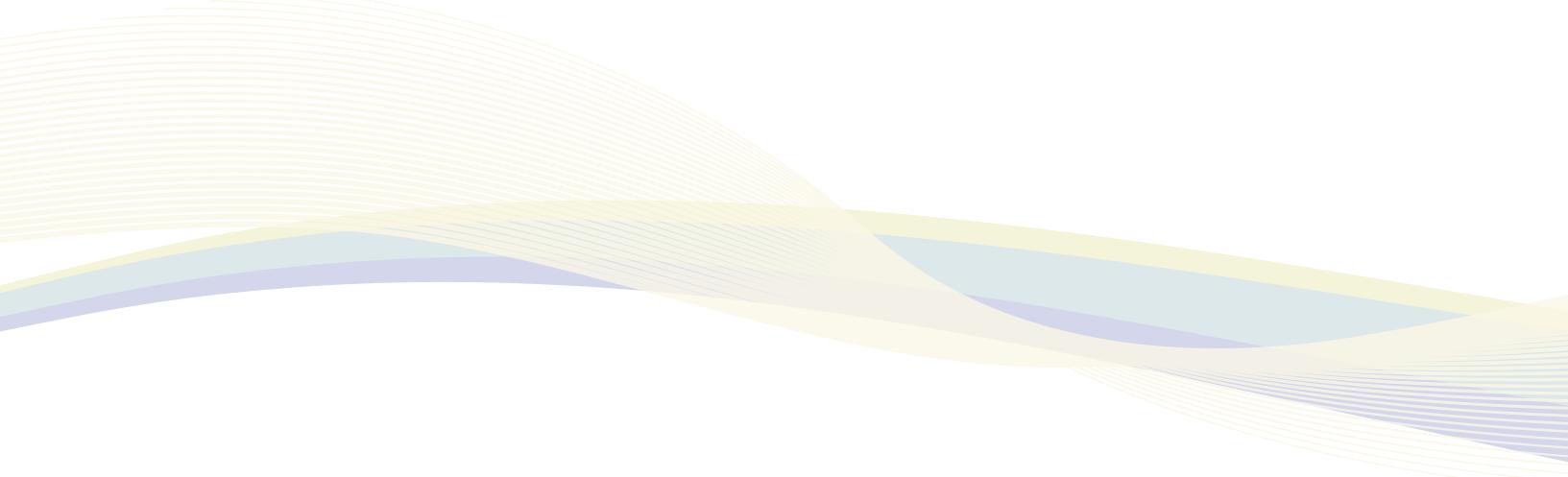




NANYANG  
TECHNOLOGICAL  
UNIVERSITY

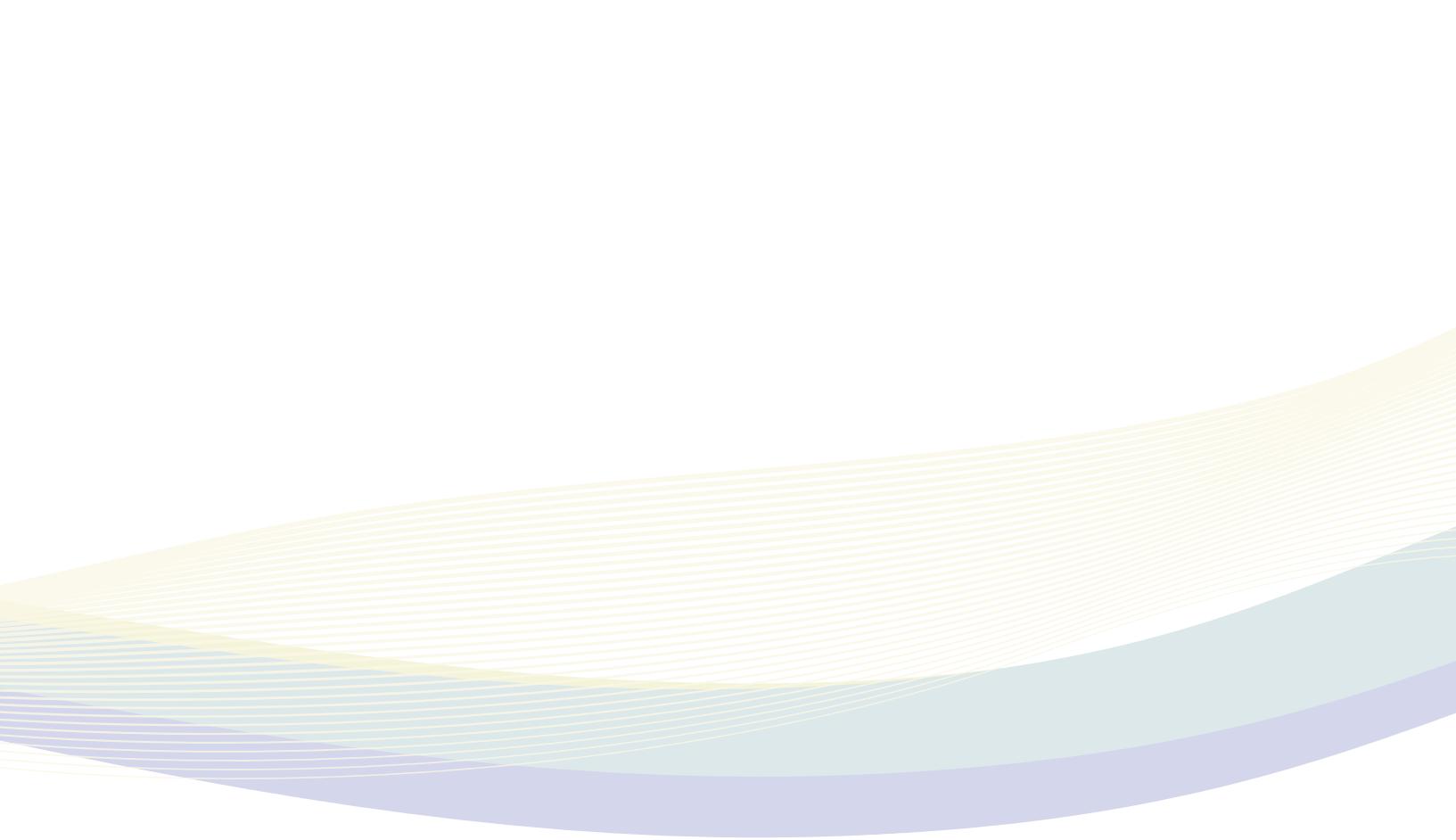


# annual report 2007



## Contents

Chairman's Message	05
Board of Trustees	08
President's Report	12
Eminent Visitors	26
NTU 21st Century Fund	28
Statistics	30
Financial Statements	35



## **Our Vision and Mission**

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





In pursuing our goal to be a great global university, we place equal emphasis on research excellence and quality of education.



**Mr Koh Boon Hwee**  
Chairman

Providing a quality education goes hand in hand  
with pursuing research excellence.

## Chairman's Message

The university sector in Singapore is undergoing a period of rapid change. The government has recently announced a further expansion of the university sector to accommodate the growing demand for university education. This follows the corporatisation of NTU to become an autonomous university in April 2006. Our undergraduate student intake this year is over 30% more than that of 2003, with new schools in the Colleges of Science and Humanities, Arts and Social Sciences. The research environment in Singapore has also been transformed with the establishment of the National Research Foundation (NRF).

Even as the University is consolidating the growth of the past five years, we have made plans, moving ahead, to improve the quality of our academic offerings and research and to expand the scope and depth of our collaborations with local and international partners. This is in line with our development as a research-intensive university.

We are already seeing some early fruits of our enhanced research focus and our collaboration with strategic partners. The past year has seen the establishment of two new research institutes: the Nanyang Environment and Water Research Institute and the Lien Chinese Enterprise Research Centre. We have expanded our pool of international research collaboration partners. Our researchers have chalked up a number of inventions and breakthroughs, including the development of a nanophotonic technology which can potentially revolutionise the design of IT devices by dramatically increasing data transmission speeds. Aligning our research focus with that of the NRF, we have concentrated on driving inter-disciplinary research, thus positioning ourselves to vie for funding to set up research centres of excellence and win research grants for projects under the Competitive Research Programme Funding Scheme.

Providing a quality education goes hand in hand with pursuing research excellence. Our students and graduates are also an important source of our research talent. A high-level commission has been formed to study how to reform, modernise and upgrade the quality of our undergraduate education so that it will be broad-based without losing discipline specialisation, flexible and yet rigorous and will produce graduates who will thrive in the changing world of the future. Similarly, a review of our graduate programmes will be carried out. Thematic inter-disciplinary graduate schools will be set up.





The hallmark of a great university is its faculty. We need faculty who not only excel in research but are also effective educators. The University has started to implement an improved and more rigorous process for faculty appointment, promotion and tenure that is in keeping with the required high standards. A new tenure scheme has been created to enhance the careers of exemplary faculty and to attract talented academics to join the University.

The alumni form another important constituent of the University community and there were significant developments this year. We opened the new NTU Alumni Clubhouse located at our second campus, NTU@one-north, providing a more convenient “home” for alumni. Three new international chapters of the NTU Alumni Association were established in Jakarta, Mumbai and Shanghai to better serve our ever-expanding global alumni network.

We will continue to engage our alumni to strengthen their bonds with the University. Engaged alumni will contribute in financial and other ways towards the development of their alma mater. They have together with our other generous sponsors helped the University to meet its target under the 21st Century Fund campaign of raising \$100 million by January 2007, four years ahead of schedule. We will soon launch the next campaign to secure the resources for the next phase of NTU’s development.

The coming years promise to be exciting. There are many opportunities and great potential for growth. NTU has good foundations to build on. We value the continued support of all who have contributed and will continue to play their part in this venture – our generous funding partners and donors, our alumni, members of our Board of Trustees, and the University management, as well as faculty and staff.

**Mr Koh Boon Hwee**  
**Chairman, Board of Trustees**  
**Nanyang Technological University**

## Chairman



**Mr Koh Boon Hwee**  
**Chairman**  
DBS Group Holdings Ltd



**Mr Alwi Bin Abdul Hafiz**  
**Managing Director,  
Asia-Pacific**  
BSI Management Systems  
Singapore Pte Ltd



**Mr Chia Ban Seng**  
**Managing Director**  
IndoCement Singapore Pte Ltd



**Dr Robert J. Herbold**  
**Managing Director**  
The Herbold Group, LLC



**Ms Jennie Chua**  
**President & CEO**  
The Ascott Group Ltd



**Mr Edmund Cheng**  
**Deputy Chairman**  
Wing Tai Holdings Ltd



**Mr Goh Geok Ling**  
**Chairman**  
SembCorp Marine Ltd



**Mr Kwek Leng Joo**  
**Managing Director**  
City Developments Ltd

## Board of Trustees



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Chairman  
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Our focus on research has spawned inventions and breakthroughs, resulting in international collaborations and benefits to society.



**Dr Su Guanming**  
President  
Nanyang Technological University

## Positioning Towards the Future

Academic Year 2006/07 was the first ever for the University in the Autonomous University framework established with corporatisation in April 2006. I am pleased to report that the University made significant progress during the year. The creation of the Non-Profit Corporation Nanyang Technological University and the transfer of assets from the previous Statutory Board form of the University went without a hitch.

We welcomed new members to the Board of Trustees – Mrs Tan Ching Yee, Permanent Secretary, Ministry of Education, and Mr Edmund Cheng, Deputy Chairman of Wing Tai Holdings Limited. The Board of Trustees together with the university leadership established our Vision and Mission statements. The Board has also been actively engaged in strategic affairs of the University.

Our Vision is to be “a great global university founded on science and technology”. With our base of science and technology, the University will build on its strengths and develop complementary strengths in new fields. NTU was placed 15th in Technology in the Times Higher Education Supplement (THES) 2006 World University Rankings. Our Nanyang MBA was ranked top in Singapore and third in Asia by both the Economist Intelligence Unit and the Financial Times, in 2006 and 2007, respectively.

In pursuing its goal to be a great global university, NTU places equal emphasis on research excellence and quality of education. Our Mission of “nurturing creative and entrepreneurial leaders through a broad education in diverse disciplines” expresses our commitment to moulding the next generation of leaders through a multi-dimensional education that emphasises character building as much as academic learning. We also believe in the importance of synergising research and teaching to scale the heights of academic excellence. This conviction was endorsed by the International Academic Advisory Panel, who visited NTU in January 2007.

## Strengthening the Foundation

NTU’s journey to become a Great Global University will entail several stages of change, in particular in our structure and systems. To prepare ourselves for the growth we envisage in the coming years, we need to ensure that the right structures and processes are in place.

Some notable improvements in this area have taken place in the past year.

A four-college structure was established to optimise synergies and streamline reporting within the University. The 12 NTU Schools were absorbed into the College of Engineering, the College of Science, the College of Business (Nanyang Business School) and the College of Humanities, Arts and Social Sciences.

Our organisational structure was further adjusted with the arrival of Professor Bertil Andersson as Provost on 1 April 2007. Former Chief Executive of the European Science Foundation and Rector of Linkoping University in Sweden, Professor Andersson comes to NTU with world renowned academic reputation and leadership experience to enhance academic leadership in the University. He is also a trustee of the Nobel Foundation, and has served on the Nobel Chemistry Prize committee for many years, chairing it in 1997.

A new academic governance structure has also been approved by the Board of Trustees for implementation. When implemented in 2007/08, this governance structure will provide the necessary long-lasting academic framework for excellence with energetic faculty participation in academic affairs of the University.

We have established our second campus in Singapore, NTU@one-north. A graduate school in one-north is being planned next, tapping synergies with A\*Star Research Institutes in Biopolis and Fusionopolis.

The Institute of Defence and Strategic Studies was transformed this academic year to become the S Rajaratnam School of International Studies (RSIS), in honour of the late Mr S Rajaratnam, former Foreign



**Prof Bertil Andersson**  
Provost  
Nanyang Technological University

Minister and Deputy Prime Minister, a member of the founding generation and the crafter of the National Pledge. The School provides a professional graduate education in International Relations and Strategic Studies with a strong practical emphasis. RSIS conducts policy-relevant research in defence, national security, international relations, strategic studies and diplomacy, as well as builds a global network of like-minded professional schools.

