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 the heart of it all are the faculty, staff and students. We look to everyone to develop a mindset of change that appreciates how our world and society are evolving, and that can help to unify our strengths and ingrain true excellence in NTU’s culture and values.

We have embarked on NTU 4.0 just as the world transitions into the Fourth Industrial Revolution. Living in a time where the speed of change is unprecedented, the disruptions brought about by technology are swift. It is exciting but at the same time unsettling as the familiar quickly becomes unfamiliar.

NTU has a big part to play in breaking new ground in understanding. To discover and apply new knowledge to help improve quality of life and the environment. To trial solutions to new and old problems. To develop talent for the country’s continued progress. These are all examples of what a great research university should do, and of what NTU excels in.

People new seek out NTU because of this reputation for quality. That is true for talent attraction, be it students, faculty or staff; and it is true for new partnerships, whether with industry, governments or other universities.

The University’s achievements are built on the strong foundation laid by previous leadership teams, and much credit for its continuing achievements goes to Prof Subra Suresh, who took the helm as the fourth President of NTU in January 2018, and the leadership team and NTU community for their hard work and dedication to excellence.

But this is not the time to rest on our laurels as there is still so much that NTU needs to do.

We will intensify the pace of digital transformation in order to improve efficiencies and productivity. The University will keep its vision trained on new horizons, and invest in reaching them, whether they are in education, research or innovation.

At the heart of it all are the faculty, staff and students. We look to everyone to develop a mindset of change that appreciates how our world and society are evolving, and that can help to unify our strengths and ingrain true excellence in NTU’s culture and values.

In closing, I would like to express the gratitude of the University to its stakeholders and supporters, including the Singapore government, benefactors and collaborators. I put on record the admiration and thanks of the Board of Trustees to all the University’s faculty, staff, students and alumni for their inspiring efforts.

From the Board of Trustees, Ms Chan Lai Fung stepped down as a member in March 2019 after more than seven years of dedicated service. We thank her for her many contributions during this time.

We welcomed new Board members Mr Anthony Mallek, Mr Lo Kien Foh, Ms Lai Wei Lin and Ms Goh Swee Chen this year. They bring a wealth of leadership experience from the private and public sectors that will be invaluable in supporting the University through the important challenges ahead.

MR KOH BOON HWEE
Chairman, Board of Trustees
“NTU is also among the world’s best in specific fields. US News and World Report, for instance, placed NTU in the world’s top five in subjects such as engineering, materials science, computer science and chemistry. NTU’s leadership positions in these areas of critical importance for Industry 4.0, point to our current and future role in impacting society.”

NTU is also among the world’s best in specific fields. US News and World Report, for instance, placed NTU in the world’s top five in subjects such as engineering, materials science, computer science and chemistry. NTU’s leadership positions in these areas of critical importance for Industry 4.0, point to our current and future role in impacting society.

These achievements are possible because of the hard work of everyone in the university community and the support of our stakeholders. They fill us with tremendous confidence that we will achieve our vision of an NTU Singapore Smart Campus that is distinctive among the universities.

Our strategy for continued growth is simple and is people-focused. We strive to attract and retain the most outstanding faculty and staff, recruit the most talented students, and retain the most outstanding faculty and staff, and matching endowment for named term professorships, we have established mechanisms to create another 18 new term professorships to be funded by industry.

We also welcomed four new faculty members to the rank of Distinguished University Professor, which represents the very highest level of scholarly achievement.

What have been the highlights in research and in collaborations with industry?

During the past year, NTU’s external research funding surpassed S$600 million, a 16.5% increase over the previous year. This represents the highest annual research volume in NTU’s history. There has also been a 50% year-on-year increase in the number of NTU papers published in high impact journals. This is a remarkable achievement for a young university such as NTU.

One of the core principles of the NTU Smart Campus initiative is developing technologically advanced solutions for a sustainable future, and this is what we are doing with both current and new partners.

We renewed our research ties with Rolls-Royce with a second five-year phase of our joint corporate laboratory with an S$88 million joint investment. This corporate lab is Rolls-Royce’s largest university partnership in the world. We worked with VOKO Buses on the world’s first full-size, autonomous electric bus that was unveiled to huge media interest internationally.

Other global players that started centres with us include WeBank, in fintech; the French Alternative Energies and Atomic Energy Commission, in recycling and recovery of resources from e-waste; and the World Health Organisation, in digital health and education.

Last year, we launched the S$10 million Accelerating Creativity and Excellence Programme, which provides seed funding for NTU faculty who undertake research in new areas. This programme has catalysed bold and unconventional cross-disciplinary research projects.

How has the University fared in innovation and entrepreneurship?

Twelve spin-offs and 35 start-up companies and teams were formed in the year, while a record follow-on funding of S$21.8 million was raised by mature start-ups.

Our licensing revenue for NTU increased 50% over the previous academic year.

The University continues to feature prominently on the national innovation scene and one of the most notable initiatives is the National Additive Manufacturing Innovation Cluster, which has raised more than S$42 million in joint funding, with matching government contributions, to support 168 projects in sectors such as marine offshore, aerospace and biomedical technologies.

Can you tell us about your motivation behind the establishment of the NTU Institute of Science and Technology for Humanity (NISTH) and how NISTH will engage people on campus and globally?

We are facing a period of profound change for humanity, as technology is significantly impacting traditional roles and structures. NISTH will be an important platform for dialogue and research focusing public attention on the impact of technology on humanity and society. It aims to bring industry, government and academia together to explore key issues at the intersections of technology and human behaviour.
NTU ANNUAL REPORT 2019

The inaugural NISTH Ideas Challenge received nearly 180 campus-wide entries that mapped out some of the fundamental issues and principles behind the development of artificial intelligence in order to address its effects on society. The first NTU Singapore Global Digital Art Prize drew more than 400 entries exploring the relationship between art and design, and emerging technologies, and the winners will be announced later this year.

Industry 4.0 brings opportunity but also uncertainty. How are NTU students being educated against this backdrop? NTU has to keep pace with the rapid changes and educate students who will be leaders in harnessing technology for the benefit of society.

We have seen a significant increase in student numbers in the fields of computing, data analytics and cybersecurity, and introduced new interdisciplinary double major programmes in several emerging fields.

We have also expanded NTU’s suite of work-study opportunities to deepen industry exposure. The seven new work-study degree programmes are supported by partners such as Bosch, GSK and GlobalFoundries.

The presence of leading industry partners on the NTU Smart Campus creates many opportunities for our students. Alibaba, HP and F&N have all recently set-up facilities on our campus. With Dyson, we started a joint engineering studio on campus for aspiring technopreneurs. Among the newest of engineering studio on campus for aspiring technopreneurs.

We launched the Campus Art Trail that brings together programmes from across the University, it provides students and faculty with opportunities to showcase their work in a public space.

NVIDIA partner with Vivid Buses resulted in the world’s first full-size, autonomous electric bus that will be tested on the NTU Smart Campus.

Loops, featuring 1,200 magenta and purple butterflies on a Möbius loop that move in the breeze, is the latest addition to the Campus Art Trail, a public art initiative of NTU.

Loop, featuring 1,200 magenta and purple butterflies on a Möbius loop that move in the breeze, is the latest addition to the Campus Art Trail, a public art initiative of NTU.

Art provides a strong foundation for human creativity and innovation, and is a way of exploring the human condition. We are also very fortunate to have one of the most beautiful university campuses in the world.

Why do you think it is important to have art displayed all over the campus? Art provides a strong foundation for human creativity and innovation, and is a way of exploring the human condition. We are also very fortunate to have one of the most beautiful university campuses in the world.

How is NTU’s digital transformation faring? Digital transformation of our administrative processes has continued with the adoption of new cloud-based enterprise technology to streamline processes and create seamless services. We have successfully implemented new HR and payroll solutions with IBM and Workday, a procurement system with SAP Ariba, and a new administrative processes platform with ServiceNow. NTU is the first university in Asia to implement Workday and also the first Singapore organisation to adopt a cloud-based procurement solution that meets the compliance requirements of the Government Procurement Act.

Why do you think is it important to have art displayed all over the campus? Art provides a strong foundation for human creativity and innovation, and is a way of exploring the human condition. We are also very fortunate to have one of the most beautiful university campuses in the world.

We eagerly anticipate the opening of the rejuvenated Yunnan Garden at the end of 2019. This will be a large, beautiful green lung open to NTU residents and the neighbouring community.

NTU is regularly named among the most beautiful campuses in the world. So what new attractions can we look forward to in the year ahead? We eagerly anticipate the opening of the rejuvenated Yunnan Garden at the end of 2019. This will be a large, beautiful green lung open to NTU residents and the neighbouring community.

Also, work will start on our new academic complex which will be Asia’s largest wooden building. The new home for the Nanyang Business School and several academic programmes from across the University, it will be completed in 2021.
BOARD OF TRUSTEES

As at 31 July 2019

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

Prof Gene D BLOCK
Chancellor
University of California, Los Angeles
Appointed on 1 January 2018

Prof Sir Leszek BORYSIEWSICZ
Chairman
Cancer Research UK
Appointed on 1 February 2019

Mr GOH Sin Teck
Editor
Lianhe Zaobao & Lianhe Wanbao
Appointed on 1 June 2012

Ms GOH Swee Chen
Non-Executive Director
Capitaland Limited
Singapore Airlines Limited
Appointed on 1 August 2019

Ms LAI Wei Lin
Second Permanent Secretary (Education)
Ministry of Education
Appointed on 1 April 2019

Dr LEE Shiang Long
President
ST Engineering Land Systems Ltd
Appointed on 15 September 2017

Mrs LEE Suet Fern
Senior Director
Morgan Lewis Stamford LLC
Chair, International Leadership Team
Partner, Morgan, Lewis & Bockius LLP
Appointed on 15 July 2006

Ms LIEN Siaou-Sze
Senior Executive Coach
Mobley Group Pacific (An Associate of RHR International)
Appointed on 28 March 2006

Mr LIM Chuan Poh
Chairman
Singapore Food Agency
Appointed on 28 March 2006

Mr LO Kien Foh
President & CEO
Continental Automotive Singapore Pte Ltd
Appointed on 1 April 2019

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

Mr Anthony MALLEK
Consultant
Singapore Press Holdings Ltd
Appointed on 1 April 2019

Mr Mr SIUN Swee Chen
Non-Executive Director
Capitaland Limited
Singapore Airlines Limited
Appointed on 1 August 2019

Mr Mr LIM Chow Kiat
Senior Executive Coach
Mobley Group Pacific (An Associate of RHR International)
Appointed on 28 March 2006

