	25
German Mark	–	–	–	–
Australian Dollar	–	4	–	4
Others	–	3	–	3
	1,139	2,528	796	2,339

b) Provisions

Movement in the provisions for employee leave liability

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 April	57,963	53,500	57,491	53,108
Increase in provisions recognised in income or expenditure	4,596	4,463	4,568	4,383
Balance as at 31 March	62,559	57,963	62,059	57,491

23 GRANTS RECEIVED IN ADVANCE

	GROUP			COMPANY		
	31 March 2012	**31 March 2011**	**1 April 2010**	**31 March 2012**	**31 March 2011**	**1 April 2010**
	S$'000	S$'000 (Restated)	S$'000 (Restated)	S$'000	S$'000 (Restated)	S$'000 (Restated)
Grants received in advance from						
– Government	216,964	167,925	133,124	210,823	167,072	126,613
– Agency for Science, Technology & Research	18,578	18,908	15,275	18,578	18,904	15,193
– Others	79,082	40,223	95,004	78,880	40,967	93,906
	314,624	227,056	243,403	308,281	226,943	235,712

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

24 ADVANCES FROM THE GOVERNMENT FOR STUDENT LOANS

	GROUP AND COMPANY	
	2012	**2011**
	S$'000	S$'000
Balance as at 1 April	290,533	272,275
Advances received from Government during the year	–	18,623
	290,533	290,898
Miscellaneous expenditure	(95)	(365)
Balance as at 31 March	290,438	290,533
Represented by:		
Student tuition fee loans	225,836	226,976
Study loans	58,322	57,407
Overseas student programme loans	1,216	1,123
Advances receivable, pooled investments, fixed deposits and bank balances	5,064	5,027
	290,438	290,533

The advances from the Government are for the purpose of extending loans to students mainly to assist them in paying their tuition fees. They are unsecured and repayable following the collection of the underlying loans (including interest as described in Note 15) by the Company from the students. The carrying amount of the advances approximate the fair value.

25 FIXED RATE NOTES AND TERM LOAN

a) Fixed rate notes

On 12 June 2009, the Company issued S$250,000,000 3.2% Singapore-dollar non-secured fixed rate notes due 12 June 2014 under the Multicurrency Medium Term Note (MTN) programme to finance development projects that fall under the debt-grant framework initiated by the Government. Unless previously redeemed or purchased and cancelled, the notes will be redeemed at its redemption amount on maturity date. The Company is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the notes. The fair value of the notes as at the reporting period ended 31 March 2012 is S$260,625,000 (2011: S$261,250,000).

b) Fixed rate term loan

On 5 October 2010, the Company drew down a S$350,000,000, 5- years fixed rate term loan at 1.8% per annum to finance development projects that fall under the debt-grant framework initiated by the Government. The fixed rate term loan is payable in full on 5 October 2015. The Company may, with prior notice to the bank, prepay the whole or any part of the loan after 12 months from the drawdown date of the loan. The Company is required to maintain a ratio where the total liabilities to total assets shall not at any time be more than 0.65:1. There is no significant difference between amortised cost and carrying amount of the loan. The fair value of the loan as at the reporting period ended 31 March 2012 is S$350,000,000 (2011: S$350,000,000).