The School of Communication and Information in the College of Humanities, Arts and Social Sciences has been named The Wee Kim Wee School of Communication and Information, in honour of the late President Dr Wee Kim Wee. President Wee was a respected and renowned career journalist. An endowment fund was raised, with contributions from all walks of life, to support programmes at the School such as international reporting stints and ventures.

A new system for faculty appointment, promotion and tenure has been implemented to inject greater rigour and high standards into faculty development and renewal. A new tenure scheme has been created to enhance the careers of exemplary faculty and to attract talented academics to join the University.

**AUGUST 2006**



**SEPTEMBER 2006**



NTU entered into a collaboration with UCLA's California NanoSystems Institute in nanoscience, nanotechnology and nanosystems research.

NTU's Mechanical & Aerospace Engineering students and the Society for the Physically Disabled organised the first-ever Amazing Wheelchair Race to raise awareness of the challenges faced by the physically disabled.



NTU showcased its scientific wares at the three-day science carnival held to launch Science.06, a national event organised by A\*STAR and the Singapore Science Centre.

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## Exploring New Frontiers

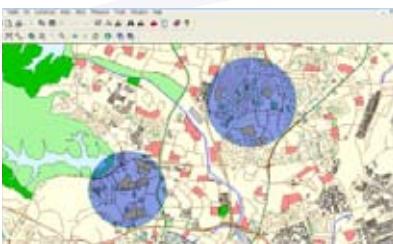
### Research Strategies and Plans

The University has moved decisively to seek a significant share of the substantial new funding available from the National Research Foundation. A central theme in the last academic year was interdisciplinary research. This is in strategic alignment with the emphasis placed by the Foundation on cross-disciplinary collaboration and also in recognition of the immense potential at the boundaries of disciplines. Our faculty have submitted a wide range of research proposals in response to the Competitive Research Programme Scheme under the Foundation, reflecting the span of research strengths and interests across the University.

To sustain the enhanced research intensity, the University has been developing rapidly the faculty talent pool. The Nanyang Assistant Professorship scheme is the latest

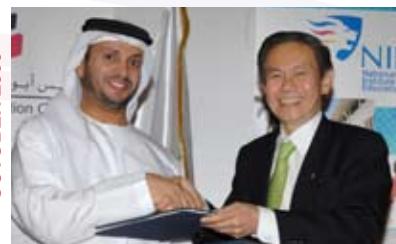
initiative, under which top researchers and scholars will be recruited from around the world to play leading roles in the University's new wave of multi-disciplinary and integrative research. Career progression path of research staff has also been enhanced. Outstanding research staff will move on to higher research appointments and be considered for faculty appointments.

Graduate education forms an integral part of the research eco-system. The University is making plans for new initiatives in graduate education, especially in the PhD programmes. Thematic, inter-disciplinary graduate schools will be established with faculty drawn from across all four Colleges. The enrolment of PhD students has seen considerable growth. In AY06, there were 1,731 PhD students out of a total research student population of 2,060.



OCTOBER 2006

A team of researchers led by Adjunct Prof Lun Kwok Chan of the School of Biological Sciences has developed a strategy to contain acute infectious diseases.



The National Institute of Education, NTU, is working with the Abu Dhabi Education Council to set up a new teacher training institute.



An NTU research team won the prestigious Engineering Achievement Award 2006 in recognition of their research excellence on microelectromechanical systems technology.

## Research Outcomes

The research enterprise at NTU is humming with activity. The investments made in research have spawned research centres, industry and international collaboration, inventions and breakthroughs. Some examples are:

### Institutes / Centres

- In December 2006, with government matching, NTU received \$10 million from the Lien Foundation to launch the Lien Chinese Enterprise Research Centre (Lien CERC). The centre spearheads research on Chinese enterprise and promotes a better understanding of Chinese enterprise behaviour and strategy. It aims to establish NTU as a key centre for Chinese enterprise research in Singapore.
- In March 2007, the Nanyang Environment and Water Research Institute (NEWRI) was established as a research, education and innovation centre in environmental and water technologies to provide opportunities for Singapore's researchers to work together with top international experts to conduct cutting-edge research. The first of NEWRI's research centres, the Singapore Membrane Technology Centre (SMT), led by Professor Tony Fane, will see an investment of \$27 million over 5 years and focus on an important aspect of water technology - the membrane.

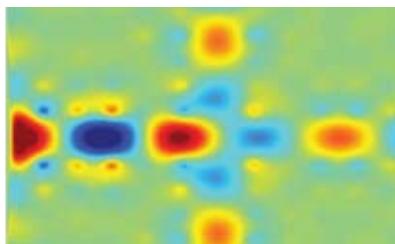
### Collaborations

- Advanced RFIC Pte Ltd will be investing \$9 million in a new collaboration with NTU, to advance research and development in radio frequency integrated circuit (RFIC) technology. The investment will be pumped into a new laboratory with state-of-the-art equipment and into the creation of 30 postgraduate scholarships.

- The NTU Nanoscience and Nanotechnology Cluster has signed a Memorandum of Understanding with the UCLA's California NanoSystems Institute, to collaborate in nanoscience, nanotechnology and nanosystems. NTU and UCLA will conduct joint research with the possibility of future product commercialisation and industrial start-ups.
- The School of Civil and Environmental Engineering has signed a Memorandum of Understanding with the Singapore Land Authority to conduct cooperative research in geospatial information science and technology.
- The S Rajaratnam School of International Studies, together with the School of Computer Engineering and London-based World-Check, has launched a four-year fellowship to facilitate the flow of information related to crime and terror to identify likely criminals and terrorists.
- NTU and the Confederation of Indian Industry, India's largest and most established business body, have forged a partnership to collaborate actively in education, research and technology transfer. The Nanyang Business School will also customise executive programmes for Corporate India under the aegis of this partnership.

### Development of Systems and Prototypes

- Working with the National University Hospital (NUH), a research team from the School of Mechanical and Aerospace Engineering is developing a master-slave surgical robotic system for endoscopy. The robotic system enables the endoscopist to perform technically demanding therapeutic procedures in a minimally invasive or non-invasive setting.



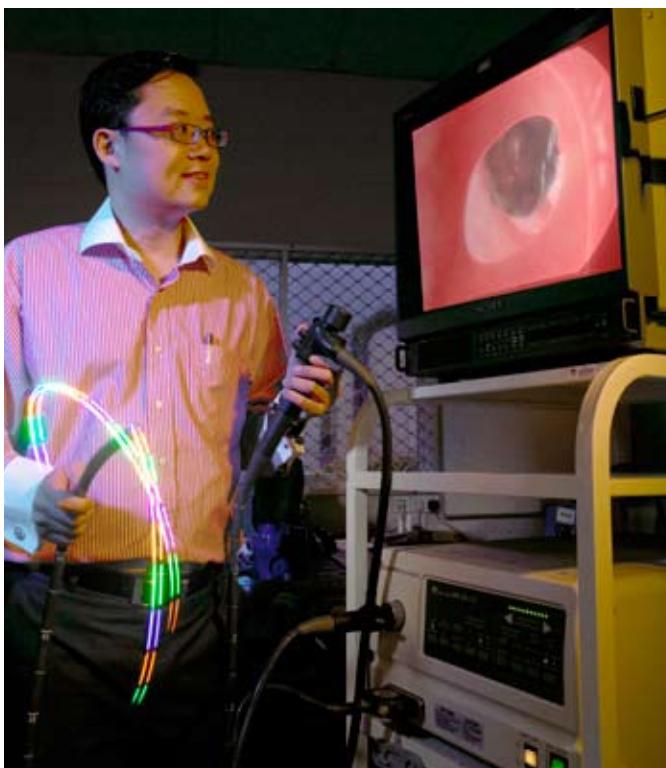
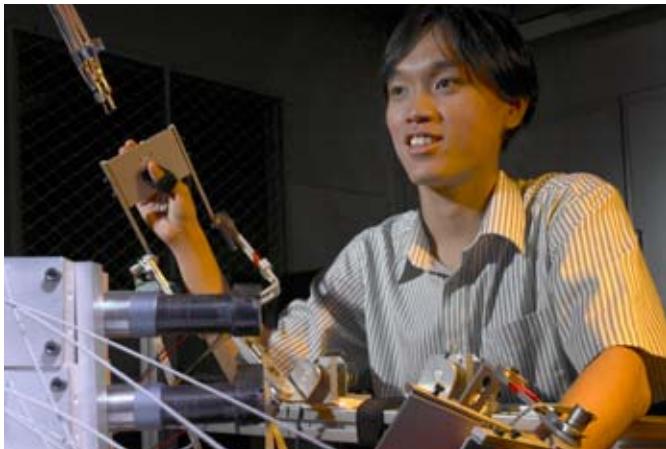
An NTU research team, led by Assoc Prof Liu Ai Qun, developed a nanophotonic technology that revolutionizes the design of communications devices.



Assoc Prof Franz Konstantin Fuss is one of the 12 finalists of the Asian Innovation Awards for his innovation of an anti-landmine shoe.



The S Rajaratnam School of International Studies was officially launched by Mr S R Nathan, President of the Republic of Singapore, on 11 December 2006.



- Researchers at the School of Computer Engineering are working on a computer system that will allow doctors to accurately diagnose cancer through images, without having to collect tissue samples. This study, conducted with the National Cancer Centre Singapore and a number of local hospitals, has a system that can rapidly combine images taken by an endomicroscope into three-dimensional diagrams that doctors can decipher easily.

### Inventions/Breakthroughs

- Researchers at the Lien Institute for the Environment (LIFE) have come up with a simple technique to strengthen brick walls against abrupt collapse during an earthquake. Using this technique, the Institute is already working with two aid groups in Indonesia to reinforce homes and schools.
- In collaboration with the Biomedical and Pharmaceutical Engineering Cluster, a research team from the School of Electrical and Electronic Engineering has developed a nanophotonic technology which can potentially increase data transmission speeds by up to 1,000 times. This will possibly revolutionise the design of devices in the industry of information communications technology.
- A research team from the School of Biological Sciences has developed a novel strategy for the containment of acute and emerging infectious diseases. The Digital Ring Fence (DRiF) strategy involves the development of a mathematical structure with data from probable cases captured in a secure database. This will facilitate the quick isolating and monitoring of individuals to prevent the spread of disease.



NTU and Georgia Institute of Technology came together to offer two degrees in information technology – a Bachelor of Engineering from NTU and a Master of Science from Georgia Tech.



The Lien Chinese Enterprise Research Centre, a partnership between NTU and the Lien Foundation, was launched at NTU on 11 December 2006.



NTU named its communication and information school the Wee Kim Wee School of Communication & Information - after the late Dr Wee Kim Wee, Singapore's former President.

- A multi-disciplinary research team comprising faculty from the School of Mechanical and Aerospace Engineering, School of Electrical and Electronic Engineering and School of Computer Engineering has developed software that shows images of human brain activity in 3D and realistic colour. The software translates and processes data from the standard test that measures brain activity within minutes. Research on the human brain is essential as neurological disorders ranging from epilepsy to Alzheimer's disease affect up to one billion people globally.
- A research team from NTU's Intelligent Systems Centre (IntelliSys) has won the Microsoft Sensor Map research grant to develop a map using Microsoft Virtual Earth software with data from a central depository to connect school weather stations together that would make it simpler and more intuitive for users to use the weather data. This is truly an outstanding achievement, since IntelliSys is the only local research centre among the 11 global winners. The map can potentially be used to study dengue hot spots and the urban heat island effect.
- Two alumni from the Class of 2001 have found a way to convert industrial refuse to useful construction material by means of a novel crystallization technology. This innovative technology turns industrial waste into environmentally-friendly material that can be re-used in many industries. They have formed a company, NewEarth Pte Ltd. The company won the inaugural Outstanding Maritime R & D and Technology Award.

### Commercialisations

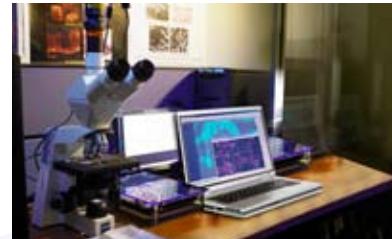
- NTU's spin-off, NanoFrontier Pte Ltd, has signed two R & D agreements worth \$4 million with UK companies, Analytical NanoTechnologies PLC and ROAR Particles Pte Ltd.
- Researchers from the School of Materials Science and Engineering and a US-based medical device incubator, Insightra ® Medical, have teamed up to form a new start-up company called ReeTrakt™ Pte Ltd, which develops disposable surgical retraction systems.



JANUARY 2007



Made up of 12 distinguished international figures, the International Academic Advisory Panel was established to advise Singapore on major trends and directions in university education and research.



A research team led by Assoc Prof Seah Hock Soon and Assoc Prof Lin Feng developed a computer system that allows doctors to accurately diagnose cancer through images, without having to collect tissue samples.

FEBRUARY 2007



The National Vertical Marathon, organized annually by the NTU Sports Club, attracted more than 1,600 participants who scaled 60 storeys up the Republic Plaza.

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# Nurturing Creative and Entrepreneurial Leaders

## Academic and Classroom Learning

In conjunction with the efforts to transform NTU into a research-intensive University is our continuous endeavour to improve the quality of education. Our graduates are highly sought after by the industry, as affirmed by the Graduate Employment Survey 2006. The Class of 2006 was hired faster and paid more than their predecessors. About 90% took up permanent employment within four months of graduation, commanding an average monthly salary of \$2,700. Many graduates received one or more job offers even before graduation.

The University provides graduates with excellent networking opportunities in the industry. The employability of our graduates is as much a reflection of the buoyant economy as it is a testimony of the quality of our programmes. Our educational programmes take into account the diverse interests of students and industry. Many new multi-disciplinary programmes were introduced to meet the demands of the global marketplace. For example, the double-degree programme in Business and Computing, and the double-major in Economics and Mathematics were launched in AY06.

This year saw the pioneer batch of students enrolling in our multi-disciplinary Bachelor of Engineering in Information and Media programme, which marries the expertise of the School of Electrical and Electronic Engineering, the School of Art, Design and Media, and the School of Computer Engineering. Top students keen to venture beyond what is



normally required of a first degree, can take up the integrated fast-track Bachelor of Engineering/Master of Science programmes created in collaboration with Georgia Institute of Technology.