Mr Mr LIM Chow Kiat
Chief Executive Officer
GIC Pte Ltd
Appointed on 1 April 2015

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

Mr Mr TAN Chin Hwee
Chief Executive Officer,
Asia Pacific
Trafigura Pte Ltd
Appointed on 1 April 2015

Mr Mr WONG Yew Meng
Appointed on 1 August 2010

Mr Mr ZAINUL ABIDIN Rasheed
Non-Resident Ambassador to Kuwait
Ministry of Foreign Affairs
Appointed on 1 April 2017

Mr Mr Alexander JB ZEHNDER
Chairman
Triple Z Ltd
Appointed on 25 August 2009

Mr Mr Subra SURESH
President
Nanyang Technological University, Singapore
Appointed on 1 January 2018
UNIVERSITY LEADERSHIP FORUM

The University Leadership Forum comprises the President’s Council and the following members in alphabetical order:

ACADEMIC APPOINTMENTS

Prof James BEST
Dean, Lee Kong Chian School of Medicine, and President’s Chair in Medicine
Appointed on 29 July 2014 and 1 April 2019 respectively

Prof Ralf EMHERS
Dean, S Rajaratnam School of International Studies, and President’s Chair in International Relations
Appointed on 1 January 2018 and 1 April 2019 respectively

• Associate Dean, S Rajaratnam School of International Studies
(1 July 2016 – 31 December 2018)
• Head, Centre for Multilateralism Studies, S Rajaratnam School of International Studies
(29 May 2015 – 31 December 2018)
• Acting Head, Centre for Non-Traditional Security Studies, S Rajaratnam School of International Studies
(7 February 2011 – 4 February 2012)
• Head, Graduate Studies, S Rajaratnam School of International Studies
(1 October 2006 – 5 May 2009)

Prof Louis PHIVE
Dean, College of Engineering, and Tan Chin Tuan Centennial Professor in Mechanical Engineering
Appointed on 1 June 2018 and 1 April 2019 respectively

• Interim Dean, College of Engineering
(15 September 2017 – 31 May 2018)
• Chair, School of Mechanical & Aerospace Engineering
(1 July 2014 – 15 September 2017)
• Head, Division of Mechanics & Design, School of Mechanical & Aerospace Engineering
(1 July 2013 – 30 June 2014)

Prof Peter PREISSER
Associate Vice President (Biomedical & Life Sciences), Interim Dean, College of Science, and President’s Chair in Biological Sciences
Appointed on 1 January 2019, 11 March 2017 and 1 April 2019 respectively

• Chair, School of Biological Sciences
(11 March 2017 – 30 June 2018)
• Associate Provost (Graduate Education), National Institute of Education
(1 February 2013 – 31 January 2018)
• Interim Dean, Graduate College
(1 February 2013 – 31 January 2018)

Mr Gregory CHEW
Chief Legal Officer, Legal & Secretarial Office
Appointed on 1 July 2018

Dr Vivian CHONG
Chief Communications Officer
Appointed on 1 July 2014

Mr ONG Eng Hock
Chief Financial Officer
Appointed on 1 July 2010

Mr Mr Alvin ONG
Chief Information Officer
Appointed on 1 February 2018

Mr LIM Jui
Chief Executive Officer, NTUitive
Appointed on 1 February 2018

Mr Arisle ONG
Chief Information Officer
Appointed on 1 July 2018

Mr BAI Eng Hee
Chief Financial Officer
Appointed on 1 January 2018

Mr ONG Eng Hock
Chief Financial Officer
Appointed on 1 July 2010

Mr Tang Sin Mui
Chief Investment Officer
Appointed on 17 September 2018

HEADS OF AUTONOMOUS INSTITUTES

Prof James BEST
Dean, Lee Kong Chian School of Medicine, and President’s Chair in Medicine
Appointed on 17 September 2018

Assoc Prof Fidel COSTA
Interim Director-Designate, Earth Observatory of Singapore, and Provost’s Chair in Earth Sciences
Appointed on 1 January 2019

Mr CHAN Kwong Lok
Chief Planning Officer/Registrar
Appointed on 1 July 2010

Dr Vivian CHONG
Chief Communications Officer
Appointed on 1 July 2014

• Director, Corporate Communications Office
(5 May 2010 – 30 June 2014)

Dr GOH Chin Fee
Chief Health, Safety, Emergency & Security Officer
Appointed on 1 April 2019

• Chief Health, Safety & Emergency Officer
(1 November 2013 – 31 March 2019)

Dr Lim Jui
Chief Executive Officer, NTUitive
Appointed on 1 February 2018

• Chief Executive Officer (NTU Innovation), President’s Office
(1 February 2013 – 31 January 2018)

Mr Arisle Ong
Chief Information Officer
Appointed on 1 July 2018

Mr BAI Eng Hee
Chief Financial Officer
Appointed on 1 January 2018

Mr Ong Eng Hock
Chief Financial Officer
Appointed on 1 July 2010

Mr TAN Sin Mui
Chief Investment Officer
Appointed on 17 September 2018
Prof KKWK Kian Woon
Associate Provost (Student Life)
Appointed on 1 July 2017
• 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)

Prof Muralidhara BHAGAVATHI
Associate Provost (Student Life)
Appointed on 1 March 2013
• Deputy Associate Provost (Academic Affairs)
(1 June 2009 – 31 August 2010)

Prof Tien Swee Chuan
Associate Provost (Graduate Education & Lifelong Learning) and Co-Director, The Phoenixis Institute
Appointed on 1 January 2019 and 30 October 2014 respectively
• Associate Provost (Graduate Education)
(1 January – 31 December 2019)
• Executive Director, Office of Research & Technology in Defence & Security
(1 April 2015 – 31 March 2018)
• Associate Chair (Research), School of Electrical & Electronic Engineering
(1 June 2014 – 31 May 2017)

Prof Subodh MHAISALKAR
Associate Provost (Graduate Education & Partnerships), Executive Director, Energy Research Institute, and President’s Chair in Energy
Appointed on 1 March 2018, 1 April 2010 and 1 April 2019 respectively
• Associate Chair (Academic), School of Materials Science & Engineering
(1 November 2014 – 31 August 2018)

Prof Peter PREISER
Associate Provost (Biomedical & Life Sciences), Interim Dean, College of Science, and President’s Chair in Biological Sciences
Appointed on 1 March 2018, 1 December 2013 and 1 April 2019 respectively
• Associate Chair (Research), School of Materials Science & Engineering
(1 March 2016 – 28 February 2018)

Prof Timothy John WHITE
Associate Provost (Infrastructure & Programmes), Research Director (Engineering & Physical Sciences), and President’s Chair in Materials Science and Engineering
Appointed on 1 March 2018, 1 October 2016 and 1 April 2019 respectively
• Associate Chair (Research), School of Materials Science & Engineering
(13 March 2016 – 28 February 2018)

Assoc Prof Valerie DU TOIT-LOW
Deputy Associate Provost (Residential Education)
Appointed on 1 October 2014
• Associate Dean (Student Life), Nanyang Business School
(1 July 2014 – 31 March 2015)
• Associate Dean (Student Development & Outreach), Nanyang Business School
(28 February 2011 – 30 June 2016)

Prof Schubert FOO
Deputy Associate Provost (Information & Knowledge)
Appointed on 1 September 2016
• Director, University Scholars Programme
(1 April 2012 – 31 March 2015)
• Associate Dean (Academic), College of Humanities, Arts, & Social Sciences
(20 August 2007 – 30 September 2012)

Assoc Prof Victor YEO
Deputy Associate Provost (Student Life)
Appointed on 1 January 2016
• Associate Dean (Undergraduate Student Life), Nanyang Business School
(1 July 2014 – 31 March 2015)
• Head, Division of Business Law, Nanyang Business School

Mr FOO Mee Har
Chief Executive Officer, Wealth Management Institute
Appointed on 1 July 2017

Prof Christine SOH
Associate Provost (Graduate Education & Partnerships)
Appointed on 3 August 2016

Assoc Prof YOW Cheun Hoe
Head, Division of Chinese, School of Humanities
November 2016 respectively
Appointed on 1 April 2017, 1 March 2017 and 1 December 2016

Assoc Prof YOW Cheun Hoe
Head of Chinese, School of Humanities, Assoc Prof YOW Cheun Hoe
Appointed on 1 March 2018, 1 December 2013 and 1 April 2019 respectively

Ambassador ONG Keng Yong
Executive Deputy Chairman, S Rajaratnam School of International Studies
Appointed on 1 November 2014
• Head, International Centre for Political Violence & Culture
(1 November 2015 – 31 December 2017)
• Head, Division of Information Technology & Operations Management, Nanyang Business School
(1 January 2014 – 22 January 2017)
• Associate Dean, Nanyang Business School
(15 August 2009 – 30 June 2012)

Prof Tan Dii Kiang
Associate Provost (Undergraduate Education)
Appointed on 3 August 2016
• Deputy Associate Provost (Undergraduate Education)
(1 November 2015 – 2 August 2016)
• Director, Undergraduate Education (Projects), President’s Office
(1 October 2016 – 31 October 2015)
• Director of Admissions & Financial Aid, Office of Admissions & Financial Aid
(1 July 2012 – 30 July 2012)

Prof KAM Chan Hin
Deputy Provost (Education)
Appointed on 7 August 2014
• Senior Associate Provost (Undergraduate Education)
(1 April 2016 – 2 August 2016)
• Associate Provost (Undergraduate Education)
(1 July 2011 – 31 March 2013)
• Associate Provost-Designate (Undergraduate Education)
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Associate Vice President (Strategy & Partnerships), Executive Director, Energy Research Institute, and President’s Chair in Energy
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(1 April – 30 June 2011)
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(1 August 2006 – 30 June 2011)
• Head, Division of Sociology, School of Humanities & Social Sciences
(1 June 2004 – 30 June 2013)

Prof Christine SOH
Associate Provost (Faculty Affairs)
Appointed on 1 January 2014
• Deputy Associate Provost (Faculty Affairs)
(1 November 2015 – 31 December 2017)
• Head, Division of Information Technology & Operations Management, Nanyang Business School
(1 January 2014 – 22 January 2017)
• Associate Dean, Nanyang Business School
(15 August 2009 – 30 June 2012)

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Appointed on 3 August 2016
• Deputy Associate Provost (Undergraduate Education)
(1 November 2015 – 2 August 2016)
• Director, Undergraduate Education (Projects), President’s Office
(1 October 2016 – 31 October 2015)
• Director of Admissions & Financial Aid, Office of Admissions & Financial Aid
(1 July 2012 – 30 July 2012)
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 the University’s Constitution.

