



NANYANG
TECHNOLOGICAL
UNIVERSITY

ON A RAPID **RISE**

ANNUAL REPORT 2015



Cover photo courtesy of
Hufton and Crow.

VISION & MISSION

A great global university founded on science and technology, nurturing leaders through research and a broad education in diverse disciplines

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AT A GLANCE

GLOBAL



113

nationalities on campus

466

university partners in academia and research

20

joint labs set up with leading multinationals on campus

300

partner universities in close to 40 countries offer student attachment programmes

7_{IN} 10

undergraduates have an overseas opportunity during their studies

24

joint/dual PhD degree programmes with overseas universities

HONOURS



13TH

in QS World University Rankings 2015, rising 61 places since 2010

1ST

in 2014/2015 QS ranking of the world's young elite universities

4TH

in QS Asia University Rankings 2015, up three positions from 2014

61ST

in *Times Higher Education* World University Rankings 2014, up 15 places from 2013

6TH

in Engineering and Technology in QS World University Rankings 2014, up 5 notches from 2013

PEOPLE



23,700

undergraduates

9,000

graduate students

4,550

faculty and researchers from 88 countries

199,753

alumni representing 148 nationalities

91.7%

of the Class of 2014 received a job offer within four months of graduation

RESEARCH



S\$502.5M

in competitive research grants won in FY2014/15

1ST

in Asia for normalised research impact (Thomson Reuters, Elsevier and CWTS Leiden Ranking)

40TH

in Nature Index 2015 Global (1st in Singapore)

72

patents granted in FY2014/15

1,601

technology disclosures received since 2007

CAMPUS



TOP 15

most beautiful university in the world (*Travel + Leisure* magazine)

TOP 10

best green university (*DesignCurial*)

5,000

new hostel places by 2016

3

Singapore campuses

18

undergraduate halls spread over 200 hectares

2

new hostels and more than 100 units of faculty housing underway



UNIVERSITY LEADERSHIP

AS AT 31 JULY 2015

Board of Trustees



Mr Koh Boon Hwee
(Chairman)
Chairman
Credence Partners Pte Ltd
Appointed on 28 March 2006



Mr Alwi Bin Abdul Hafiz
Sustainability Advisor
Golden Veroleum Liberia
Appointed on 28 March 2006



Ms Chan Lai Fung
Permanent Secretary
(Education)
Ministry of Education
Appointed on 1 April 2012



Mr Goh Sin Teck
Editor
Lianhe Zaobao
Consulting Editor, MyPaper
Appointed on 1 June 2012



Mr Kwek Leng Joo
Deputy Chairman
City Developments Ltd
Appointed on 28 March 2006

*Stepped down from the Board
on 31 March 2015



Mrs Lee Suet Fern
Managing Partner
Morgan Lewis Stamford LLC
Appointed on 15 July 2006



Ms Lien Siaou-Sze
Senior Executive Coach
Mobley Group Pacific
Appointed on 28 March 2006



Mr Lim Chee Onn
Senior International
Adviser
Singbridge Pte Ltd
Appointed on 25 August 2009

*Stepped down from the Board
on 12 August 2015



Mr Lim Chow Kiat
Group Chief Investment
Officer
GIC Pte Ltd
Appointed on 1 April 2015



Mr Lim Chuan Poh
Chairman
Agency for Science,
Technology and Research
Appointed on 28 March 2006



Mr Low Check Kian
Director
Cluny Park Capital Pte Ltd
Appointed on 1 April 2014



Prof Haresh Shah
Professor (Emeritus)
Stanford University
Appointed on 28 March 2006

*Stepped down from the Board
on 31 March 2015



**Adj Assoc Prof Tan
Chin Hwee**
Founding Partner in Asia
Apollo Management
Singapore Pte Ltd
Appointed on 1 April 2015



BG (NS) Tan Meng Dui
Deputy Secretary (Development)
Ministry of National Development
Appointed on 1 July 2012



Mr Ernest Wong
Chairman
Fullerton Financial Holdings
Pte Ltd
Appointed on 28 March 2006



Sir Keith O'Nions
Chairman
Cambridge Enterprise Ltd
Appointed on 17 March 2011



Mr Inderjit Singh
Chief Executive Officer
Solstar International
Pte Ltd
Appointed on 28 March 2006



Mr Tan Kim Seng
Chairman
Kim Seng Holdings Pte Ltd
Appointed on 1 April 2014



Mr Wong Yew Meng
Board Member
People's Association
Appointed on 1 August 2010



**Prof Alexander
JB Zehnder**
Chairman
Triple Z Ltd
Appointed on 25 August 2009



Prof Bertil Andersson
President
Nanyang Technological University
Appointed on 1 July 2011

UNIVERSITY LEADERSHIP
AS AT 31 JULY 2015

Senior Management Team



Prof Bertil Andersson
President
Appointed on 1 July 2011

Prof Andersson first became Provost in 2007, where he helped to strengthen NTU's reputation as one of the fastest-growing research-intensive universities in the world. He was installed as NTU's third President on 1 July 2011.

He was formerly President of Linköping University, Sweden, from 1999 to 2003, and the Chief Executive of the European Science Foundation from 2004 to 2007. At the helm of the European Science Foundation in Strasbourg, France, his last post before joining NTU, he consolidated research efforts across 30 European countries.

A world-renowned plant biochemist with a longstanding association with the Nobel Foundation, where he had also chaired its Chemistry Committee, Prof Andersson has pioneered research on the artificial leaf, a promising area of sustainable energy research that uses sunlight to produce clean, low-cost sources of energy.

He is the winner of the Wilhelm Exner Medal, awarded since 1921 to top global scientists and visionaries, including Nobel laureates, for their life-changing research. Well-regarded for championing high-impact science and engineering, he has received more than 12 honorary doctorates and serves on the boards of numerous international organisations.



Prof Freddy Boey
Provost
Appointed on 1 July 2011

Before becoming Provost, Prof Boey was Chair of NTU's School of Materials Science & Engineering from 2005 to 2010, leading its transformation into one of the world's largest materials engineering institutions that is today ranked 8th in the world in its discipline.

A dedicated educator and administrator, he also has a sterling record in moving his inventions into commercial applications and has given the "made in Singapore" label pride of place internationally. A pioneer in the use of functional biomaterials for medical devices, Prof Boey has developed over 100 patents and founded companies to commercialise his cardiovascular, ocular and surgical implants. His company, Amaranth Medical, which develops fully biodegradable heart stents, was bought into by Boston Scientific.

Among Prof Boey's inventions is a surgical tissue retractor that has been sold in the US, Europe, Japan, Middle East and India. His nano-based drug delivery system to treat glaucoma has been successfully deployed in human trials. A customisable hernia mesh he developed is the first such surgical mesh approved for sale by the US Food and Drug Administration.

Prof Boey actively champions the marriage of research, education and enterprise on campus. For his distinguished contributions to Singapore's science and engineering landscape and his role in nurturing young research talent, he was awarded the 2013 President's Science and Technology Medal, a top national honour. He also has a Faculty of Medicine Fellowship from Imperial College London.

The other members of the senior management team are:

Prof Lam Khin Yong
Chief of Staff and Vice President (Research)
Appointed on 1 July 2011 and 1 May 2014 respectively

- Chief of Staff-Designate (1 April – 30 June 2011)
- Associate Provost (Graduate Education & Special Projects) (1 April 2008 – 30 June 2011)
- Chair, School of Mechanical & Aerospace Engineering (1 August 2006 – 30 April 2008)

Prof Er Meng Hwa
Vice President (International Affairs)
Appointed on 1 July 2011

- Vice President-Designate (International Affairs) (1 April – 30 June 2011)
- Senior Associate Provost (1 April 2008 – 30 June 2011)
- Associate Provost (1 April 2007 – 31 March 2008)

Prof Lee Sing Kong
Vice President (Education Strategies)
Appointed on 1 July 2014

- Director, National Institute of Education (1 November 2006 – 30 June 2014)
- Managing Director, National Institute of Education International (from 1 July 2009)
- Acting Director, National Institute of Education (16 January – 28 February 2006)
- Dean, External Programmes (Knowledge Horizon), National Institute of Education (1 October 2005 – 30 June 2009)

Prof Kam Chan Hin
Senior Associate Provost (Undergraduate Education)
Appointed on 1 April 2014

- Associate Provost (Undergraduate Education) (1 July 2011 – 31 March 2014)
- Associate Provost-Designate (Undergraduate Education) (1 April – 30 June 2011)
- Chair, School of Electrical & Electronic Engineering (1 August 2006 – 31 March 2011)

Prof Angela Goh
Associate Provost (Faculty Affairs)
Appointed on 1 July 2011

- Associate Provost-Designate (Faculty Affairs) (1 April – 30 June 2011)
- Acting Chair, School of Computer Engineering (15 October 2007 – 31 January 2010)
- Associate Chair (Academic), School of Computer Engineering (1 August 2006 – 30 November 2007)

Prof Yue Chee Yoon
Associate Provost (Graduate Education)
Appointed on 2 January 2013

- Acting Dean, Interdisciplinary Graduate School (1 September 2011 – 1 January 2013)
- Director, Institute for Sports Research (15 July 2011 – 31 May 2012)

Assoc Prof Kwok Kian Woon
Associate Provost (Student Life)
Appointed on 1 July 2011

- Associate Provost-Designate (Student Life) (1 April – 30 June 2011)
- Associate Chair (Academic), School of Humanities & Social Sciences (1 August 2006 – 30 June 2011)
- Head, Division of Sociology, School of Humanities & Social Sciences (1 June 2004 – 30 June 2013)

UNIVERSITY LEADERSHIP

AS AT 31 JULY 2015

Deans of Colleges

Prof Ravi Kumar
Dean, Nanyang Business School
Appointed on 1 June 2013

Prof Ng Wun Jern
Dean, College of Engineering
Appointed on 1 July 2013

- Executive Director, Nanyang Environment & Water Research Institute (18 June 2007 – 17 June 2016)

Prof Alan Chan
Dean, College of Humanities, Arts, & Social Sciences
Appointed on 1 October 2009

Prof Ling San
Dean, College of Science
Appointed on 1 August 2011

- Chair, School of Physical & Mathematical Sciences (1 April 2008 – 31 December 2010)
- Head, Division of Mathematical Sciences, School of Physical & Mathematical Sciences (1 July 2005 – 31 March 2008)

Prof James Best
Dean, Lee Kong Chian School of Medicine
Appointed on 29 July 2014

Heads of Autonomous Institutes

Prof Tan Oon Seng
Director, National Institute of Education
Appointed on 1 July 2014

- Dean, Office of Teacher Education, National Institute of Education (1 July 2010 – 30 June 2014)

- Dean, Foundation Programmes Office, National Institute of Education (1 September 2008 – 30 June 2010)

- Head, Psychological Studies, National Institute of Education (1 July 2003 – 31 December 2008)

Ambassador Ong Keng Yong
Executive Deputy Chairman, S Rajaratnam School of International Studies
Appointed on 3 November 2014

- Director, Institute of Defence & Strategic Studies (from 3 November 2014)

Prof Joseph Liow
Dean, S Rajaratnam School of International Studies
Appointed on 3 November 2014

- Associate Dean, S Rajaratnam School of International Studies (1 July 2008 – 2 November 2014)

Prof Kerry Sieh
Director, Earth Observatory of Singapore
Appointed on 1 July 2008

Prof Staffan Kjelleberg
Director, Singapore Centre on Environmental Life Sciences Engineering
Appointed on 1 January 2011

DONORS

Gifts to the University

Gifts of significant impact received in FY2014 (April 2014 to March 2015)

- S\$3 million from **Mr Peter Lim** to establish the Peter Lim Professorship in Peace Studies. The Professorship will fund a top global expert who can lead the development of the peace studies curriculum and research strategies at the S Rajaratnam School of International Studies as part of its new Studies in Inter-Religious Relations in Plural Societies programme.