The C N Yang Scholars Programme continues to attract the cream of the crop. The programme provides top students with a deep foundation in science modelled on the core curriculum of the California Institute of Technology, the most demanding science and engineering undergraduate curriculum in the world. They can take degrees in many branches of science and engineering. Taking significant part in undergraduate research, they are groomed to go for PhD programmes to become leading scientists and engineers. Scholars will have the opportunity to interact with top brains in science including visiting Nobel Laureates.

An important attribute that a graduate must have in an open economy like Singapore is a global mindset.



The NTU Debating Society organized the Model United Nations conference, which attracted 150 students from local junior colleges, polytechnics and universities who debated on global issues they have researched.

MARCH 2007



NTU launched the Nanyang Environment & Water Research Institute, a new research, development and education centre in environmental and water technologies.



Prof Robert Grubbs from California Institute of Technology spoke to a full house in the Nobel Laureate Public Lecture Series organised by the Institute of Advanced Studies.

Currently covering five countries – the US, China, India, Switzerland and France – the Global Immersion Programme (GIP) will be offering another destination, Vietnam, in 2008. For shorter stints, the Global Summer Studies (GSS) was launched in August 2006. This scheme provides students with short-term overseas study opportunities during the May to August university vacation. Students can choose from a wide range of universities in America, Asia and Europe, and pursue courses ranging from engineering to science to humanities and social sciences. Integrating all the NTU global programmes is our annual fair, iGlobal-Take the Leap!. This fair showcases the GIP, International Student Exchange Programme (INSTEP), GSS, and Global Leadership Exposure. iGlobal 2007 drew 5,300 participants. Combining the best of research and global experience, students were given the flexibility to complete their Undergraduate Research Experience on Campus (URECA) projects with eminent scientists at overseas institutions.

Even as we enrich and enhance our educational programmes within the existing undergraduate framework, the University is undertaking a strategic review in the light of our Vision and Mission. I have established a Blue Ribbon Commission to thoroughly review our undergraduate education. Chaired by Prof Haresh Shah, Emeritus Professor, Stanford University, and NTU Board of Trustees Member, the Commission will conduct a bottom-up, no-holds-barred review of our undergraduate education philosophy, to develop guiding principles for the revamp of undergraduate curriculum and future programmes.

Equally important to the software aspects of education are state-of-the-art facilities to support quality teaching. The Art, Media and Design (ADM) Library was completed at the end of 2006 and opened to users in January 2007 with

an initial collection of 1,000 audio-visual items. The design brief for the renovation and expansion of our Lee Wee Nam Library has been completed and the construction will be commencing soon. We are planning for a new library complex to house the Business, Communication, Chinese, and Humanities & Social Sciences collections and services. While the buildings for the School of Chemical and Biomedical Engineering, and for the School of Art, Media and Design were completed in 2006, the one for the School of Physical and Mathematical Sciences is currently under construction. The level of construction activity in the NTU campus mirrors the intense work that is being carried out on the teaching front.

## Residential Education Experience

The University believes in creating a total educational experience for students. We develop a close-knit community of students and faculty on campus, in an environment rich in academic, intellectual, cultural and social pursuits and activities. We are building more halls of residence to allow more students to stay on campus and strengthen the residential character of the University. Apart from in-campus accommodation, an off-campus accommodation system assists students in their housing needs. In addition, a campus centre is being planned with an exciting range of shops, amenities and facilities. It will be a place for students, faculty and staff to congregate, mingle and interact. The Board has set up a Campus Planning Committee to develop a master plan taking into account all the diverse requirements.

Students organise activities all year round, resulting in a strong sense of camaraderie and enduring bonds. A signature event was the Hall Olympiad, a large-scale



NTU scientists led by Assoc Prof Chen I-Ming created an underwater robot – Amoebot – that can save precious marine life.

**APRIL 2007**



NTU's cheerleading team, NTU ACES, made its international debut at the Cheerleading Asia International Open Championship held in Japan in April 2007.



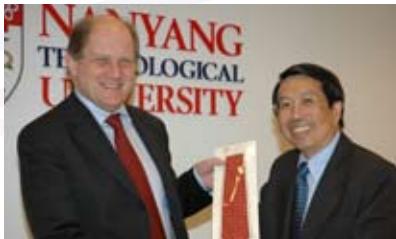
Asst Prof Louis Phee won the Singapore National Academy of Science's Young Scientist Award for research excellence in biomedical robotics engineering and the Outstanding Young Persons of Singapore Award.



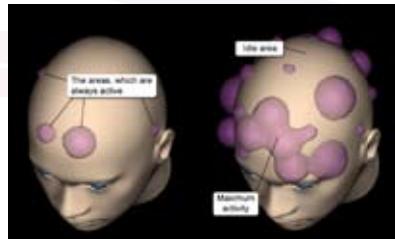


series of fun-filled tournaments involving the sixteen halls of residence. It comprised the Inter-Hall Games and the Inter-Hall Recreation Games, and featured an Inter-Hall Dance Competition. The highlight of the event was an Inter-Hall Cheerleading cum Mascot Competition. The closing ceremony of the games was rounded off with a special-effects laser show. Apart from managing halls of residence, students are also given space to manage welfare services and many of them seize the initiative to organise nation-wide activities. Such experiences develop their leadership skills and civic-mindedness. Some of the noteworthy events include:

- CAC Impresario 07, a Singapore talent search competition in music and dance organised by the Cultural Activities Club. The finals were held on 3 March 2007 at the Suntec City Rock Auditorium to a sell-out crowd of 1,400;
- The Chinese Calligraphy Competition 2007, organised by the Chinese Society on 11 February 2007 in campus which attracted 300 participants from primary schools, secondary schools, junior colleges, polytechnics and the public.



Prof Bertil Andersson, the Chief Executive of the European Science Foundation and former Rector of Linköping University, was named Provost of NTU.



A multi-disciplinary NTU research team comprising faculty from three engineering schools developed a software that shows images of human brain activity in 3D and living colour.



MAY 2007  
NTU launched its second campus, NTU@one-north, with an official opening ceremony graced by Singapore President S R Nathan, NTU Chancellor and Patron of the NTU Alumni Club.

## Reaching Out to the Community

We extend the university resources to develop advanced courses for students in Junior Colleges (JCs). In January 2007, the Higher 3 (H3<sup>2</sup>) programme commenced with its first intake of 222 students from various JCs. Further expansion of the programme is expected as the University awaits MOE's approval of new proposals, such as the H3 Music and H3 NTU Nanyang Research Programme.

The Nanyang Research Programme admitted 200 top students from 21 JCs and Integrated Schools to enable them to work with professors on research projects.

An Immersion Programme (IP) has also been initiated by NTU to provide students from Raffles Institution (RI) a chance to pursue modules designed and taught by NTU professors. The School of Civil and Environmental Engineering will be the first school at NTU to offer Science and Technology courses to RI boys as part of their programme.

As undergraduates go through their educational experience at NTU, an integral part of this experience is giving back to society, locally and internationally. For example, to reduce the number of deaths due to natural disasters like earthquakes, researchers of The Lien Institute for the Environment (LIFE), together with undergraduate students, came up with a simple and effective, yet inexpensive method of strengthening brick walls so that they can hold up longer in the event of an earthquake, allowing victims more time to escape. In March 2007, NTU students helped to raise awareness of the struggles of communities in Timor Leste through a photography exhibition, held at the Asian Civilisation



JUNE 2007



The NTU Convocation Ceremony held in Dalian celebrated the academic success and outstanding achievements of NTU's China-based graduates

## Nanoparticles, genes used to fight cancer

By Lee Hua Cheen

IMAGINE cancer treatment with less of the dreaded side effects like nausea and hair loss, thanks to very tiny seed particles.

Researchers from the National Cancer Centre (NCC) have turned "engineering" often nanoparticles into tools for anti-cancer gene therapy.

Each offence nanoparticle contains less than 50 nanometres of diameter. A nanometre is one-billionth of a metre. More

he said: "Immunotherapy is always the best. It is very selective, and knocks out only cancer cells. Drugs and chemotherapy tend to be less specific and kill healthy cells too."

In laboratory studies, mice with tumours were injected with nanoparticles that carried DNA with an antigen.

The antigen – a compound that the immune system reacts to – is present in the bodies of many forms of cancer, including breast, ovarian and colon cancers.

Led by Assoc Prof Philip Cheang, a research team from NTU's School of Chemical and Biomedical Engineering and National Cancer Centre engineered nanoparticles for use in anti-cancer gene therapy.

JULY 2007



Congratulations, Class of 2007! It was a spirited convocation as faculty, staff, students and their families came together to celebrate their accomplishments.



JULY 2007  
Prof Cham Tao Soon was bestowed the honour of President Emeritus by NTU Chancellor Mr S R Nathan, President of Singapore, in recognition of his distinguished service to the University.



NTU launched the NTU University Scholars Award to affirm the achievements of its top graduates while honouring the teachers who have left an indelible mark on these students.



One of the top Confucius Institutes, CI-NTU delivers a world-class curriculum while maintaining close links with global Chinese communities.

Museum, of their humanitarian mission to the country. The students were in Timor Leste in September 2006 to build a roof for an orphanage and to conduct English lessons.

In Singapore, the Mechanical and Aerospace Engineering Club and the Society for the Physically Disabled jointly organised the Amazing Wheelchair Race in September 2006 to raise public awareness of challenges faced by the disabled. Students from Hall of Residence 4 also organised a fund-raising programme for Club Rainbow Singapore in August 2006 at Toa Payoh HDB Hub. The programme comprised fund-raising activities, games, performances, sales of donation tickets and trade fairs.

In conjunction with the Singapore Tourism Board's efforts to raise the profile of Singapore as an education hub, NTU contributed in no small way by hosting journalists from the Russian TV station 'Gubernia' and the magazine 'Best of Khabarov' to raise awareness of NTU among Russians and to showcase Singapore as an attractive study location.

NTU has launched an award to recognize and honour inspirational teachers of students who excel in an all-round manner. The University Scholars Award recognizes the achievements of graduating students, while honouring teachers and faculty members who have been an inspiration to them. A cash grant is set up in the name of each teacher honoured, who in turn nominates a prospective student to receive the grant on admission into NTU. The University hopes to perpetuate the virtuous cycle of honouring the hard work of teachers in producing well-rounded student achievers.

At NTU@one-north, the Confucius Institute (CI) was officially opened by Minister Mentor Lee Kuan Yew in July 2007. Leveraging the strengths of NTU and China, it offers a comprehensive range of Chinese educational programmes from pre-school to postgraduate levels. NTU's Centre for Continuing Education has also moved there to better position itself to cater to the needs of professionals and companies.

## Engaging Our Alumni

The alumni are the key stakeholders of the University and strengthening our ties with them are of utmost importance. Through the work of the Alumni Affairs Office the alumni network has been expanding. NTU Alumni Associations in Jakarta, Mumbai and Shanghai were launched in May and June 2007. In conjunction with the China Convocation 2007, an alumni get-together was held in Dalian for 360 China-based alumni, guests and their families.

NTU@one-north was officially opened in May this year. Besides housing the Centre for Continuing Education and the Confucius Institute, it is also home to the NTU Alumni Clubhouse. Designed to combine recreational and business facilities under one roof, the clubhouse with its wide range of facilities is an attractive meeting and networking point for all alumni members. With the presence of the Centre for Continuing Education, professors, administrators and fellow alumni will have greater opportunities to keep in touch with one another.

Close to 100 international alumni gathered for an afternoon of networking at the second International Alumni Lunch at the Alumni Clubhouse at NTU@one-north this year.



Everyone was pleased to be given the chance to meet fellow alumni from various parts of the world and to extend their business contacts.

## Looking to the Future

We have come a long way since our humble beginnings as Nanyang University struggling against all odds, and the first engineering schools of Nanyang Technological Institute with 500 students. Today, we are a global top 100 university with an outstanding global reputation for technology. We reach deep into China with our Chinese programmes. Our research reputation has been rising rapidly, especially in recent years.

I have in recent years pictured us as the Multi-Cultural Research University. This is a combination of our heritage from Nanyang University and Nanyang Technological Institute. We are actively developing beyond the current English-Chinese bicultural programmes by engaging rising economies such as India, Korea and Japan in Asia, and reaching out to the old European civilizations and the high-energy innovation centres of the North American economies. Entrepreneurship is a vital ingredient we are developing for this university. Being Multi-Cultural and Research-Intensive helps us do so.

The higher education landscape in Singapore has been characterised by rapid changes in recent years, punctuated by meetings of the International Academic Advisory Panel of the Ministry of Education. NTU has risen to the challenge. The three new Schools from 2003, the Autonomous University framework from 2005, the Research Intensive drive from 2007, all drive us forward with energy boosts towards the top among Global Universities. Today, with moves to once again transform the Singapore university landscape, NTU is poised to be one of the two truly Global Universities in Singapore competing in science and technology. We are well on our way in our journey "To be a Great Global University founded on Science and Technology".





We provide our graduates with  
excellent networking opportunities,  
increasing their employability.