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 a 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 20 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 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.

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

Seven 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, 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 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.

BOARD MEMBERS

As at the end of the financial year (31 March 2019), the Board of Trustees had the following 17 members.

<table>
<thead>
<tr>
<th>No.</th>
<th>Member</th>
<th>Current Board Appointment(s)</th>
<th>Date of Appointment to the Board</th>
<th>Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Koh Boon Hwee</td>
<td>Board Chairman, Chairman, Nominating Committee, Chairman, Remuneration Committee, Member, Investment Committee</td>
<td>28 Mar 2006</td>
<td>4 4</td>
</tr>
<tr>
<td>2</td>
<td>Gene D Block</td>
<td>Member, Academic Affairs Committee</td>
<td>1 Jan 2018</td>
<td>4 3</td>
</tr>
<tr>
<td>3</td>
<td>Chan Lai Fung</td>
<td>Member, Academic Affairs Committee, Member, Nominating Committee, Member, Remuneration Committee</td>
<td>1 Apr 2012</td>
<td>4 3</td>
</tr>
<tr>
<td>4</td>
<td>Soh Sin Teck</td>
<td>Member, Alumni &amp; Development Committee, Member, Audit &amp; Risk Committee</td>
<td>1 Jun 2012</td>
<td>4 3</td>
</tr>
<tr>
<td>5</td>
<td>Loo Shang Long</td>
<td>Member, Finance Committee</td>
<td>15 Sep 2017</td>
<td>4 1</td>
</tr>
<tr>
<td>6</td>
<td>Lee Suet Fern</td>
<td>Member, Nominating Committee, Member, Remuneration Committee</td>
<td>15 Jul 2006</td>
<td>4 4</td>
</tr>
<tr>
<td>7</td>
<td>Lim Saou-Sie</td>
<td>Chairman, Finance Committee, Member, Alumni &amp; Development Committee</td>
<td>28 Mar 2006</td>
<td>4 4</td>
</tr>
<tr>
<td>8</td>
<td>Lim Chow Kiat</td>
<td>Member, Investment Committee</td>
<td>1 Apr 2015</td>
<td>4 3</td>
</tr>
<tr>
<td>9</td>
<td>Lim Chuan Poh</td>
<td>Member, Academic Affairs Committee, Member, Investment Committee, Member, Nominating Committee, Member, Remuneration Committee</td>
<td>28 Mar 2006</td>
<td>4 4</td>
</tr>
<tr>
<td>10</td>
<td>Looi Chee Kian</td>
<td>Chairman, Investment Committee</td>
<td>1 Apr 2014</td>
<td>4 4</td>
</tr>
<tr>
<td>11</td>
<td>Inderjit Singh Dhalawat</td>
<td>Chairman, Alumni &amp; Development Committee</td>
<td>28 Mar 2006</td>
<td>4 4</td>
</tr>
<tr>
<td>12</td>
<td>Tan Chin Hwee</td>
<td>Chairman, Audit &amp; Risk Committee, Member, Alumni &amp; Development Committee, Member, Investment Committee</td>
<td>1 Apr 2015</td>
<td>4 3</td>
</tr>
<tr>
<td>13</td>
<td>Wong Yew Meng</td>
<td>Board Member</td>
<td>1 Aug 2010</td>
<td>4 4</td>
</tr>
<tr>
<td>14</td>
<td>Zainul Abidin Rasheed</td>
<td>Member, Audit &amp; Risk Committee</td>
<td>1 Apr 2017</td>
<td>4 3</td>
</tr>
<tr>
<td>15</td>
<td>Alexander J B Zehnder</td>
<td>Chairman, Academic Affairs Committee, Member, Audit &amp; Risk Committee, Member, Finance Committee</td>
<td>25 Aug 2009</td>
<td>4 4</td>
</tr>
<tr>
<td>16</td>
<td>Leszek Borysawicz</td>
<td>Member, Academic Affairs Committee</td>
<td>1 Feb 2018</td>
<td>4 4</td>
</tr>
<tr>
<td>17</td>
<td>Subra Suresh</td>
<td>Member, Academic Affairs Committee, Member, Finance Committee, Member, Investment Committee</td>
<td>1 Jan 2018</td>
<td>4 4</td>
</tr>
</tbody>
</table>

*Left the Board on 31 March 2019

Remarks:

1. Given the length of student tenure at NTU and initiatives associated with it, the Board of Trustees comprises long-standing members beyond ten years, eminent leaders in their respective fields, who continue to contribute significantly to NTU’s strategic direction. The Ministry of Education continues to endorse the appointment and renewal of any Trustee.

2. The Board Committees had, during the year, an aggregate meeting attendance of 83%.
CORPORATE GOVERNANCE

UNIVERSITY LEADERSHIP

The Board of Trustees of the University of Technology is the highest decision-making body of the University. It is accountable to the Government for the University's performance and is responsible for the overall strategic direction of the University. The Board is made up of the President, who is the Chief Executive Officer, and four Vice Presidents, who are responsible for the University's academic, research, administrative, and student affairs. The Board is also responsible for the appointment of the President and Vice Presidents and the approval of the University's academic and administrative policies.

POLICIES TO MANAGE CONFLICT OF INTEREST

Under the University Code of Conduct, members of the Board of Trustees, faculty and staff are required to maintain a high standard of integrity and to avoid any actions that may compromise their professional obligations to the University. They are required to disclose any potential conflicts of interest and to recuse themselves from decisions where such a conflict exists.

In addition, NTU's Constitution contains provisions for the management and avoidance of conflicts of interest. These provisions are designed to prevent and address potential conflict-of-interest situations while promoting ethical business conduct of faculty and staff.

TRUSTEES’ STATEMENT

The Board of Trustees present their statement 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 2019.

In the opinion of the Trustee:

(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 23 to 67 are drawn up 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 2019, and the financial performances, changes in funds and reserves and cash flows of the Group and the changes in funds and reserves of the University Company for the financial year then ended; 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.

TRUSTEES

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

Mr Koh Boon Hwee (Chairman)
Mrs Lee Suet Fong
Ms Chan Lai Fung
Mr Lim Chuan Poh
Mr Indrajit Singh Dhallawal
Mr Tan Chin Hwee
Prof Alexander Jakob Boris Zehnder
Prof Dr Lee Shiang Long
Prof Goh Sin Teck
Prof Lim Chuan Poh
Prof Lien Siaou-Sze
Mrs Lee Suet Fern
Mr Koh Boon Hwee
Mr Lim Chuan Poh
Mr Indrajit Singh Dhallawal
Mr Tan Chin Hwee
Prof Alexander Jakob Boris Zehnder
Prof Dr Lee Shiang Long
Prof Goh Sin Teck
Prof Lim Chuan Poh
Prof Lien Siaou-Sze
Mrs Lee Suet Fern
Ms Chan Lai Fung retired as Trustee of the University Company on 31 March 2019.
ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there exist any arrangement whose object is to enable the Trustees of the University Company to acquire benefits by means of the acquisition of shares or debentures in the University Company or any other body corporate.

TRUSTEES’ INTERESTS IN SHARES AND DEBENTURES

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

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Trustees of the University Company to acquire shares and debentures of the University Company or any related corporation, or to enable the Trustees to become interested in any shares or debentures of the University Company or any related corporation.

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.

AUDITORS

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

INDEPENDENT AUDITOR’S REPORT

TO THE BOARD OF TRUSTEES OF NANYANG TECHNOLOGICAL UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Nanyang Technological University (the “University Company”) and its subsidiaries (“the Group”) which comprise the consolidated statement of financial position of the Group and the statement of financial position of the University Company as at 31 March 2019, and the consolidated statement of profit or loss and other 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 23 to 67.

In our opinion, the accompanying 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 Companies Act, Chapter 50 (the “Act”), the Singapore Charities Act, Chapter 37 and other relevant regulations (the “Charities Act and Regulations”) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the University Company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and of the changes in funds and reserves of the University Company for the year ended on that date.

BASIS FOR OPINION

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR’S REPORT THEREON

Management is responsible for the other information. The other information obtained at the date of this auditor’s report is the Trustees’ Statement but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND TRUSTEES 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 Act, the Charities Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

ON BEHALF OF THE BOARD OF TRUSTEES

22 August 2019

Mr Koh Boon Hwee
Chairman of the Board of Trustees
Trustee

Prof Subra Suresh
President of Nanyang Technological University
Trustee
As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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 Companies Act, and the Charities Act and Regulations.

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

(a) the University Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) The University Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