- S\$2 million from the family of the late **Mr Tay Tee Peng** to establish the OG Department Stores-Mr Tay Tee Peng Education Fund in honour and in memory of the late Mr Tay Tee Peng, Chairman and Founder of OG Department Stores. The Fund will provide essential support to students at NTU's College of Science through its Science Bursaries, Travel Bursaries and Distinguished Undergraduate Student Awards.

- S\$1 million from **Mothercare (S) Pte Ltd** to establish the Tan Poey Quee Teaching Excellence Fund at the National Institute of Education, which will play a vital role in nurturing and inspiring generations of teachers to make impactful contributions in education through the Doctor of Education Scholarship, Doctor of Education Gold Medal, Doctor of Education Book Prize for Best Dissertation, and Practicum Book Prizes.

- S\$300,000 from **Mr Kuok Khoon Hong** to establish the KKH-CAS Scholarship Fund at the Nanyang Business School. The Fund will annually sponsor 10-week professional attachments in Africa for undergraduates of the School.

- S\$300,000 from **Mr Kwek Leng Joo** to renew the Kwek Leng Joo Prize for Excellence in Photography for another five years at NTU's School of Art, Design & Media. The Prize motivates and recognises students pursuing the Bachelor of Fine Arts in Photography and Digital Imaging programme, giving them a head start in their professional and artistic pursuits.

- S\$300,000 from **Thomson Reuters Asia Pte Ltd** to establish the Centre for Applied Financial Education Fund, which supports platform-based learning initiatives that prepare Nanyang Business School students for careers in the banking and finance sector.



DONORS

Benefactors

(April 2014 to March 2015)

S\$1 Million and Above

- Lim Eng Hock, Peter
- Mothercare (S) Pte Ltd
- Pacific International Lines (Pte) Ltd
- Temasek Foundation CLG Limited
- The Late Mr Tay Tee Peng

S\$250,000 and Above

- CSE Global Limited
- Kuok Khoon Hong
- Kwek Leng Joo
- Thomson Reuters Asia Pte Ltd
- United Way Worldwide

S\$100,000 and Above

- Ang Kim Soon
- Franco-Asian Enterprises Singapore Pte Ltd
- Gan Ee Bee
- Hong Leong Foundation
- Lee Foundation Singapore
- Precise Development Pte Ltd
- RH Education Sdn Bhd
- Seagate Technology International
- Tak Products & Services Pte Ltd
- The Procter & Gamble Co
- Tunnelling & Underground Construction Society (S)
- An anonymous donor

S\$50,000 and Above

- Dou Yee Technologies Pte Ltd
- Far East Organisation
- JNC Corporation
- Keppel Care Foundation Limited
- Max Lewis Scholarship Fund
- Peh Chong Eng
- Sim Yung Chong Education Fund
- The Great Eastern Life Assurance Co Ltd

S\$25,000 and Above

- Abwin Pte Ltd
- Bertil Andersson
- City Developments Limited
- DNIV Int'l Pte Ltd
- JTC Corporation
- Lam Research Singapore Pte Ltd
- NTUC FairPrice Foundation Ltd
- Professional Engineers Board, Singapore
- PSA Corporation Ltd
- Rahmatan Lil Alamin Foundation Ltd
- Tung Mung International Pte Ltd
- Whitford Pte Ltd



FINANCIAL REVIEW

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CORPORATE GOVERNANCE

Introduction

In April 2006 under the Nanyang Technological University (Corporatisation) Act (Cap. 192A) (“NTU Act”), NTU was corporatised from a statutory board to a not-for-profit company limited by guarantee (Reg. No. 200604393R) formed under the Companies Act (Cap. 50) of Singapore. The governance of the University takes place within the NTU Act and its key constitutive document, its Memorandum and Articles of Association.

NTU is committed to high standards of corporate governance, professionalism, integrity, transparency and commitment at all levels, underpinned by strong internal controls and risk management systems.

Governance Evaluation Checklist

In addition to the application of good governance practices as a company and registered charity (Reg. No 01955), we have, as an institution of public character (“IPC”), adopted best practices in key areas of governance that are closely aligned to the principles and guidelines in the Code of Governance for Charities and Institutions of a Public Character (the “Code”). In line with the disclosure requirement by the Charity Council that all IPCs are required to disclose the extent of their compliance with the Code, NTU’s Governance Evaluation Checklist can be found at the Charity Portal website (www.charities.gov.sg).

Board of Trustees

The NTU Board of Trustees is the highest governing organ within the University’s governance framework. The Board comprises 19 members appointed by the Minister for Education, and is chaired by Mr Koh Boon Hwee. Our Board of Trustees includes eminent business leaders, academics, alumni, entrepreneurs and professionals from the public service and private sectors. Each member is appointed on the strength of his/her calibre, experience, stature and ability to contribute to NTU, and brings with him/her independent judgment on issues of strategy, performance, resource allocation and risk and compliance, as well as valuable relationships and networks that are essential for the growth of NTU.

The Board of Trustees is responsible for ensuring that the University acts in the furtherance of its objectives in education and research, and properly accounts for and safeguards the funds and assets of the University. The Board of Trustees works closely with the Management and stakeholders of the University to shape the vision, chart the major directions, and develop programmes and initiatives to produce a strong and enduring impact for the University, and for Singapore and beyond. The Board also approves the annual budget, the use of the University’s operating reserves and the annual audited financial statements of NTU, among other responsibilities.

The NTU Board of Trustees has in place a framework with systems and processes for an effective Board based on the following governance principles and practices:

1. Effective recruitment and induction of Trustees. The Nominating Committee is delegated the responsibility of recommending suitable candidates and has in place an induction programme comprising interactive briefing sessions. In addition, a Board Manual is available.
2. Board Committees are structured to assist the Board to fulfil its governance role, tapping each Trustee’s competencies, skills and experience.
3. The Board works with Management to set the vision, mission and strategy of NTU.
4. The Board has an executive succession plan tailored to reflect NTU’s current strategy and organisation.
5. The Board has a system for effective consultation and decision-making with executive sessions and board meetings scheduled in advance, professional expertise advice available, internal guidelines and procedures for conduct of board meetings and obtaining board approvals via circulation, and a Trustees’ portal as a secured web-based resource centre for information relevant to the Board.

CORPORATE GOVERNANCE

6. The Board evaluates and reviews its own performance and has appointed an independent third party to collate and analyse the returns of the Trustees.
7. The Board delineates roles and responsibilities between Board and Management. All members of the Board, including the Chairman, are non-executive with the exception of the President of NTU. This ensures Board independence from Management.
8. The Board has a rotation plan for continuous self-renewal, with staggering of Trustees’ terms to ensure continuity. There are policies and procedures for nomination and retirement of Trustees to ensure a formal board nomination and election.

Board Committees

Eight Board Committees and one Advisory Committee have been established to support the Board. These are the Academic Affairs Committee, Alumni and Development Committee, Audit and Risk Committee, Enterprise Committee, Finance Committee, Investment Committee, Nominating Committee, Remuneration Committee and Campus Planning Advisory Committee.

The roles of the Board and Advisory Committees are briefly described below:

- The Academic Affairs Committee provides oversight and policy guidance for and directly supports the academic concerns of the University as well as the management of faculty and related matters.
- The Alumni and Development Committee provides oversight of issues relating to the advancement of the University as a great university founded on science and technology and its relationship with its students, alumni and external communities.
- The Audit and Risk Committee oversees the University’s internal controls, financial reporting and enterprise risk management.
- The Enterprise Committee provides oversight and policy guidance for, and directly supports, the University’s strategic directions and policies on innovation, technology transfer and entrepreneurship.
- The Finance Committee provides oversight of the financial management of the University.
- The Investment Committee oversees the management and investment of the funds of the University.
- The Nominating Committee nominates suitable persons to serve on the Board and committees.
- The Remuneration Committee provides oversight and policy guidance in employee compensation matters.
- The Campus Planning Advisory Committee provides oversight and advice on the implementation of the campus master plan.

The Committees operate based on the principle of delegated authority from the Board and are required to observe their respective Terms of Reference as set by the Board. The Terms of Reference of each of these Committees set out the role, powers and rules applicable to these Committees. Where necessary, non-Board members who have expertise in their respective fields are also co-opted to enhance the deliberations and decision-making process of some of the Board Committees.

University Leadership

The President is the University’s Chief Executive Officer as well as its academic and administrative head. He is accountable to the Board for the conduct, coordination and quality of all of NTU’s programmes and for their future development. He has the authority to perform all acts which are necessary to give effect to the policies and statutes of the Board.

The Provost is the Chief Academic and Budget Officer of the University appointed by the President with the approval of the Board of Trustees. The Provost is responsible for the University’s academic endeavours and development. This includes graduate and undergraduate education, research, faculty development, student life, external academic liaison and coordination of supporting administrative efforts. He deputises for the President in his absence.

Policies to Manage Conflict of Interest

Members of the Board of Trustees and staff are required in their respective capacities to act at all times in the best interest of the University. Clear policies and procedures are designed to prevent and address potential conflict-of-interest situations while promoting ethical business conduct of faculty and staff.

Trustees have a fiduciary duty not to allow themselves to get into a position where there is a conflict between what they ought to do for NTU and what they might do for themselves. The NTU Board of Trustees subscribes to a code of conduct to uphold a high standard of integrity and commitment in serving the University and in the event of a conflict of interest, members of the Board shall recuse themselves from decisions where such a conflict exists.

In addition, NTU’s Articles of Association contain provisions for the management and avoidance of conflicts of interest by members of its Board of Trustees. Such provisions include (a) permitting a Board member to be interested in any transaction with NTU provided that the member has declared the nature of the interest to the Board of Trustees and abstains from participating in the Board’s decision in respect of the transaction concerned, (b) permitting a Board member, or a firm associated with the member, to act in any professional capacity for the University and to be remunerated for professional services as if the Board member was not a Trustee, and (c) permitting a Board member to be reimbursed for out-of-pocket expenses, travelling and other expenses properly incurred by the Board member in attending and returning from meetings of the Board of Trustees, any of its committees, or any general meeting of the University or otherwise in connection with the affairs of the University. NTU’s Articles expressly stipulate that Board members shall not receive any remuneration for services rendered by them as members of the Board of Trustees.