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26 DEFERRED CAPITAL GRANTS

GROUP	31 March 2012 S$'000	31 March 2011 S$'000 (Restated)	1 April 2010 S$'000 (Restated)
Fixed Assets			
Government and Agency for Science, Technology & Research			
Balance as at 1 April	1,489,128	1,267,470	1,155,824
Capital grants utilised during the year	292,494	450,545	276,997
Amount transferred from operating grants (Note 33)	74,114	66,581	54,776
Adjustment	(96,908)	(106,921)	(25,753)
	1,758,828	1,677,675	1,461,844
Deferred capital grants amortised	(210,967)	(188,547)	(194,374)
Balance as at 31 March	1,547,861	1,489,128	1,267,470
Others			
Balance as at 1 April	188,863	128,568	103,394
Capital grants utilised during the year and donated assets	286,524	13,946	1,442
Amount transferred from operating grants (Note 33)	14,864	62,053	34,604
	490,251	204,567	139,440
Deferred capital grants amortised	(25,135)	(15,704)	(10,872)
Balance as at 31 March	465,116	188,863	128,568
Total deferred capital grants balance for fixed assets as at 31 March	2,012,977	1,677,991	1,396,038
Intangible Assets			
Government and Agency for Science, Technology & Research			
Balance as at 1 April	16,709	16,171	14,541
Capital grants utilised during the year	2,068	2,051	766
Amount transferred from operating grants (Note 33)	698	2,172	3,978
	19,475	20,394	19,285
Deferred capital grants amortised	(6,145)	(3,685)	(3,114)
Balance as at 31 March	13,330	16,709	16,171
Others			
Balance as at 1 April	508	386	268
Amount transferred from operating grants (Note 33)	483	321	227
	991	707	495
Deferred capital grants amortised	(290)	(199)	(109)
Balance as at 31 March	701	508	386
Total deferred capital grants balance for intangible assets as at 31 March	14,031	17,217	16,557
Total deferred capital grants balance as at 31 March	**2,027,008**	**1,695,208**	**1,412,595**

26 DEFERRED CAPITAL GRANTS *(cont'd)*

COMPANY	31 March 2012 S$'000	31 March 2011 S$'000 (Restated)	1 April 2010 S$'000 (Restated)
Fixed Assets			
Government and Agency for Science, Technology & Research			
Balance as at 1 April	1,486,682	1,264,801	1,153,484
Capital grants utilised during the year	292,483	450,532	276,712
Amount transferred from operating grants (Note 33)	73,429	65,961	53,850
Adjustment	(96,908)	(106,921)	(25,753)
	1,755,686	1,674,373	1,458,293
Deferred capital grants amortised	(210,430)	(187,691)	(193,492)
Balance as at 31 March	1,545,256	1,486,682	1,264,801
Others			
Balance as at 1 April	188,742	128,393	103,185
Capital grants utilised during the year and donated assets	286,524	13,946	1,442
Amount transferred from operating grants (Note 33)	14,864	62,026	34,560
	490,130	204,365	139,187
Deferred capital grants amortised	(25,014)	(15,623)	(10,794)
Balance as at 31 March	465,116	188,742	128,393
Total deferred capital grants balance for fixed assets as at 31 March	2,010,372	1,675,424	1,393,194
Intangible Assets			
Government and Agency for Science, Technology & Research			
Balance as at 1 April	16,468	15,967	14,392
Capital grants utilised during the year	2,068	2,051	766
Amount transferred from operating grants (Note 33)	606	2,062	3,870
	19,142	20,080	19,028
Deferred capital grants amortised	(6,051)	(3,612)	(3,061)
Balance as at 31 March	13,091	16,468	15,967
Others			
Balance as at 1 April	508	386	268
Amount transferred from operating grants (Note 33)	483	321	227
	991	707	495
Deferred capital grants amortised	(290)	(199)	(109)
Balance as at 31 March	701	508	386
Total deferred capital grants balance for intangible assets as at 31 March	13,792	16,976	16,353
Total deferred capital grants balance as at 31 March	**2,024,164**	**1,692,400**	**1,409,547**