22 August 2019

INDEPENDENT AUDITOR’S REPORT

TO THE BOARD OF TRUSTEES OF NANYANG TECHNOLOGICAL UNIVERSITY

STATEMENTS OF FINANCIAL POSITION

31 MARCH 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

ASSETS

Non-current assets

Property, plant and equipment

3 2,022,596 2,110,704 2,019,029 2,108,453

Intangible assets

4 10,184 9,049 9,763 9,049

Prepaid lease

5 37,077 38,760 37,077 38,760

Subsidiaries

6 - - 1,912 2,203

Associate and joint venture

7 382 639 16 3

Available-for-sale financial assets

8 - 3,698 - -

Student loans

9 2,927 2,721 2,927 2,721

Total non-current assets

2,073,166 2,163,571 2,070,724 2,161,189

Current assets

Derivative financial instruments

10 847 5,213 847 5,213

Student loans

9 1,406 1,465 1,406 1,465

Trade and other receivables

11 326,233 289,721 317,577 278,915

Financial assets at fair value through profit or loss

12 2,700,130 2,642,963 2,692,876 2,642,963

Cash and cash equivalents

13 1,076,770 956,469 1,050,066

Total current assets

4,020,020 4,018,037 3,969,375 3,978,562

Total assets

6,093,186 6,183,608 6,040,099 6,139,751

LIABILITIES

Non-current liabilities

Deferred capital grants

14 1,310,689 1,433,891 1,308,955 1,433,789

Other non-current liabilities

15 2,937 3,108 2,937 3,108

Sinking fund received in advance

1,983,257 1,698,074 1,581,723 1,687,972

Total non-current liabilities

6,093,186 6,183,608 6,040,099 6,139,751

Total liabilities

6,093,186 6,183,608 6,040,099 6,139,751

STATEMENTS OF FINANCIAL POSITION

31 MARCH 2019

Group University Company

$’000 $’000 $’000 $’000

ASSETS

Non-current assets

Property, plant and equipment

Intangible assets

Prepaid lease

Subsidiaries

Associate and joint venture

Available-for-sale financial assets

Student loans

Total non-current assets

Current assets

Derivative financial instruments

Student loans

Trade and other receivables

Financial assets at fair value through profit or loss

Cash and cash equivalents

Total current assets

Total assets

LIABILITIES

Non-current liabilities

Deferred capital grants

Other non-current liabilities

Sinking fund received in advance

Total non-current liabilities

Total liabilities

INDEPENDENT AUDITOR’S REPORT

TO THE BOARD OF TRUSTEES OF NANYANG TECHNOLOGICAL UNIVERSITY

PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

SINGAPORE

22 August 2019

INDEPENDENT AUDITOR’S REPORT

TO THE BOARD OF TRUSTEES OF NANYANG TECHNOLOGICAL UNIVERSITY

PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

SINGAPORE

22 August 2019
### STATES OF FINANCIAL POSITION
#### 31 MARCH 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>2019 ($'000)</th>
<th>2018 ($'000)</th>
<th>2019 ($'000)</th>
<th>2018 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>10 1 7,183</td>
<td>6 7,183</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Other payables and accruals</td>
<td></td>
<td>223,626</td>
<td>210,094</td>
<td>210,969</td>
</tr>
<tr>
<td>Provisions</td>
<td>16 61,792</td>
<td>67,470</td>
<td>62,747</td>
<td>67,030</td>
</tr>
<tr>
<td>Grant received in advance</td>
<td>- Operating grants</td>
<td>17 7,018</td>
<td>7,917</td>
<td>-</td>
</tr>
<tr>
<td>Grant received in advance</td>
<td>- Information technology and furniture and equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sinking fund received in advance</td>
<td>15</td>
<td>37,428</td>
<td>48,304</td>
<td>37,428</td>
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<tr>
<td>Short-term borrowings</td>
<td></td>
<td>137,000</td>
<td>245,200</td>
<td>137,000</td>
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<tr>
<td>Deferred tuition and other fees</td>
<td></td>
<td>94,507</td>
<td>91,888</td>
<td>93,583</td>
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<tr>
<td>Research grants received in advance</td>
<td>19</td>
<td>87,660</td>
<td>97,292</td>
<td>87,119</td>
</tr>
<tr>
<td>Income tax payable</td>
<td></td>
<td>250</td>
<td>306</td>
<td>-</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>696,983</td>
<td>808,594</td>
<td>672,867</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>2,280,240</td>
<td>2,496,668</td>
<td>2,254,590</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td>3,812,946</td>
<td>3,686,940</td>
<td>3,785,509</td>
</tr>
</tbody>
</table>

#### FUNDS AND RESERVES

<table>
<thead>
<tr>
<th>Group</th>
<th>2019 ($'000)</th>
<th>2018 ($'000)</th>
<th>2019 ($'000)</th>
<th>2018 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital account</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment fund</td>
<td>20</td>
<td>200,858</td>
<td>200,858</td>
<td>200,858</td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td></td>
<td>2,038,746</td>
<td>1,948,210</td>
<td>2,039,467</td>
</tr>
<tr>
<td>- General fund</td>
<td></td>
<td>973,365</td>
<td>955,866</td>
<td>935,269</td>
</tr>
<tr>
<td>- Other restricted fund</td>
<td>21</td>
<td>599,759</td>
<td>579,557</td>
<td>601,915</td>
</tr>
<tr>
<td>Investment revaluation reserves</td>
<td></td>
<td>2,651</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funds and reserves</td>
<td></td>
<td>3,812,946</td>
<td>3,686,940</td>
<td>3,785,509</td>
</tr>
</tbody>
</table>

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
#### YEAR ENDED 31 MARCH 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>General fund</th>
<th>Endowment fund</th>
<th>Other restricted fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 ($'000)</td>
<td>2018 ($'000)</td>
<td>2019 ($'000)</td>
<td>2018 ($'000)</td>
<td>2019 ($'000)</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and other fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarship, bursary and sponsorship expenses</td>
<td>2.1(d)</td>
<td>263,561</td>
<td>249,301</td>
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</tr>
<tr>
<td>Rental income</td>
<td></td>
<td>2,043</td>
<td>3,292</td>
<td>-</td>
</tr>
<tr>
<td>Research grants (non-ministry)</td>
<td>19</td>
<td>106,969</td>
<td>100,951</td>
<td>17,823</td>
</tr>
<tr>
<td>Interest income</td>
<td>23</td>
<td>5,961</td>
<td>3,794</td>
<td>135</td>
</tr>
<tr>
<td>Donations and sponsorships</td>
<td></td>
<td>2,389</td>
<td>1,349</td>
<td>-</td>
</tr>
<tr>
<td>Other grants</td>
<td></td>
<td>2,521</td>
<td>494</td>
<td>-</td>
</tr>
<tr>
<td>Sundry income</td>
<td></td>
<td>60,772</td>
<td>72,611</td>
<td>-</td>
</tr>
<tr>
<td>Deferred capital grants amortised (non-ministry)</td>
<td>14</td>
<td>17,298</td>
<td>16,371</td>
<td>-</td>
</tr>
<tr>
<td>Profit on investments</td>
<td>24</td>
<td>1,399</td>
<td>43,357</td>
<td>67</td>
</tr>
<tr>
<td>Share of associate and joint venture's results</td>
<td></td>
<td>7</td>
<td>20</td>
<td>(15)</td>
</tr>
<tr>
<td>Total income after profit on investments and share of associate and joint venture's results</td>
<td></td>
<td>-</td>
<td>675,613</td>
<td>491,645</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on manpower</td>
<td>792,570</td>
<td>714,015</td>
<td>1,723</td>
<td>1,319</td>
</tr>
<tr>
<td>Teaching/research</td>
<td>178,955</td>
<td>173,334</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administration</td>
<td>86,643</td>
<td>93,729</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scholarship expenses</td>
<td>50,771</td>
<td>55,486</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Maintenance</td>
<td>53,969</td>
<td>54,428</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>233,676</td>
<td>211,862</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>4</td>
<td>598</td>
<td>1,050</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of prepaid lease</td>
<td>5</td>
<td>1,683</td>
<td>1,683</td>
<td>-</td>
</tr>
<tr>
<td>Amount carried forward</td>
<td>1,396,065</td>
<td>1,393,587</td>
<td>1,723</td>
<td>1,319</td>
</tr>
</tbody>
</table>

See Note 22 for funds managed on behalf of the Government Ministry.

The accompanying notes form an integral part of these financial statements.
## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
### YEAR ENDED 31 MARCH 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>General fund</th>
<th>Endowment fund</th>
<th>Other restricted fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019 ($'000)</td>
<td>2018 ($'000)</td>
<td>2019 ($'000)</td>
<td>2018 ($'000)</td>
</tr>
<tr>
<td>Group (cont’d)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount brought forward</td>
<td>1,398,065</td>
<td>1,352,587</td>
<td>1,723</td>
<td>1,319</td>
</tr>
<tr>
<td>Capital expenditure not capitalised</td>
<td>15,066</td>
<td>17,965</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss/(Gain) on disposal of property, plant and equipment</td>
<td>1,097</td>
<td>2,142</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses</td>
<td>296</td>
<td>11,214</td>
<td>2,178</td>
<td>2,094</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,414,524</td>
<td>1,383,908</td>
<td>3,901</td>
<td>3,413</td>
</tr>
<tr>
<td>(Deficit)/Surplus before grants from ministries</td>
<td>25</td>
<td>102,460</td>
<td>131,582</td>
<td>(113,810)</td>
</tr>
<tr>
<td>Development grants</td>
<td>15</td>
<td>19,082</td>
<td>22,858</td>
<td>-</td>
</tr>
<tr>
<td>Operating grants</td>
<td>26</td>
<td>517,663</td>
<td>539,755</td>
<td>-</td>
</tr>
<tr>
<td>Research grants</td>
<td>19</td>
<td>265,024</td>
<td>282,932</td>
<td>-</td>
</tr>
<tr>
<td>Other grants</td>
<td>8,295</td>
<td>4,067</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred capital grants amortised</td>
<td>14</td>
<td>186,323</td>
<td>174,472</td>
<td>-</td>
</tr>
<tr>
<td>Total grants from ministries</td>
<td>996,387</td>
<td>1,024,084</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/(Deficit) after grants from ministries</td>
<td>57,276</td>
<td>131,841</td>
<td>44,639</td>
<td>102,460</td>
</tr>
<tr>
<td>Surplus/(Deficit) for the year</td>
<td>57,276</td>
<td>131,841</td>
<td>44,639</td>
<td>102,460</td>
</tr>
</tbody>
</table>

### STATEMENT OF CHANGES IN FUNDS AND RESERVES
### YEAR ENDED 31 MARCH 2019

<table>
<thead>
<tr>
<th>Capital account</th>
<th>Endowment fund</th>
<th>General fund</th>
<th>Other restricted fund</th>
<th>Investment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2017</td>
<td>200,858</td>
<td>1,872,652</td>
<td>869,567</td>
<td>359,813</td>
<td>3,336,067</td>
</tr>
<tr>
<td>Total comprehensive income/(loss) for the year</td>
<td>-</td>
<td>102,460</td>
<td>131,582</td>
<td>(113,810)</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/(Deficit) for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,256</td>
</tr>
<tr>
<td>Transactions recognised directly in funds:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>7,671</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government matching grants</td>
<td>-</td>
<td>19,716</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from endowment fund</td>
<td>-</td>
<td>(54,024)</td>
<td>26,297</td>
<td>27,712</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to other restricted fund</td>
<td>-</td>
<td>-</td>
<td>(115,055)</td>
<td>115,055</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to general fund</td>
<td>-</td>
<td>-</td>
<td>43,213</td>
<td>(43,213)</td>
<td>-</td>
</tr>
<tr>
<td>At 31 March 2018</td>
<td>200,858</td>
<td>1,948,290</td>
<td>955,564</td>
<td>579,557</td>
<td>3,468,940</td>
</tr>
<tr>
<td>Total comprehensive income/(loss) for the year</td>
<td>-</td>
<td>102,460</td>
<td>131,582</td>
<td>(113,810)</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/(Deficit) for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,256</td>
</tr>
<tr>
<td>Transactions recognised directly in funds:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>46,959</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government matching grants</td>
<td>-</td>
<td>46,959</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from endowment fund</td>
<td>-</td>
<td>(52,043)</td>
<td>26,197</td>
<td>25,846</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to other restricted fund</td>
<td>-</td>
<td>-</td>
<td>(135,501)</td>
<td>135,501</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to general fund</td>
<td>-</td>
<td>-</td>
<td>67,562</td>
<td>(67,562)</td>
<td>-</td>
</tr>
<tr>
<td>At 31 March 2019</td>
<td>200,858</td>
<td>2,038,964</td>
<td>973,365</td>
<td>599,759</td>
<td>3,812,966</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
STATEMENT OF CHANGES IN FUNDS AND RESERVES
YEAR ENDED 31 MARCH 2019

