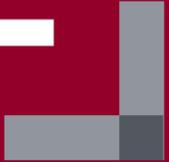




THE
BIG
PICTURE



ANNUAL REPORT 2014

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**AT SIM
UNIVERSITY,
WE HAVE OUR
EYE ON THE
BIG PICTURE.**

Adopting a broad frame of reference, SIM University (UniSIM) unveils opportunities for learners to gain not only the knowledge and skills needed to contribute at their workplaces, but also the character, perspectives and social consciousness to make sustained impact and positive differences in their communities. By providing experiences that encourage learners to look, think and act beyond boundaries, we enable them to see their own big pictures during their learning journeys at UniSIM.

CORPORATE PROFILE

Established in 2005, SIM University (UniSIM) is Singapore's only private university. Home to over 13,600 undergraduate and graduate students, UniSIM offers more than 50 academic programmes, available in full- and part-time study modes, in various disciplines through four schools: School of Arts and Social Sciences, School of Business, School of Human Development and Social Services, and School of Science and Technology.

UniSIM adopts a flexible learning approach and has in place technology-driven learning resources that enable students to learn anytime, anywhere and at their own pace. UniSIM offers a practice-oriented education taught by academics and industry practitioners, ensuring that what is learnt today can be applied tomorrow.

Eligible students taking UniSIM's undergraduate programmes enjoy government subsidies and access to government bursaries, tuition fee loans and study loans.

UniSIM is a not-for-profit university and the SIM University Education Fund is a Singapore 'Institution of a Public Character' (IPC).

VISION

Empowering society through lifelong education, remaining responsive to diverse learning needs and aspirations

MISSION

To create excellence in lifelong education through a uniquely-designed learning experience, equipping learners for a better future

CORE VALUES

- S**pirit of learning
- P**assion for excellence
- I**ntegrity in all we do
- R**espect and trust for the individual
- I**nnovation to lead
- T**eamwork for success

KEY FACTS AND FIGURES

STUDENT ENROLMENT

13,641 * Excludes modular course, diploma, Beijing Normal University and Nanjing University students

ACADEMIC PROGRAMMES

54 * Excludes diploma, Beijing Normal University and Nanjing University programmes

ALUMNI

25,468

GRADUATES

2,199 * Excludes diploma, Beijing Normal University and Nanjing University graduates

FULL-TIME FACULTY

103

ASSOCIATE FACULTY

821

NON-ACADEMIC STAFF

242

FINANCIAL HIGHLIGHTS

	2014*	2013*
	\$'000	\$'000
Course Fees and Other Income	109,773	96,238
Operating Expenses	75,575	68,308
Capability-building Expenditure	21,207	16,887
Net Surplus (Deficit)	12,991	11,041
Tax-deductible Donations Received	289	17,114
General Fund Reserve Level ⁽¹⁾	1.4 years	1 year
SIM University Education Fund Reserve Level ⁽¹⁾	1.9 years	4.6 years

* For the year ended on December 31

⁽¹⁾ Computed based on the formula: (bank balances / (total annual expenditure including capital expenditure)). UniSIM will target a reserve level of one year for both the General Fund and Education Fund taking into consideration its future income streams and future operating and capital expenditure.

MESSAGE FROM THE CHANCELLOR AND CHAIRMAN



MR GERARD EE

Chancellor and Chairman
SIM University

Right from the start, we have recognised that a university degree for its own sake is meaningless. It is what we make of that degree that is significant. For this reason, we shy away from rankings and deliberately design our programmes to be practical. Our programmes are designed to meet the needs of, and fill the gaps in, society. This is what distinguishes us from other universities and we will keep true to our mission. It is our competitive advantage.

Education Restructuring

In Singapore, the higher education sector is rapidly evolving in line with economic restructuring. The rising demand for university places and the inflation in qualifications, coupled with a tighter job market, necessitate a paradigm shift in the way we view higher education.

Recently, a significant initiative was introduced to address this issue. SkillsFuture – the national movement to provide Singaporeans with opportunities to develop to their full potential throughout life – offers programmes and incentives to develop work-related competencies regardless of starting points, whether one

is a fresh school-leaver, someone mid-point through his or her career, or even a retiree. Folded into SkillsFuture are the new Continuing Education and Training Masterplan (CET 2020) and the outcome of the Applied Study in Polytechnics and ITE Review (ASPIRE), which present polytechnic and Institute of Technical Education graduates with different educational pathways to strengthen learning and optimise their career progression.

What lies at the crux of SkillsFuture is the shift away from paper qualifications and towards the emphasis on lifelong learning that celebrates skill mastery.

Higher Education With A Purpose

In this sense, UniSIM is ahead of its time. Some 10 years ago, the University was set up to offer working adults an avenue to upgrade their skills and qualifications. Today, it is still the only Singapore university with the primary focus on applied knowledge and qualification upgrading on a continuing education basis – an area that is increasingly recognised as critical to maintaining the relevance of our labour force and advancing Singapore's economy.

Right from the start, we have recognised that a university degree for its own sake is meaningless. It is what we make of that degree that is significant. For this reason, we shy away from rankings and deliberately design our programmes to be practical. Our programmes are designed to meet the needs of, and fill the gaps in, society. For example, as the nation shifts its spotlight on community service, we need more people with the ability and skills to serve their fellow citizens. In the field of law, there is a dire need for professionals in family and criminal law. Similarly in the field of social work, we offer opportunities for social workers to advance their skills through practical application in a subject. The result is better prepared professionals with upgraded abilities

in their chosen field, ready to serve the community. It is applied education with purpose and practical impact.

This is what distinguishes us from other universities and we will keep true to our mission. It is our competitive advantage. At UniSIM, we provide opportunities for working adults to pursue their passion or even change their career course by choosing a different path. We believe in second, third, fourth chances. As long as someone has the passion and the determination, we will supply the opportunity. An initiative like SkillsFuture reinforces this worldview on applied capability by offering financial help for skills upgrading and opening up education pathways.