Under the University Code of Conduct, faculty and staff owe their primary professional allegiance to the University. To protect the University and its mission, all faculty and staff must comply with policies on conflict of interest as laid down from time to time. The current Policy requires faculty and staff to ensure that their private activities and interests do not conflict with their professional obligations to the University. They should take care to avoid conflict between their own personal interests and the interests of the University and should avoid or withdraw from situations where there may be a perception of such conflict. Where there is potential violation of the Policy, the faculty or staff shall fully and frankly disclose the nature and extent of their interest to the University as soon as possible.

REPORT OF THE TRUSTEES

REPORT OF THE TRUSTEES

The Board of Trustees present their report to the members together with the audited consolidated financial statements of Nanyang Technological University (the “University Company”) and its subsidiaries (collectively the “Group”) and statement of financial position and statement of changes in funds and reserves of the University Company for the financial year ended 31 March 2015.

Trustees

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

Mr Koh Boon Hwee	(Chairman)
Mr Alwi Bin Abdul Hafiz	
Mrs Lee Suet Fern	
Ms Lien Siaou-Sze	
Mr Lim Chuan Poh	
Mr Inderjit Singh	
Mr Ernest Wong	
Mr Lim Chee Onn	
Prof Alexander JB Zehnder	
Mr Wong Yew Meng	
Sir Keith O’Nions	
Prof Bertil Andersson	
Ms Chan Lai Fung	
Mr Goh Sin Teck	
BG(NS) Tan Meng Dui	
Mr Low Check Kian	
Mr Tan Kim Seng	
Mr Tan Chin Hwee	(Appointed on 1 April 2015)
Mr Lim Chow Kiat	(Appointed on 1 April 2015)

Mr Kwek Leng Joo and Prof Haresh Shah retired as Trustees of the University Company on 31 March 2015.

Arrangements to Enable Trustees to Acquire Shares and Debentures

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

REPORT OF THE TRUSTEES (CONT'D)

Trustees' Interests in Shares and Debentures

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

As the University Company is 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, Chapter 50.

Trustee Contractual Benefits

Since the beginning of the financial year, no Trustee has received or become entitled to receive a benefit by reason of a contract made by the University Company or a related corporation with the Trustee or with a firm of which he is a member or with a company in which he has a substantial financial interest, except for remuneration paid to a trustee in respect of his employment with the University Company as well as consultancy fees paid to another trustee as disclosed in Note 28 to the financial statements.

Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF TRUSTEES



Mr Koh Boon Hwee
Chairman of the Board of Trustees
Trustee



Prof Bertil Andersson
President of Nanyang Technological University
Trustee

13 August 2015

STATEMENT BY TRUSTEES

In the opinion of the Trustees,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in funds and reserves of the University Company as set out on pages 20 to 81 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the University Company as at 31 March 2015, and of the results, changes in funds and reserves and cash flows of the Group and of the changes in funds and reserves of the University Company for the financial year from 1 April 2014 to 31 March 2015; and
- (b) at the date of this statement, there are reasonable grounds to believe that the University Company will be able to pay its debts when they fall due.

ON BEHALF OF THE BOARD OF TRUSTEES



Mr Koh Boon Hwee
Chairman of the Board of Trustees
Trustee



Prof Bertil Andersson
President of Nanyang Technological University
Trustee

13 August 2015

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF NANYANG TECHNOLOGICAL UNIVERSITY

Report on the Financial Statements

We have audited the accompanying financial statements of Nanyang Technological University (the "University Company") and its subsidiaries ("the Group") which comprise the statements of financial position of the Group and the University Company as at 31 March 2015, and the consolidated statement of comprehensive income, statement of changes in funds and reserves and statement of cash flows of the Group and the statement of changes in funds and reserves of the University Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 20 to 81.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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 the 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.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in funds and reserves of the University Company are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the University Company as at 31 March 2015 and the financial performance, changes in funds and reserves and cash flows of the Group and changes in funds and reserves of the University Company for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF NANYANG TECHNOLOGICAL UNIVERSITY (CONT'D)

Report on Other Legal and Regulatory Requirements

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

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

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

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

13 August 2015

STATEMENTS OF FINANCIAL POSITION

31 March 2015

	Note	Group 2015 \$'000	2014 \$'000	University Company 2015 \$'000	2014 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	1,450,996	1,222,831	1,450,280	1,221,599
Prepaid lease	4	39,951	41,416	39,951	41,416
Subsidiaries	5	-	-	791	791
Joint venture	6	340	198	-	-
Student loans	7	2,484	2,420	2,484	2,420
Finance lease receivables	8	20,101	21,038	20,101	21,038
		1,513,872	1,287,903	1,513,607	1,287,264
Current assets					
Derivative financial instruments	9	4,219	5,919	4,219	5,919
Student loans	7	1,772	2,290	1,772	2,290
Trade and other receivables	10	532,017	191,047	528,069	188,673
Financial assets at fair value through profit or loss	11	2,378,246	1,796,859	2,378,246	1,796,859
Finance lease receivables	8	937	668	937	668
Cash and cash equivalents	12	775,556	1,351,051	759,511	1,330,238
		3,692,747	3,347,834	3,672,754	3,324,647
Total assets		5,206,619	4,635,737	5,186,361	4,611,911
LIABILITIES					
Non-current liabilities					
Deferred capital grants	13	1,075,203	863,301	1,074,657	862,378
Other non-current liabilities		3,756	3,508	3,756	3,508
Sinking fund received in advance	14	240,762	227,270	240,762	227,270
		1,319,721	1,094,079	1,319,175	1,093,156
Current liabilities					
Derivative financial instruments	9	11,665	-	11,665	-
Other payables and accruals		218,597	158,855	215,175	154,868
Provisions	15	105,334	96,544	105,068	96,363
Grant received in advance					
- Operating grants	16	3,569	2,608	-	-
Grant received in advance					
- Information technology and furniture and equipment ("IT and F&E")	14	43,503	44,930	43,503	44,930
Sinking fund received in advance	14	39,652	40,949	39,652	40,949
Short-term borrowings	17	32,300	144,500	32,300	144,500
Deferred tuition and other fees		83,946	77,571	83,946	77,571
Research grants received in advance	18	97,230	99,967	96,920	99,797
Income tax payable		351	339	-	-
		636,147	666,263	628,229	658,978
Total liabilities		1,955,868	1,760,342	1,947,404	1,752,134
Net assets		3,250,751	2,875,395	3,238,957	2,859,777

STATEMENTS OF FINANCIAL POSITION (CONT'D)

31 March 2015

	Note	Group 2015 \$'000	2014 \$'000	University Company 2015 \$'000	2014 \$'000
FUNDS AND RESERVES					
Capital account	19	200,858	200,858	200,858	200,858
Endowment fund	20	1,717,049	1,510,050	1,717,049	1,510,050
Accumulated surplus					
- General fund		775,251	660,630	754,102	642,293
- Other restricted fund	20	557,593	503,857	566,948	506,576
		3,250,751	2,875,395	3,238,957	2,859,777
Funds and reserves					
Funds managed on behalf of the Government Ministry	21	181,553	211,794	181,553	211,794
Represented by:					
Net assets managed on behalf of the Government Ministry	21	210,383	211,794	210,383	211,794
Amount receivable from Government Ministry	21	(28,830)	-	(28,830)	-
		181,553	211,794	181,553	211,794

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

		General fund		Endowment fund		Other restricted fund		Total	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Group									
Income									
Tuition and other fees		276,782	260,384	-	-	43,540	36,892	320,322	297,276
Rental income		763	824	-	-	47,582	40,109	48,345	40,933
Research grants	18	296,943	268,349	-	-	-	-	296,943	268,349
Interest income	22	3,981	3,600	5	41	735	568	4,721	4,209
Donations		385	740	-	-	25,179	22,401	25,564	23,141
Other grants		2,688	2,808	-	-	15,125	7,016	17,813	9,824
Sundry income		54,662	53,887	-	-	15,763	17,726	70,425	71,613
Deferred capital grants amortised (non-ministry)	13	8,433	6,773	-	-	11,270	8,429	19,703	15,202
Total income before profit on investments and share of joint venture's results		644,637	597,365	5	41	159,194	133,141	803,836	730,547
Profit on investments	23	38,638	26,380	108,076	113,803	107	192	146,821	140,375
Share of joint venture's results	6	(111)	(10)	-	-	-	-	(111)	(10)
Total income after profit on investments and share of joint venture's results		683,164	623,735	108,081	113,844	159,301	133,333	950,546	870,912
Expenditure									
Expenditure on manpower		621,311	599,168	1,113	1,028	114,832	106,884	737,256	707,080
Teaching/research		137,777	121,852	-	-	41,526	40,589	179,303	162,441
Administration		75,333	75,741	-	-	53,127	45,949	128,460	121,690
Scholarship expenses		98,020	91,337	-	-	65,111	64,691	163,131	156,028
Maintenance		64,091	68,952	-	-	20,070	16,832	84,161	85,784
Library books and periodicals		4,818	4,532	-	-	-	-	4,818	4,532
Depreciation of property, plant and equipment	3	123,494	159,937	-	-	24,985	21,934	148,479	181,871
Amortisation of prepaid lease	4	1,465	816	-	-	-	-	1,465	816
Balance carried forward		1,126,309	1,122,335	1,113	1,028	319,651	296,879	1,447,073	1,420,242

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

Year ended 31 March 2015

		General fund		Endowment fund		Other restricted fund		Total	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Group (cont'd)									
Balance brought forward		1,126,309	1,122,335	1,113	1,028	319,651	296,879	1,447,073	1,420,242
Capital expenditure not capitalised		29,164	16,321	-	-	2,799	1,328	31,963	17,649
Loss on disposal of property, plant and equipment		372	750	-	-	9	83	381	833
Other expenses		72	181	2,241	2,293	29,755	27,692	32,068	30,166
Total expenses		1,155,917	1,139,587	3,354	3,321	352,214	325,982	1,511,485	1,468,890
(Deficit)/Surplus before grants from ministries	24	(472,753)	(515,852)	104,727	110,523	(192,913)	(192,649)	(560,939)	(597,978)
Grants from ministries									
Development grants	14	32,865	21,717	-	-	-	-	32,865	21,717
Operating grants	25	519,839	509,465	-	-	-	-	519,839	509,465
Other grants		4,850	4,937	-	-	125,718	108,316	130,568	113,253
Deferred capital grants amortised	13	108,517	148,011	-	-	6,427	6,660	114,944	154,671
Total grants from ministries		666,071	684,130	-	-	132,145	114,976	798,216	799,106
Surplus/(Deficit) after grants from ministries	26	193,318	168,278	104,727	110,523	(60,768)	(77,673)	237,277	201,128
Taxation		355	203	-	-	-	-	355	203
Surplus/(Deficit) for the year		192,963	168,075	104,727	110,523	(60,768)	(77,673)	236,922	200,925
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year		192,963	168,075	104,727	110,523	(60,768)	(77,673)	236,922	200,925