<table>
<thead>
<tr>
<th>Capital account</th>
<th>Accumulated surplus</th>
<th>Endowment fund</th>
<th>General fund</th>
<th>Other restricted fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>University Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2017</td>
<td>200,858</td>
<td>1,872,455</td>
<td>842,708</td>
<td>600,942</td>
<td>3,516,963</td>
</tr>
<tr>
<td>Total comprehensive income/(loss) for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(Deficit) for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactions recognised directly in funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government matching grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from endowment fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to other restricted fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to general fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2018</td>
<td>200,858</td>
<td>1,948,793</td>
<td>922,992</td>
<td>588,346</td>
<td>3,660,989</td>
</tr>
<tr>
<td>Total comprehensive income/(loss) for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(Deficit) for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactions recognised directly in funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government matching grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from endowment fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to other restricted fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to general fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2019</td>
<td>200,858</td>
<td>2,039,467</td>
<td>935,269</td>
<td>609,915</td>
<td>3,785,509</td>
</tr>
</tbody>
</table>

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2019

The accompanying notes form an integral part of these financial statements.
CONSOLIDATED STATEMENT
OF CASH FLOWS
YEAR ENDED 31 MARCH 2019

Note 2019 2018
$'000 $'000

Financing activities
Sinking fund received, net of refund 
FT and F&E grant received
Research grants received
Operating grants received, net of payment of goods and service tax expense
Development grants and related income received, net of refund
Government ministry grants received
Proceeds from borrowings
Repayment of borrowings
(194,900) (202,300)

Cash flows from financing activities
1,056,458 1,194,958

Net decrease in cash and cash equivalents
(87,271) (228,871)

Cash and cash equivalents at the beginning of the year
1,078,675 1,307,546

Cash and cash equivalents at end of the year
1,091,404 1,179,675

NOTES TO
FINANCIAL STATEMENTS
31 MARCH 2019

1 GENERAL
Nanyang Technological University (“NTU” or the “University Company”) is incorporated and domiciled in Singapore as a Company limited by guarantee under the Singapore Companies Act, Chapter 50. 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 11.

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 2019 were authorised for issue by the Board of Trustees on 22 August 2019.

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 Financial Reporting Standards in Singapore (“FRS”).

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

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.

(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.

The accompanying notes form an integral part of these financial statements.
The Group applied FRS 109 with an initial application date of 1 April 2018. The Group has not restated the comparative information, which FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities and 2) impairment of financial assets. Details of these new requirements as well as their impact on the financial statements are described below.

Key sources of estimation uncertainty
The 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 2.9, 10 and 12 - 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.

- 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 12.

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

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:

- Notes 2.9, 10 and 12 - 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.

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 12.

The Group applied FRS 109 with an initial application date of 1 April 2018. The Group has not restated the comparative information, which continues to be reported under FRS 39.

- Classification and measurement of financial assets and financial liabilities
  - The Group has applied the requirements of FRS 109 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The classification of financial assets is based on two criteria: the Group’s model for managing the assets and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding.

As a result of the above, the Group has reclassified certain available-for-sale investments of $3,698,000 and convertible notes classified under “Trade and other receivables” in 2018 of $3,754,000 to financial assets at fair value through profit or loss (FVTPL) in 2019 based on its nature of cash flows and business model.

(ii) Impairment of financial assets
FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

FRS 115 supersedes FRS 11 Construction Contracts, FRS 18 Revenue and the related Interpretations. FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Details of these new requirements as well as their impact on the financial statements are described below.

FRS 115 uses the terms ‘contract asset’ and ‘contract liability’ to describe what might more commonly be known as ‘accrued revenue’ and ‘deferred revenue’, however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position.

Upon adoption of FRS 115, the Group restated the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2018 to present scholarship, bursary and sponsorship expenses of $75,406,000 attributable to gross tuition fees of $365,919,000 to show the net tuition fees of $290,513,000. As there is no impact to the statement of financial position in prior year, management is of the view that the third statement of financial position is not required. Accordingly, third statement of financial position is not presented.

The Group’s significant accounting policies for its revenue streams are disclosed in Note 2.13.
2.2 Consolidation (cont’d)

Business combinations (cont’d)

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 profit or loss and other comprehensive income.

Associate and Joint venture

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

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 unambiguous consent of the parties sharing control.

The results and assets and liabilities of joint ventures and associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture or an associate 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 or associate. When the Group’s share of losses of a joint venture or associate 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 or associate.

An investment in a joint venture or an associate is accounted for using the equity method from the date on which the investee becomes a joint venture or an associate. On acquisition of the investment in a joint venture or an associate, 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 or an associate of the Group, profits and losses resulting from the transactions with the joint venture or associate are recognised in the Group’s consolidated financial statements only to the extent of interests in the joint venture or associate that are not related to the Group.

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 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 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 profit or loss as part of the gain or loss on disposal.
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 valuations 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.

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.

The estimated useful lives are as follows:

| Building and infrastructure | 3 to 30 years |
| Machinery, laboratory and workshop equipment | 5 years |
| Furniture and office equipment | 3 to 5 years |
| Transportation equipment | 8 years |
| Others | 8 years |

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

Buildings under construction are stated at cost, less any recognised impairment loss, if any. Expenditure relating to the construction projects is capitalised when incurred. However, expenditure 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.
The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are
in arrears.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of
contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset
are transferred to another party, with the risk of default occurring since initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments,
plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount,
adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before
adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term
balances when the effect of discounting is immaterial.

Financial assets designated at fair value through profit or loss comprise fixed income, quoted equity, unquoted investments and
financial assets that are subject to contractual cash flow obligations.

The fair value of debt instruments at fair value through profit or loss is determined in the manner described in Note 30.

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets which are subject to impairment under FRS 109.

(a) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the
relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly
discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate).

Transaction costs and other premiums or discounts excluding expected credit losses, through the expected life of the debt instrument, or, where
appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

(b) Financial assets at FVTPL

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that
meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates
or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains
and losses on them on different bases.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the
extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest
earned on the financial asset. Fair value is determined in the manner described in Note 30.

Impairment of financial assets

The Group recognises a loss allowance (‘ECL’) on financial assets which are subject to impairment under FRS 109.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises 12-month ECL for all financial assets as the credit risk on the financial asset has not increased significantly since initial
recognition. If subsequently, there has been a significant increase in credit risk since initial recognition, the Group will recognise lifetime ECL.
The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since
initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring since initial
recognition.

The 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible
within 12 months after the reporting date. In contrast, lifetime ECL represents the ECL that will result from all possible default events over the
expected life of the relevant instrument. The expected credit losses on these financial assets are estimated using the Group’s historical credit loss
experience, adjusted for factors that are specific to the debtor, general economic conditions and an assessment of both the current as well as the
forecast direction of conditions at the reporting date, including time value of money where appropriate.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of
a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the
date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to
reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are
significantly past due, unless the Group has reasonable and supportable information that demonstrates otherwise.
**NOTES TO FINANCIAL STATEMENTS**

**31 MARCH 2019**

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)**

2.9 Financial instruments (cont’d)

**Non-derivative financial assets – Policy applicable before 1 April 2018 (cont’d)**

Available-for-sale financial assets:

Certain shares held by the Group are classified as available for sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group’s right to receive payments is established.

Available-for-sale financial assets comprise quoted equity investments and unquoted investments.

**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.

Individual 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.

For available-for-sale financial assets, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income accumulated in revaluation reserve.

**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.

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.
2.13 Income recognition

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.

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.

2.14 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.

2.15 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 specific 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 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.

2.16 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.

2.17 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 interpretations not yet adopted

At the date of authorisation of these financial statements, the following FRS that is relevant to the Group and the University Company was issued but not effective:

FRS 116 Leases (Applies to annual periods beginning on or after 1 January 2019)

FRS 116 Leases

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lease accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

As at 31 March 2019, the Group’s commitments are disclosed in Note 28. FRS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases. Management anticipates that the initial application of the new FRS 116 may result in operating leases to be recognised as right-of-use assets with corresponding lease liabilities, unless they qualify for low value or short-term leases. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have an impact to the amounts recognised in the Group’s financial statements and management is currently assessing its potential impact including the transition options and practical expedients. Management does not plan to early adopt FRS 116.
### Notes to Financial Statements

#### 31 March 2019

**3 Property, Plant and Equipment**

<table>
<thead>
<tr>
<th>Group</th>
<th>Cost or valuation</th>
<th>Comprising</th>
<th>31 March 2019</th>
<th>31 March 2018</th>
<th>31 March 2017</th>
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<tbody>
<tr>
<td></td>
<td>At 1 April 2017</td>
<td>At cost</td>
<td>$'000</td>
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<td>Reclassifications</td>
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<td></td>
<td>Carrying amount</td>
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</tbody>
</table>

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 recorded under “Capital Account” (Note 20) on a one-off basis and accordingly, the transitional was adopted to continue with its existing policy of stating the freehold land at deemed cost.