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27 SUPPLEMENTARY INFORMATION ON GENERAL FUNDS AND RESTRICTED FUNDS

		GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (Note A)		TOTAL	
GROUP	Note	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
OPERATING INCOME									
Tuition and other fees		328,694	303,435	–	–	–	–	328,694	303,435
Other income	28	181,047	157,861	74,649	63,185	(32,934)	(31,812)	222,762	189,234
		509,741	461,296	74,649	63,185	(32,934)	(31,812)	551,456	492,669
OPERATING EXPENDITURE									
Expenditure on manpower	29	751,931	688,396	224,241	198,671	–	–	976,172	887,067
Depreciation and amortisation expenditure	9,10	77,355	76,510	204,974	166,139	–	–	282,329	242,649
Other operating expenditure		377,458	314,629	433,421	406,811	(32,934)	(31,812)	777,945	689,628
		1,206,744	1,079,535	862,636	771,621	(32,934)	(31,812)	2,036,446	1,819,344
Operating Deficit		(697,003)	(618,239)	(787,987)	(708,436)	–	–	(1,484,990)	(1,326,675)
Net investment income (loss)	31	48,794	49,141	69,378	202,431	–	–	118,172	251,572
Share of results (net of tax) of associated companies	8	2,803	6,021	–	–	–	–	2,803	6,021
Deficit before Grants	32	(645,406)	(563,077)	(718,609)	(506,005)	–	–	(1,364,015)	(1,069,082)
GRANTS									
Operating Grants:									
Government	33a	657,925	741,777	395,897	307,497	–	–	1,053,822	1,049,274
Agency for Science, Technology & Research	33b	–	–	60,889	65,528	–	–	60,889	65,528
Others	33c	22	4	118,979	110,320	–	–	119,001	110,324
Deferred capital grants amortised	26	41,951	43,336	200,586	164,799	–	–	242,537	208,135
		699,898	785,117	776,351	648,144	–	–	1,476,249	1,433,261

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

		GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (Note A)		TOTAL	
		2012	2011	2012	2011	2012	2011	2012	2011
GROUP	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
SURPLUS (DEFICIT) FOR THE YEAR BEFORE TAX		54,492	222,040	57,742	142,139	–	–	112,234	364,179
Income tax	34	–	–	–	–	–	–	–	–
SURPLUS (DEFICIT) FOR THE YEAR	35	**54,492**	**222,040**	**57,742**	**142,139**	**–**	**–**	**112,234**	**364,179**
Accumulated Surplus Balance at 1 April		**1,685,845**	**1,508,230**	**918,250**	**731,993**	**–**	**–**	**2,604,095**	**2,240,223**
Transfer between General Funds and Restricted Funds **(Note B)**		29,093	(44,425)	(29,093)	44,425	–	–	–	–
Transfer to endowment funds		–	–	(1,878)	(307)	–	–	(1,878)	(307)
Accumulated Surplus Balance at 31 March		**1,769,430**	**1,685,845**	**945,021**	**918,250**	**–**	**–**	**2,714,451**	**2,604,095**

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

		GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (Note A)		TOTAL	
		2012	2011	2012	2011	2012	2011	2012	2011
COMPANY	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
OPERATING INCOME									
Tuition and other fees		324,088	298,948	–	–	–	–	324,088	298,948
Other income	28	177,446	154,707	74,649	63,185	(32,934)	(31,812)	219,161	186,080
		501,534	453,655	74,649	63,185	(32,934)	(31,812)	543,249	485,028
OPERATING EXPENDITURE									
Expenditure on manpower	29	734,047	671,236	224,241	198,671	–	–	958,288	869,907
Depreciation and amortisation expenditure	9,10	76,592	75,704	204,974	166,139	–	–	281,566	241,843
Other operating expenditure		363,512	306,460	433,421	406,811	(32,934)	(31,812)	763,999	681,459
		1,174,151	1,053,400	862,636	771,621	(32,934)	(31,812)	2,003,853	1,793,209
Operating Deficit		(672,617)	(599,745)	(787,987)	(708,436)	–	–	(1,460,604)	(1,308,181)
Net investment (loss) income	31	47,219	48,225	69,378	202,431	–	–	116,597	250,656
Deficit before Grants	32	(625,398)	(551,520)	(718,609)	(506,005)	–	–	(1,344,007)	(1,057,525)