# Eminent Visitors

## Nobel Laureates

### Prof Aaron Ciechanover

Nobel Laureate in Chemistry, 2004  
Research Professor, Technion – Israel Institute of Technology,  
Israel

### Prof Claude Cohen-Tannoudji

Nobel Laureate in Physics, 1997  
Collège de France and Laboratoire Kastler Brossel;  
École Normale Supérieure, Paris, France  
Institut Francilien de Recherche sur les Atomes Froids

### Prof Robert Howard Grubbs

Nobel Laureate in Chemistry, 2005  
Victor and Elizabeth Atkins Professor of Chemistry  
California Institute of Technology, USA

### Prof Gerard 't Hooft

Nobel Laureate in Physics, 1999  
Professor in Theoretical Physics  
Utrecht University, Netherlands

### Prof Douglas Osheroff

Nobel Laureate in Physics, 1996  
Professor of Physics & Applied Physics, Stanford  
University

### Prof Samuel CC Ting

Nobel Laureate in Physics, 1976  
Thomas Dudley Cabot Professor of Physics at  
Massachusetts Institute of Technology

### Prof Yang Chen Ning

Nobel Laureate in Physics, 1957  
Albert Einstein Professor of Physics,  
State University of New York at Stony Brook, USA;  
Distinguished Professor-at-large,  
Chinese University of Hong Kong  
Professor, Tsinghua University, Beijing, China

## Government Officials & Diplomats

### His Excellency Mr Ahmet Bulent Meric

Ambassador Extraordinary and Plenipotentiary  
Embassy of the Republic of Turkey

### Mr Ariyaratne Hewage

Secretary of Education, Sri Lanka

### Dr Atta-Ur-Rahman

Chairman of the Higher Education  
Commission of Pakistan

### His Excellency Mr Pierre Buhler

Ambassador of France to Singapore

### Mr Seamus Gillespie

Head of Unit of Southeast Asia  
External-Relations Directorate  
General of the European Commission

### His Excellency Dr Khaled Alanqary

Minister of Higher Education, Saudi Arabia

### His Excellency Mr Kim Joong Keun

Ambassador of the Republic of Korea to Singapore

### Prof Kim Sun-Hwa

Advisor to the President of the Republic of Korea for  
Information, Science and Technology

### Mr Lee Kuan Yew

Minister Mentor

### RAdm Lui Tuck Yew

Minister of State for Education

### Dr Nguyen Thien Nhan

Minister of Education and Training, Vietnam

### Mr Masagos Zulkifli

Senior Parliamentary Secretary (Education)

### His Excellency Mr Holger Standertskjold-Nordenstam

Ambassador and Head, Delegation of the European  
Commission to Singapore

### His Excellency Dr Subrahmanyam Jaishankar

High Commissioner, High Commission of India

### His Excellency Dr Tayseer Al-Nahar Al Noaimi

Secretary General of Education and Technical Affairs,  
Ministry of Education, Jordan

### Mr Wang Jianzu

Science Counsellor of China Embassy in Singapore

### His Excellency Mr Wardana

Ambassador Extraordinary and Plenipotentiary  
Embassy of the Republic of Indonesia

### Mr Mark Wood

General Director, León Campus of the University  
Technologico De Monterrey, Mexico

### His Excellency Mr Xu Jialu

Vice Chairman, People's Congress, China

## University Presidents & Academic Leaders

### Dr Mark Becker

Provost, University of South Carolina, USA

### Mr Paul Brest

President, The William and Flora Hewlett Foundation, USA

### Prof James Drummond Bone

Vice-Chancellor, Liverpool University, UK

### Prof Chen Limin

Vice Party Secretary, Fudan University and President,  
Shanghai Institute of Visual Arts, Fudan University, China

**Dr Frank Fernandez**

Director of Institute Technology Initiatives, Wesley J Howe School of Technology, USA

**Prof Gong Ke**

President, Tianjin University, China

**Prof Jeanette Hacket**

Vice-Chancellor & President, Curtin University of Technology, Australia

**Dr David Hinton**

Registrar, UNB Fredericton, University of New Brunswick, Canada

**Dr Hoang Ba Chu**

Rector of Hanoi University, Vietnam

**Prof Hui Yong Zheng**

Chairman/Director, Shanghai Innovative Research Center of Traditional Chinese Medicine, China

**Prof Kim Tae Wan**

Provost, Keimyung University, Republic of Korea

**Mr Le Cong Co**

President, Duy Tan University, Vietnam

**Prof Liu An-Chi**

President, Feng Chia University, Taiwan

**Prof Mohamed Salleh Mohamed Yasin**

Vice Chancellor, National University of Malaysia, Malaysia

**Prof Pongsak Angkasith**

President, Chiang Mai University, Thailand

**Prof Aviv Rosen**

Senior Vice President, Technion – Israel Institute of Technology, Israel

**Dr Harold Raveché**

President, Stevens Institute of Technology, USA

**Prof Alan Robson**

Vice-Chancellor, University of Western Australia, Australia

**Prof Gary Schuster**

Provost, Georgia Institute of Technology, USA

**Prof Robert Stable**

Vice-Chancellor, Bond University, Australia

**Prof Stephen J Toope**

President, University of British Columbia, Canada

**Prof Kenjiro Tsuchida**

Vice President, Waseda University, Japan

**Prof Wang Liren**

President, Zhejiang University City College, China

**Dr Joseph White**

President, University of Illinois, USA

**Prof Tim Wilson**

Vice-Chancellor, University of Hertfordshire, UK

**Mr Wu Hequan**

Vice President, Chinese Academy of Engineering, China

**Prof Wu Tai Tsun**

Lee Kuan Yew Distinguished Visitor & Gordon McKay Professor of Applied Physics & Professor of Physics, Harvard University, USA

**Prof Xu Xiaohu**

President, Shantou University, China

**Prof Alexander J B Zehnder**

President, Board of the Swiss Federal Institutes of Technology

**Prof Zhan Tao**

President, Shandong University, China

**Prof Zhou Qifeng**

President, Jilin University, China

**Prof Zhu Chongshi**

President, Xiamen University, China

## Business & Industry Leaders

**Mr Adil M Dhalla**

Technical Director, Chemistry & Characterization, GE India Technology Center

**Mr Goh Geok Kim**

Chairman and Managing Director, GK Goh Holdings Ltd

**Lt Gen Shamsher Singh Mehta**

Director-General, Confederation of Indian Industry

**Dr Sehat Sutardja**

Chief Executive Officer, Marvell Technology Group, USA

# NTU 21st Century Fund

DONATION PERIOD : APRIL 2006 TO MARCH 2007

<b>DONOR</b>	<b>PLEDGE/CASH (\$\$)</b>
Government of Singapore	31,246,213
Lien Foundation	13,500,000
Jen Chiu Kao, Denis	3,100,000
Lee Foundation Singapore	2,163,424
Singapore Labour Foundation	1,050,000
Kim Seng Holdings Pte Ltd	1,000,000
PAP Community	1,000,000
Tanoto Foundation	1,000,000
Keppel Corporation Limited	775,000
Singapore Press Holdings Limited	501,000
Cornell University	455,940
Kim Leng Tee Investments Pte Ltd & Members of the Tan Family	400,000
The Trustee of the Harry Oppenheimer Family Continuity Trust	375,000
Ian Ferguson Foundation	350,000
Goh Cheng Liang	250,000
Sasakawa Peace Foundation Japan	235,270
Hong Leong Foundation	203,000
Fraser and Neave Group: F&NL, APBL and FCL	200,000
The Ford Foundation	194,236
Singapore Totalisator Board	192,700
Culindo Livestock (1994) Pte Ltd	180,000
Singapore Technologies Engineering Ltd	168,700
Far East Organization	150,000
NTU School of CEE Alumni Association	150,000
Pontiac Land Group	125,000
Oei Hong Leong Foundation Pte Ltd	110,000
Oversea-Chinese Banking Corporation Ltd	107,467
Bengawan Solo Pte Ltd	102,000
Chemical Industries (Far East) Limited	100,000
Emily Chan	100,000
Estate of Khoo Teck Puat	100,000
Foo Hai Ch'an Monastery	100,000
Goh Geok Khim	100,000
Khoo Ban Hock	100,000
Lee Kim Tah Foundation	100,000
Leong Khay Huay Kuan	100,000
Lim Eng Hock, Peter	100,000

<b>DONOR</b>	<b>PLEDGE/CASH (\$\$)</b>
Mun Swee Heong	100,000
Singapore Anti-Tuberculosis Association	100,000
The REDAS Fund	100,000
Tong Teik Pte Ltd	100,000
The Tan Chin Tuan Foundation	81,000
Mr Yani Haryanto & Mrs Greta H. Haryanto	80,000
Sons / Daughters of the Late Mr Wan Boo Sow	75,250
Thomson Shin Min Foundation	75,000
Eu Keng Mun, Richard	50,000
Fujikura Kasei (Singapore) Pte Ltd	50,000
Ong Tiong Tat Executor of the Estate of Koh Choon Joo Deceased	50,000
Singapore Technologies Telemedia Pte Ltd	50,000
Wee Family	50,000
WeR1 Consultants Pte Ltd	50,000
Singapore Chinese Chamber of Commerce Foundation	48,000
Global Objectives Ltd	45,770
Institute of International Education	44,653
Exxonmobil Asia Pacific Pte Ltd	35,000
Jobsfactory Pte Ltd	31,722
Anthony Huray	30,000
Choicehomes Investments Pte Ltd	30,000
Corus South East Asia Pte Ltd	30,000
Defence Science & Technology Agency	30,000
Dentsu Singapore Pte Ltd	30,000
DSO National Laboratories	30,000
Kwee Liang Keng	30,000
4th Asia-Pacific Congress on Catalysis	30,000
Pfizer Asia Pacific Pte Ltd	30,000
The Shaw Foundation Pte	30,000
Ambassade De France A Singapour	29,528
Singapore Red Cross Society	29,217
Tan Joo Kee Scholarship	28,500
Motorola Foundation	27,558
Ng Ghit Cheong	26,000
ComfortDelGro Corporation Limited	25,000
EASTWEST Public Relations Pte Ltd	25,000
Others	1,880,477
<b>TOTAL</b>	<b>63,772,625</b>

# Student Statistics

## AY 06/07 FULL-TIME UNDERGRADUATE ENROLMENT BY PROGRAMME & GENDER<sup>1</sup>

PROGRAMME	MALE	FEMALE	TOTAL
<b>COLLEGE OF ENGINEERING</b>			
Aerospace Engineering	118	34	152
Bioengineering	178	179	357
Business & Computing	13	8	21
Chemical & Biomolecular Engineering	249	283	532
Civil Engineering	399	222	621
Computer Engineering	1199	244	1443
Computer Science	241	103	344
Engineering	1060	248	1308
Electrical & Electronic Engineering	2114	759	2873
Environmental Engineering	128	175	303
Materials Engineering	533	515	1048
Mechanical Engineering	1776	430	2206
Maritime Studies	60	117	177
<b>COLLEGE OF BUSINESS (NANYANG BUSINESS SCHOOL)</b>			
Accountancy	736	1320	2056
Business	519	1086	1605
<b>COLLEGE OF SCIENCE</b>			
Biological Sciences	258	493	751
Biomedical Sciences	9	126	135
Chemistry & Biological Chemistry	55	305	360
Mathematics & Economics	15	15	30
Mathematical Sciences	53	91	144
Physics & Applied Physics	46	13	59
<b>COLLEGE OF HUMANITIES, ARTS &amp; SOCIAL SCIENCES</b>			
Art, Design & Media	79	180	259
Communication Studies	130	555	685
Chinese	22	134	156
Economics	56	173	229
English	14	114	128
Psychology	32	128	160
Sociology	17	110	127
<b>NATIONAL INSTITUTE OF EDUCATION</b>			
Arts (Education)	105	395	500
Science (Education)	103	242	345
<b>TOTAL</b>	<b>10317</b>	<b>8797</b>	<b>19114</b>

<sup>1</sup> Student figures as at 28 August 2006.



#### GENDER PROFILE OF UNDERGRADUATE PROGRAMMES

##### **COLLEGE OF ENGINEERING**

	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Aerospace Engineering											
Bioengineering											
Business & Computing											
Chemical & Biomolecular Engineering											
Civil Engineering											
Computer Engineering											
Computer Science											
Engineering											
Electrical & Electronic Engineering											
Environmental Engineering											
Materials Engineering											
Mechanical Engineering											
Maritime Studies											

##### **COLLEGE OF BUSINESS (NANYANG BUSINESS SCHOOL)**

Accountancy											
Business											

##### **COLLEGE OF SCIENCE**

Biological Sciences											
Biomedical Sciences											
Chemistry & Biological Chemistry											
Mathematics & Economics											
Mathematical Sciences											
Physics & Applied Physics											

##### **COLLEGE OF HUMANITIES, ARTS & SOCIAL SCIENCES**

Art, Design & Media											
Communication Studies											
Chinese											
Economics											
English											
Psychology											
Sociology											

##### **NATIONAL INSTITUTE OF EDUCATION**

Arts (Education)											
Science (Education)											

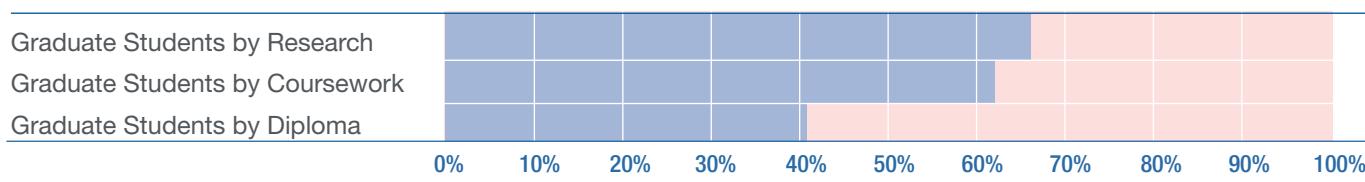
# Student Statistics

## AY 06/07 GRADUATE ENROLMENT BY PROGRAMME & GENDER<sup>1</sup>

PROGRAMME	MALE	FEMALE	TOTAL
Graduate Students by Research	1515	772	2287
Graduate Students by Coursework	2827	1757	4584
Graduate Students by Diploma	689	978	1667
<b>TOTAL</b>	<b>5031</b>	<b>3507</b>	<b>8538</b>



### GENDER PROFILE OF PROGRAMMES



<sup>1</sup> Student figures as at 28 August 2006.