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

STATEMENTS OF CHANGES
IN FUNDS AND RESERVES

Year ended 31 March 2015

	Capital account \$'000	Endowment fund \$'000	General fund \$'000	Accumulated surplus Other restricted fund \$'000	Total \$'000
Group					
At 1 April 2013	200,858	1,266,322	561,930	494,207	2,523,317
<i>Total comprehensive income/(loss) for the year:</i>					
Surplus/(Deficit) for the year	-	110,523	168,075	(77,673)	200,925
<i>Transactions recognised directly in funds:</i>					
Donations	-	48,465	-	-	48,465
Government matching grants	-	102,688	-	-	102,688
Transfer from endowment fund	-	(17,948)	9,062	8,886	-
Transfer to other restricted fund	-	-	(87,633)	87,633	-
Transfer to general fund	-	-	9,196	(9,196)	-
At 31 March 2014	200,858	1,510,050	660,630	503,857	2,875,395
<i>Total comprehensive income/(loss) for the year:</i>					
Surplus/(Deficit) for the year	-	104,727	192,963	(60,768)	236,922
<i>Transactions recognised directly in funds:</i>					
Donations	-	42,885	-	-	42,885
Government matching grants	-	95,549	-	-	95,549
Transfer from endowment fund	-	(36,162)	25,144	11,018	-
Transfer to other restricted fund	-	-	(122,033)	122,033	-
Transfer to general fund	-	-	18,547	(18,547)	-
At 31 March 2015	200,858	1,717,049	775,251	557,593	3,250,751

STATEMENTS OF CHANGES
IN FUNDS AND RESERVES (CONT'D)

Year ended 31 March 2015

	Capital account \$'000	Endowment fund \$'000	General fund \$'000	Accumulated surplus Other restricted fund \$'000	Total \$'000
University Company					
At 1 April 2013	200,858	1,266,322	545,840	495,837	2,508,857
<i>Total comprehensive income/(loss) for the year:</i>					
Surplus/(Deficit) for the year	-	110,523	165,828	(76,584)	199,767
<i>Transactions recognised directly in funds:</i>					
Donations	-	48,465	-	-	48,465
Government matching grants	-	102,688	-	-	102,688
Transfer from endowment fund	-	(17,948)	9,062	8,886	-
Transfer to other restricted fund	-	-	(87,633)	87,633	-
Transfer to general fund	-	-	9,196	(9,196)	-
At 31 March 2014	200,858	1,510,050	642,293	506,576	2,859,777
<i>Total comprehensive income/(loss) for the year:</i>					
Surplus/(Deficit) for the year	-	104,727	190,151	(54,132)	240,746
<i>Transactions recognised directly in funds:</i>					
Donations	-	42,885	-	-	42,885
Government matching grants	-	95,549	-	-	95,549
Transfer from endowment fund	-	(36,162)	25,144	11,018	-
Transfer to other restricted fund	-	-	(122,033)	122,033	-
Transfer to general fund	-	-	18,547	(18,547)	-
At 31 March 2015	200,858	1,717,049	754,102	566,948	3,238,957

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
Group			
Operating activities			
Deficit before grants from ministries		(560,939)	(597,978)
Adjustments for:			
Research grant income		(296,943)	(268,349)
Depreciation of property, plant and equipment		148,479	181,871
Amortisation of prepaid lease		1,465	816
Loss on disposal of property, plant and equipment		381	833
Profit on investments		(146,821)	(140,375)
Deferred capital grants amortised (non-ministry)		(19,703)	(15,202)
Interest income		(4,721)	(4,209)
Provision reversed/(made) for undergraduate funding		854	(4,675)
Share of joint venture's results		111	10
		(877,837)	(847,258)
Changes in working capital:			
Other payables		97,949	32,090
Trade and other receivables		(135,720)	68,274
Deferred tuition and other fees		6,375	7,576
Student loans repaid		454	2,029
		(908,779)	(737,289)
Cash generated from operating activities		42,885	48,465
Donations received for Endowment Fund		(330)	(239)
Income taxes paid			
Cash flows used in operating activities		(866,224)	(689,063)
Investing activities			
Acquisition of property, plant and equipment		(377,025)	(263,756)
Acquisition of prepaid lease		-	(38,965)
Purchase of other financial assets		(519,474)	(315,851)
Proceeds from sale of other financial assets		133,223	135,741
Investment in joint venture		(253)	(208)
Decrease in cash held by fund managers	12	(34,950)	(21,296)
Interest received		4,004	2,958
Cash flows used in investing activities		(794,475)	(501,377)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
Group (cont'd)			
Financing activities			
Sinking fund received		30,289	41,325
IT and F&E grant received		31,310	45,812
Research grants received, net of refund		309,967	260,773
Operating grants received, net of payment of goods and service tax expense on tuition fees and tuition grants		454,089	634,995
Development grants and related income received		165,326	101,064
Government ministry grants received		206,423	213,509
Proceeds from borrowings		92,213	111,200
Repayments of borrowings		(204,413)	(48,300)
Cash flows from financing activities		1,085,204	1,360,378
Net (decrease)/increase in cash and cash equivalents		(575,495)	169,938
Cash and cash equivalents at beginning of the year		1,351,051	1,181,113
Cash and cash equivalents at end of the year	12	775,556	1,351,051

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

NOTES TO
FINANCIAL STATEMENTS
31 March 2015

1 GENERAL

Nanyang Technological University (“NTU” or the “University Company”), established under the Singapore Companies Act, Chapter 50, is domiciled in Singapore. The University Company’s registered office and place of business is located at 50 Nanyang Avenue Singapore 639798. The financial statements are expressed in Singapore dollars.

The University Company is principally engaged in the advancement and dissemination of knowledge, the promotion of research and scholarships and the conferring and awarding of degrees, diplomas and certificates.

The principal activities of the subsidiaries are set out in Note 5.

As the operations of the University Company is substantially funded by the Ministry of Education (“MOE” or the “Government Ministry”) through government grants, with MOE having the power to appoint and remove members to the Board of Trustees of the University Company, MOE is regarded as the parent entity.

The consolidated financial statements relate to the University Company and its subsidiaries (referred to as the “Group”). The consolidated financial statements of the Group and statement of financial position and statement of changes in funds and reserves of the University Company for the year ended 31 March 2015 were authorised for issue by the Board of Trustees on 13 August 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Basis of measurement

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

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

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

(a) Basis of measurement (cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities
- *Level 2:* inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(b) Functional and presentation currency

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 and the statement of financial position of the University Company are presented in Singapore dollars, which is the functional currency of the University Company and the presentation currency for the consolidated financial statements.

All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

(c) Use of estimates and judgements

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenditure. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

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 amount of assets and liabilities within the next financial year, are discussed below.

- Notes 2.8, 9 and 11 - valuation of financial instruments

Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the group obtains valuations from third party fund managers/fund administrators/custodian banks. The valuations are determined using market-observable data to the extent it is available. Where Level 1 inputs are not available, the fund managers/fund administrators/custodian banks establish the fair value of the investments using the net asset value at the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

(c) Use of estimates and judgements (cont'd)

- Notes 2.8, 9 and 11 - valuation of financial instruments (cont'd)

Derivative financial instruments

The fair value of derivatives (foreign currency forwards) is estimated by discounting the difference between the contractual forward price and the current forward price for the residual period to maturity of the contract.

Financial assets at fair value through profit or loss

The fair values of financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. The Group and University Company also holds unquoted investments, of which the valuation methodologies are set out in Note 11.

- Notes 2.10 and 15 (b) — measurement of provisions

Provision for undergraduate funding

Provision for undergraduate funding relates to the adjustment to the undergraduate output funding from MOE in the event the University achieves fewer undergraduates than MOE's output target. The provision is based on the University's actual and projected number of undergraduates.

(d) Adoption of new and revised standards

On 1 April 2014, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs does not result in changes to the Group's and University Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the University Company and entities controlled by the University Company and its subsidiaries. Control is achieved when the University Company:

- (i) Has power over the investee;
- (ii) Is exposed, or has rights, to variable returns from its involvement with the investee; and
- (iii) Has the ability to use its power to affect its returns.

The University Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the University Company obtains control over the subsidiary and ceases when the University Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the University Company gains control until the date when the University Company ceases to control the subsidiary.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Consolidation (cont'd)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as funds and reserves, it is not remeasured and settlement is accounted for within funds and reserves. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the statement of comprehensive income.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to the functional currency at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated to the functional currency at the rates prevailing on the date that the fair value is determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Foreign currency differences arising on retranslation are recognised in the profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to the functional currency of the University Company and the presentation currency for the consolidated financial statements at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates ruling at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign exchange translation reserves is transferred to the profit or loss as part of the gain or loss on disposal.

2.4 Funds

Assets and liabilities of all funds are pooled in the statements of financial position.

General and other restricted funds

Income and expenditure are generally accounted for under the “General Fund” in the statement of comprehensive income. The use of these reserves is subject to the approval of the Board of Trustees.

The income and expenditure relating to funds that are set up for specific purposes are accounted for under “Other Restricted Fund” in the statement of comprehensive income.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Funds (cont'd)

The following funds termed as “Other Restricted Fund” are set up and disclosed separately from the University Company’s general fund:

- (i) funds created from donations from external bodies for special purposes;
- (ii) funds created from grants received for carrying out activities under special arrangements; and
- (iii) funds maintained separately to account for the self-financing activities carried out by the University Company.

The use of these funds are governed by the terms and conditions set out by the respective funds.

The income and expenditure of General Fund and Other Restricted Fund are included in the consolidated statement of comprehensive income.

Endowment fund

Donations received and Government matching grants received/receivable during the year are taken directly to the statement of funds and reserves. Income and expenditure arising from the management of the Endowment Fund are taken to the statement of comprehensive income of the Endowment Fund.

2.5 Grants and sinking fund

Grants and sinking fund from the Government Ministry, other ministries and statutory boards and contributions received/receivable from other organisations for the purchase of depreciable assets or to finance research or capital projects are taken to the grants received in advance account in the first instance. They are taken to the deferred capital grants account upon the utilisation of the grants for purchase of assets, which are capitalised, or to the profit or loss for purchase of assets which are written off in the year of purchase.

Deferred capital grants are recognised in the profit or loss over the periods necessary to match the depreciation, write off and/or impairment loss of the assets purchased with the related grants. Upon the disposal of property, plant and equipment, the balance of the related deferred capital grants is recognised in the profit or loss to match the net book value of the property, plant and equipment written off.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Grants and sinking fund (cont'd)

Development grant is recognised when there is reasonable assurance that the University Company will comply with the conditions attach to them and that the grants will be received.

Information Technology and Furniture and Equipment (“IT and F&E”) grants received from the Government Ministry are for the purchase of information technology appliances and furniture and equipment to support teaching and administrative function of the University Company. These grants are taken to the grants received in advance account in the first instance. They are taken to deferred capital grants account upon the utilisation of the grants for purchase of assets, which are capitalised, or to the profit or loss for purchase of assets which are written off in the year of purchase.

Grants from the Government Ministry and other ministries to meet the current year’s operating expenses are recognised as income in the same year these operating expenses were incurred.

All grants and contributions are accounted for on the accrual basis.

Special Employment Credit scheme

Cash grants received from the government in relation to the Special Employment Credit scheme (“SEC”) are recognised upon receipt. The SEC was introduced as a 2011 Budget Initiative to support employers as well as to raise the employability of older low-wage Singaporeans.

Wage Credit scheme

Cash grants received from the government in relation to the Wage Credit scheme (“WCS”) are recognised upon receipt. The WCS was introduced to help businesses which may face rising wage costs in a tight labour market.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land alienated to the Group and University Company which are stated at values provided by the Government. Donated assets are stated at valuation at initial recognition.