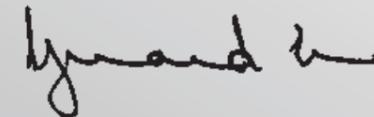
Ultimately though, systems and programmes can only go so far. To be able to embrace the very essence of education, we need a complete mindset change. Content on its own is not meaningful unless there is the ability to translate it into workable forms. Understanding the “why” of a problem is as important, if not more so, than the “what” and the “how”. Being able to see the interconnectivity of concepts and patterns in an issue is critical in problem-solving. These are all part and parcel of the core skills embedded in UniSIM's programmes and are what will make a real difference to the community.

It is my hope that UniSIM can be a catalyst for changing mindsets about education. And that an education at our University will not only have opened our students and graduates' minds to new knowledge and perspectives, but also helped them fulfil their aspiration for personal and professional growth. Our students and graduates are our brand ambassadors and we are confident that their quality and performance at the workplace speak for themselves.

In Appreciation

I wish to express my sincere appreciation to the many people behind the vision of UniSIM. To our Patron, His Excellency President Tony Tan Keng Yam, and the Board of Trustees, I am grateful for their guidance and counsel. My thanks also extend to Professor Cham Tao Soon, from whom I took over chairmanship of UniSIM in May 2014. His astute leadership helming UniSIM from its commencement contributed greatly towards the University's achievements.

Finally, I wish to thank the management, faculty and staff for their professionalism and dedication. As we celebrate UniSIM's 10th anniversary in 2015, we will be reminded of our mission to provide quality higher education that makes a real impact on Singapore, and continue empowering individuals to achieve their goals.



Mr Gerard Ee

Chancellor and Chairman
SIM University

At UniSIM, we provide opportunities for working adults to pursue their passion or even change their career course by choosing a different path. We believe in second, third, fourth chances. As long as someone has the passion and the determination, we will supply the opportunity.

MESSAGE FROM THE PRESIDENT



PROFESSOR CHEONG HEE KIAT

President
SIM University

At UniSIM, we provide more than just qualifications. As a far-sighted institution, we strive to bring meaning and depth to education, so that we may empower students to see the bigger picture of their learning journey. Our programmes are enriched with real-world knowledge, through which our students not just gain skills, but also develop character, aptitude, social consciousness and an appreciation of multiple perspectives.

University With A Social Mission

In 2014, we continued to empower our students in their learning journey, grooming them to be dynamic members of society and the workplace. A key highlight of the year was the maiden intake of full-time undergraduates in the Bachelor of Accountancy, Bachelor of Science in Finance with minor, and Bachelor of Science in Marketing with minor programmes. Even though this was the first year we were enrolling fresh school-leavers, our programmes were over-subscribed by more than seven times.

I am heartened by this show of public confidence in UniSIM. The overwhelming number of applications we received demonstrates recognition of our value proposition. Much like our part-time programmes, our full-time programmes are designed with a practical slant, featuring work attachments, and service-learning and industry exposure opportunities both locally and overseas. Our curriculum leverages the use of technology, applied focus and modular format already well established in our part-time programmes. In addition, it brings out the human aspect, enabling our students and graduates to make a real and positive impact in the community.

The Government has been a keen supporter of UniSIM's unique approach to applied and lifelong learning, as can be seen by the heavy

tuition fee subsidies it has granted our students. Our needs-based programmes, modular structure and flexible delivery modes weave seamlessly into SkillsFuture, giving us greater clarity in our role as a university for lifelong learning.

Although we are privately-funded, we have a social mission. That's what we see our role as – not just a creator of knowledge, but one which aggregates and channels knowledge for the benefit of our learners, and ultimately, the society at large. We have a strong teaching focus and we give opportunities to many to upgrade their skills at various stages of their lives. We want to be known as an institution that helps society progress by enabling its members to advance their careers and enrich their lives through learning and interaction with others. These are areas that will differentiate us from other local universities.

Workplace Into The Classroom

An integral part of our effort to enhance the applied nature of our programmes is our strong ties with industry partners. Apart from bolstering our programmes with input from real-world expertise, these linkages provide the opportunity for us to bring the workplace into the classroom, giving rise to valuable learning outcomes. As a case in point, our ties have enabled us to create practitioner-based training laboratories with our partners, such as the ST Aerospace@UniSIM – a computer-based training facility for Boeing 777-type certification and other aerospace training.

Our Continuing Education and Training (CET) programmes, which enable Singaporeans to upgrade their professional

Although we are privately-funded, we have a social mission. That's what we see our role as – not just a creator of knowledge, but one which aggregates and channels knowledge for the benefit of our learners, and ultimately, the society at large. We have a strong teaching focus and we give opportunities to many to upgrade their skills at various stages of their lives. We want to be known as an institution that helps society progress by enabling its members to advance their careers and enrich their lives through learning and interaction with others.

skills, also received industry support with the provision of credit-based modules to employees. During the year, we partnered the Republic of Singapore Air Force to offer a full-time CET course in Aerospace Systems. These initiatives meld with the objectives of SkillsFuture to enhance applied knowledge among professionals and working adults.

We are extremely grateful to the industry for continuing to demonstrate this same level of decisive support for our newly-launched full-time programmes. In 2014, we signed 10 new MOUs with partners offering work attachments to our students – an encouraging start.

Building Capability And Culture

Amid growing competition from education providers, we need to remain relevant in order to maintain our position as a key player in the sector. This means keeping true to our mission of serving society by offering opportunities for lifelong learning and grooming students and graduates who are able and ready to contribute to the community.

There are two parts to this: building capability and building culture. To build capability, we need to invest in people,

whether in research or teaching, which in turn translates into more effective learning. As we have done from the start, we will tap on technology to streamline, track and enrich the learning experience. Technology makes possible customised learning and multi-party interactions while offering invaluable flexibility to busy professionals through online learning. Our online learning system is a distinctive characteristic of UniSIM's methodology, as it provides working adults with the flexibility to learn at their own time and space. We are well on our way to achieving our target of 50% of all courses being available as e-courses by the end of 2015. We will also fortify our strategic industry partnerships in order to provide practice-focused learning in the classroom and enhance the quality of our applied research. By engaging in research for social good through our centres of excellence, we can serve as a resource for students, teachers and industry, not just in Singapore, but also the rest of the world.