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

		GENERAL FUNDS		RESTRICTED FUNDS		ELIMINATION (Note A)		TOTAL	
		2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
COMPANY	Note	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
GRANTS									
Operating Grants:									
Government	33a	635,780	712,091	395,897	307,497	–	–	1,031,677	1,019,588
Agency for Science, Technology & Research	33b	–	–	60,889	65,528	–	–	60,889	65,528
Others	33c	–	–	118,979	110,320	–	–	118,979	110,320
Deferred capital grants amortised	26	41,199	42,326	200,586	164,799	–	–	241,785	207,125
		676,979	754,417	776,351	648,144	–	–	1,453,330	1,402,561
SURPLUS (DEFICIT) FOR THE YEAR		**51,581**	**202,897**	**57,742**	**142,139**	**–**	**–**	**109,323**	**345,036**
Accumulated Surplus Balance at 1 April		**1,634,039**	**1,475,567**	**918,250**	**731,993**	**–**	**–**	**2,552,289**	**2,207,560**
Transfer between General Funds and Restricted Funds **(Note B)**		29,093	(44,425)	(29,093)	44,425	–	–	–	–
Transfer to endowment funds			–	(1,878)	(307)	–	–	(1,878)	(307)
Accumulated Surplus Balance at 31 March		**1,714,713**	**1,634,039**	**945,021**	**918,250**	**–**	**–**	**2,659,734**	**2,552,289**

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

Note B: For the year ended 31 March 2012, transfer relates mainly to transfer of funds from research projects (Restricted Funds) to a central pool (General Funds) for indirect overheads recovery and to self-financing funds (General Funds) for unspent grant balances as agreed by the grantors. For the year ended 31 March 2011, transfer relates mainly to funds set aside from General Funds for asset acquisition and replacement purposes.

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For the financial year ended 31 March 2012

28 OTHER INCOME

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Donations received	63,002	54,727	64,872	54,717
Rental income and student hostel residential fees	58,396	43,287	55,892	40,808
Courses and conference fees	35,270	32,858	35,008	32,573
Clinical fees/consultancy fees	17,215	14,850	17,215	14,850
Others	48,879	43,512	46,174	43,132
	222,762	189,234	219,161	186,080

29 EXPENDITURE ON MANPOWER

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Wages and salaries	894,895	817,357	878,441	801,479
Employer's contribution to Provident Funds	57,705	49,545	56,409	48,362
Other staff benefits	23,572	20,165	23,438	20,066
	976,172	887,067	958,288	869,907

30 KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for twenty-four (2011: twenty-two) and nineteen (2011: sixteen) key management personnel of the Group and the Company respectively, are as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
Short-term benefits	12,854	10,611	11,954	9,673
Post-employment benefits	352	315	267	250
	13,206	10,926	12,221	9,923

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31 NET INVESTMENT INCOME

	Group		Company	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Interest income:				
Government bonds	16,046	16,650	16,046	16,650
Bonds/loan stocks in corporations/associated company	1,662	1,813	1,662	1,813
Fixed deposits and bank current accounts	5,397	2,905	5,395	2,905
	23,105	21,368	23,103	21,368
Dividend income:				
Quoted equity shares	2,841	1,910	2,841	1,910
Unquoted equity shares	2,354	1,575	474	1,575
	5,195	3,485	3,315	3,485
Net gain on sale of investments at fair value through income or expenditure ("FVTIE")	15,328	16,380	15,328	16,380
Net gain on sale of available-for-sale investments	–	916	–	–
Impairment loss on available-for-sale investments	(307)	–	–	–
Net foreign currency exchange gains	6,578	118,372	6,578	118,372
Change in fair value of investments at FVTIE due to foreign currency changes (Note A)	(19,880)	(147,841)	(19,880)	(147,841)
	(13,302)	(29,469)	(13,302)	(29,469)
Change in fair value of investments at FVTIE due to price change (Note A)	88,153	238,892	88,153	238,892
	118,172	251,572	116,597	250,656
Note A				
Total change in fair value of investments at FVTIE comprises of:				
Change in fair value of investments due to foreign currency changes	(19,880)	(147,841)	(19,880)	(147,841)
Change in fair value of investments due to price change	88,153	238,892	88,153	238,892
Total change in fair value of investments at FVTIE	68,273	91,051	68,273	91,051

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For the financial year ended 31 March 2012

32 DEFICIT BEFORE GRANTS

This is arrived at after charging:

	Group		Company	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Bad and doubtful debts	1,195	698	1,195	698
Rental expenses	11,225	11,541	11,225	11,541
Borrowing costs expensed off	10,664	10,458	10,664	10,458
Loss on disposal of fixed and intangible assets	1,446	135	1,442	9
Research and development costs	486,322	479,149	486,322	479,149
Borrowing costs incurred during the year is analysed as follows:				
Interest on fixed rate notes	8,022	8,000	8,022	8,000
Interest on fixed rate term loan	6,317	3,072	6,317	3,072
Less: amounts included in cost of qualifying fixed assets	(3,675)	(614)	(3,675)	(614)
Borrowing costs expensed off	10,664	10,458	10,664	10,458

33 OPERATING GRANTS

	Group		Company	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
a) Operating Grants (Government)				
Operating grants utilised during the year	1,117,366	1,117,918	1,094,444	1,087,502
Amount transferred to deferred capital grants	(63,544)	(68,644)	(62,767)	(67,914)
	1,053,822	1,049,274	1,031,677	1,019,588
b) Operating Grants (Agency for Science, Technology & Research)				
Operating grants utilised during the year	72,157	65,637	72,157	65,637
Amount transferred to deferred capital grants	(11,268)	(109)	(11,268)	(109)
	60,889	65,528	60,889	65,528
c) Operating Grants (Others)				
Operating grants utilised during the year	134,348	172,698	134,326	172,667
Amount transferred to deferred capital grants	(15,347)	(62,374)	(15,347)	(62,347)
	119,001	110,324	118,979	110,320

Notes to the Financial Statements

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34 INCOME TAX

Income tax varies from the amount of income tax determined by applying the Singapore income tax rate of 17% (2011: 17%) to surplus before income tax as a result of the following differences:

	Group		Company	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Surplus for the year before income tax	112,234	364,179	109,323	345,036
Income tax expense calculated at statutory tax rate	19,080	61,910	18,585	58,656
Income not subject to tax	(18,814)	(61,416)	(18,585)	(58,656)
Tax effect of share of results of associate	(477)	(1,024)	–	–
Others	211	530	–	–
	–	–	–	–

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

35 SURPLUS FOR THE YEAR

The surplus for the year in the Statement of the comprehensive income of the Group and Company of S$112,234,000 (2011: S$364,179,000) and S$109,323,000 (2011: S$345,036,000) respectively includes the following:

	Group		Company	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Non-endowed donations	63,002	54,727	64,872	54,717
Net investment income (include change in fair value of investment)	118,172	251,572	116,597	250,656
	181,174	306,299	181,469	305,373

Notes to the Financial Statements

For the financial year ended 31 March 2012

36 COMMITMENTS

a) Capital Commitments

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

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
Authorised and contracted for	195,615	330,391

b) Operating Lease Commitments – as Lessee

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
Minimum lease payments under operating leases included in the income or expenditure	5,516	882

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

Future minimum lease payments payable:		
Within one year	1,400	2,068
Within second to fifth year inclusive	541	1,470
	1,941	3,538

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

36 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	
	2012	**2011**
	S$'000	S$'000
Future minimum lease payments receivable:		
Within one year	3,016	3,685
Within second to fifth year inclusive	7,144	9,096
	10,160	12,781

Operating lease payments represent rentals receivable by the Group for rental of premises which are for periods ranging from 2 to 5 years.

37 RELATED PARTIES TRANSACTIONS

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

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

Hence, other state-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.

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37 RELATED PARTIES TRANSACTIONS *(cont'd)*

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	S$'000	S$'000	S$'000	S$'000
State-controlled enterprises and companies within the Group				
Balances				
Debtors	475,527	264,300	475,601	264,099
Amount owing by subsidiary companies	–	–	731	783
Long-term loan to subsidiary companies	–	–	250	28,250
Creditors and accrued expenses	4,647	27,211	4,647	27,264
Deferred Capital Grants	1,599,757	1,538,607	1,596,913	1,535,799
Grants received in advance	252,515	158,776	245,964	157,918
Transactions				
Endowed donations	2,250	29	2,250	29
Non-endowed donations	5,296	5,199	7,167	5,672
Other income	1,528	–	2,928	3,502
Other operating expenditure	95,055	51,164	98,915	66,469
Operating/capital grants received	1,518,077	1,663,172	1,493,262	1,638,479
Corporations in which trustees have the ability to control or exercise significant influence (including donations received from trustees)				
Balances				
Debtors	150	17	150	17
Creditors and accrued expenses	8	35	8	35
Transactions				
Endowed donations	8,550	338	8,550	338
Non-endowed donations	2,864	607	2,864	607
Other income	440	146	440	146
Other operating expenditure	3,660	757	3,660	757
Operating/capital grants received	160	195	160	195