The freehold land of the Group and the University Company were stated at valuation carried out in December 1987 based on values in a valuation report from the Commissioner of Lands. The revaluation was done on a one-off basis and accordingly, the transitional provision in FRS 16 — *Property, Plant and Equipment* was adopted to continue with its existing policy of stating the freehold land at deemed cost. This revaluation surplus was credited directly to the Capital Account. Upon disposal, any related revaluation surplus is transferred from the Capital Account to accumulated surplus and is not taken into account in arriving at the gain or loss on disposal.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment costing less than \$2,000 each, renovation costing \$100,000 and below and library books are generally charged to the profit or loss in the year of purchase.

The gain or loss on disposal of an item of property, plant and equipment recognised in the profit or loss is derived from the proceeds from disposal and the carrying amount of property, plant and equipment.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Property, plant and equipment (cont'd)

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Except for freehold land and buildings under construction which are not depreciated, depreciation on other property, plant and equipment is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Buildings and infrastructure	3 to 30 years
Renovation	5 years
Machinery, laboratory and workshop equipment	6 years
Furniture and office equipment	3 to 5 years
Transportation equipment	8 years
Others	8 years

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at each reporting date.

Buildings under construction are stated at cost. Expenditure relating to the construction of projects are capitalised when incurred. No depreciation is charged on building under construction until the building under construction is completed and the related property, plant and equipment are transferred to the respective property, plant and equipment categories and depreciated accordingly.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the assets shall be fully depreciated over the shorter of the lease term and their useful lives.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Property, plant and equipment (cont'd)

At the beginning of the reporting period, the Group has reviewed the estimated useful life for buildings and infrastructure. The estimated useful life for buildings and infrastructure has changed from 3 to 20 years to 3 to 30 years. The financial impact of this reassessment for the financial period from April 1, 2014 to March 31, 2015 is as follows:

	\$'000
Increase in surplus	262
Decrease in depreciation expenses	32,646
Decrease in deferred capital grants amortised	32,384
Increase in property, plant and equipment	32,646
Increase in deferred capital grants	32,384

The financial impact of this reassessment for future periods subsequent to March 31, 2015 is not disclosed as management deems it impracticable to estimate the effects.

2.7 Impairment — non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Impairment — non-financial assets (cont'd)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.8 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position, when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is acquired principally for the purpose of selling in the short term or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management and investment strategies. Upon initial recognition, attributable transaction costs are recognised in the profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the profit or loss.

Financial assets designated at fair value through profit or loss comprise fixed income, quoted equity, unquoted investments and other investments.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial instruments (cont'd)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, student loans, grant receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the profit or loss.

Non-derivative financial liabilities

The Group recognises financial liabilities when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial instruments (cont'd)

Non-derivative financial liabilities (cont'd)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities comprise loans and borrowings, and other payables and accruals.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Derivative financial instruments and hedging instruments

The Group holds derivative financial instruments, through its external fund managers, to hedge its foreign currency exposure. Further details of derivative financial instruments are disclosed in Note 9 to the financial statements.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein accounted for in the profit or loss.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related services are provided.

2.10 Provisions

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

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

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

2.11 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Income tax (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income and expenditure; temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.12 Income recognition

Student fees

Income from tuition and other fees are recognised in the period in which the services are rendered.

Management fees

Management fees are recognised upon services rendered.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Income recognition (cont'd)

Donations

Unconditional donations are recognised upon receipt.

Licence fees

Licence fees are recognised in accordance with terms of licensing agreement.

Royalties

Royalties are recognised on sale, by licensor, of products using the technology granted.

Dividends

Dividends are recognised in the financial year in which the right to receive payment is established.

Rental Income

Rental income receivable under operating leases is recognised in the profit or loss on a straight-line basis over the term of the lease.

2.13 Finance income and finance costs

Finance income comprises interest income generated from fixed deposits, bank deposits and finance leases. Interest income is recognised as it accrues in the profit or loss, using the effective interest method. Interest income on the finance lease is recognised in the profit or loss over the period of the lease so as to earn an approximately constant periodic rate of return on the remaining balance of the finance lease receivables for each reporting period.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss using the effective interest method.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Lease payments

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

2.15 Prepaid lease

Prepaid lease is recognised in the statement of financial position and amortised to profit or loss on a straight-line basis over the term of the lease.

2.16 Finance lease receivables

Assets held under finance lease are recognised in the statement of financial position and presented as receivables net of unearned interest and after deduction of allowance for possible losses.

2.17 Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Board of Trustees and senior management team are considered as key management personnel of the Group.

2.18 New standards and on interpretations not yet adopted

At the date of authorisation of these financial statements, the following FRSs and amendments to FRS that are relevant to the Group and the University Company were issued but not effective:

- (i) Improvements to Financial Reporting Standards (January 2014)
- (ii) Improvements to Financial Reporting Standards (February 2014)
- (iii) FRS 109 Financial Instruments

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

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

3 PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$'000	Buildings and infrastructure \$'000	Buildings under construction \$'000	Renovation \$'000	Machinery, laboratory and workshop equipment \$'000	Furniture and office equipment \$'000	Transportation equipment \$'000	Others \$'000	Total \$'000
Group									
Cost or valuation:									
At 1 April 2013	200,858	1,843,439	46,799	126,092	794,741	246,826	6,612	4,573	3,269,940
Additions	-	2,967	152,361	7,734	85,485	13,621	716	872	263,756
Disposals	-	(8,265)	(1)	(649)	(24,153)	(14,411)	(91)	(175)	(47,745)
Reclassifications	-	19,789	(41,923)	12,153	8,267	1,696	-	18	-
At 31 March 2014	200,858	1,857,930	157,236	145,330	864,340	247,732	7,237	5,288	3,485,951
Additions	-	1,793	274,279	5,521	77,031	17,295	449	657	377,025
Disposals	-	(3,659)	-	(7)	(30,268)	(19,268)	(360)	(14)	(53,576)
Reclassifications	-	154,284	(212,304)	20,493	29,728	7,417	168	214	-
At 31 March 2015	200,858	2,010,348	219,211	171,337	940,831	253,176	7,494	6,145	3,809,400
Comprising:									
31 March 2014	-	1,857,930	157,236	145,330	864,340	247,732	7,237	5,288	3,285,093
At cost	200,858	-	-	-	-	-	-	-	200,858
At valuation	-	1,857,930	157,236	145,330	864,340	247,732	7,237	5,288	3,485,951
31 March 2015	-	2,010,348	219,211	171,337	940,831	253,176	7,494	6,145	3,608,542
At cost	200,858	-	-	-	-	-	-	-	200,858
At valuation	-	2,010,348	219,211	171,337	940,831	253,176	7,494	6,145	3,809,400

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land \$'000	Buildings and infrastructure \$'000	Buildings under construction \$'000	Renovation \$'000	Machinery, laboratory and workshop equipment \$'000	Furniture and office equipment \$'000	Transportation equipment \$'000	Others \$'000	Total \$'000
Group (cont'd)									
Accumulated depreciation									
At 1 April 2013	-	1,246,590	-	78,025	595,219	201,442	4,137	2,748	2,128,161
Depreciation for the year	-	70,836	-	23,464	66,584	19,962	831	194	181,871
Disposals	-	(8,055)	-	(708)	(23,637)	(14,260)	(91)	(161)	(46,912)
At 31 March 2014	-	1,309,371	-	100,781	638,166	207,144	4,877	2,781	2,263,120
Depreciation for the year	-	35,288	-	21,169	72,588	18,348	867	219	148,479
Disposals	-	(3,649)	-	(7)	(29,985)	(19,225)	(315)	(14)	(53,195)
At 31 March 2015	-	1,341,010	-	121,943	680,769	206,267	5,429	2,986	2,358,404
Carrying amount									
At 31 March 2014	200,858	548,559	157,236	44,549	226,174	40,588	2,360	2,507	1,222,831
At 31 March 2015	200,858	669,338	219,211	49,394	260,062	46,909	2,065	3,159	1,450,996

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land \$'000	Buildings and infrastructure \$'000	Buildings under construction \$'000	Renovation \$'000	Machinery, laboratory and workshop equipment \$'000	Furniture and office equipment \$'000	Transportation equipment \$'000	Others \$'000	Total \$'000
University Company									
Cost or valuation:									
At 1 April 2013	200,858	1,843,439	46,799	124,590	794,250	245,301	6,612	4,573	3,266,422
Additions	-	2,967	152,361	7,666	85,480	13,068	716	872	263,130
Disposals	-	(8,265)	(1)	(644)	(24,050)	(14,341)	(91)	(175)	(47,567)
Reclassifications	-	19,789	(41,923)	12,153	8,267	1,696	-	18	-
At 31 March 2014	200,858	1,857,930	157,236	143,765	863,947	245,724	7,237	5,288	3,481,985
Additions	-	1,793	274,279	5,521	77,031	17,101	449	657	376,831
Disposals	-	(3,659)	-	(7)	(30,220)	(19,192)	(360)	(14)	(53,452)
Reclassifications	-	154,284	(212,304)	20,493	29,728	7,417	168	214	-
At 31 March 2015	200,858	2,010,348	219,211	169,772	940,486	251,050	7,494	6,145	3,805,364
Comprising:									
31 March 2014									
At cost	-	1,857,930	157,236	143,765	863,947	245,724	7,237	5,288	3,281,127
At valuation	200,858	-	-	-	-	-	-	-	200,858
	200,858	1,857,930	157,236	143,765	863,947	245,724	7,237	5,288	3,481,985
31 March 2015									
At cost	-	2,010,348	219,211	169,772	940,486	251,050	7,494	6,145	3,604,506
At valuation	200,858	-	-	-	-	-	-	-	200,858
	200,858	2,010,348	219,211	169,772	940,486	251,050	7,494	6,145	3,805,364

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land \$'000	Buildings and infrastructure \$'000	Buildings under construction \$'000	Renovation \$'000	Machinery, laboratory and workshop equipment \$'000	Furniture and office equipment \$'000	Transportation equipment \$'000	Others \$'000	Total \$'000
University Company (cont'd)									
Accumulated depreciation									
At 1 April 2013	-	1,246,590	-	77,186	594,878	200,393	4,137	2,748	2,125,932
Depreciation for the year	-	70,836	-	23,147	66,538	19,650	831	194	181,196
Disposals	-	(8,055)	-	(705)	(23,535)	(14,195)	(91)	(161)	(46,742)
At 31 March 2014	-	1,309,371	-	99,628	637,881	205,848	4,877	2,781	2,260,386
Depreciation for the year	-	35,288	-	20,892	72,546	17,968	867	219	147,780
Disposals	-	(3,649)	-	(7)	(29,940)	(19,157)	(315)	(14)	(53,082)
At 31 March 2015	-	1,341,010	-	120,513	680,487	204,659	5,429	2,986	2,355,084
Carrying amount									
At 31 March 2014	200,858	548,559	157,236	44,137	226,066	39,876	2,360	2,507	1,221,599
At 31 March 2015	200,858	669,338	219,211	49,259	259,999	46,391	2,065	3,159	1,450,280