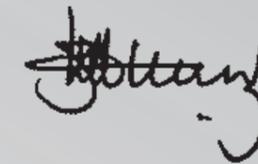
Building a culture is much less straightforward but equally, if not more important. We have the opportunity to be a principal player in the Government's lifelong learning initiative both at the professional and social levels. We want to instil the mindset that to lead a meaningful life, one must keep learning. By providing modular, certified and portable learning, we offer a multitude of pathways to quench the thirst for knowledge in fields that help the individual in professional or personal growth. We will launch *UniLEARN*, an online public course platform and one-stop knowledge repository, to facilitate this.

We also hope to build a culture of social responsibility that permeates, and is communicated through, our graduates. Even as our graduates develop their own careers, we want them to understand the role they play in this social eco-system, and contribute where they can. Our programme offerings include rich service-learning opportunities, aimed at imbuing social consciousness in our students.

Support Of The Community

In 2015, we celebrate UniSIM's 10th anniversary. As we come to the close of one phase of the University's development, another beckons – with promise but also with more challenges. Whether we thrive in the next phase will depend on our ability to adjust quickly to evolving demands and broaden our focus to deliver learning in new areas and modes.

I am confident that we will be able to achieve this with the ongoing support of our stakeholders including the Government and our partners. Most of all, I wish to thank our Board of Trustees, students, alumni, faculty and colleagues for their unwavering belief in UniSIM and determination to see us succeed.



Professor Cheong Hee Kiat

President
SIM University

BOARD OF TRUSTEES



PROFESSOR CHAM TAO SOON

Chancellor
SIM University (until 15 May 2014)

Chairman
SIM University Board of Trustees
(until 15 May 2014)

President Emeritus
Nanyang Technological University

[+ BIODATA](#)



MR GERARD EE

Chancellor
SIM University (from 16 May 2014)

Chairman
SIM University Board of Trustees
(from 16 May 2014)

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PROFESSOR CHONG CHI TAT

University Professor
Department of Mathematics
National University of Singapore

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PROFESSOR LEO TAN WEE HIN

Director (Special Projects)
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Professor of Physics
National University of Singapore

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MR RONNIE TAY

Chief Executive Officer
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ADJUNCT PROFESSOR SEAH MOON MING

Executive Director and Group Chief Executive Officer
Pavilion Energy Pte Ltd

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BOARD OF TRUSTEES



MS ANG BEE LIAN
(from 1 June 2014)

**Director
Social Welfare**
Ministry of Social & Family Development

BIODATA



MR WILLIAM LIM
(until 1 September 2014)

**Former Deputy Director
Higher Education Division**
Ministry of Education

BIODATA



MR LAM YI YOUNG
(from 1 September 2014)

Deputy Secretary (Policy)
Ministry of Education

BIODATA



**PROFESSOR
CHEONG HEE KIAT**

Ex-Officio
SIM University Board of Trustees
President
SIM University

BIODATA



**ASSOCIATE PROFESSOR
YIP WOON KWONG**

Secretary
SIM University Board of Trustees
Registrar
SIM University

BIODATA



MR NG CHER PONG

Chief Executive
Singapore Workforce
Development Agency

BIODATA



MR RONALD TAN HEE HUAN

Executive Director
Singapore Institute of Management

BIODATA



DR LEE KWOK CHEONG
(until 15 May 2014)

Chief Executive Officer
Singapore Institute of Management
Pte Ltd

BIODATA

AUDIT COMMITTEE

Chairman
Mr Ramasamy Dhinakaran

Members
Professor Leo Tan Wee Hin
Mr William Lim (until 1 September 2014)
Mr Ng Cher Pong (from 1 March 2015)

FINANCE COMMITTEE

Chairman
Professor Bernard Tan

Members
Mr Ronnie Tay
Adjunct Professor Seah Moon Ming
Mr Ong Boon Hwee
Professor Cheong Hee Kiat

ESTABLISHMENT COMMITTEE

Chairman
Professor Cham Tao Soon (until 15 May 2014)
Mr Gerard Ee (from 16 May 2014)

Members
Mr Ong Boon Hwee
Professor Leo Tan Wee Hin
Mr Ronald Tan Hee Huan
Professor Cheong Hee Kiat

NOMINATION COMMITTEE

Chairman
Professor Cham Tao Soon (until 15 May 2014)
Mr Gerard Ee (from 16 May 2014)

Members
Adjunct Professor Seah Moon Ming
Mr Ong Boon Hwee

KEY ACADEMIC MEMBERS



**PROFESSOR
CHEONG HEE KIAT**

President



**PROFESSOR
TSUI KAI CHONG**

Provost



**ASSOCIATE PROFESSOR
YIP WOON KWONG**

Registrar



**PROFESSOR
TAN NGOH TIONG**

Dean
School of Human Development and
Social Services



**ASSOCIATE PROFESSOR
PHILIP CHEANG**

Dean
School of Science and Technology



**ASSOCIATE PROFESSOR
WONG YUE KEE**

Vice President
Learning Services



**ASSOCIATE PROFESSOR
GENICE NGG**

Dean
School of Arts and Social Sciences



**ASSOCIATE PROFESSOR
LEE PUI MUN**

Dean
School of Business



**PROFESSOR
KOH HIAN CHYE**

Assistant Provost



**ASSOCIATE PROFESSOR
CHEAH HORN MUN**

Assistant Provost
(from 20 January 2014)

Director
Office of Graduate Studies
(from 15 September 2014)

SIM UNIVERSITY EDUCATION FUND

In 2005, we established the SIM University Education Fund (SUEF). The purpose of this Fund is to establish, build up, maintain and promote the capability of UniSIM for the advancement of university education. Conferred the 'Institution of a Public Character' (IPC) status, the Fund receives tax-deductible donations for its activities and shall be used in areas including the development of UniSIM's infrastructure, systems and courses, library development and administration, research and development activities, scholarly activities, scholarships, sponsorships and study awards.

The SUEF Board of Trustees oversees the management of all tax-deductible donations to UniSIM. The Board also establishes the guiding principles for the management and utilisation of the Fund, and maintains separate accounting records for disbursements for SUEF, as well as for donations received.

In 2014, the Fund supported the development of over 30 courses and more than 100 e-courses, which widened the range of offerings at UniSIM and garnered even more interest among those keen to pursue higher education. It also contributed to the building up of infrastructure vital to the functioning and development of the University, including IT infrastructure, software development and enhancements.