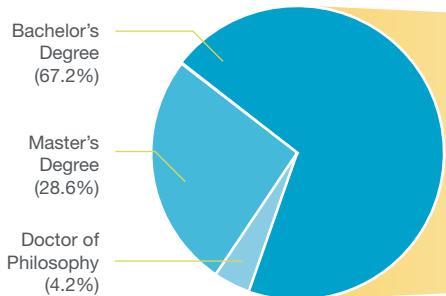
## AY 06/07 GRADUATES BY TYPE OF DEGREE & PROGRAMME<sup>2</sup>

### TYPE OF DEGREE

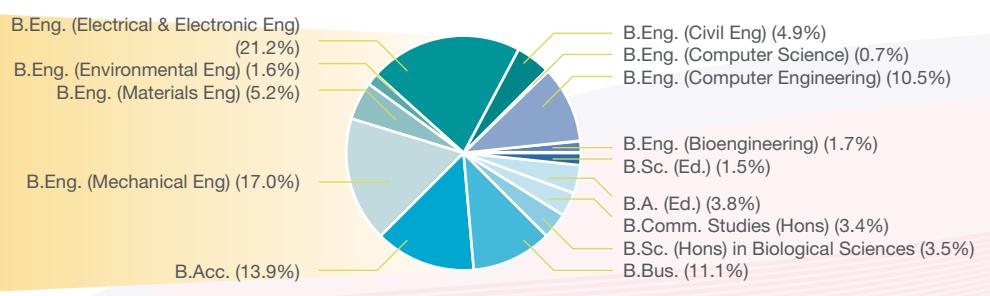
Bachelor's	4931	67.2%
Master's	2098	28.6%
Doctor of Philosophy	311	4.2%
<b>TOTAL</b>	<b>7340</b>	<b>100.0%</b>

### BACHELOR'S DEGREES

B.Eng. (Bioengineering)	83	1.7%
B.Eng. (Computer Engineering)	518	10.5%
B.Eng. (Computer Science)	35	0.7%
B.Eng. (Civil Eng)	242	4.9%
B.Eng. (Electrical & Electronic Eng)	1045	21.2%
B.Eng. (Environmental Eng)	79	1.6%
B.Eng. (Materials Eng)	258	5.2%
B.Eng. (Mechanical Eng)	837	17.0%
B.Acc.	684	13.9%
B.Bus.	548	11.1%
B.Sc. (Hons) in Biological Sciences	171	3.5%
B.Comm. Studies (Hons)	169	3.4%
B.A. (Ed.)	190	3.8%
B.Sc. (Ed.)	72	1.5%
<b>TOTAL</b>	<b>4931</b>	<b>100.0%</b>



DISTRIBUTION OF GRADUATES  
BY TYPE OF DEGREE



DISTRIBUTION OF BACHELOR'S DEGREE  
GRADUATES BY PROGRAMME

<sup>2</sup> Student figures as at 5 November 2007.

# Staff Statistics

## STAFF STRENGTH<sup>3</sup>

### STAFF

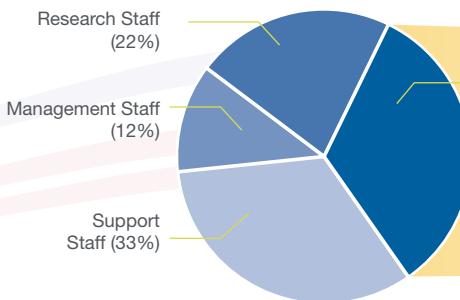
Faculty (including Visiting Appointments)	1515	33%
Research Staff	998	22%
Management Staff	531	12%
Support Staff	1536	33%
<b>TOTAL</b>	<b>4580</b>	<b>100%</b>

### FACULTY (BY APPOINTMENT)

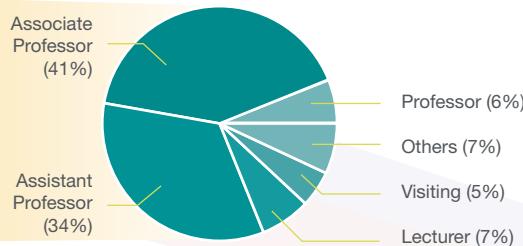
Professor	96	6%
Associate Professor	621	41%
Assistant Professor	506	34%
Lecturer	109	7%
Visiting	81	5%
Others	102	7%
<b>TOTAL</b>	<b>1515</b>	<b>100%</b>

### FACULTY (BY CITIZENSHIP)

Singapore Citizens	736	49%
International (Singapore Permanent Residents and Foreigners)	779	51%
<b>TOTAL</b>	<b>1515</b>	<b>100%</b>



DISTRIBUTION OF STAFF BY FUNCTION



DISTRIBUTION OF FACULTY BY APPOINTMENT

<sup>3</sup> Staff strength as at 31 March 2007 (excluding Adjunct Faculty)

## Contents

Report of Trustees	36
Statement by Trustees	38
Independent Auditors' Report	39
Balance Sheets	40
Consolidated Income and Expenditure Statement	42
Statement of Changes in Funds and Reserves	44
Consolidated Cash Flows Statement	46
Notes to the Financial Statements	47

# **Report of Trustees**

**YEAR ENDED 31 MARCH 2007**

The Board of Trustees present their report to the members together with the audited financial statements of Nanyang Technological University (the “University Company”) for the financial year ended 31 March 2007.

## **TRUSTEES**

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

Mr Koh Boon Hwee (Chairman)

Mr Alwi Bin Abdul Hafiz

Mr Chia Ban Seng

Ms Jennie Chua

Mr Goh Geok Ling

Dr Robert J. Herbold

Mr Kwek Leng Joo

Mrs Lee Suet Fern

Ms Lien Siaou-Sze

Mr Michael Lim Choo San

Mr Lim Chuan Poh

Prof Haresh Shah

Mr Inderjit Singh

Mr Tan Lip Bu

Mr Ernest Wong

Dr Su Guaning

## **CORPORATISATION OF THE UNIVERSITY COMPANY**

Nanyang Technological University (the “University Company”) was incorporated on the 28 March 2006 as a company limited by guarantee under the Singapore Companies Act, Chapter 50.

On 1 April 2006, all property, rights and liabilities, to which the former Nanyang Technological University (the “University”), the statutory board, was entitled or subject to immediately before that date became, by virtue of the Nanyang Technological University (Corporatisation) Act 2005 and without further assurance, act or deed, the property, rights and liabilities of the University Company. The manner of distribution and allocation is determined by the Ministry for Education and agreed by the Minister for Finance. Further, should matters on ownership arise, a vesting certificate from the Minister for Finance will be conclusive evidence that property, rights and liabilities have been transferred to the University Company.

As the operations of the University Company continued to be substantially funded by the Ministry of Education (“MOE” or the “Ministry”) through the form of government grants with MOE having the power to appoint and remove members to the Board of Trustees of the University Company, it is deemed that there is common control by the MOE before and after the corporatisation. Accordingly, the MOE is regarded as the parent entity.

## **ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE SHARES AND DEBENTURES**

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

# Report of Trustees

YEAR ENDED 31 MARCH 2007

## TRUSTEES' INTERESTS

As the University Company is limited by guarantee, there are no matters to be disclosed under Section 201(6)(f) and (g), Section 201(6A)(g) and (h), Section 201(11) and Section 201(12) of the Singapore Companies Act, Chapter 50.

## TRUSTEE CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Trustee has received or become entitled to receive a benefit by reason of a contract made by the University Company or a related corporation with the Trustee or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in Note 27 to the financial statements.

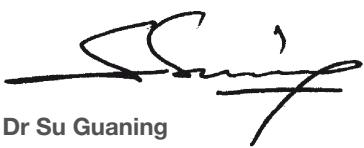
## AUDITORS

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Trustees



Mr Koh Boon Hwee  
Trustee



Dr Su Guan Ning  
Trustee

15 August 2007

# Statement by Trustees

YEAR ENDED 31 MARCH 2007

In our opinion:

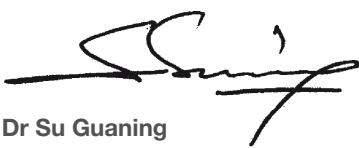
- (a) the financial statements set out on pages 40 to 74 are drawn up so as to give a true and fair view of the state of affairs of the Group and the University Company as at 31 March 2007, and of the results, changes in funds and reserves and cash flows of the Group and of the changes in funds and reserves of the University Company for the year then ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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 as and when they fall due.

The Board of Trustees has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Trustees



Mr Koh Boon Hwee  
Trustee



Dr Su Guan Ning  
Trustee

15 August 2007

# Independent Auditors' Report

MEMBERS OF THE UNIVERSITY COMPANY  
NANYANG TECHNOLOGICAL UNIVERSITY

We have audited the accompanying financial statements of Nanyang Technological University (the "University Company") and its subsidiaries (collectively the "Group"), which comprise the balance sheets of the Group and the University Company as at 31 March 2007, and the income and expenditure statement, statements 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 year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 74.

### ***Trustees' responsibility for the financial statements***

The University Company's Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditors' responsibility***

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion:

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in funds and reserves of the University Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the University Company as at 31 March 2007 and the results, changes in funds and reserves and cash flows of the Group and changes in funds and reserves of the University Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the University Company, have been properly kept in accordance with the provisions of the Act.



**KPMG**

Certified Public Accountants

**Singapore**

15 August 2007

# Balance Sheets

AS AT 31 MARCH 2007

	NOTE	GROUP		UNIVERSITY COMPANY	
		2007 \$'000	2006 \$'000 (RESTATED)	2007 \$'000	2006 \$'000 (RESTATED)
<b>Non-current assets</b>					
Property, plant and equipment	4	1,295,131	1,272,972	1,294,502	1,272,456
Prepaid lease	5	4,263	8,890	4,263	8,890
Subsidiaries	6	-	-	291	300
Financial assets at fair value through income and expenditure	7	998,652	796,062	998,479	795,826
Student loans	8	120,589	110,443	120,589	110,443
Finance lease receivables	9	24,818	-	24,818	-
Development grant receivables	10	-	21,129	-	21,129
		2,443,453	2,209,496	2,442,942	2,209,044
<b>Current assets</b>					
Student loans	8	33,878	31,543	33,878	31,543
Trade and other receivables	11	208,232	98,032	207,952	97,594
Finance lease receivables	9	182	-	182	-
Cash and cash equivalents	12	369,993	397,533	366,678	394,054
		612,285	527,108	608,690	523,191
<b>Total assets</b>		3,055,738	2,736,604	3,051,632	2,732,235
<b>Current liabilities</b>					
Trade and other payables	13	73,788	55,749	72,104	53,599
Short-term borrowings	14	30,000	-	30,000	-
Deferred tuition and other fees		43,645	34,594	43,645	34,594
Research grants received in advance	15	54,901	56,214	54,901	56,214
		202,334	146,557	200,650	144,407
<b>Non-current liabilities</b>					
Deferred capital grants	16	1,035,726	1,077,332	1,035,726	1,077,332
Other non-current liabilities		1,447	1,401	1,447	1,401
Advances from a ministry for student loans	17	140,318	129,728	140,318	129,728
Sinking fund received in advance	10	62,900	-	62,900	-
		1,240,391	1,208,461	1,240,391	1,208,461
<b>Total liabilities</b>		1,442,725	1,355,018	1,441,041	1,352,868
<b>Net assets</b>		1,613,013	1,381,586	1,610,591	1,379,367

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

# Balance Sheets

AS AT 31 MARCH 2007

	NOTE	GROUP		UNIVERSITY COMPANY	
		2007 \$'000	2006 \$'000 (RESTATED)	2007 \$'000	2006 \$'000 (RESTATED)
Capital account	18	200,858	200,858	200,858	200,858
Accumulated surplus					
- General fund		245,368	139,671	242,946	137,452
- Endowment fund	19	914,443	822,841	914,443	822,841
- Other restricted fund		252,344	218,216	252,344	218,216
<b>Funds and reserves</b>		<b>1,613,013</b>	<b>1,381,586</b>	<b>1,610,591</b>	<b>1,379,367</b>

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

# Consolidated Income and Expenditure Statement

YEAR ENDED 31 MARCH 2007

NOTE	GENERAL FUND		ENDOWMENT FUND		OTHER RESTRICTED FUND		TOTAL	
	2007 \$'000	2006 \$'000 (RESTATED)	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000 (RESTATED)
<b>Group</b>								
<b>Income</b>								
Tuition and other fees	142,202	127,187	-	-	18,540	17,970	160,742	145,157
Rental income	2,116	2,532	-	-	23,072	22,158	25,188	24,690
Research grants	15	103,478	76,305	-	-	-	103,478	76,305
Interest income	20	8,204	6,468	582	115	2,619	1,891	11,405
Donations		-	-	31,550	8,318	20,893	12,263	52,443
Profit on investments	21	2,841	-	46,200	92,707	2,969	-	52,010
Other grants		-	-	-	-	27,193	16,424	27,193
Sundry income		5,556	6,095	-	1	25,400	17,412	30,956
Deferred capital grants amortised (non-ministry)	16	6,814	6,306	4	241	4,370	4,526	11,188
		271,211	224,893	78,336	101,382	125,056	92,644	474,603
								418,919
<b>Expenditure</b>								
Expenditure on manpower	396,131	370,732	2,658	1,624	30,233	25,705	429,022	398,061
Teaching/Research	77,362	73,751	-	-	16,315	13,267	93,677	87,018
Administration	37,333	48,375	-	-	35,186	26,251	72,519	74,626
Maintenance	49,411	41,300	-	-	7,769	5,872	57,180	47,172
Library books and periodicals		7,067	7,022	-	-	-	-	7,067
Depreciation of property, plant and equipment	4	145,326	150,305	74	74	5,492	5,538	150,892
Amortisation of prepaid lease	5	166	166	-	167	-	-	166
Capital expenditure not capitalised	10	10,349	16,625	-	-	-	-	10,349
<b>Balance carried forward</b>		723,145	708,276	2,732	1,865	94,995	76,633	820,872
								786,774

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

# Consolidated Income and Expenditure Statement

YEAR ENDED 31 MARCH 2007

NOTE	GENERAL FUND		ENDOWMENT FUND		OTHER RESTRICTED FUND		TOTAL	
	2007 \$'000	2006 \$'000 (RESTATED)	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000 (RESTATED)
<b>Group</b>								
<b>Balance brought forward</b>	723,145	708,276	2,732	1,865	94,995	76,633	820,872	786,774
Loss on disposal of property, plant and equipment	622	872	-	-	11	20	633	892
Allowance for impairment in value of investment	165	-	-	-	-	-	165	-
Bad debts written off	-	-	-	-	-	2	-	2
Other expenses	-	-	11,172	8,143	38,841	33,836	50,013	41,979
	723,932	709,148	13,904	10,008	133,847	110,491	871,683	829,647
<b>(Deficit)/Surplus before grants from ministries</b>	22	(452,721)	(484,255)	64,432	91,374	(8,791)	(17,847)	(397,080)
<b>Grants from ministries</b>								
Development grants	10	10,595	16,625	-	-	-	-	10,595
Operating grants	23	381,204	346,231	-	-	-	-	346,231
Other grants		-	-	37,740	2,648	40,456	32,504	78,196
Deferred capital grants amortised	16	139,221	144,964	-	-	79	68	139,300
Surplus after grants from ministries		78,299	23,565	102,172	94,022	31,744	14,725	212,215
Taxation	24	-	-	-	-	-	-	-
<b>Surplus for the year</b>		78,299	23,565	102,172	94,022	31,744	14,725	212,215
								132,312