The freehold land of the Group and the University Company were stated at valuation carried out in December 1987 based on values in a valuation report from the Commissioner of Lands. The revaluation was done on a one-off basis and accordingly, the transitional provision in FRS 16 – *Property, Plant and Equipment* was adopted to continue with its existing policy of stating the freehold land at deemed cost.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

4 PREPAID LEASE

	Group and University Company	
	2015 \$'000	2014 \$'000
Cost		
At 1 April	43,947	4,982
Additions	-	38,965
At 31 March	43,947	43,947
Accumulated amortisation		
At 1 April	2,531	1,715
Amortisation charge for the year	1,465	816
At 31 March	3,996	2,531
Carrying amount		
At 31 March	39,951	41,416

5 SUBSIDIARIES

	University Company 2015 \$'000		2014 \$'000	
Equity investments at cost	500		500	
Loans to subsidiaries	291		291	
	791		791	

The loans to subsidiaries are unsecured and interest-free. The settlements of the amounts are neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the University Company's net investment in the subsidiaries, they are stated at cost less impairment losses.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

5 **SUBSIDIARIES (cont'd)**

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest		Principal activities
		2015 %	2014 %	
Held by the University Company				
^{@^} Nanyang Technological University-NTUitive Pte Ltd (formerly known as NTU Ventures Private Limited)	Singapore	100	100	Innovation and enterprise company of NTU.
[@] NTU Holdings Pte Ltd	Singapore	100	100	Investment holding.
[@] Singapore Centre for Chinese Language Limited	Singapore	100	100	Provision of training/ professional development courses for Chinese language teachers and conduct of educational research and activities.
[@] NIE International Private Limited	Singapore	100	100	Provision of training programmes and consultancy in teacher education and school leadership.
[#] Friends of NTU	United States	100	100	Promote the advancement of NTU in United States.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

5 **SUBSIDIARIES (cont'd)**

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest		Principal activities
		2015 %	2014 %	
Held by Nanyang Technological University-NTUitive Pte Ltd				
@ TechBiz Xccelerator Pte Ltd	Singapore	100	100	Technology accelerator for information communications and media technologies.
@ Institute of Environmental Science and Engineering Pte Ltd	Singapore	100	100	Technology accelerator for engineering technologies.
@ Systemed Pte Ltd	Singapore	100	100	Technology accelerator for medical technology.
@ Interactive Digital Media Ltd	Singapore	100	100	Research and development in interactive digital media.
Held by NTU Holdings Pte Ltd				
* Nanyang Venture Consulting (Shanghai) Co., Ltd	China	100	100	Consultant for enterprise management, technology and education.
@ Confucius Institute, NTU Pte Ltd	Singapore	100	100	Promotion of Chinese language, culture and support of local Chinese teaching.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

5 **SUBSIDIARIES (cont'd)**

Name of subsidiary	Country of incorporation	Ownership interest		Principal activities
		2015 %	2014 %	
Held by Nanyang Venture Consulting (Shanghai) Co., Ltd				
* Nanyang Venture Consulting (Beijing) Co., Ltd	China	100	100	Consultant for enterprise management, technology and education.
* Audited by overseas practices of Deloitte Touche Tohmatsu Limited.				
@ Audited by Deloitte & Touche LLP, Singapore.				
# Not required to be audited in the country of incorporation.				
^ NTU Ventures Private Limited was renamed as Nanyang Technological University-NTUitive Pte Ltd with effect from 23 April 2014.				

6 **JOINT VENTURE**

In 2014, the Group established TechBridge Ventures Pte Ltd, a company incorporated in Singapore, and holds 50% share in the ownership of the company through its wholly-owned subsidiary, Nanyang Technological University-NTUitive Pte Ltd (formerly known as NTU Ventures Private Limited). The principal activity of the joint venture is to engage in technology development and commercialisation.

The following amounts are included in the Group's financial statements as a result of the equity accounting of TechBridge Ventures Pte Ltd:

	Group	
	2015 \$'000	2014 \$'000
Cost of investment in joint venture	461	208
Share of post-acquisition loss	(121)	(10)
	340	198

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

6 **JOINT VENTURE (cont'd)**

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

	Group	
	2015 \$'000	2014 \$'000
Total assets	853	208
Total liabilities	(426)	(229)
Net assets/(liabilities)	427	(21)
Group's share of joint venture's net assets/(liabilities)	214	(10)
Revenue	74	-
Loss for the year	(222)	(20)
Group's share of joint venture's loss for the year	(111)	(10)

7 **STUDENT LOANS**

	Group and University Company	
	2015 \$'000	2014 \$'000
Student loans	4,256	4,710
Represented by:		
Amount repayable within 12 months	1,772	2,290
Amount repayable after 12 months	2,484	2,420
	4,256	4,710

The student loans are unsecured, interest-free and repayable over a period of 2 to 5 years.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

8 FINANCE LEASE RECEIVABLES

	Minimum lease payments		Present value of minimum lease payments	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Group and University Company				
Amounts receivable under finance leases:				
Within one year	1,440	1,190	937	668
In the second to fifth year inclusive	5,760	5,760	3,987	3,891
After fifth year	18,779	20,219	16,114	17,147
	25,979	27,169	21,038	21,706
Less: Unearned finance income	(4,941)	(5,463)		
Present value of minimum lease payments receivable	21,038	21,706		

The net investment in finance lease receivables are analysed as follows:

	Group and University Company	
	2015 \$'000	2014 \$'000
Current finance lease receivables (recoverable within 12 months)	937	668
Non-current finance lease receivables (recoverable after 12 months)	20,101	21,038
	21,038	21,706

This relates to the lease of land and building to NTU Alumni Club over a lease period of 26 years.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

9 DERIVATIVE FINANCIAL INSTRUMENTS

The table below sets out the notional principal amounts and the positive and negative fair values of the Group's and University Company's outstanding derivative financial instruments at the end of the reporting period (comprising foreign currency forwards). Positive and negative fair values represent the mark-to-market values of the derivative contracts and are termed as derivative assets and derivative liabilities respectively. Notional principal amounts are the amount of principal underlying the contract at the end of reporting date.

	Contractual maturity		Fair value	
	Within 1 year \$'000	Total \$'000	Derivative assets \$'000	Derivative liabilities \$'000
Group and University Company				
2015				
Foreign currency forwards	948,259	948,259	4,219	11,665
2014				
Foreign currency forwards	712,670	712,670	5,919	-

As the maturity of the forward exchange contracts is less than a year, the fair value of forward exchange contracts is estimated by determining the difference between the contractual forward price and the forward price at the end of the reporting period for the residual period to maturity of the contract.

Changes in the fair value of the foreign currency forwards are included as part of the fair value loss on derivative financial instruments in Note 23.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

10 TRADE AND OTHER RECEIVABLES

	Note	Group 2015 \$'000	2014 \$'000	University Company 2015 \$'000	2014 \$'000
Trade receivables		69,548	34,132	67,208	32,773
Interest receivables		3,761	3,044	3,761	3,044
Operating grant receivables		80,471	-	80,471	-
Research grant receivables		88,507	59,338	88,507	59,338
Endowment matching grant receivables		48,018	28,324	48,018	28,324
Grants receivables	14	96,654	7,892	96,654	7,892
Other receivables		135,643	49,219	132,596	46,219
Allowance for doubtful receivables		(902)	(829)	(902)	(829)
		134,741	48,390	131,694	45,390
Amounts due from subsidiaries (trade)		-	-	1,795	2,339
Allowance for doubtful receivables		-	-	(147)	(147)
		-	-	1,648	2,192
Amounts due from subsidiaries (non-trade)		-	-	1,015	1,015
Allowance for doubtful receivables		-	-	(1,015)	(1,015)
		-	-	-	-
Amounts due from joint venture		11	19	11	18
Loans and receivables		521,711	181,139	517,972	178,971
Prepayments		10,306	9,908	10,097	9,702
		532,017	191,047	528,069	188,673

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Concentration of credit risk relating to trade receivables is limited due to the Group's varied customers. These customers are mainly statutory boards, ministries and companies who provided funding for research activities. The Group's historical experience in the collection of accounts receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Credit risk for other receivables including the various grant receivables is limited as these relate mainly to receivables from the Government Ministry.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and University Company 2015 \$'000	2014 \$'000
Fixed income investments	415,431	299,263
Quoted equity investments	701,379	510,035
Unquoted investments	1,115,572	834,760
Other investments	145,864	152,801
	2,378,246	1,796,859

The Group's and University Company's investments are managed by external fund managers. The fair values of the financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. The unquoted investments represent investments in private equity funds, hedge funds and limited partnerships. The fair values of these unquoted investments are based on net asset values provided by fund managers and external valuations.

The Group's and University Company's investments comprise financial instruments (fixed income, quoted equity, unquoted investments and other investments) managed by external fund managers and cash balances and bank deposits as follows:

	Note	Group and University Company 2015 \$'000	2014 \$'000
Financial assets at fair value through profit or loss		2,378,246	1,796,859
Cash balances and bank deposits	12	69,355	62,453
		2,447,601	1,859,312

The cash balances and bank deposits are included as a component in the cash and cash equivalents in Note 12 for the purpose of disclosure.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (cont'd)

The weighted average interest rates of fixed income securities at the end of the reporting period and the periods in which they mature are as follows:

		Fixed interest rate securities maturing			
	Effective interest rate per annum %	Less than 1 year \$'000	In 1 to 5 years \$'000	After 5 years \$'000	Total \$'000
Group and University Company					
2015	1.1 to 3.5	-	133,314	157,501	290,815
2014	0.4 to 4.2	-	79,357	122,009	201,366
12 CASH AND CASH EQUIVALENTS					
	Note	Group 2015 \$'000	2014 \$'000	University Company 2015 \$'000	2014 \$'000
Investments					
Cash at bank and in hand		5,443	3,591	5,443	3,591
Deposit with financial institutions		40,000	-	40,000	-
		45,443	3,591	45,443	3,591
Money market funds and cash held by custodian banks		23,912	58,862	23,912	58,862
	11	69,355	62,453	69,355	62,453
Others					
Cash at bank and in hand		84,369	228,410	70,463	209,730
Deposit with financial institutions		621,832	1,060,188	619,693	1,058,055
		706,201	1,288,598	690,156	1,267,785
Cash and cash equivalents		775,556	1,351,051	759,511	1,330,238

The University Company manages 2 bank accounts on behalf of the NTU Students' Union. As at end of the reporting period, the bank balance of \$5,933,000 (2014: \$5,552,000) has not been included in the cash and cash equivalents of the University Company.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