Funds were approved for six new research grants during the year in such areas as service excellence, labour migration, subjective well-being, pedagogy of teaching and learning, and institutional research. In 2014, there were 15 active faculty research projects that were funded from SUEF monies, and of these, six were with industry/external linkages.

The Fund continued to support UniSIM students in their tertiary education pursuits through various financial schemes. UniSIM awarded 44 sponsorships, 11 scholarships, and 280 study grants in 2014. In total, S\$461,100 was used to support the various financial schemes. Through these schemes, UniSIM hopes to recognise scholarly excellence and to provide additional avenues for learners needing financial support to pursue their dreams, and in turn, contribute to society.

Members of the SUEF Board of Trustees are:

MR LIM SOON HOCK (Chairman)
Managing Director
Plan-B IGAG Pte Ltd

MR LAM SIEW WAH
Deputy Chief Executive Officer
(Industry Development)
Building and Construction Authority

PROFESSOR CHAM TAO SOON
Special Advisor to
SIM Governing Council

DR JOSEPHINE KWA LAY KENG
Chairman
Raffles Marina Holdings Ltd

PROFESSOR BERNARD TAN
Professor of Physics
National University of Singapore

MR NOEL HON CHIA CHUN
Board Director
Singapore Pools (Private) Limited

PROFESSOR CHONG CHI TAT
University Professor
Department of Mathematics
National University of Singapore

MS ANG BEE LIAN
Director of Social Welfare
Ministry of Social
& Family Development

MR RAMASAMY DHINAKARAN
Managing Director
Jay Gee Group of Companies

MR RONALD TAN HEE HUAN
Executive Director
Singapore Institute of Management

PROFESSOR CHEONG HEE KIAT
President
SIM University

CORPORATE GOVERNANCE

UniSIM's framework of corporate governance reflects an institutional mindset of accountability and transparency at all levels of the University. We believe that good corporate governance is not only the responsibility of the Board, but that of the management and every level of UniSIM. To this end, we have taken steps to maintain the highest standards of corporate governance, professionalism and integrity, as we build a university that all our stakeholders can trust and be proud of.

At the helm of UniSIM is the Board of Trustees. Comprising appointed directors, the UniSIM Board of Trustees oversees the corporate governance, policies and strategies of the University, including making key appointments and establishing new schools or departments. It also ensures that UniSIM acts to further its objectives in education and research, and that its funds and assets are safeguarded and properly accounted for.

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision-making are the Audit, Establishment, Finance and Nomination Committees. Each committee is governed and regulated by its own terms of reference, which set out the scope of its duties and responsibilities, regulations and procedures governing the manner in which the committee is to operate and how decisions are to be taken.

As part of good corporate governance, UniSIM also has in place a Conflict of Interest Policy and Whistle-blowing Policy. Under the Conflict of Interest Policy, any UniSIM Board of Trustees member or staff is required to declare his/her personal or vested interests in business transactions that the University enters into, and is required to abstain from any discussion or decision-making on the matter.

With the Whistle-blowing Policy, staff may, in confidence and without fear of retaliation, raise concerns of incidents of possible wrongdoing or breach of applicable laws, regulations or policies within UniSIM. The University takes a serious view of all reports of violations received and will commission independent investigations as appropriate.

CORPORATE INFORMATION

REGISTERED ADDRESS

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Tel: +65 6248 9777
Fax: +65 6469 9312
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CHARITY REGISTRATION NUMBER

001887

PRINCIPAL BANKER

Citibank, N.A.
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Asia Square Tower 1
Singapore 018960

LAWYER

Ramdas & Wong
36 Robinson Road
#10-01 City House
Singapore 068877

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

MILESTONES

FEBRUARY

- Partnered the Singapore Exchange to develop and provide investor education to members of the public.

APRIL

- Singapore Accountancy Commission recognised the part-time Accountancy programme for direct admission to its Professional Programme of the Singapore QP.
- Signed MOU with HLB Atrede LLP to provide work attachment opportunities to UniSIM's full-time students. Gained similar support from Ardent Associates LLP, Billabong, CA Trust PAC, DMG & Partners Securities, PKF-CAP LLP, Scanteak, SK Planet, Spice Connect, and Stanley Black & Decker, thereafter.
- Joined hands with the Singapore Sports School to support talented student athletes interested in pursuing higher learning at UniSIM.

MAY

- Mr Gerard Ee succeeded Professor Cham Tao Soon as Chancellor of UniSIM and Chairman of the UniSIM Board of Trustees.

JUNE

- Collaborated with Singapore Technologies Kinetics Ltd on translational research and development in thermal spray coating technologies and related materials for industrial applications.
- Completed Singapore's first national study on early childhood parenting, commissioned by the Early Childhood Development Agency.

JULY

- Launched part-time undergraduate degree programmes in Art Education, Music Education, and Sports and Physical Education.
- Rolled out the *UniSIM Backpack* mobile application, providing students with quick access to learning resources.

AUGUST

- Commenced classes for the first intake of full-time students into the initial undergraduate programmes in Accountancy, Finance and Marketing.

SEPTEMBER

- Received accreditation for the Bachelor of Building and Project Management and Bachelor of Science in Facilities and Events Management programmes from the Royal Institution of Chartered Surveyors, UK.

OCTOBER

- Partnered Tsinghua University to promote research, publication and exchange in the field of overseas Chinese entrepreneurship.

NOVEMBER

- Joined forces with CIMB Securities to provide UniSIM Finance students with resources and platforms to gain experience in equity securities investing through hands-on practice and real-life trading games.
- Collaborated with the Creative Media Academy to run CET courses for the creative media industry to build a pool of professionals with on-the-job technical and management competencies.

DECEMBER

- Partnered Republic Polytechnic to build the capacity of professionals in the sports sector.
- Collaborated with Bhutan's Royal Institute of Management to benefit from joint collaborative activities in logistics and procurement management for both parties' Logistics and Supply Chain Management students and faculty.

**WE NURTURE A
LOVE FOR LEARNING**



**BECAUSE EDUCATION
IS FOR LIFE**



CHAPTER 1 PROGRAMMES

I am glad to be able to pursue an undergraduate accounting degree programme at UniSIM – the only Singapore university to offer it part-time and fully accredited. Through learning from some of the best accounting faculty and practitioners in Singapore, I am confident of taking on greater responsibilities at work and delivering better business solutions on time and on budget.