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

# Statement of Changes in Funds and Reserves

YEAR ENDED 31 MARCH 2007

<----- ACCUMULATED SURPLUS ----->					
	CAPITAL ACCOUNT	GENERAL FUND	ENDOWMENT FUND	OTHER RESTRICTED FUND	TOTAL
NOTE	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
At 31 March 2005	200,858	137,062	751,658	209,233	
Prior year adjustment	25	-	(27,891)	-	(3,205)
At 1 April 2005, restated	200,858	109,171	751,658	206,028	
Surplus for the year		23,565	94,022	14,725	
Transfer from endowment fund		5,665	(6,565)	900	
Transfer to general fund		2,451	-	(2,451)	
Transfer to research grants received in advance		(665)	-	-	
Refund to the ministries and statutory boards		-	-	(986)	
Transfer to deferred capital grants		(516)	(16,274)	-	
At 31 March 2006	200,858	139,671	822,841	218,216	1,381,586
At 31 March 2006, as previously reported	200,858	170,333	822,841	222,148	
Prior year adjustment	25	-	(30,662)	-	(3,932)
At 1 April 2006, restated	200,858	139,671	822,841	218,216	
Surplus for the year		78,299	102,172	31,744	
Transfer to endowment fund		6,000	12,870	1,828	
Transfer to research grants received in advance		(733)	-	-	
Transfer to deferred capital grants		(690)	-	-	
Utilisation of other restricted fund		-	-	(197)	
Transfer to general fund		24,493	(23,440)	(1,053)	
Transfer to other restricted fund		(1,710)	-	1,710	
Fair value adjustment		38	-	96	
At 31 March 2007	200,858	245,368	914,443	252,344	1,613,013

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

# Statement of Changes in Funds and Reserves

YEAR ENDED 31 MARCH 2007

<b>&lt;----- ACCUMULATED SURPLUS -----&gt;</b>					
	CAPITAL ACCOUNT	GENERAL FUND	ENDOWMENT FUND	OTHER RESTRICTED FUND	TOTAL
NOTE	\$'000	\$'000	\$'000	\$'000	\$'000
<b>University Company</b>					
At 31 March 2005	200,858	135,440	751,658	209,233	
Prior year adjustment	25	-	(27,891)	-	(3,205)
At 1 April 2005, restated	200,858	107,549	751,658	206,028	
Surplus for the year		-	22,968	94,022	14,725
Transfer from endowment fund		-	5,665	(6,565)	900
Transfer to general fund		-	2,451	-	(2,451)
Transfer to research grants received in advance		-	(665)	-	-
Refund to the ministries and statutory boards		-	-	-	(986)
Transfer to deferred capital grants		-	(516)	(16,274)	-
At 31 March 2006	200,858	137,452	822,841	218,216	1,379,367
At 31 March 2006, as previously reported	200,858	168,114	822,841	222,148	
Prior year adjustment	25	-	(30,662)	-	(3,932)
At 1 April 2006, restated	200,858	137,452	822,841	218,216	
Surplus for the year		-	78,096	102,172	31,744
Transfer to endowment fund		-	6,000	12,870	1,828
Transfer to research grants received in advance		-	(733)	-	-
Transfer to deferred capital grants		-	(690)	-	-
Utilisation of other restricted fund		-	-	-	(197)
Transfer to general fund		-	24,493	(23,440)	(1,053)
Transfer to other restricted fund		-	(1,710)	-	1,710
Fair value adjustment		-	38	-	96
At 31 March 2007	200,858	242,946	914,443	252,344	1,610,591

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

# Consolidated Cash Flows Statement

YEAR ENDED 31 MARCH 2007

	NOTE	2007 \$'000	2006 \$'000 (RESTATED)
<b>Operating activities</b>			
Deficit before grants from ministries		(397,080)	(410,728)
Adjustments for:			
Research grant income		(103,478)	(76,305)
Depreciation of property, plant and equipment		150,892	155,917
Amortisation of prepaid lease		166	333
Loss on disposal of property, plant and equipment		633	892
Profit on investments		(52,010)	(92,707)
Deferred capital grants amortised (non-ministry)		(11,188)	(11,073)
Interest income		(11,405)	(8,474)
Fair value adjustments		(6,437)	6,475
Deficit before working capital changes		(429,907)	(435,670)
Changes in working capital:			
Other payables		18,215	4,814
Trade and other receivables		702	13,966
Deferred tuition and other fees		9,051	3,498
<b>Cash flows from operating activities</b>		<b>(401,939)</b>	<b>(413,392)</b>
<b>Financing activities</b>			
Sinking fund received		62,900	-
Research grants received		118,100	91,857
Operating grants received, net of payment of goods and service tax expense on tuition fees and tuition grants		357,445	304,107
Development grants and related income received		96,797	130,633
Refund of grants to Ministry of Education		(61)	(4,609)
Ministry grants received		40,456	35,152
Loans extended to students		(12,385)	(12,911)
Receipt of advances from a ministry for student loans		16,098	14,691
Proceeds from borrowings		30,000	-
Payment of student loans to a ministry		(3,300)	(3,700)
<b>Cash flows from financing activities</b>		<b>706,050</b>	<b>555,220</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		(192,312)	(188,735)
Purchase of other financial assets		(347,452)	(9,566)
Proceeds from sale of other financial assets		196,539	64,800
Interest received		11,574	8,474
<b>Cash flows from investing activities</b>		<b>(331,651)</b>	<b>(125,027)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(27,540)</b>	<b>16,801</b>
Cash and cash equivalents at beginning of the year		397,533	380,732
<b>Cash and cash equivalents at end of the year</b>	12	<b>369,993</b>	<b>397,533</b>

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

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Trustees on 15 August 2007.

## **1 DOMICILE AND ACTIVITIES**

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

The 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 6.

The consolidated financial statements relate to the University Company and its subsidiaries (referred to as the “Group”).

## **2 CORPORATISATION OF THE UNIVERSITY COMPANY**

Nanyang Technological University (the “University Company”) was incorporated on the 28 March 2006 as a company limited by guarantee under the Singapore Companies Act, Chapter 50.

On 1 April 2006, all property, rights and liabilities, to which the former Nanyang Technological University (the “University”), the statutory board, was entitled or subject to immediately before that date became, by virtue of the Nanyang Technological University (Corporatisation) Act 2005 and without further assurance, act or deed, the property, rights and liabilities of the University Company. The manner of distribution and allocation is determined by the Ministry for Education and agreed by the Minister for Finance. Further, should matters on ownership arise, a vesting certificate from the Minister for Finance will be conclusive evidence that property, rights and liabilities have been transferred to the University Company.

As the operations of the University Company continue to be substantially funded by the Ministry of Education (“MOE” or the “Ministry”) through the form of government grants with MOE having the power to appoint and remove members to the Board of Trustees of the University Company, it is deemed that there is common control by the MOE before and after the corporatisation. Accordingly, the MOE is regarded as the parent entity.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements are expressed in Singapore dollars and rounded to the nearest thousand unless otherwise stated. They are prepared on a historical cost basis except for certain financial assets and liabilities which are measured at fair value.

As discussed in paragraph 2, the corporatisation of the University has been accounted for as a reconstruction of business under common control. This is effected using the historical cost method similar to the "pooling of interest" method. Under the historical cost method, the transferred assets and liabilities are recorded at their existing carrying amounts. The Group and University Company's financial statements include the results of operations, and the assets and liabilities for the whole of the current and preceding periods.

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

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3.7 – measurement of the recoverable amounts of property, plant and equipment
- Note 3.10 – measurement of provisions
- Note 3.8 and 7 – valuation of financial instruments

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.2 Consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

Investment in subsidiaries are stated in the University Company's Balance Sheet at cost less accumulated impairment losses. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commence until the date control ceases.

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the Income and Expenditure Statement in the period of the acquisition. The excess of the cost of acquisition over the carrying amount of the net assets acquired is recorded as goodwill on acquisition.

When the Group acquires additional interest in an existing subsidiary, the cost of the acquisition is accounted for based on the carrying amount of the net assets acquired at the date of exchange, plus any other cost directly attributable to the acquisition.

### 3.3 Foreign currencies

#### *Foreign currency transactions*

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange approximate to those ruling at the balance sheet date. Transactions in foreign currencies are translated at rates ruling on transaction dates. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates at the date of transaction. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to Singapore dollars at foreign exchange rates ruling at the date the fair value was determined. Translation differences are included in the Income and Expenditure Statement.

#### *Foreign operations*

Assets and liabilities of foreign operations are translated to Singapore dollars for consolidation at the rates of exchange ruling at the balance sheet date. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. Exchange differences arising on translation are recognised directly in equity. When a foreign operation is disposed, in part or in full, the relevant amount in equity is transferred to the Income and Expenditure Statement.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.4 Funds

Assets and liabilities of all funds are pooled in the Balance Sheet.

#### ***General and restricted funds***

Income and expenditure are generally accounted for under the General Fund in the Income and Expenditure Statement. The income and expenditure relating to funds that are set up for specific purposes are accounted for under Other Restricted Fund in the Income and Expenditure Statement.

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

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

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

The income and expenditure of General Fund and Other Restricted Fund are included in the Income and Expenditure Statement.

#### ***Endowment fund***

Grants from ministries and statutory boards and donations from external sources which are kept intact as capital, are directly taken to the fund in the year in which such grants and donations are received. Income and expenditure arising from the management of the Endowment Fund are taken to the Income and Expenditure Statement of the Fund.

### 3.5 Grants and Sinking Fund

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

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

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

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

Grants and contributions are accounted for on the accrual basis.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.6 Property, plant and equipment

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

Any increase in the revaluation amount of land alienated to the University Company and assets purchased using funds from self-financing centres are credited directly to the Capital Account unless it offsets a previous decrease in value recognised in the Income and Expenditure Statement. A decrease in value is recognised in the Income and Expenditure Statement where it exceeds the increase previously recognised in the Capital Account. Upon disposal, any related revaluation surplus is transferred from the Capital Account to accumulated surplus and is not taken into account in arriving at the gain or loss on disposal.

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

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

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

Except for freehold lands and buildings under construction which are not depreciated, depreciation is recognised in the Income and Expenditure Statement on a straight-line basis so as to write off items of property, plant and equipment over their estimated useful lives as follows:

Buildings and infrastructures	5 to 20 years
Renovations	5 years
Machineries, laboratory and workshop equipments	6 years
Furniture and office equipments	3 to 5 years
Transportation equipments	8 years
Others	8 years

Property, plant and equipment costing less than \$2,000 each, renovations costing below \$100,000 and library books are generally charged to the Income and Expenditure Statement in the year of purchase.

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

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

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.7 Impairment – non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely is independent from other assets and groups. Impairment losses are recognised in the Income and Expenditure Statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

### 3.8 Financial instruments

#### *Non-derivative financial instruments*

Non-derivative financial instruments comprise funds with fund managers, investments in equity securities, trade and other receivables, student loans, development grant receivables, cash and cash equivalents, borrowings and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through income and expenditure, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the assets. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.8 Financial instruments (cont'd)

#### *Investments at fair value through income and expenditure*

An instrument is classified as fair value through income and expenditure if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as fair value through income and expenditure if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the Income and Expenditure Statement when incurred. Financial instruments at fair value through income and expenditure are measured at fair value, and changes therein are recognised in the Income and Expenditure Statement.

#### *Other*

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less impairment losses.

#### *Impairment of financial assets*

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in Income and Expenditure Statement.

### 3.9 Employee benefits

#### *Defined contribution plans*

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the Income and Expenditure Statement as incurred.

#### *Short-term employee benefits*

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

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### 3.11 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Income and Expenditure Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.12 Income recognition

##### *Student fees*

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

##### *Management fees*

Management fees are recognised upon services rendered.

##### *Donations*

Unconditional donations are recognised upon receipt.

##### *Interest income*

Interest income is recognised on a time proportion basis.

##### *Licence fees*

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

##### *Royalties*

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

##### *Dividends*

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

##### *Interest on finance lease*

Interest on finance lease is recognised in the Income and Expenditure Statement 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.

#### 3.13 Operating lease

Where the Group has the use of assets under operating leases, payments made under the lease are recognised in the Income and Expenditure Statement on a straight-line basis over the term of the lease.

#### 3.14 Finance lease receivables

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

#### 3.15 Finance costs

Interest expense and similar charges are expensed in the Income and Expenditure Statement in the period in which they are incurred.