---

**University Company**

**Cost or valuation**

<table>
<thead>
<tr>
<th>Group</th>
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### Notes to Financial Statements

#### 31 March 2019

**3 Property, Plant and Equipment**

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**University Company**

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### 4 INTANGIBLE ASSETS

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<tr>
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<th>Group</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>11,823</td>
<td>7,580</td>
</tr>
<tr>
<td>Additions</td>
<td>3,674</td>
<td>4,912</td>
</tr>
<tr>
<td>Disposals</td>
<td>(33)</td>
<td>(669)</td>
</tr>
<tr>
<td>At 31 March</td>
<td>15,464</td>
<td>11,823</td>
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**Accumulated amortisation**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April</td>
<td>2,774</td>
<td>1,045</td>
<td>2,774</td>
<td>1,045</td>
</tr>
<tr>
<td>Amortisation charge for the year</td>
<td>2,539</td>
<td>2,053</td>
<td>2,539</td>
<td>2,053</td>
</tr>
<tr>
<td>Disposals</td>
<td>(33)</td>
<td>(324)</td>
<td>(33)</td>
<td>(324)</td>
</tr>
<tr>
<td>At 31 March</td>
<td>5,280</td>
<td>2,774</td>
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**Carrying amount**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 March</td>
<td>10,184</td>
<td>9,049</td>
<td>9,763</td>
<td>9,049</td>
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### 5 PREPAID LEASE

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<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Cost</td>
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</tr>
<tr>
<td>At 1 April and 31 March</td>
<td>47,660</td>
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</table>

**Accumulated amortisation**

<table>
<thead>
<tr>
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<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April</td>
<td>8,900</td>
<td>7,217</td>
<td>8,900</td>
<td>7,217</td>
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<tr>
<td>Amortisation charge for the year</td>
<td>1,683</td>
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<tr>
<td>At 31 March</td>
<td>10,583</td>
<td>8,900</td>
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**Carrying amount**

<table>
<thead>
<tr>
<th></th>
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<th>2018</th>
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</thead>
<tbody>
<tr>
<td>At 31 March</td>
<td>37,077</td>
<td>38,760</td>
</tr>
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</table>

The prepaid lease relates to the lease of land from JTC and Singapore Land Authority at One-North and at Mandai Road (for Novena Campus) respectively. The prepaid lease is capitalised and amortised over the tenure period of the land lease of 30 years.

### 6 SUBSIDIARIES

<table>
<thead>
<tr>
<th>Name of subsidiary</th>
<th>Country of incorporation</th>
<th>Ownership interest</th>
<th>Principal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td><strong>Held by the University Company</strong></td>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Nanyang Technological University - NTUitive Pte Ltd</td>
<td>Singapore</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>NTU Holdings Pte Ltd</td>
<td>Singapore</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Singapore Centre for Chinese Language Limited</td>
<td>Singapore</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>NIE International Private Limited</td>
<td>Singapore</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Wealth Management Institute Pte Ltd</td>
<td>Singapore</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>National Institute of Early Childhood Development</td>
<td>Singapore</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

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

Details of subsidiaries are as follows:

- **Held by the University Company**
  - Nanyang Technological University - NTUitive Pte Ltd: Singapore, 100% ownership, innovation and enterprise company of NTU
  - NTU Holdings Pte Ltd: Singapore, 100% ownership, investment holding
  - Singapore Centre for Chinese Language Limited: Singapore, 100% ownership, provision of training programs, professional development courses for Chinese language teachers, and conduct of educational research and activities
  - NIE International Private Limited: Singapore, 100% ownership, provision of training programs in teacher education and school leadership
  - Wealth Management Institute Pte Ltd: Singapore, 100% ownership, provision of education and training services for professional and management development
  - National Institute of Early Childhood Development: Singapore, 100% ownership, provision of pre-service and continuing education and training for professionals in early childhood development

Equity investments at cost:

<table>
<thead>
<tr>
<th>University Company</th>
<th>2019</th>
<th>2018</th>
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<tbody>
<tr>
<td>Equity investments at cost</td>
<td>1,912</td>
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<tr>
<td>Loans to subsidiaries</td>
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<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,912</td>
<td>2,203</td>
</tr>
</tbody>
</table>
6  
SUBSIDIARIES (CONT’D)

Details of subsidiaries are as follows:

<table>
<thead>
<tr>
<th>Name of subsidiary</th>
<th>Country of incorporation</th>
<th>Ownership interest Principal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Held by Nanyang Technological University - NTUitive Pte Ltd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Code Farm Pte Ltd</td>
<td>Singapore</td>
<td>100 100 Research and development of other software and programming activities</td>
</tr>
<tr>
<td>TechXcel Pte Ltd(i)</td>
<td>Singapore</td>
<td>- 100 Research and experimental development on natural sciences</td>
</tr>
<tr>
<td>Systemed Pte Ltd</td>
<td>Singapore</td>
<td>100 100 Development and commercialisation in medical technology</td>
</tr>
<tr>
<td>Techbridge Ventures Pte Ltd</td>
<td>Singapore</td>
<td>100 100 Engineering activities, research and experimental development on engineering</td>
</tr>
<tr>
<td>Held by NTU Holdings Pte Ltd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Nanyang Venture Consulting (Shanghai) Co., Ltd</td>
<td>China</td>
<td>100 100 Consultant for enterprise management, technology and education</td>
</tr>
<tr>
<td>@ Confucius Institute, NTU Pte Ltd</td>
<td>Singapore</td>
<td>100 100 Promotion of Chinese language, culture and support of local Chinese teaching</td>
</tr>
<tr>
<td># NTU (London) Limited(ii)</td>
<td>United Kingdom</td>
<td>100 100 Promote the advancement of NTU in United Kingdom</td>
</tr>
<tr>
<td>Held by Nanyang Venture Consulting (Shanghai) Co., Ltd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Nanyang Venture Consulting (Beijing) Co., Ltd</td>
<td>China</td>
<td>100 100 Consultant for enterprise management, technology and education</td>
</tr>
</tbody>
</table>

* 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.
(i) The subsidiary was dissolved on 7 January 2019.
(ii) The subsidiary was dissolved on 16 April 2019.

NOTES TO FINANCIAL STATEMENTS
31 MARCH 2019

7  
ASSOCIATE AND JOINT VENTURE

<table>
<thead>
<tr>
<th>Group</th>
<th>University Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 $’000</td>
<td>2018 $’000</td>
</tr>
<tr>
<td>Cost of investment</td>
<td>421</td>
</tr>
<tr>
<td>Loan to associate</td>
<td>-</td>
</tr>
<tr>
<td>Share of post-acquisition loss</td>
<td>(39)</td>
</tr>
<tr>
<td>Total</td>
<td>382</td>
</tr>
</tbody>
</table>

The loan to associate bore interest at 4% per annum, unsecured and matured in 2019.

Details of the associates are as follows:

<table>
<thead>
<tr>
<th>Name of associate</th>
<th>Country of incorporation</th>
<th>Group’s proportion of ownership interest/voting power held Principal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuprion Inc(i)</td>
<td>United States</td>
<td>- 53.7 Development and commercialisation in NanoCopper technology</td>
</tr>
<tr>
<td>InnoPartner Pte Ltd</td>
<td>Singapore</td>
<td>20 20 Engineering activities, research and experimental development on engineering</td>
</tr>
<tr>
<td>Friends of NTU</td>
<td>United States</td>
<td>40 40 Promote the advancement of NTU in United States</td>
</tr>
<tr>
<td>GenomeAsia 10k Ltd(ii)</td>
<td>Singapore</td>
<td>33.3 33.3 Data Processing and related activities</td>
</tr>
</tbody>
</table>

Details of the joint ventures are as follows:

<table>
<thead>
<tr>
<th>Name of joint venturer</th>
<th>Country of incorporation</th>
<th>Group’s proportion of ownership interest/voting power held Principal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lushang (Nanyang) Pte Ltd(iii)</td>
<td>Singapore</td>
<td>30 30 Other information technology and computer services activities</td>
</tr>
<tr>
<td>Secur3DP+ Pte Ltd(iv)</td>
<td>Singapore</td>
<td>47.5 - To develop and monetise certain IP assets relating to 3D printing in Singapore</td>
</tr>
</tbody>
</table>

(i) Restructuring exercises resulted in changes in the Group’s proportion of ownership interest/voting power held in Kuprion Inc.
(ii) Upon dissolution of the associate and settlement of all debts and liabilities, the remaining residual investment will be transferred to NTU as the preferred charitable organisation.
(iii) The Group has joint control over Lushang (Nanyang) Pte Ltd by virtue that all significant matters requiring unanimous approval by all the directors and shareholders.
(iv) The Group determined that it has joint control over Secur3DP+ Pte Ltd based on the joint venture agreement.

* Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

### Notes
- The loan to associate bore interest at 4% per annum, unsecured and matured in 2019.
- The subsidiary was dissolved on 16 April 2019.
- The subsidiary was dissolved on 7 January 2019.
- The subsidiary was dissolved on 16 April 2019.

### Associates
- Kuprion Inc: Development and commercialisation in NanoCopper technology.
- InnoPartner Pte Ltd: Engineering activities, research and experimental development on engineering.
- Friends of NTU: Promote the advancement of NTU in United States.
- GenomeAsia 10k Ltd: Data Processing and related activities.

### Joint Ventures
- Lushang (Nanyang) Pte Ltd: Other information technology and computer services activities.
- Secur3DP+ Pte Ltd: To develop and monetise certain IP assets relating to 3D printing in Singapore.
8 AVAILABLE-FOR-SALE FINANCIAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
<tr>
<td>Quoted equity</td>
<td>-</td>
<td>900</td>
<td></td>
</tr>
<tr>
<td>investments,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>at fair value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unquoted equity</td>
<td>1,279</td>
<td>2,798</td>
<td></td>
</tr>
<tr>
<td>investments,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>at fair value</td>
<td>-</td>
<td>3,698</td>
<td></td>
</tr>
</tbody>
</table>

The equity investments were classified as available-for-sale investments in accordance with FRS 39 as at 31 March 2018. Upon the application of FRS 109 on 1 April 2018, the Group has classified the equity investments as financial assets at fair value through profit or loss accordingly.

9 STUDENT LOANS

<table>
<thead>
<tr>
<th></th>
<th>Group and University Company</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
<tr>
<td>Student loans</td>
<td>4,333</td>
<td>4,186</td>
<td></td>
</tr>
</tbody>
</table>

Represented by:

| Amount repayable within 12 months | 1,406 | 1,465 |       |
| Amount repayable after 12 months  | 2,927 | 2,721 |       |

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

10 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 denominated in United States dollar). 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 the reporting date.

<table>
<thead>
<tr>
<th>Contractual maturity</th>
<th>Fair value</th>
<th>Group and University Company</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within 1 year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2019

Foreign currency forwards

| 856,243 | 856,243 | 847 | 1,783 |

2018

Foreign currency forwards

| 846,632 | 846,632 | 5,213 | 6 |

Changes in the fair value of the foreign currency forwards are included as part of the fair value (loss)/gain on derivative financial instruments in Note 24.