JASON TAN YI ZHONG

Bachelor of Accountancy student (part-time)
Business Analyst, Aviva Asia Pte Ltd



Communication programmes, and the Marketing minor. We also revamped the curricula of several courses as part of our regular review to keep abreast with societal needs. These included those for the Translation and Interpretation, Chinese Language and Literature, and Counselling programmes.

Alongside our undergraduate programmes, UniSIM's graduate programmes have also been steadily expanding in response to rising demand, from an initial student enrolment of 10 in 2008 to 391 as at December 2014. Our first batch of six Doctor of Philosophy programme students successfully completed their first year qualifying exams to advance to the next stage of their studies.

Even as we increase the quantity of our programmes, we strive to ensure that quality is not compromised. Accreditation of UniSIM's programmes is an integral part of our processes as it reflects the quality of our offerings. Since 2014, our accredited part-time Accountancy programme has been recognised by the Singapore Accountancy Commission for the purpose of direct admission to its Professional Programme of the Singapore QP. The Building and Project Management programme and Facilities and Events Management programme received accreditation from the Royal Institution of Chartered Surveyors, UK, in 2014. In addition, the Aerospace Systems programme underwent the provisional accreditation audit by the Engineering Accreditation Board of the Institution of Engineers Singapore, and is on track for provisional accreditation in 2015. UniSIM's nomination in the Supply Chain Education Institution of the Year category at the 13th Supply Chain Asia Awards is a testament also to the quality of our Logistics and Supply Chain Management programme.



Looking Ahead

The coming year will see more exciting initiatives from UniSIM. We will launch Singapore's first full-time undergraduate degree programme in Human Resource Management, as well as two part-time graduate programmes, viz., the Master of Arts in Applied Linguistics (TESOL) and Master of Business Administration.

In addition, new minors such as the Contemporary China Studies minor for our Sociology and Communication programmes, Chinese Language and Malay Language minors for our Early Childhood Education programmes, and Paramedicine and Emergency Response minor – developed jointly with the Singapore Civil Defence Force and Singapore Armed Forces Medical Corps – will be launched to enhance the versatility of our offerings.

02. (From left) Associate Professor Tan Yan Weng, Head of the Logistics and Supply Chain Management programme; and Associate Professor Lee Pui Mun, Dean of School of Business, celebrating with Mr Stanley Lim, Chairman of our partner Singapore Logistics Association (SLA), on his receipt of the *Most Inspiring Supply Chain Professional of the Year* award, together with Ms Ng Soo Hwa, SLA Executive Director, at the 13th Supply Chain Asia Awards.

WE MAKE THE WORLD
OUR CLASSROOM

BECAUSE LEARNING
HAS NO BOUNDARIES



CHAPTER 2 INDUSTRY

INDUSTRY



01

UniSIM goes beyond the classroom to deliver an immersive and practice-oriented learning journey. Supported by our strong industry network, we empower our students to apply tomorrow what they learn today and remain relevant in an ever-evolving world.

Leveraging Industry Partnerships

One of UniSIM's signature competitive advantages is our industry linkages, which we leverage to design and maintain highly relevant programmes and Continuing Education and Training (CET) offerings. When students take up CET courses with UniSIM, they are assured of a compelling curriculum that is finely tuned to developments in society and the workplace. To date, we have a suite of 400 CET courses, developed to help people upgrade their professional skills for career advancement or personal development.

In 2014, we worked with the Republic of Singapore Air Force (RSAF) to mount a full-time CET course which allows students

to matriculate directly into our Bachelor of Engineering in Aerospace Systems programme. Meticulously customised to meet RSAF's needs, the course was attended by a first cohort of 16 students.

As a mark of endorsement, the Singapore Workforce Development Agency (WDA) funded S\$17,800 towards the organising of an *Unmanned Aircraft Systems Applications, Operations and Support Masterclass* under the *Industry Catalyst Programme*.

Constantly seeking to promote areas relevant to society, we supported the Government's move to raise awareness and promote excellence in the field of ergonomics by organising an ergonomics forum and an ergonomics awareness workshop for professionals in the field, in conjunction with the Workplace, Safety and Health Council, and WDA.

01. An overwhelming turnout on *SGX-UniSIM Investor Education Day*.



02

Our wide collaboration with industry leaders can be attested to by the numerous Memoranda of Understanding (MOUs) that we signed or renewed during the year. One example is the MOU with Singapore Exchange (SGX) to develop financial and investment-related courses that provide investor education to members of the public and UniSIM students. One of the first activities organised under this new partnership was the *SGX-UniSIM Investor Education Day* entitled *Start Your Investing Journey Today: Investing Today Matters Tomorrow*, targeted at students and young adults. The highly popular event saw more than 850 attendees glean investment tips from expert speakers. The participants also broadened their understanding of investing at booths set up by partners such as MoneySENSE, Securities Investors Association (Singapore), OCBC Securities, POSB and PhillipCapital.

We also signed a Collaborative Agreement with Creative Media Academy to promote CET in the creative media industry, as well as to help build a pool of media professionals with on-the-job technical and management competencies.

Such partnerships benefit our students by providing them with access to invaluable industry insights and opportunities. For instance, our collaboration with CIMB Securities will give our Finance programme students access to CIMB Securities' resources and platforms from which they can gain experience in equity securities

investing. Through hands-on practice and real-life trading games, our students will have all they need to prepare them to become successful investment professionals in the competitive finance industry.

In another partnership, the MOU signed with the Bhutan Royal Institute of Management (RIM) will see students and staff from the Logistics and Supply Chain Management programme at UniSIM and the Logistics programme at RIM benefit from joint collaborative activities in logistics and procurement management. Kick-starting it was the first-of-its-kind Bhutan-Singapore logistics training programme held in Bhutan at the end of the year which attracted some 40 UniSIM and RIM participants.



03

In addition, we signed an MOU with the Ministry of Culture, Taiwan under the *Spotlight Taiwan Project* to foster cultural exchange between Singapore and Taiwan.