#### 3.16 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.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 4 PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LANDS	BUILDINGS AND INFRA-STRUCTURES	BUILDINGS UNDER-CONSTRUCTION	RENOVATIONS	MACHINERIES, LABORATORY AND WORKSHOP EQUIPMENTS	FURNITURE AND OFFICE EQUIPMENTS	TRANSPORTATION EQUIPMENTS	OTHERS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>									
<b>Cost</b>									
At 1 April 2005	200,858	1,438,443	62,643	20,438	391,552	246,808	2,455	5,398	2,368,595
Additions	-	31,256	84,300	1,776	54,594	16,637	30	142	188,735
Adjustments	-	-	-	-	84	192	-	98	374
Disposals	-	(15,119)	-	(560)	(6,990)	(11,672)	-	(138)	(34,479)
Reclassifications	-	70,734	(71,230)	150	2,681	(244)	-	(2,091)	-
At 31 March 2006	200,858	1,525,314	75,713	21,804	441,921	251,721	2,485	3,409	2,523,225
Additions	-	48,140	77,631	1,056	46,197	20,398	451	83	193,956
Adjustments	-	-	-	-	253	14	-	-	267
Disposals	-	(1,328)	-	(1,104)	(7,115)	(14,216)	(269)	(4)	(24,036)
Reclassifications / transfer to finance lease receivables	-	46,688	(88,356)	874	17,723	1,820	141	497	(20,613)
At 31 March 2007	200,858	1,618,814	64,988	22,630	498,979	259,737	2,808	3,985	2,672,799
<b>Accumulated depreciation</b>									
At 1 April 2005	-	684,118	-	13,217	259,186	166,953	1,658	2,790	1,127,922
Depreciation for the year	-	78,951	-	3,144	38,441	34,980	218	183	155,917
Disposals	-	(14,934)	-	(556)	(6,819)	(11,152)	-	(125)	(33,586)
Reclassifications	-	(16)	-	-	933	(1)	-	(916)	-
At 31 March 2006	-	748,119	-	15,805	291,741	190,780	1,876	1,932	1,250,253
Depreciation for the year	-	71,518	-	2,889	44,531	31,512	227	215	150,892
Disposals	-	(962)	-	(1,104)	(6,919)	(14,146)	(268)	(4)	(23,403)
Reclassifications / transfers to finance lease receivables	-	(165)	-	2	100	(12)	1	-	(74)
At 31 March 2007	-	818,510	-	17,592	329,453	208,134	1,836	2,143	1,377,668
<b>Carrying amount</b>									
At 1 April 2005	200,858	754,325	62,643	7,221	132,366	79,855	797	2,608	1,240,673
At 31 March 2006	200,858	777,195	75,713	5,999	150,180	60,941	609	1,477	1,272,972
At 31 March 2007	200,858	800,304	64,988	5,038	169,526	51,603	972	1,842	1,295,131

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	FREEHOLD LANDS \$'000	BUILDINGS AND INFRA-STRUCTURES \$'000	BUILDINGS UNDER-CONSTRUCTION \$'000	RENOVATIONS \$'000	MACHINERIES, LABORATORY AND WORKSHOP EQUIPMENTS \$'000	FURNITURE AND OFFICE EQUIPMENTS \$'000	TRANSPORTATION EQUIPMENTS \$'000	OTHERS \$'000	TOTAL \$'000									
<b>University Company</b>																		
<b>Cost</b>																		
At 1 April 2005	200,858	1,438,443	62,643	20,438	391,552	246,648	2,455	5,398	2,368,435									
Additions	-	31,256	84,300	1,710	54,411	16,449	30	142	188,298									
Adjustments	-	-	-	-	84	192	-	98	374									
Disposals	-	(15,119)	-	(560)	(6,990)	(11,672)	-	(138)	(34,479)									
Reclassifications	-	70,734	(71,230)	-	2,681	(94)	-	(2,091)	-									
At 31 March 2006	200,858	1,525,314	75,713	21,588	441,738	251,523	2,485	3,409	2,522,628									
Additions	-	48,140	77,631	951	46,136	20,312	451	83	193,704									
Adjustments	-	-	-	-	253	14	-	-	267									
Disposals	-	(1,328)	-	(1,104)	(7,115)	(14,216)	(269)	(4)	(24,036)									
Reclassifications / transfer to finance lease receivables	-	46,688	(88,356)	874	17,723	1,820	141	497	(20,613)									
At 31 March 2007	200,858	1,618,814	64,988	22,309	498,735	259,453	2,808	3,985	2,671,950									
<b>Accumulated depreciation</b>																		
At 1 April 2005	-	684,118	-	13,217	259,186	166,946	1,658	2,790	1,127,915									
Depreciation for the year	-	78,951	-	3,110	38,430	34,953	218	183	155,845									
Disposals	-	(14,934)	-	(556)	(6,821)	(11,152)	-	(125)	(33,588)									
Reclassifications	-	(16)	-	-	933	(1)	-	(916)	-									
At 31 March 2006	-	748,119	-	15,771	291,728	190,746	1,876	1,932	1,250,172									
Depreciation for the year	-	71,518	-	2,839	44,487	31,467	227	215	150,753									
Disposals	-	(962)	-	(1,104)	(6,919)	(14,146)	(268)	(4)	(23,403)									
Reclassifications/ transfer to finance lease receivables	-	(165)	-	-	102	(12)	1	-	(74)									
At 31 March 2007	-	818,510	-	17,506	329,398	208,055	1,836	2,143	1,377,448									
<b>Carrying amount</b>																		
At 1 April 2005	200,858	754,325	62,643	7,221	132,366	79,702	797	2,608	1,240,520									
At 31 March 2006	200,858	777,195	75,713	5,817	150,010	60,777	609	1,477	1,272,456									
At 31 March 2007	200,858	800,304	64,988	4,803	169,337	51,398	972	1,842	1,294,502									

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

## 5 PREPAID LEASE

	GROUP AND UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
<b>Cost</b>		
At 1 April	10,001	10,001
Transfer to Finance Lease Receivables	(5,019)	-
At 31 March	4,982	10,001
<b>Accumulated amortisation</b>		
At 1 April	1,111	778
Amortisation charge for the year	166	333
Transfer to Finance Lease Receivables	(558)	-
At 31 March	719	1,111
<b>Carrying amount</b>		
At 1 April	8,890	9,223
At 31 March	4,263	8,890

During the year, the University Company entered into an agreement with NTU Alumni Club whereby it leases the building under a finance lease. Accordingly, an amount of \$4.46 million had been transferred to "Finance Lease Receivables" as set out in note 9.

## 6 SUBSIDIARIES

	UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
Investments in subsidiaries	*	*
Loans to subsidiaries	291	300
	291	300

\* Amount less than \$1,000.

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

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 6 SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows:

NAME OF SUBSIDIARY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP	
			2007 %	2006 %
<b>Held by the University Company</b>				
* NTU Ventures Private Limited	To undertake investments in projects arising from the research work of staff	Singapore	100	100
<b>Held by NTU Ventures Pte Ltd</b>				
* Confucius Institute, NTU Pte Ltd	To provide training, programmes or courses	Singapore	100	100
* Filpas Vacuum Technology Pte Ltd	Dormant	Singapore	100	100
* Institute of Environmental Science and Engineering Pte Ltd ("IESE")	To perform research and development of environment science and engineering	Singapore	100	100
* Nanofrontier Pte Ltd	To perform research and development of industrial machinery	Singapore	100	100
* NTUV International Pte Ltd	Investment holding	Singapore	100	100
<b>Held by NTUV International Pte Ltd</b>				
^ Nanyang Venture Consulting (Shanghai) Co., Ltd	Consultants for enterprise management and technology and education	China	100	100
<b>Held by IESE Pte Ltd</b>				
^ IESE Water (Asia) Pte Ltd	To conduct basic research in water and waste water	Singapore	100	-
* Audited by TeoFoongWong LC Loong, Singapore ^ Audited by Shanghai Hongda Certified Public Accountants Co., Ltd, China				

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME AND EXPENDITURE

	GROUP		UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Amounts managed by international fund managers :</b>				
Fixed income securities	134,832	193,390	134,832	193,390
Equity investments	591,824	431,585	591,824	431,585
Other investments	271,996	171,087	271,823	170,851
	<b>998,652</b>	<b>796,062</b>	<b>998,479</b>	<b>795,826</b>

Equity investments are principally denominated in US dollars, Japanese yen, Euro and Sterling pounds. Fixed income securities are principally denominated in US dollars, Euro and Japanese yen. After currency hedging, the net currency exposures are US dollars (2007: 48%, 2006: 35%), Euro (2007: 6%, 2006: 8%), Sterling pounds (2007: 4%, 2006: 5%) and Japanese yen (2007: 3%, 2006: 6%). The fixed income securities had been reduced in 2007 and the proceeds from the disposal were re-invested in other financial assets. The fixed income securities were sold at a profit.

The weighted average interest rates of fixed income securities at the balance sheet date and the periods in which they mature are as follows:

	EFFECTIVE INTEREST RATE %P.A.	FLOATING INTEREST \$'000	FIXED INTEREST RATE MATURING			TOTAL \$'000
			WITHIN 1 YEAR \$'000	IN 1 TO 5 YEARS \$'000	AFTER 5 YEARS \$'000	
<b>University Company</b>						
2007	1.0 – 7.4	27,212	1,346	14,452	111,488	154,498
2006	0.8 – 6.8	25,200	18,551	24,753	115,342	183,846

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 8 STUDENT LOANS

	GROUP AND UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
Tuition fee and study loans (note 17)	139,160	128,288
Scholarship and student loans	15,307	13,698
	<b>154,467</b>	<b>141,986</b>
Represented by:		
Amount repayable within 12 months	33,878	31,543
Amount repayable after 12 months	120,589	110,443
	<b>154,467</b>	<b>141,986</b>

- (a) Student tuition fee loans are repayable by monthly instalments over a period of up to 20 years after the borrowers' graduation. Interest is charged at the average prime rates of three local banks prevailing on the first day of each quarter, or such other rates as may be determined from time to time. Interest charged in 2007 is 4.75% (2006 : 5.30%) per annum.

The interest on the tuition fee loans is remitted in full to the Ministry as and when received.

- (b) Included in scholarship and student loans are personal computer loans of \$13,074,000 (2006: \$11,943,000), which are interest-free and are repayable by monthly instalments within a period of 3 years after the borrowers' graduation. The fair value at inception was determined based on expected future principal repayment cash flows, discounted at the average interest rate of 6.50% (2006 : 6.00%) per annum. These loans are subsequently measured at amortised cost, using the effective interest method.

## 9 FINANCE LEASE RECEIVABLES

	GROUP AND UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
Gross receivables due:		
- Not later than one year	859	-
- Between two to five years	6,459	-
- Later than five years	27,321	-
	<b>34,639</b>	<b>-</b>
Less: Unearned interest	9,639	-
Net investment in finance lease	<b>25,000</b>	<b>-</b>

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 9 FINANCE LEASE RECEIVABLES (CONT'D)

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

	GROUP AND UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
Current	182	-
Non-current	24,818	-
	25,000	-

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

## 10 DEVELOPMENT GRANT RECEIVABLES/ SINKING FUND RECEIVED IN ADVANCE

	NOTE	GROUP AND UNIVERSITY COMPANY	
		2007 \$'000	2006 \$'000
Grants receivable after 12 months		-	21,129
Grants receivable within 12 months	11	39,758	2,429
Sinking fund received in advance	(a)	39,758 (62,900)	23,558 -
		(23,142)	23,558
Movements in development grant (received in advance) / receivables:			
At 1 April		23,558	(2,018)
Grants received during the year		(159,697)	(130,633)
Interest arising from the discount implicit in the receivable		6,475	(6,475)
		(129,664)	(139,126)
Less:			
Amounts transferred to deferred capital grants	16	95,924	142,732
Amounts refunded to the Ministry		3	3,327
Amounts taken to Income and Expenditure Statement:			
- Capital expenditure not capitalised/expenditure on manpower	(b)	10,595	16,625
At 31 March		(23,142)	23,558

These are grants from the Ministry for financing development projects.

- (a) This amount relates to a sinking fund received in advance of \$62,900,000 from the Ministry for the purpose of maintenance and replacement of property, plant and equipment.
- (b) The amount of development grant taken to the Income and Expenditure Statement is in relation to expenditure on assets which are not capitalised and charged to expense in the year of purchase.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 11 TRADE AND OTHER RECEIVABLES

	NOTE	GROUP	UNIVERSITY COMPANY	
		2007 \$'000	2006 \$'000	2007 \$'000
Trade receivables		9,903	7,277	9,635
Allowance for doubtful receivables		(394)	(120)	(394)
		9,509	7,157	9,241
Interest receivables		1,668	1,769	1,667
Operating grant receivables		89,219	54,629	89,219
Research grant receivables		14,961	14,067	14,961
Endowment matching grant receivables	10	37,740	2,649	37,740
Development grant receivables	10	39,758	2,429	39,758
Other receivables		15,377	15,332	15,198
Amounts due from subsidiaries (trade)		-	-	168
Amounts due from subsidiaries (non-trade)		-	-	1,015
Allowance for doubtful receivables		-	-	(1,015)
		-	-	-
		208,232	98,032	207,952
				97,594

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

## 12 CASH AND CASH EQUIVALENTS

	NOTE	GROUP	UNIVERSITY COMPANY	
		2007 \$'000	2006 \$'000	2007 \$'000
Cash at bank and in hand		39,806	12,177	37,136
Deposit with financial institutions		330,187	385,356	329,542
		369,993	397,533	366,678
				394,054

Included in cash at bank and in hand are \$1,158,000 (2006: \$1,440,000) held on behalf of the Ministry for the purpose of extending study loans to students (Refer to note 17 for details).

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 13 TRADE AND OTHER PAYABLES

	GROUP		UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Provision for unutilised compensated leave	27,429	27,070	27,429	27,070
Other payables and accruals	46,359	27,049	44,675	24,899
Provision for surcharge on manpower	-	1,630	-	1,630
	<b>73,788</b>	<b>55,749</b>	<b>72,104</b>	<b>53,599</b>

Movement of provision for unutilised compensated leave

	GROUP		UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
At 1 April	27,070	25,906	27,070	25,906
Provisions made during the year	359	1,164	359	1,164
At 31 March	<b>27,429</b>	<b>27,070</b>	<b>27,429</b>	<b>27,070</b>

## 14 SHORT-TERM BORROWINGS

The borrowings are unsecured, bear interest at 3.65% per annum and are repayable within the next twelve months from the financial year end.

## 15 RESEARCH GRANTS RECEIVED IN ADVANCE

	GROUP AND UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
At 1 April	56,214	56,709
Grants received during the year	118,100	91,857
	<b>174,314</b>	<b>148,566</b>
Less:		
Amounts transferred to deferred capital grants (note 16)	17,684	12,356
Amounts taken to Income and Expenditure Statement	103,478	76,305
Amounts refunded to the Ministry, other ministries and statutory boards	25	296
Amounts offset against grant receivables	(1,774)	3,395
At 31 March	<b>54,901</b>	<b>56,214</b>

These are grants from the ministries, statutory boards, A\*Star and other sources for research activities. The balance in this account represents grants received but not utilised at the end of the financial year. These grants are repayable on demand.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 16 DEFERRED CAPITAL GRANTS

	MINISTRIES		STATUTORY BOARDS		OTHERS		TOTAL	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Group and University Company</b>								
At 1 April	1,000,117	981,746	73,484	61,195	3,731	3,603	1,077,332	1,046,544
Add:								
Grants received for capital expenditure and development project transfer from								
- Operating grants (note 23)	10,831	12,505	-	-	-	-	10,831	12,505
- Research grants (note 15)	10,792	7,409	6,796	4,874	96	73	17,684	12,356
- Development grants (note 10)	95,924	142,732	-	-	-	-	95,924	142,732
- Accumulated surplus	140	450	550	16,340	-	-	690	16,790
- Other grants	8	27	1,101	1,479	114	334	1,223	1,840
Assets donated by various organisations	-	-	-	-	2,960	297	2,960	297
Adjustments/Reclassifications	235	280	32	(4)	1	97	268	373
	117,930	163,403	8,479	22,689	3,171	801	129,580	186,893
Less:								
Grants taken to Income and Expenditure Statement								
Amortisation charge for the year	138,710	144,165	10,385	10,388	761	667	149,856	155,220
On disposal of fixed assets	593	864	17	15	22	6	632	885
	139,303	145,029	10,402	10,403	783	673	150,488	156,105
Adjustments / Reclassifications	-	3	20,698	(3)	-	-	20,698	-
At 31 March	978,744	1,000,117	50,863	73,484	6,119	3,731	1,035,726	1,077,332

Deferred capital grants amortised (non-ministry) refers to amortisation of grants received from statutory boards and other organizations.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 17 ADVANCES FROM A MINISTRY FOR STUDENT LOANS

The advances from a ministry are for the purpose of extending loans to students mainly to assist them in paying their tuition fees.