13 DEFERRED CAPITAL GRANTS

	Government Ministries		Statutory boards		Others		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Group								
At 1 April	778,046	755,590	70,793	45,857	14,462	11,102	863,301	812,549
Add:								
Grants received for capital expenditure and development project transferred from								
- Operating grants (Note 25)	14,614	29,085	-	-	-	-	14,614	29,085
- Research grants (Note 18)	26,110	23,492	17,901	16,365	919	512	44,930	40,369
- Development grants (Note 14)	271,861	117,035	193	-	-	-	272,054	117,035
- Other grants	2,027	7,515	7,756	21,811	3,674	4,203	13,457	33,529
Assets donated by various organisations	-	-	-	-	1,494	607	1,494	607
	314,612	177,127	25,850	38,176	6,087	5,322	346,549	220,625
Less:								
Grants taken to profit or loss								
Amortisation charge for the year	114,628	153,966	16,401	13,134	3,293	1,947	134,322	169,047
On disposal of fixed assets	316	705	4	106	5	15	325	826
	114,944	154,671	16,405	13,240	3,298	1,962	134,647	169,873
At 31 March	977,714	778,046	80,238	70,793	17,251	14,462	1,075,203	863,301

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

13 DEFERRED CAPITAL GRANTS (cont'd)

	Government Ministries		Statutory boards		Others		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
University Company								
At 1 April	777,638	754,796	70,278	45,724	14,462	11,102	862,378	811,622
Add:								
Grants received for capital expenditure and development project transferred from								
- Operating grants	14,604	29,069	-	-	-	-	14,604	29,069
- Research grants (Note 18)	26,110	23,492	17,901	16,365	919	512	44,930	40,369
- Development grants (Note 14)	271,861	117,035	193	-	-	-	272,054	117,035
- Other grants	2,027	7,515	7,580	21,324	3,674	4,203	13,281	33,042
Assets donated by various organisations	-	-	-	-	1,494	607	1,494	607
	314,602	177,111	25,674	37,689	6,087	5,322	346,363	220,122
Less:								
Grants taken to profit or loss	114,340	153,568	16,130	13,029	3,293	1,947	133,763	168,544
Amortisation charge for the year	312	701	4	106	5	15	321	822
On disposal of fixed assets								
	114,652	154,269	16,134	13,135	3,298	1,962	134,084	169,366
At 31 March	977,588	777,638	79,818	70,278	17,251	14,462	1,074,657	862,378

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

14 GRANTS RECEIVABLE/IT AND F&E GRANTS/SINKING FUND RECEIVED IN ADVANCE

	Note	Group and University Company	
		2015 \$'000	2014 \$'000
Grants receivable within 12 months			
- Development grant		86,301	7,892
- IT and F&E grant		4,862	-
- Sinking fund		5,491	-
Subtotal	10	96,654	7,892
Grants received in advance			
- IT and F&E	(a)	(43,503)	(44,930)
- Sinking fund	(b)	(280,414)	(268,219)
Subtotal		(323,917)	(313,149)
Total		(227,263)	(305,257)
Grants received in advance represented as:			
Current portion			
- IT and F&E		(43,503)	(44,930)
- Sinking fund		(39,652)	(40,949)
		(83,155)	(85,879)
Non-current portion			
- Sinking fund		(240,762)	(227,270)
		(323,917)	(313,149)

Movements in grants (received in advance)/receivable:

	Note	Group and University Company	
		2015 \$'000	2014 \$'000
At 1 April		(305,257)	(255,808)
Grants received during the year		(226,925)	(188,201)
		(532,182)	(444,009)
Less:			
Amounts transferred to deferred capital grants	13	272,054	117,035
Amounts taken to profit or loss		32,865	21,717
At 31 March		(227,263)	(305,257)

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

14 GRANTS RECEIVABLE/IT AND F&E GRANTS/SINKING FUND RECEIVED IN ADVANCE (cont'd)

These are grants from the Government Ministry and statutory boards for financing development projects.

- (a) This amount relates to grants received in advance for the purchase of IT and F&E items to support teaching and administrative functions.
- (b) This amount relates to sinking fund received in advance from the Government Ministry for the purpose of maintenance and replacement of property, plant and equipment.

15 PROVISIONS

	Note	Group 2015 \$'000	2014 \$'000	University Company 2015 \$'000	2014 \$'000
Provision for unutilised compensated leave	(a)	51,807	49,374	51,541	49,193
Provision for undergraduate funding	(b)	53,527	47,170	53,527	47,170
		105,334	96,544	105,068	96,363

- (a) The movement in the provision for unutilised compensated leave is as follows:

	Group 2015 \$'000	2014 \$'000	University Company 2015 \$'000	2014 \$'000
At 1 April	49,374	43,257	49,193	43,096
Provision made during the year	2,433	6,117	2,348	6,097
At 31 March	51,807	49,374	51,541	49,193

- (b) The movement in the provision for undergraduate funding is as follows:

	Group 2015 \$'000	2014 \$'000	University Company 2015 \$'000	2014 \$'000
At 1 April	47,170	54,599	47,170	54,599
Provision (reversed)/made during the year	(854)	4,675	(854)	4,675
Amount refunded/(paid)	7,211	(12,104)	7,211	(12,104)
At 31 March	53,527	47,170	53,527	47,170

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

15 PROVISIONS (cont'd)

Provision for undergraduate funding relates to the adjustment to the undergraduate output funding from MOE in the event the University Company achieves fewer undergraduates than MOE's output target. The provision is based on the University Company's actual and projected number of undergraduates.

16 GRANT RECEIVED IN ADVANCE – OPERATING GRANTS

	Group 2015 \$'000	2014 \$'000
At 1 April	2,608	1,210
Grants received during the year	1,305	1,687
	3,913	2,897
Less:		
Amounts taken to profit or loss	334	273
Amounts transferred to deferred capital grants	10	16
At 31 March	3,569	2,608

This relates to grants received from the Government Ministry to finance the subsidiary's operations. The balance in this account represents grant received but not utilised at the end of the financial year.

17 SHORT-TERM BORROWINGS

The borrowings are unsecured, bear interest at 0.96% (2014: 0.99%) per annum and are repayable within the next twelve months from the financial year end.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

18 RESEARCH GRANTS RECEIVED IN ADVANCE

	Note	Group 2015 \$'000	2014 \$'000	University Company 2015 \$'000	2014 \$'000
At 1 April		99,967	127,382	99,797	127,228
Grants received during the year		310,029	260,773	309,382	260,404
		409,996	388,155	409,179	387,632
Less:					
Amounts transferred to deferred capital grants	13	44,930	40,369	44,930	40,369
Amounts taken to profit or loss		296,943	268,349	296,498	267,996
Amounts refunded to the Government Ministry, other ministries and statutory boards		62	-	-	-
Amounts transferred to grant receivables		(29,169)	(20,530)	(29,169)	(20,530)
At 31 March		97,230	99,967	96,920	99,797

These are grants received from the Government Ministry, other ministries, statutory boards, Agency for Science, Technology & Research ("A*Star") and other sources for research activities. The balance in this account represents grants received but not utilised at the end of the financial year.

The research grants awarded from the Government Ministry, other ministries, statutory boards, A*Star and other sources in 2015 amounted to \$502,500,000 (2014: \$522,500,000).

19 CAPITAL ACCOUNT

The capital account represents the revaluation of the freehold land alienated to Nanyang Technological University (details are set out in Note 3).

20 ENDOWMENT FUND AND OTHER RESTRICTED FUND

The Endowment Fund comprises donations, grants, gifts, testamentary disposition and proceeds from gifts of movable or immovable properties. The objectives of this fund comprise the provision of facilities for teaching, training and research, the advancement and dissemination of knowledge and the promotion of research.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

20 ENDOWMENT FUND AND OTHER RESTRICTED FUND (cont'd)

Other Restricted Fund comprises the following funds that are ring-fenced to support their respective operations:

- (i) Academic Centres — These are mainly self-financed teaching centres (conducting courses and dedicated teaching programmes) as well as research centres.
- (ii) Non-Academic Centres — These are set-up to provide separate monitoring and management of facilities, for example halls of residence for students, housing for faculty and staff, Nanyang Executive Centre etc.
- (iii) Autonomous Institutes — These comprise National Institute of Education, Lee Kong Chian School of Medicine, Earth Observatory of Singapore, Singapore Centre on Environmental Life Sciences Engineering, S.Rajaratnam School of International Studies and Chinese Heritage Centre.
- (iv) Scholarship Fund — These comprise funds for the award of scholarships and bursaries.

21 FUNDS MANAGED ON BEHALF OF THE GOVERNMENT MINISTRY

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

	Group and University Company	
	2015 \$'000	2014 \$'000
Cash from the Government Ministry:		
At 1 April	211,794	219,864
Cash received	26,296	51,814
Interest income received on behalf of Government Ministry	3,905	3,919
Repayments	(56,695)	(60,479)
Bad debts recovered	158	595
Interest income transferred to Government Ministry	(3,905)	(3,919)
	181,553	211,794
Represented by:		
Cash and bank balances held on behalf of TFL, SL and OSP	-	2,481
	210,383	209,313
Net assets	210,383	211,794
Less: Amount receivable from Government Ministry	(28,830)	-
	181,553	211,794

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

21 FUNDS MANAGED ON BEHALF OF THE GOVERNMENT MINISTRY (cont'd)

Cash and bank balances of \$28,830,000 are paid on behalf and receivable from the Government Ministry in 2015 while \$2,481,000 were held on behalf of the Government Ministry in 2014 for the purpose of extending study loans to students.

Students on TFL, SL and OSP are to commence repayment upon graduation. Students are given an option to repay by monthly instalments of minimum amount of \$100 over a period of up to 20 years (for TFL and SL) and 5 years (for OSP) after the borrowers' graduation. Interest is charged at the average prime rates of three local banks prevailing on the first day of each quarter, or such other rates as may be determined from time to time. Interest charged in 2015 is 4.75% (2014: 4.75%) per annum.

The interest on the TFL, SL and OSP is remitted in full to the Government Ministry on a monthly basis.

22 INTEREST INCOME

	Group	
	2015 \$'000	2014 \$'000
Interest received/receivable:		
- fixed deposits (placed with financial institutions)	4,134	3,620
- bank balances	65	51
- finance leases	522	538
	4,721	4,209

23 PROFIT ON INVESTMENTS

	Group	
	2015 \$'000	2014 \$'000
Interest income	4,556	4,198
Dividend income	3,054	2,892
Fair value gain on financial assets through profit or loss	212,280	140,576
Fair value loss on derivative financial instruments	(73,069)	(7,291)
	146,821	140,375

The fair value gains/(losses) on financial assets through profit or loss and on derivative financial instruments comprise net realised and unrealised gains/(losses).

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

24 DEFICIT BEFORE GRANTS FROM MINISTRIES

The following items have been included in arriving at deficit before grants from ministries:

	Group	
	2015 \$'000	2014 \$'000
Allowance for doubtful receivables	73	285
Exchange gain	(683)	(974)
Operating lease expense	8,830	6,552
Contribution to defined contribution plans included in expenditure on manpower	49,586	48,128
Government grants - Special Employment Credit and Wage Credit, offset against manpower costs	(3,142)	(1,940)

25 OPERATING GRANTS FROM GOVERNMENT MINISTRY

	Note	Group	
		2015 \$'000	2014 \$'000
Operating grants received and receivable during the year		585,946	594,821
Payment for goods and services tax on tuition fees and tuition grants		(51,386)	(50,198)
Amounts transferred to			
- deferred capital grants	13	(14,614)	(29,085)
- grant received in advance	16	(961)	(1,398)
Provision reversed/(made) for undergraduate funding	15(b)	854	(4,675)
Operating grants taken to profit or loss		519,839	509,465

26 TAXATION

The University Company is registered as a charitable institution by virtue of Section 13 of the Income Tax Act, Chapter 134.