11 TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th>Note</th>
<th>Group</th>
<th>2019</th>
<th>2018</th>
<th>University Company</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>53,113</td>
<td>37,063</td>
<td>50,364</td>
<td>31,761</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest receivables</td>
<td>2,323</td>
<td>1,701</td>
<td>2,287</td>
<td>1,689</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grant receivables</td>
<td>4,066</td>
<td>11,383</td>
<td>3,122</td>
<td>11,034</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research grant receivables</td>
<td>173,555</td>
<td>121,444</td>
<td>173,555</td>
<td>121,444</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants receivables</td>
<td>15</td>
<td>1,353</td>
<td>1,055</td>
<td>1,353</td>
<td>1,055</td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>71,448</td>
<td>66,077</td>
<td>66,500</td>
<td>79,497</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss allowance for doubtful receivables</td>
<td>(3,357)</td>
<td>(3,357)</td>
<td>(3,251)</td>
<td>(3,357)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Amounts due from subsidiaries (trade)

| 346 | 319 |

Loss allowance for doubtful receivables

| (148) | (148) |

Amounts due from subsidiaries (non-trade)

| 196 | 522 |

Loss allowance for doubtful receivables

| (1,015) | (1,015) |

Amounts due from joint venture

| 26 | 26 |

Financial assets at amortised cost

| 256,617 | 254,304 | 254,304 | 254,110 |

Prepayments

| 23,614 | 25,341 | 23,153 | 24,805 |

Amounts due from joint venture

| 326,233 | 289,721 | 317,577 | 278,915 |

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

Credit risk relating to trade receivables is minimal as these receivables are from 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.

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

Loss allowance for trade and other receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade and other receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.
# FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<table>
<thead>
<tr>
<th></th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>University Company 2019</th>
<th>University Company 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted fixed income investments</td>
<td>347,697</td>
<td>455,012</td>
<td>347,697</td>
<td>455,012</td>
</tr>
<tr>
<td>Quoted equity investments</td>
<td>990,305</td>
<td>898,377</td>
<td>990,213</td>
<td>898,377</td>
</tr>
<tr>
<td>Unquoted investments</td>
<td>1,299,387</td>
<td>1,056,842</td>
<td>1,296,722</td>
<td>1,056,842</td>
</tr>
<tr>
<td>Other investments</td>
<td>62,741</td>
<td>232,732</td>
<td>58,244</td>
<td>232,732</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,700,130</td>
<td>2,642,963</td>
<td>2,692,876</td>
<td>2,642,963</td>
</tr>
</tbody>
</table>

The Group's and University Company's investments are mainly 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.

Quoted fixed income investments include investments in fixed income instruments via segregated accounts and pooled vehicles. Quoted equity investments represent investments in quoted equities via segregated accounts and pooled vehicles. 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, fund administrators and external valuations. Other investments include convertible notes of $4,497,000 (2018: $Nil) which has been reclassified from "Trade and other receivables" to "Financial Assets at FVTPL" upon adoption of FRS 109.

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

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2019</th>
<th>Group 2018</th>
<th>University Company 2019</th>
<th>University Company 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>2,700,130</td>
<td>2,642,963</td>
<td>2,692,876</td>
<td>2,642,963</td>
</tr>
<tr>
<td>Cash balances and bank deposits</td>
<td>2,700,130</td>
<td>2,642,963</td>
<td>2,692,876</td>
<td>2,642,963</td>
</tr>
</tbody>
</table>

The cash balances and bank deposits are included as a component in the cash and cash equivalents in Note 13 for the purpose of disclosure.

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:

<table>
<thead>
<tr>
<th>Effective interest rate per annum</th>
<th>Les than 1 year</th>
<th>In 1 to 5 years</th>
<th>After 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Group and University Company</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.9 to 3.6</td>
<td>-</td>
<td>157,612</td>
<td>188,316</td>
<td>345,926</td>
</tr>
<tr>
<td>1.8 to 3.6</td>
<td>-</td>
<td>147,629</td>
<td>186,138</td>
<td>333,767</td>
</tr>
</tbody>
</table>

# CASH AND CASH EQUIVALENTS

**Operating**
- Cash at bank and in hand: 116,623
- Deposit with financial institutions: 899,393

**Investments**
- Cash at bank and in hand: 6,326
- Deposit with financial institutions: 46,000

Money market funds and cash held by custodian banks:
- 212,364

Cash and cash equivalents: 991,404

# DEFERRED CAPITAL GRANTS

**Group**
- At 1 April: 1,317,379
- Add:
  - Grants received for capital expenditure and development project transferred from Operating grants (Note 26): 17,896
  - Research grants (Note 19): 28,411
  - Development grants (Note 15): 230,752
  - Other grants: 2,174
  - Assets donated by various organisations: -
- Less:
  - Grants taken to profit or loss: 17,896
  - Amortisation charge for the year: 10,966
  - On disposal of fixed assets: 81
- At 31 March: 1,197,334

**Statutory boards**
- Grants received for capital expenditure and development project transferred from Operating grants (Note 26): 222,638
- Research grants (Note 19): 222,638
- Development grants (Note 15): 222,638
- Other grants: 218
- Assets donated by various organisations: 218
- Total: 688,782

**Others**
- Grants received for capital expenditure and development project transferred from Operating grants (Note 26): 222,638
- Research grants (Note 19): 222,638
- Development grants (Note 15): 222,638
- Other grants: 218
- Assets donated by various organisations: 218
- Total: 688,782
### 14 DEFERRED CAPITAL GRANTS (CONT'D)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1317277</td>
<td>1215836</td>
<td>78569</td>
<td>81111</td>
<td>37963</td>
<td>30242</td>
<td>1433789</td>
<td>1327189</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26589</td>
<td>28611</td>
<td>19723</td>
<td>10966</td>
<td>2890</td>
<td>2155</td>
<td>37963</td>
<td>30242</td>
<td>3896</td>
<td>3096</td>
<td>1433789</td>
<td>1327189</td>
<td></td>
</tr>
<tr>
<td>36651</td>
<td>230752</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>1827</td>
<td>2174</td>
<td>5546</td>
<td>9531</td>
<td>3467</td>
<td>13046</td>
<td>24751</td>
<td>24751</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>66936</td>
<td>279158</td>
<td>25269</td>
<td>20530</td>
<td>6495</td>
<td>15510</td>
<td>615198</td>
<td>615198</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Add:
- Operating grants: 3869
- Research grants (Note 19): 24589
- Development grants (Note 15): 36651
- Other grants: 1827
- Assets donated by various organisations: 66936

Less:
- Grants taken to profit or loss: 187805
- Amortisation charge for the year: 176002
- On disposal of fixed assets: 187717

At 1 April: 1317277
Grants received during the year: 168624
Grants taken to profit or loss: 1496213
Amount refunded to the Government Ministry: 88802
Amounts taken to profit or loss: 19082
Amount transferred to deferred capital grants: 38256
At 31 March: 1195800

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

<table>
<thead>
<tr>
<th>Group</th>
<th>University Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>2019</td>
</tr>
<tr>
<td>2019</td>
<td>2018</td>
</tr>
</tbody>
</table>

Grants receivable within 12 months:
- Development grant: 1353
- Sinking fund: -946

Subtotal: 11

Grants received in advance:
- IT and F&E (a): (65861)
- Sinking fund (b): (327259)

Subtotal: (593100)

Provision for unutilised compensated leave (a): 61792
Provision for undergraduate funding (b): -
Provision for MOE budget adjustment (c): -

Total: 61792

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.

### 16 PROVISIONS

<table>
<thead>
<tr>
<th>Group</th>
<th>University Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>2019</td>
</tr>
<tr>
<td>2019</td>
<td>2018</td>
</tr>
</tbody>
</table>

Provision for unutilised compensated leave (a): 61792
Provision for undergraduate funding (b): -
Provision for MOE budget adjustment (c): -

Total: 61792

NOTES TO FINANCIAL STATEMENTS 31 MARCH 2019
16 PROVISIONS (CONT'D)

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

<table>
<thead>
<tr>
<th>Group</th>
<th>University Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>At 1 April</td>
<td>59,470</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>2,322</td>
</tr>
<tr>
<td>At 31 March</td>
<td>61,792</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Group</th>
<th>University Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>At 1 April</td>
<td>-</td>
</tr>
<tr>
<td>Provision reversed during the year</td>
<td>-</td>
</tr>
<tr>
<td>Amount paid</td>
<td>-</td>
</tr>
<tr>
<td>At 31 March</td>
<td>-</td>
</tr>
</tbody>
</table>

(c) The movement in the provision for MOE budget adjustment is as follows:

<table>
<thead>
<tr>
<th>Group</th>
<th>University Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>At 1 April</td>
<td>8,000</td>
</tr>
<tr>
<td>Provision reversed during the year</td>
<td>-</td>
</tr>
<tr>
<td>Amount paid</td>
<td>(8,000)</td>
</tr>
<tr>
<td>At 31 March</td>
<td>-</td>
</tr>
</tbody>
</table>

17 GRANT RECEIVED IN ADVANCE - OPERATING GRANTS

<table>
<thead>
<tr>
<th>Group</th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>At 1 April</td>
<td>7,097</td>
<td>6,426</td>
<td>11,238</td>
<td>10,698</td>
</tr>
<tr>
<td>Grants received during the year</td>
<td>6,141</td>
<td>6,290</td>
<td>11,238</td>
<td>10,698</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts taken to profit or loss</td>
<td>4,061</td>
<td>3,524</td>
<td>99</td>
<td>75</td>
</tr>
<tr>
<td>Amounts transferred to deferred capital grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March</td>
<td>7,098</td>
<td>7,097</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

18 SHORT-TERM BORROWINGS

The borrowings are unsecured, bear interest at 2.23% (2018: 1.54%) per annum and are repayable within the next twelve months from the financial year-end.

19 RESEARCH GRANTS RECEIVED IN ADVANCE

<table>
<thead>
<tr>
<th>Group</th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>At 1 April</td>
<td>97,292</td>
<td>98,636</td>
<td>92,724</td>
<td>91,836</td>
</tr>
<tr>
<td>Grants received during the year</td>
<td>357,392</td>
<td>386,740</td>
<td>354,121</td>
<td>384,502</td>
</tr>
<tr>
<td>Less:</td>
<td>454,684</td>
<td>485,376</td>
<td>446,665</td>
<td>476,338</td>
</tr>
<tr>
<td>Amounts transferred to deferred capital grants</td>
<td>14</td>
<td>(67,142)</td>
<td>(61,532)</td>
<td>(67,142)</td>
</tr>
<tr>
<td>Amounts taken to profit or loss</td>
<td>(371,993)</td>
<td>(383,883)</td>
<td>(366,695)</td>
<td>(379,413)</td>
</tr>
<tr>
<td>Amounts transferred to grant receivables</td>
<td>52,111</td>
<td>37,331</td>
<td>52,111</td>
<td>37,331</td>
</tr>
<tr>
<td>At 31 March</td>
<td>87,119</td>
<td>97,292</td>
<td>87,119</td>
<td>97,292</td>
</tr>
</tbody>
</table>

These are grants received from the Government Ministry, other ministries, statutory boards and other sources for research activities. The balance in this account represents grants received but not utilised at the end of the financial year.