Apart from industry partnerships, UniSIM also collaborated with other educational institutions to build on complementary

- 02. Witnesses and signatories at the MOU signing ceremony between UniSIM and CIMB Securities: (seated, from left) Professor Cheong Hee Kiat, President of UniSIM; Professor Tsui Kai Chong, Provost of UniSIM; Mr Andrew Ler, Head of Regional Retail Business at CIMB Securities; and Ms Carol Fong, Chief Executive Officer of CIMB Securities.
- 03. Participants of the Bhutan-Singapore Logistics Training Programme, held in Bhutan, being briefed on warehouse operations by the owner of 8-Eleven – a local supermarket selected for case study.



In our partnership with UniSIM, ST Aerospace provides input on curriculum planning and training opportunities for its students, so as to enhance the industry relevance of the University's Aerospace programmes. We work closely towards our shared objective of producing the next generation of trained, qualified and competent aviation professionals.

STEPHEN CHUNG KHIOK BENG
Vice President, Technical Training Centre
Singapore Technologies Aerospace



expertise. We signed an MOU with the Singapore Sports School to provide higher education opportunities for young athletes that will stand them in good stead during and after their sports careers. Athletes identified by the Sports School will be able to take UniSIM's CET courses and earn credit units for UniSIM's undergraduate programmes. We also partnered Republic Polytechnic (RP) to build the capacity of professionals in the sports sector and with the Center for Chinese Entrepreneur Studies at Tsinghua University to promote research, publication and exchange in the field of overseas Chinese entrepreneurship.

The industry has, since the establishment of UniSIM, demonstrated wholehearted support and confidence in our programmes, for which we are deeply heartened. Strong foundations were laid for the service-learning component of our full-time programmes to reinforce our ethos of training the "Heart", in addition to the "Head" and "Habit". We partner social enterprises, charitable organisations, government agencies and other relevant parties to provide platforms for our students to undertake various social service projects. A case in point is the partnership we are working towards with the National Youth Council which allows for students to participate in projects where they can serve the elderly, children and at-risk youth, as well as in areas such as the environment, sports, heritage and culture. Through these, our students will grow in civic consciousness and learn soft skills in leadership, teamwork and communication.

Our full-time programmes enjoyed a resounding start with 10 new MOUs signed in 2014 with work attachment partners. This brings the total number of work attachment partners for our full-time programmes to 26. These partners include both well-known international brands such as Stanley Black & Decker and RHB Securities, as well as home-grown names like Nexia TS and RSM Chio Lim. Working closely with these partners, we will offer our students a structured work attachment programme that requires them to contribute like regular employees. This enhanced work experience framework links classroom learning and work reality, allowing students to gain practical experiences that prepare them for working in the real world. The first student work attachments are expected to commence in 2016.



- 04. Mr Tan Teck Hock (seated, left), Principal of the Singapore Sports School; and Professor Tsui Kai Chong, Provost of UniSIM, signing the MOU, with Ms Yeoh Chee Yan, Permanent Secretary of the Ministry of Culture, Community and Youth, and Chairman of the Sports School's Board of Directors; and Professor Cheong Hee Kiat, President of UniSIM, witnessing the sealing of the partnership.
- 05. The formation of a strategic partnership between UniSIM and RP, with (anti-clockwise, from bottom left) Ms Goy Soon Lan, Director of RP's School of Sports, Health and Leisure; and Professor Tan Ngoh Tiong, Dean of the School of Human Development and Social Services at UniSIM, signing the MOU, while Professor Tsui Kai Chong, Provost of UniSIM; and Mr Yeo Li Pheow, Chief Executive Officer and Principal of RP, look on.



Internship opportunities for our part-time students also increased, following new collaborations with partners including HayMarket Media Group, Jonas Education Publishing, and MediaCorp TV and Radio.

Technology has opened new doors to reality in learning and UniSIM has been quick to make the most of this. We have created practitioner-based training laboratories with our partners so as to provide a realistic yet safe platform for learning. These include ST Aerospace@UniSIM – a computer-based training facility for Boeing 777-type certification and other aerospace training, Creative Media Academy@UniSIM, as well as the MAJ Aviation simulation laboratory.

In other effort to integrate learning with real-world application, we organised various field trips for our students to engage first-hand with practitioners in their place of work.

Our Logistics and Supply Chain Management programme students visited the “K” Line container ship, M/V Houston Bridge, where they were briefed on cargo handling, security and safety on board the ship, and energy and environmental considerations. The students also visited SATS Airfreight Terminal to study the export and import flow processes of air cargo, and



Coolport@Changi to see how perishable goods are handled.

A group of Translation and Interpretation programme students visited the Supreme Court and Parliament House to observe up-close how court and parliament interpreters work.

Students from our School of Arts and Social Sciences visited the Singapore Press Holdings Print Centre to learn how newspapers are printed and delivered to our doorsteps by breakfast time.

- 06. Students gaining a better understanding of the operations at Pasir Panjang Container Terminal before they boarded the “K” Line container ship, M/V Houston Bridge.
- 07. Dr Richard Kwok (centre), Chief Technology Officer of ST Kinetics; and Associate Professor Philip Cheang, Dean of the School of Science and Technology (SST) at UniSIM, sealing the research partnership with a handshake at a ceremony also attended by SST’s School Advisory Panel and UniSIM’s senior management team.