The subsidiaries of the Group have unutilised capital allowances and unabsorbed tax losses of approximately \$Nil (2014: \$27,000) and \$1,763,000 (2014: \$1,383,000) respectively which are available for offset against future taxable income. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefit.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

26 TAXATION (cont'd)

The unabsorbed tax losses and unutilised capital allowances of the subsidiaries are subject to agreement by the tax authorities and compliance with the tax regulations in the respective countries in which certain subsidiaries operate. These temporary differences do not expire under current tax legislation.

	Group	
	2015 \$'000	2014 \$'000
Current tax expense		
Current year	355	203
Reconciliation of effective tax		
Surplus before income tax	237,277	201,128
Income tax using Singapore tax rates of 17%	40,337	34,192
Income not subject to tax	(39,982)	(33,989)
	355	203

27 COMMITMENTS

Operating lease commitments

The future lease payments contracted at the reporting date but not recognised as liabilities are analysed as follows:

	Group	
	2015 \$'000	2014 \$'000
Not later than one year	9,095	7,387
Later than one year but not later than five years	3,608	8,570

The Group and the University Company leases office properties, personal computers, printers and servers under operating leases. The leases typically run for a period of 1 to 5 years.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

27 COMMITMENTS (cont'd)

Capital commitments

	Group	
	2015 \$'000	2014 \$'000
Contracted but not provided for	484,134	341,700
Authorised but not contracted for	522,702	889,457

The capital commitments are funded from grants from the Government Ministry and other ministries, subject to satisfying certain terms and conditions.

	Group	
	2015 \$'000	2014 \$'000
Uncalled capital commitments to private investments		
- contracted but not provided for	150,685	115,576

Collaboration with Imperial College of Science, Technology and Medicine

On 27 August 2010, NTU and Imperial College of Science, Technology and Medicine entered into an agreement in relation to a collaboration for the establishment and operation of a medical school in Singapore. As at 31 March 2015, NTU's outstanding commitment under the collaboration is estimated at £25.3 million (\$51.6 million) (2014: £30.2 million (\$64.4 million)) till the expiry of the agreement on 31 July 2028.

28 SIGNIFICANT RELATED PARTY INFORMATION

Related party transactions

The Government of Singapore has control over the Group as the operations of the University Company is substantially funded through Government grants, with MOE having the power to appoint and remove members to the Board of Trustees of the University Company. Consequently, the Group has invoked the exemption from disclosure requirements of FRS 24 in relation to related party transactions and outstanding balances (including commitments) with the Government of Singapore.

The Group has significant transactions with the Government of Singapore in the form of purchase of goods and services and sale of services. Such purchases and sales are made to various Government agencies in Singapore and collectively approximate \$16.0 million (2014: \$14.8 million) and \$27.6 million (2014: \$29.8 million).

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

28 SIGNIFICANT RELATED PARTY INFORMATION (cont'd)

Other than disclosed elsewhere in the financial statements, the Group had the following significant transactions with related parties during the year on terms agreed between the parties as follows:

	Group	
	2015 \$'000	2014 \$'000
(a) Key management personnel compensation		
Short-term employee benefits (includes the remuneration of an executive trustee)	4,250	4,054
(b) Services rendered		
Consultancy fees paid to a Trustee	254	231

29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

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

	Group		University Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assets				
Loans and receivables (including cash and cash equivalents)	1,322,561	1,558,606	1,302,777	1,535,625
Fair value through profit or loss	2,378,246	1,796,859	2,378,246	1,796,859
Derivative financial instruments	4,219	5,919	4,219	5,919
	3,705,026	3,361,384	3,685,242	3,338,403
Financial Liabilities				
Amortised cost	254,653	306,863	251,231	302,876
Derivative financial instruments	11,665	-	11,665	-
	266,318	306,863	262,896	302,876

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

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

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest risk
- price risk
- foreign currency risk
- capital risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Credit risk management

Cash and investments in financial assets

Cash and deposits are placed with reputable financial institutions. Investment portfolios are managed by external fund managers.

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

The credit risk is diversified over a range of institutions.

Trade and other receivables

Credit risk is the potential loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

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

The carrying amount of financial assets, grossed up for any provision, represents the maximum credit exposure. At the end of the reporting period, the credit risk is mainly due from customers in Singapore but there is no significant concentration of credit risk arising receivables due from any individual other than grant receivables from the Government Ministry.

The Group manages its credit risk with regular monitoring and following up actions for the debts outstanding from debtors. Additional information is set out in Note 10.

The aging of loans and receivables at the reporting date is:

	2015		2014	
	Gross	Allowance for	Gross	Allowance for
	\$'000	doubtful	\$'000	doubtful
		receivables		receivables
		\$'000		\$'000
Group				
Not past due	489,212	-	163,443	-
Past due 1 to 30 days	12,071	-	3,332	-
Past due 31 to 150 days	12,210	-	9,918	-
More than 151 days	9,120	902	5,275	829
	522,613	902	181,968	829
University Company				
Not past due	485,565	-	160,529	-
Past due 1 to 30 days	12,058	-	3,267	-
Past due 31 to 150 days	11,381	-	10,044	-
More than 151 days	11,032	2,064	7,122	1,991
	520,036	2,064	180,962	1,991

The movement in the allowance for doubtful receivables in respect of loans and receivables during the year is as follows:

	Group		University Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
At 1 April	829	544	1,991	1,692
Allowance charged	73	285	73	299
At 31 March	902	829	2,064	1,991

NOTES TO FINANCIAL STATEMENTS (CONT'D)

31 March 2015

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

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The contracted undiscounted cash outflows on financial liabilities approximate their carrying amounts and are generally settled within one year. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flow. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

In addition, the Group maintains the following lines of credit:

- \$11 million bankers' guarantee facility that is unsecured.
- \$440 million that can be drawn down to meet short-term financing needs.

Interest risk management

Surplus funds from the Group's operations are invested in bank deposits and with fund managers. The Group has no material exposure to interest rate risk from fixed deposits and borrowings as the interest rates are on fixed rate basis. The Group's investments in fixed income securities that are managed by fund managers (classified as financial assets at fair value through profit or loss) are exposed to interest rate risk.

Sensitivity analysis for interest risk

If movements in interest rates result in a 3% (2014: 3%) appreciation/depreciation in the value of the fixed income investments, all other variables being held constant, the Group's surplus would have been higher/lower by \$12,463,000 (2014: \$8,978,000).

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

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

Market risk – Price risk management

The Group is exposed to equity securities price risk from investments classified as financial assets at fair value through profit or loss. The market values of these investments are affected by, amongst others, changes in market prices as a result of changes in the global economic conditions, macro and micro economic factors affecting the country where the investments are quoted, and factors specific to the investee corporations.

To manage the price risk arising from investment in equity securities, the Group diversifies its portfolio across different markets and industries as appropriate.

Sensitivity analysis for price risk

If movements in financial markets result in a 5% (2014: 5%) appreciation/depreciation in the value of the quoted equity and other investments, all other variables being held constant, the Group's surplus would have been higher/lower by \$42,218,000 (2014: \$33,142,000).

If movements in financial markets result in a 5% (2014: 5%) appreciation/depreciation in the value of the unquoted investments, all other variables being held constant, the Group's surplus would have been higher/lower by \$55,779,000 (2014: \$41,738,000).

Foreign currency risk management

The Group's investments which are managed by fund managers may be in instruments denominated in foreign currencies. Currency exposure arising from such investments is managed by fund managers. Additional information is set out in Note 9.

The main foreign currency exposure of investments (net of foreign currency forwards) based on information provided to management is as follows:

	US Dollar \$'000	Euro \$'000	Japanese Yen \$'000	Pound Sterling \$'000	Others \$'000
2015	469,201	54,676	27,366	42,491	316,436
2014	380,100	66,918	21,217	32,996	195,410

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

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

Sensitivity analysis for currency risk

If the relevant foreign currency changes against the Singapore dollar by 5% (2014: 5%), all other variables being held constant, the effects will be as follows:

	Profit or Loss	
	2015 \$'000	2014 \$'000
Increase/(Decrease)		
<i>US Dollar against Singapore Dollar</i>		
Strengthened	23,460	19,005
Weakened	(23,460)	(19,005)
<i>Euro against Singapore Dollar</i>		
Strengthened	2,734	3,346
Weakened	(2,734)	(3,346)
<i>Japanese Yen against Singapore Dollar</i>		
Strengthened	1,368	1,061
Weakened	(1,368)	(1,061)
<i>Pound Sterling against Singapore Dollar</i>		
Strengthened	2,125	1,650
Weakened	(2,125)	(1,650)

Estimating the fair values

Financial assets at fair value through profit or loss

The fair values of financial assets traded in active markets are based on quoted market prices at the end of the reporting period.

The fair values of unquoted investments are based on net asset values provided by fund managers and external valuations.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

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

Estimating the fair values (cont'd)

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, other payables and accruals, and short-term borrowings) are assumed to approximate their fair values. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

Interest rates used in determining fair values

The Group uses the government yield curve as of 31 March 2015 plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

	2015 % p.a.	2014 % p.a.
Finance lease receivables	2.44	2.44
Receivables	6.50	6.50

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group and University Company				
31 March 2015				
Financial assets at fair value through profit or loss	1,262,674	650,972	464,600	2,378,246
Derivative financial assets	-	4,219	-	4,219
	1,262,674	655,191	464,600	2,382,465
Derivative financial liabilities	-	11,665	-	11,665
31 March 2014				
Financial assets at fair value through profit or loss	962,099	447,863	386,897	1,796,859
Derivative financial assets	-	5,919	-	5,919
	962,099	453,782	386,897	1,802,778
Derivative financial liabilities	-	-	-	-

There were no transfers between Level 1, 2 and 3 of the fair value hierarchy in 2014 and 2015.

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

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

Assets measured at fair value based on Level 3:

	Financial assets designated at fair value through profit or loss	Unquoted investments
	2015 \$'000	2014 \$'000
Group and University Company		
At 1 April	386,897	333,686
Total gains or losses in profit or loss	69,217	52,010
Subscriptions/Contributions	38,858	21,068
Redemptions/Distributions	(30,372)	(19,867)
At 31 March	464,600	386,897
Gains or losses included in profit or loss for the period (above) are presented as follows:		
Total gains or losses included in profit or loss for the period	69,217	52,010
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	69,217	52,010

NOTES TO
FINANCIAL STATEMENTS (CONT'D)
31 March 2015

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

Capital risk management policies and objectives

The capital structure of the Group consists of funds and accumulated surplus. Risk management is integral to the activities of the Group. The Group has controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors its risk management processes to ensure that an appropriate balance between risk and control is achieved. Risk management processes are reviewed regularly to reflect changes in the Group’s activities. The Group’s overall strategy remains unchanged from 2014.

30 CHARITY ACT AND REGULATIONS

As required for disclosure under Section 17(1) of the Charities (Institutions of a Public Character) Regulations, the University Company has received total tax deductible donations of \$47,839,000 (2014: \$53,332,000) in the current financial year.

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