	GROUP AND UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
At 1 April	129,728	143,185
Effect of adopting FRS 39	-	(20,812)
	129,728	122,373
Add:		
Advances received	16,098	14,691
Advances repaid	(3,300)	(3,700)
Bad debts	(570)	(738)
Discount implicit in the advances	(1,638)	(2,898)
At 31 March	140,318	129,728
Represented by:		
Tuition fee and study loans (note 8)	139,160	128,288
Cash and bank balances (note 12)	1,158	1,440
Net assets	140,318	129,728

## 18 CAPITAL ACCOUNT

The capital account represents the valuation of the freehold land vested in Nanyang Technological University. (Details refer to note 4).

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 19 ENDOWMENT FUND

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

The Government has undertaken to match all donations to the Nanyang Technological University Endowment Fund. Such Government grants are accounted for on an accrual basis.

The following amount has been set aside within the Endowment Fund to preserve the capital of the Endowment Fund.

	GROUP AND UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
At 1 April	34,963	27,073
Additional capital preserved during the year	6,395	7,890
At 31 March	41,358	34,963

## 20 INTEREST INCOME

	GROUP AND UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
Interest received/receivable		
- fixed deposits (placed with financial institution)	9,939	7,880
- bank balances	970	594
- finance leases	496	-
	11,405	8,474

## 21 PROFIT ON INVESTMENTS

	GROUP AND UNIVERSITY COMPANY	
	2007 \$'000	2006 \$'000
Appreciation in values of investments	51,929	92,707
Profit on sale of investments	81	-
	52,010	92,707

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 22 (DEFICIT)/SURPLUS BEFORE GRANTS FROM MINISTRIES

The following items have been included in arriving at (deficit)/surplus before grants from ministries:

GROUP		
	2007 \$'000	2006 \$'000
Allowance for doubtful receivables	274	120
Exchange gain	(42)	(86)
Contribution to defined contribution plans included in expenditure on manpower	<u>23,490</u>	<u>23,641</u>

## 23 OPERATING GRANTS FROM MINISTRY

GROUP		
	2007 \$'000	2006 \$'000
Operating grants received and receivable during the year	413,611	378,956
Payment for goods and services tax on tuition fees and tuition grants	(21,576)	(20,220)
Amounts transferred to deferred capital grants (note 16)	(10,831)	(12,505)
Operating grants taken to Income and Expenditure Statement	<u>381,204</u>	<u>346,231</u>

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 24 TAXATION

Reconciliation of effective tax rate

	2007 \$'000	2006 \$'000 (RESTATED)	GROUP
Surplus before taxation	212,215	132,312	
Income tax using Singapore tax rate @ 18% (2006 : 20%)	38,199	26,462	
Income not subject to tax	(194,581)	(191,794)	
Expenses not deductible for tax purposes	156,363	165,261	
Temporary differences not recognised	19	71	
	-	-	

By virtue of Section 13M(2)(b) of the Income Tax Act, Chapter 134, the University Company will be exempted from taxation provided 80% of its adjusted income for each financial year is expended for charitable purposes by the end of the following year.

The subsidiaries of the Group have approved donations, unutilised capital allowances and unabsorbed tax losses of approximately \$1,738,000 (2006: \$1,738,000), nil (2006: \$4,000) and \$767,000 (2006: \$779,000) respectively which are available for offset against future taxable income. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefit.

The unabsorbed tax losses and unutilised capital allowances of the subsidiaries are subject to agreement by the tax authorities and compliance with the tax regulations in the respective countries in which certain subsidiaries operate. Except for unutilised donations which has a life of up to 5 years, the remaining deductible temporary differences do not expire under current tax legislation.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 25 PRIOR YEAR ADJUSTMENT

In prior years, the University Company recognised course fees for the full academic year (1 July to 30 June) in the financial year they were billed. As this is a departure from FRS 18 – Revenue, the University Company has considered it appropriate to reflect the effect of overstatement of course fees as a prior year adjustment.

The prior year adjustment has been accounted for by restating comparatives and decreasing the opening balance of accumulated surplus as at 1 April 2005 and 1 April 2006 by \$31,096,000 and \$34,594,000 respectively.

The effect on balance sheet is as follows:

	GROUP		UNIVERSITY COMPANY	
	AS PREVIOUSLY STATED	AS RESTATED	AS PREVIOUSLY STATED	AS RESTATED
	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
General fund	170,333	139,671	168,114	137,452
Other restricted fund	222,148	218,216	222,148	218,216
Deferred tuition and other fees	-	34,594	-	34,594

The effect on income and expenditure statement is as follows:

	AS PREVIOUSLY STATED 2006		AS RESTATED 2006	
	GENERAL FUND	OTHER RESTRICTED FUND	GENERAL FUND	OTHER RESTRICTED FUND
	\$'000	\$'000	\$'000	\$'000
Tuition and other fees	129,958	18,697	127,187	17,970
Surplus for the year	26,336	15,452	23,565	14,725

The effect on statement of cash flows is as follows:

	AS PREVIOUSLY STATED		AS RESTATED	
	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
Deficit before grants		(407,230)		(410,728)
Deferred tuition and other fees		-		3,498

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 26 COMMITMENTS

The Group has the following commitments as at 31 March 2007:

	2007 \$'000	2006 \$'000
Capital commitments		
- contracted but not provided for	318,872	233,351

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

	2007 \$'000	2006 \$'000
Purchase of equity investments		
- contracted but not provided for	37,736	59,986

The University Company is a Guarantee Member of the following companies limited by guarantee:

	DATE OF INCORPORATION
Singapore Institute of Manufacturing Technology (SimTech)	1 April 1997
Temasek Life Sciences Laboratory Limited	18 February 2002

The University Company is a Guarantee Member up to a maximum of \$10 per company in the event of their winding-up. As neither the income or property of the companies can be paid nor transferred directly by way of dividend, bonus or otherwise, to the existing members of the companies, nor the assets of the companies can be paid or distributed to the existing members in the event they are wound up, the financial statements of the companies are not equity-accounted for in the financial statements of the University Company.

### ***Joint Program in Hospitality Management with Cornell University***

Under the agreement with Cornell University, Nanyang Technological University (NTU) will establish a joint program in hospitality management with Cornell University through the Cornell-Nanyang Institute of Hospitality Management (CNI). The CNI programs include degree and non-degree programs, short courses, research and other related academic activities. The NTU has provided an initial Standby Letter of Credit of USD0.8 million renewable up to 30 June 2008 to cover tuition fees and reimbursable expenses due to Cornell University.

### ***Agreements entered into with Massachusetts Institute of Technology (MIT) and the National University of Singapore (NUS)***

The University Company has entered into the two Singapore-MIT Alliance (SMA) agreements with MIT and NUS to establish collaborative efforts in research and education in engineering, science and technology, including interface with business and industry. SMA-1 covers a period of 7.5 years from 1 January 1999 and SMA-2, effective 17 September 2004, will continue for a term of about 8 years from the commencement of the last SMA-2 programme to be initiated. As at 31 March 2007, the NTU's outstanding commitments under the 2 agreements are estimated to be around USD17.6 million till the expiry of these agreements.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 26 COMMITMENTS (CONT'D)

### *Collaboration with Stanford University*

The University Company and Stanford University have entered into a collaborative Singapore Stanford Partnership (SSP) program for the development of postgraduate education and research in environmental science and engineering. The SSP program will offer Master of Science and Doctor of Philosophy degrees in environmental science and engineering whereby students will be integrated into the Stanford experience. As at 31 March 2007, NTU's outstanding commitments under the agreements are estimated to be USD3.6 million over the next 3 years.

## 27 SIGNIFICANT RELATED PARTY INFORMATION

### *Related party transactions*

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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:

	2007 \$'000	2006 \$'000
<b>Related corporations</b>		
Purchase of goods and services	38,242	38,017
Sale of services	14,122	13,063
 <i>Key Management Personnel Compensation</i>		
	2007 \$'000	2006 \$'000
Short term employee benefits	1,722	3,219

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 28 FINANCIAL INSTRUMENTS

Risk management is integral to the whole activities of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Group continually monitors its risk management process to ensure that an appropriate balance between risk and control is achieved.

### **Credit risk**

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.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

At the balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

### **Liquidity risk**

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.

### **Interest rate risk**

Surplus funds from the Group's operations are invested in bank deposits and with fund managers. The Group's exposure to interest rate risk relates primarily to the fixed deposits and borrowings.

### **Foreign currency risk**

Except as disclosed in note 7 and note 26, the Group incurred minimal foreign currency risk on its income and expenditures as these are predominantly denominated in Singapore dollars.

### **Estimating the fair values**

#### *Equity securities*

Fair value is based on quoted bid prices at the balance sheet date without any deduction for transaction costs.

#### *Non-derivative financial liabilities*

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

#### *Other financial assets and liabilities*

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

# Notes to the Financial Statements

YEAR ENDED 31 MARCH 2007

## 28 FINANCIAL INSTRUMENTS (CONT'D)

### *Interest rates used in determining fair values*

The Group uses the government yield curve as of 31 March 2007 plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

	2007 % P.A.	2006 % P.A.
Development grant receivables	-	3.50
Finance lease receivables	2.72	-
Loans and borrowings	6.50	6.00
Receivables	6.50	6.00

## 29 FRS NOT YET ADOPTED

The University Company has not applied the following standards and interpretations that have been issued as of the balance sheet date but are not yet effective:

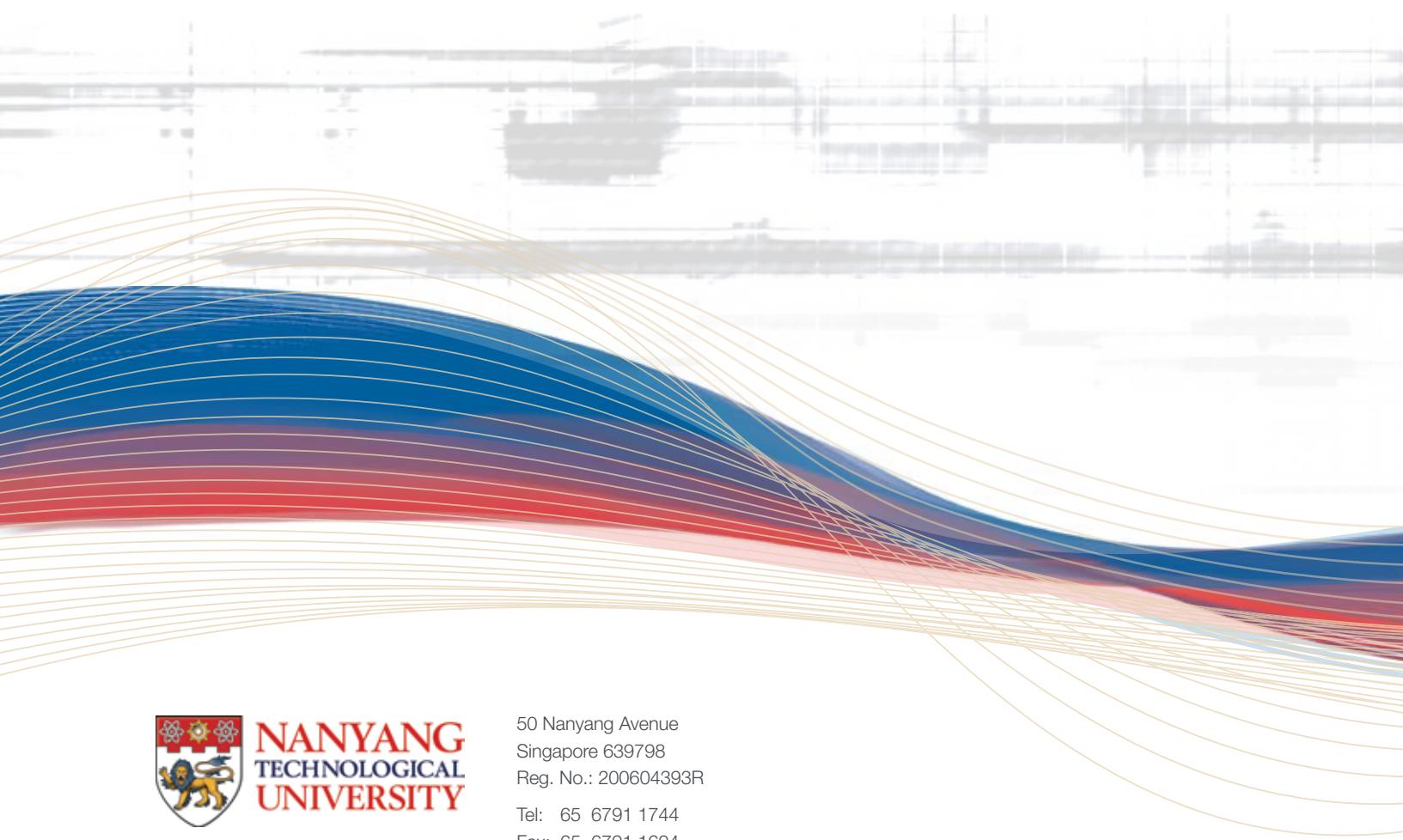
FRS 32	<i>Financial Instruments: Presentation</i>
FRS 40	<i>Investment Property</i>
FRS 107	<i>Financial Instruments: Disclosures</i>
	Amendments to FRS 1 <i>Presentation of Financial Statements – Capital Disclosures</i>
INT-FRS 108	<i>Scope of FRS 102</i>
INT-FRS 109	<i>Reassessment of Embedded Derivatives</i>
INT-FRS 110	<i>Interim Financial Reporting and Impairment</i>

The Group is evaluating the initial application of these standards and interpretations for the impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

## 30 COMPARATIVE INFORMATION

Comparatives in the financial statements have been changed from the previous year as a result of the prior year adjustment described in note 25.





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