38 FUNDS HELD IN TRUST

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

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

Separate bank account has been set up to account for the funds under the Foundation. The Group will maintain the bank balance and make payments on behalf of the Foundation. As at the reporting period ended 31 March 2012, the fund balance held in trust by the Group is S$647 (2011: S$597).

39 COMPARATIVE FIGURES

Comparatives figures have been restated due to the following:

a) The Group changed the accounting treatment of the annual service income from Government under the Debt-Grant Framework to reflect specifically the intended purpose of the annual service income, which is for debt principal repayment under the Debt-Grant Framework and future asset acquisitions and replacements.

b) Previously, the Group recognised tuition and other fees as revenue upon billing. The Group has restated the comparative figures to recognise the deferred income in relation to the portion of advance billings for tuition and other fees that are not yet earned as at the end of the financial reporting period in accordance with FRS 18 Revenue Recognition.

Notes to the Financial Statements

For the financial year ended 31 March 2012

39 COMPARATIVE FIGURES *(cont'd)*

Effects of the prior year adjustments are shown below:

GROUP	Balances as previously reported S$'000	Reclassification S$'000	Balances as restated S$'000
Statement of Financial Position as at 31 March 2011			
Accumulated Surplus	2,648,161	(44,066)	2,604,095
Service Income Fund	353,280	(353,280)	–
Grants Received In Advance	96,950	130,106	227,056
Deferred Capital Grants	1,472,034	223,174	1,695,208
Deferred Tuition and Other fees	–	44,066	44,066
Statement of Financial Position as at 1 April 2010			
Accumulated Surplus	2,280,442	(40,219)	2,240,223
Service Income Fund	250,133	(250,133)	–
Grants Received In Advance	121,154	122,249	243,403
Deferred Capital Grants	1,284,711	127,884	1,412,595
Deferred Tuition and Other fees	–	40,219	40,219
Statement of Comprehensive Income for the financial year ended 31 March 2011			
Tuition and Other Fees	307,282	(3,847)	303,435
Operating Grants – Government	1,199,805	(150,531)	1,049,274
Deferred Capital Grants Amortised	160,751	47,384	208,135
Surplus for the Year	471,173	(106,994)	364,179
Total Comprehensive Income for the Year	471,903	(106,994)	364,909

Notes to the Financial Statements

For the financial year ended 31 March 2012

39 COMPARATIVE FIGURES *(cont'd)*

COMPANY	Balances as previously reported S$'000	Reclassification S$'000	Balances as restated S$'000
Statement of Financial Position as at 31 March 2011			
Accumulated Surplus	2,596,355	(44,066)	2,552,289
Service Income Fund	353,280	(353,280)	–
Grants received In Advance	96,837	130,106	226,943
Deferred Capital Grants	1,469,226	223,174	1,692,400
Deferred Tuition and Other fees	–	44,066	44,066
Statement of Financial Position as at 1 April 2010			
Accumulated Surplus	2,247,779	(40,219)	2,207,560
Service Income Fund	250,133	(250,133)	–
Grants received In Advance	113,463	122,249	235,712
Deferred Capital Grants	1,281,663	127,884	1,409,547
Deferred Tuition and Other fees	–	40,219	40,219
Statement of Comprehensive Income for the financial year ended 31 March 2011			
Tuition and Other Fees	302,795	(3,847)	298,948
Operating Grants – Government	1,170,119	(150,531)	1,019,588
Deferred Capital Grants Amortised	159,741	47,384	207,125
Surplus for the Year	452,030	(106,994)	345,036
Total Comprehensive Income for the Year	452,200	(106,994)	345,206

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