Research grants awarded to the Group from the Government Ministry, other ministries, statutory boards and other sources in 2019 amounted to $475,677,000 (2018: $578,026,000).

Research grants awarded to the Group from the Government Ministry, other ministries, statutory boards and other sources but not yet disbursed as at end of the financial year amounted to $2,297,168,000 (2018: $1,003,285,000).
20 CAPITAL ACCOUNT
The capital account represents the revaluation of the freehold land alienated to Nanyang Technological University (details are set out in Note 3).

21 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.

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

(i) Academic Centres - These are mainly 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, Wealth Management Institute and Chinese Heritage Centre.
(iv) Scholarship Fund - These comprise funds for the award of scholarships and bursaries.

22 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.

<table>
<thead>
<tr>
<th>Group and University Company</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from the Government Ministry:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>205,310</td>
<td>207,488</td>
</tr>
<tr>
<td>Cash received</td>
<td>56,814</td>
<td>56,535</td>
</tr>
<tr>
<td>Interest income received on behalf of Government Ministry</td>
<td>3,461</td>
<td>3,507</td>
</tr>
<tr>
<td>Repayments</td>
<td>(57,815)</td>
<td>(56,654)</td>
</tr>
<tr>
<td>Bad debts incurred</td>
<td>(97)</td>
<td>(93)</td>
</tr>
<tr>
<td>Interest income transferred to Government Ministry</td>
<td>(3,461)</td>
<td>(3,507)</td>
</tr>
<tr>
<td></td>
<td>204,222</td>
<td>205,310</td>
</tr>
</tbody>
</table>

Represented by:

Net assets - TFL, SL and OSP | 205,851 | 206,570 |
Less: Amount receivable from Government Ministry | (1,629) | (1,260) |
| | 204,222 | 205,310 |

Cash and bank balances of $1,629,000 (2018: $1,260,000) are paid on behalf and receivable from the Government Ministry 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 borrower’s 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 2019 is 4.75% (2018: 4.75%) per annum.

The interest on the TFL, SL and OSP is remitted in full to the Government Ministry on a monthly basis.
26 OPERATING GRANTS FROM GOVERNMENT MINISTRY

<table>
<thead>
<tr>
<th>Note</th>
<th>2019 $'000</th>
<th>2018 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating grants received and receivable during the year</td>
<td>574,882</td>
<td>578,159</td>
</tr>
<tr>
<td>Payment for goods and services tax on tuition fees and tuition grants</td>
<td>(53,250)</td>
<td>(53,329)</td>
</tr>
<tr>
<td>Amounts transferred to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- deferred capital grants</td>
<td>14 (3,988)</td>
<td>(17,896)</td>
</tr>
<tr>
<td>- grant received in advance</td>
<td>17 (1)</td>
<td>(691)</td>
</tr>
<tr>
<td>Provision reversed for undergraduate funding</td>
<td>16(a) -</td>
<td>18,412</td>
</tr>
<tr>
<td>Provision reversed for MOE budget adjustment</td>
<td>16(c) -</td>
<td>15,100</td>
</tr>
<tr>
<td>Operating grants taken to profit or loss</td>
<td>917,663</td>
<td>939,755</td>
</tr>
</tbody>
</table>

27 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 unabsorbed tax losses of approximately $4,168,000 (2018: $2,545,000) 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.

The unabsorbed tax losses 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.

<table>
<thead>
<tr>
<th>2019 $'000</th>
<th>2018 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax expense</td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>171</td>
</tr>
<tr>
<td>Reconciliation of effective tax</td>
<td></td>
</tr>
<tr>
<td>Surplus before income tax</td>
<td>30,332</td>
</tr>
<tr>
<td>Income tax using Singapore tax rates of 17%</td>
<td>5,756</td>
</tr>
<tr>
<td>Income not subject to tax</td>
<td>(4,985)</td>
</tr>
<tr>
<td>171</td>
<td>259</td>
</tr>
</tbody>
</table>

28 COMMITMENTS

Operating lease commitments

The future lease payments contracted at the reporting date but not recognised as liabilities are analysed as follows:
29 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 rendering of services. Such purchases and sales are made to various Government agencies in Singapore and collectively approximate $18.0 million (2018: $19.9 million) and $21.9 million (2018: $23.6 million).

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:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Key management personnel compensation</td>
<td>$5,172</td>
<td>$4,342</td>
</tr>
<tr>
<td>(b) Services rendered</td>
<td>$191</td>
<td>200</td>
</tr>
</tbody>
</table>

30 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Credit risk management
Cash and investments in financial assets
Cash and investments 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. 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 11.

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>$274,511</td>
<td>$238,051</td>
</tr>
<tr>
<td>University Company</td>
<td>$267,484</td>
<td>$231,172</td>
</tr>
</tbody>
</table>

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.
30 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT’D)

Credit risk management (cont’d)

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>At 1 April</td>
<td>3,367</td>
<td>1,213</td>
<td>4,540</td>
<td>2,368</td>
</tr>
<tr>
<td>Loss allowance (reversed)/charged</td>
<td>(10)</td>
<td>1,213</td>
<td>(196)</td>
<td>2,172</td>
</tr>
<tr>
<td>At 31 March</td>
<td>3,367</td>
<td>3,367</td>
<td>4,344</td>
<td>4,540</td>
</tr>
</tbody>
</table>

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 is unsecured.
- $540 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.

Interest rate risk management

Interest rate risk management involves matching the maturities of financial assets and financial liabilities. The exposure to interest rate risk is primarily due to the effect of changes in interest rates on the fair value of financial assets and financial liabilities.

Sensitivity analysis for interest rate risk

If movements in interest rates result in a 3% (2018: 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 $10,431,000 (2018: $13,650,000).

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, 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% (2018: 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 $64,914,000 (2018: $52,842,000).

If movements in financial markets result in a 5% (2018: 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 $64,914,000 (2018: $52,842,000).

31 MARCH 2019

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

30 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT’D)

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 10.

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

<table>
<thead>
<tr>
<th>US dollar</th>
<th>Euro</th>
<th>Yen</th>
<th>Sterling</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>2019</td>
<td>877,617</td>
<td>71,260</td>
<td>36,487</td>
<td>47,684</td>
</tr>
<tr>
<td>2018</td>
<td>833,156</td>
<td>68,117</td>
<td>37,676</td>
<td>45,103</td>
</tr>
</tbody>
</table>

Sensitivity analysis for currency risk

If the relevant foreign currency changes against the Singapore dollar by 5% (2018: 5%), all other variables being held constant, the effects will be as follows:

<table>
<thead>
<tr>
<th></th>
<th>US dollar against Singapore dollar</th>
<th>Euro against Singapore dollar</th>
<th>Japanese Yen against Singapore dollar</th>
<th>Pound Sterling against Singapore dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthened</td>
<td>43,881</td>
<td>41,658</td>
<td>1,774</td>
<td>2,396</td>
</tr>
<tr>
<td>Weakened</td>
<td>(43,881)</td>
<td>(41,658)</td>
<td>(1,774)</td>
<td>(2,396)</td>
</tr>
</tbody>
</table>

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, fund administrators and external valuations.

Available-for-sale financial assets

Quoted and unquoted equity investments are stated at fair value. The fair value of quoted equity investments is determined based on market prices at the end of the reporting period. The fair value of unquoted equity investments are estimated based on recent transactions and reference to other similar investments.
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Fair value hierarchy**

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.

### Fair value hierarchy (cont'd)

- **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)

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

#### Group

**31 March 2019**

Financial assets at fair value through profit or loss 1,396,247 792,789 511,094 2,690,130

- **Derivative financial assets**
  - 867 - 867
  - 1,396,247 793,636 511,094 2,700,977

- **Derivative financial liabilities**
  - 1,783 - 1,783

<table>
<thead>
<tr>
<th>31 March 2018</th>
<th>Available-for-sale financial assets</th>
<th>(92,866)</th>
<th>68,736</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>1,586,121</td>
<td>607,057</td>
<td>449,785</td>
</tr>
<tr>
<td>Derivative financial assets</td>
<td>-</td>
<td>5,213</td>
<td>5,213</td>
</tr>
<tr>
<td>Derivative financial liabilities</td>
<td>-</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

#### University Company

**31 March 2019**

Financial assets at fair value through profit or loss 1,396,154 793,636 503,933 2,693,723

- **Derivative financial assets**
  - 867 - 867
  - 1,396,154 793,636 503,933 2,693,723

- **Derivative financial liabilities**
  - 1,783 - 1,783

<table>
<thead>
<tr>
<th>31 March 2018</th>
<th>Available-for-sale financial assets</th>
<th>(133,220)</th>
<th>68,736</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>1,586,121</td>
<td>607,057</td>
<td>449,785</td>
</tr>
<tr>
<td>Derivative financial assets</td>
<td>-</td>
<td>5,213</td>
<td>5,213</td>
</tr>
<tr>
<td>Derivative financial liabilities</td>
<td>-</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

### Financial assets designated at fair value through profit or loss

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Unquoted investments</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

#### Group

At 1 April 449,785 440,652 2,798 648 652,583 441,100

Effects of adoption of FRS 109

- Revaluation of available-for-sale financial assets to FVTPL 2,798 - (2,798) - - -
- Convertible note to FVTPL 3,753 - - - 3,753 -

Gains in profit or loss 57,655 33,263 - 1,803 57,655 35,066

Subscriptions/Contributions 130,523 48,736 - 567 130,523 69,283

Redemptions/Distributions (133,220) (92,866) - - (133,220) (92,866)

At 31 March 511,094 449,785 - 2,798 511,094 652,583

### Financial assets designated at fair value through profit or loss

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Unquoted investments</td>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
</tbody>
</table>

#### University Company

At 1 April 449,785 440,652

Gains in profit or loss 57,608 33,263

Subscriptions/Contributions 129,609 68,736

Redemptions/Distributions (132,869) (92,866)

At 31 March 503,933 449,785

### 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 2018.

#### 31 CHARITY ACT AND REGULATIONS

As required for disclosure under Section 7(1) of the Charities (Institutions of a Public Character) Regulations, the University Company has received total tax deductible donations of $42,364,000 (2018: $25,864,000) in the current financial year.