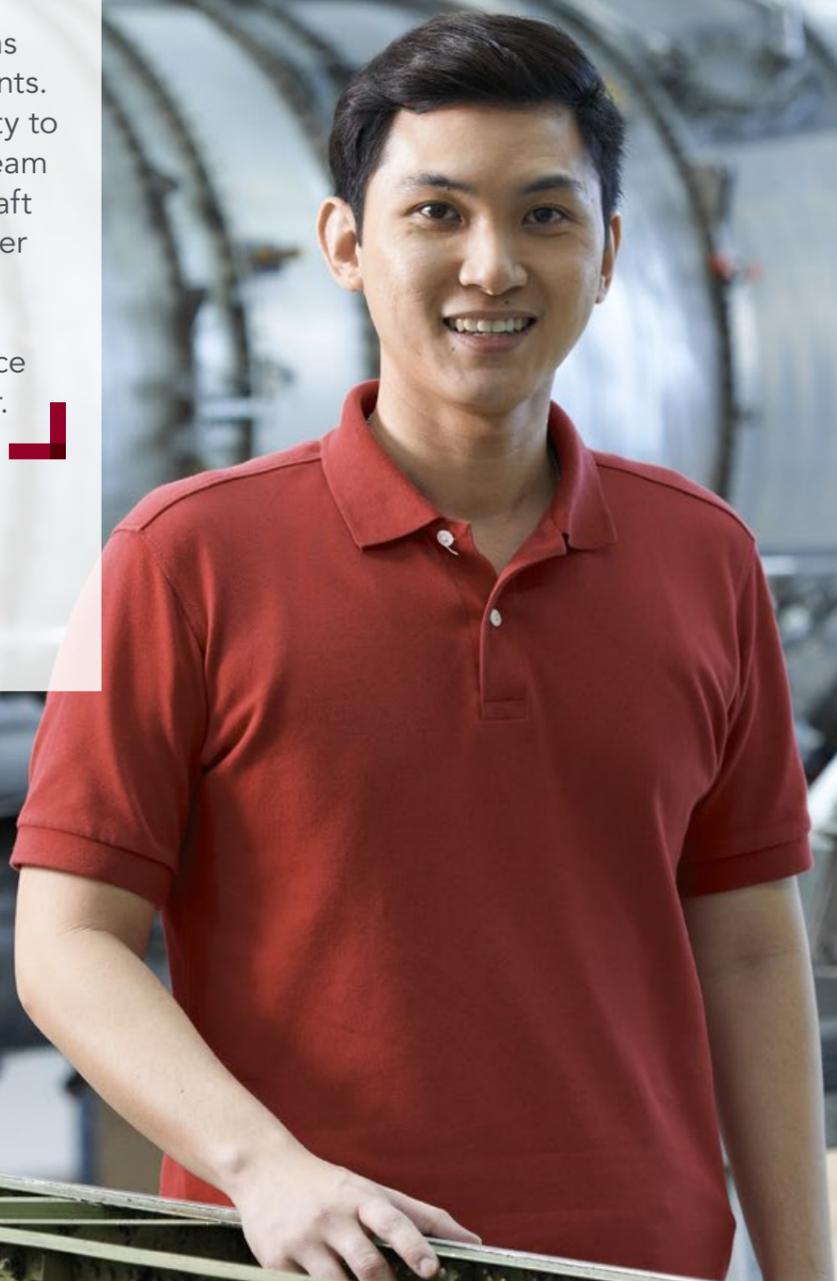
With UniSIM’s flexible study mode designed specially for working adults, I was able to hold a full-time job while studying part-time. My programme equipped me with the relevant knowledge and skills which I need to fulfil my career goal of becoming the first in Singapore to qualify as a dual trade (B1 Mechanical and B2 Avionics) instructor at ST Aerospace.

ALOYSIUS SOH WEI LIANG
 Bachelor of Engineering in Aerospace Systems alumnus
 Instructor, Technical Training Centre
 Singapore Technologies Aerospace

Apart from learning in class at UniSIM, I gained invaluable practical experience during a special course I took at Cranfield University in UK as part of UniSIM's requirements. There, I had the opportunity to board a customised Jetstream aircraft to learn about aircraft flight performance and other aspects of aviation. This experience enhances my teaching as an ST Aerospace technical training instructor.

DANNY LIM YAM TAT

Bachelor of Engineering in Aerospace Systems alumnus
Instructor, Technical Training Centre
Singapore Technologies Aerospace



Collaborating On Quality Research

Applied research enables UniSIM to delve into areas that are most relevant and pressing to industry. This reinforces our objective to groom work-ready graduates and helps boost our industry expertise and relationships.

During the year, we collaborated with various partners for research projects. One such collaboration was with Singapore Technologies Kinetics Ltd (ST Kinetics) for translational research and development in thermal spray coating technologies and related matters for industrial applications. It encompassed a S\$2.7 million project on gas engine fan turbine case cold spray repair technology, funded under the Civil Aviation Authority of Singapore's Aviation Innovation Scheme. A laboratory was also set up at ST Kinetics for joint research purposes. Other industrial research collaborations for graduate training and education established in 2014 included ones with Building and Construction Academy, Milliken & Company, and Maritime Production Research.

As part of our industry engagement efforts, we completed Singapore's first national study on early childhood parenting, commissioned by the Early Childhood Development Agency. We also worked with the Singapore Prison Service to evaluate the effectiveness of its Yellow Ribbon community outreach programme. Ongoing projects were continued, such as the quarterly *Business Times-UniSIM Business Climate Survey*, now in its eighth year, as well as the *Land Transport Authority Public Transport Satisfaction Survey*, in its sixth year.

Looking Ahead

UniSIM's industry-relevant and practice-oriented programmes, as well as our CET initiatives since 2008, are very much in

line with the recommendations of the ASPIRE Committee and SkillsFuture Council, where the Government aims to strengthen Singapore's applied education pathways with a focus on building deep skills through CET. We have had a promising start and will continue to enlarge our CET offerings while ensuring quality and relevance in our programmes.

In view of continuing and professional education becoming a key component in Singapore's workforce development masterplan, we will set up a Centre for Continuing and Professional Education. The centre will work closely with government agencies to help set up and implement the *Singapore Skills Framework*. To date, UniSIM is one of only two Singapore universities to be part of the Skills Framework Development Workgroup.

We will be plugged into the Government's drive to integrate education with training and career progression, as well as to foster a culture of lifelong learning. To meet the latter objective, we will be offering non-qualification-based (Q-based) courses. These will complement our existing Q-based CET model which provides a pathway to a degree or professional certification for those already in the workforce.

We will also continue to explore other avenues of collaboration with industry partners, be it in terms of joint projects, research or internship opportunities.

To direct and coordinate the relationships that we build with external parties, an Office of External Relations will also be set up next year. This office will work with universities, other educational bodies, international organisations and industry players to advance the positioning of UniSIM in Singapore and internationally.



WE CREATE A
STIMULATING ENVIRONMENT

AS EXPERIENCES
BROADEN PERSPECTIVES

CHAPTER 3 EVENTS

EVENTS



Providing a holistic experience for its students is a core focus of UniSIM. A university education is so much more than just what is learnt in the classroom – it is also the activities, the connections and the exchange of ideas that enrich one’s mind and soul. Here on our campus and beyond, we create a conducive environment for engagement and cultivate a passion for exchange, so that our students will emerge fulfilled.

Creating Ties That Bind

The UniSIM calendar of events reveals an energetic pulse of dynamism. Through numerous activities, we foster a sense of belonging among students, alumni, faculty and staff to the University.

One of our main events is the Convocation. A total of 2,132 graduates received their degree scrolls at the 2014 Convocation held from October 8 to 10, with Mr Teo Chee Hean, Deputy Prime Minister, Coordinating Minister for National Security and Minister for Home Affairs as our Guest-of-Honour at the opening session. Among the graduates were the pioneer batches from the Master



of Community Leadership and Social Development programme, as well as the Bachelor programmes in Accountancy, Building and Project Management, Chinese Language Education, Communication with Military Studies, Human Factors and System with Military Studies, Human Resource Management with Military Studies, and Sociology with Military Studies.

With the launch of our full-time programmes, UniSIM went into overdrive to prepare for the opening of the academic year. A highlight was the Outward Bound

- 01. DPM Teo Chee Hean presenting an award winner with her trophy.
- 02. Mrs Josephine Teo (2nd from left), Senior Minister of State for Finance and Transport, was guest-of-honour at Session 4 of Convocation 2014.



As a UniSIM student, I had the opportunity to go on a study mission to Inner Mongolia, where I learnt in depth the multiple aspects of the place – cultural, historical, environmental and so much more. It was a truly immersive and enriching experience, so much so that I grabbed the chance to go for a second study mission to the Three Gorges Dam in Hubei Province with my juniors after I had graduated.

SOON KONG YONG
 Bachelor of Science in Psychology and Master of Environmental Science alumnus
 Technical Manager (Environment)
 Elmich Pte Ltd



Singapore team building event at Pulau Ubin. This three-day event helped the inaugural intake of freshmen bond through a common experience while developing leadership and organisational skills.

Sparkling A Vibrant Campus Life

The UniSIM campus is a vibrant one, with activities usually taking place all year round. Some of these events, such as seminars and talks by invited speakers, serve to educate students. Highlights included the inaugural *Well-being in Singapore: Current Development and Implications Symposium* where participants learnt how policymakers, schools, employers, families and individuals work together to ensure that everyone has access to the support essential for well-being; and the *5th Analytics Education Forum* themed *Transform Information into Insights* – a platform for our Business Analytics programme students to showcase their applied projects to business analytics industry professionals.

We also organised dialogue sessions with Singapore public office-holders to better understand the challenges faced by our leaders in moulding an inclusive society, as well as to share views on social issues. Two sessions organised by our School of Human Development and Social Services saw our Social Work programme students learning from Minister for Social and Family Development, Mr Chan Chun

Sing, and our Gerontology students and alumni exchanging views on policies on ageing with Speaker of Parliament, Mdm Halimah Yacob.



Throughout the year, the Schools and departments also organised a slew of industry talks spanning a range of topics, so that our community could learn and hear directly from the experts. The distinguished guests included Mr Desmond Kuek, President and Chief Executive Officer of SMRT Corporation Ltd; Mr Lim Hua Min, founder and Executive Chairman of PhillipCapital; Mr Sat Pal Khattar, Chairman of Khattar Holdings; and Mr Zainul Abidin bin Mohamed Rasheed, Ministry of Foreign Affairs' Special Envoy to the Middle East and Chairman of SPH Radio.

Our network and interaction with external parties extend beyond our shores. UniSIM regularly receives overseas visitors who wish to explore collaboration opportunities or build relationships. These visits often lead to learning outcomes for both parties. During the year, we hosted delegations from the Canvard College Beijing (China), Hong Kong Polytechnic University (Hong Kong), Kuehne Logistics University (Germany), SMK Prakarya Internasional (Indonesia), Swansea University (UK), Universitas Indonesia (Indonesia), Widyatama University (Indonesia), Zhaw School of Management and Law (Switzerland), to name a few.

We also played host to several luminaries in their fields, such as award-winning American writers Ms Chinelo Okparanta and Mr Jeff Sharlet as part of this year's *American Writers Festival*; as well as Mr Lee Hui Huan, one of Singapore's most respected names in conference interpretation.

These activities took place within our Clementi campus with its long awaited final phase of expansion completed in 2014, bringing the total campus size to 110,000 square metres. Facilities include 254 lecture theatres, tutorial and seminar rooms, and computer laboratories. There is also a sports and performing arts complex, multi-purpose halls, a financial training centre, a management library, a student activity hub, and a student care and wellness centre.



- 03. Full-time programme freshmen kayaking at Outward Bound Singapore at Pulau Ubin, as part of their orientation.
- 04. Speakers of the plenary session of the *Well-being in Singapore: Current Development and Implications Symposium*: (from left) Dr Daniel Fung from the Institute of Mental Health; Associate Professor Christie Napa Scollon from Singapore Management University; and Dr Tambyah Siok Kuan from National University of Singapore.
- 05. Minister Chan Chun Sing sharing his vision and future plans for the social services sector in Singapore during his dialogue session with UniSIM's Social Work programme students.
- 06. Mdm Halimah Yacob taking a question from a participant at her dialogue session.
- 07. Mr Lim Hua Min, founder and Executive Chairman of PhillipCapital, presenting a talk around "Lessons for Building PhillipCapital".
- 08. Mr Sat Pal Khattar, Chairman of Khattar Holdings, presenting a talk entitled "Accidents in Life".
- 09. Speakers at the *American Writers Festival*: (seated, from left) Mr Jeff Sharlet and Ms Chinelo Okparanta, together with UniSIM students, associates and staff.



The management modules I had taken at UniSIM taught me how to create synergy within my team and helped me become a more effective leader. After graduating in 2013, I had a pay rise and was placed in a principalship programme, and today, I am a principal at a reputable Singapore pre-school.

ZURAIMAH BINTE JUMAHAT

Bachelor of Early Childhood Education with Management alumna
Principal, My First Skool
NTUC First Campus



In some instances, learning went beyond Singapore's borders. Overseas training programmes were organised in conjunction with international partners, such as the Hong Kong Logistics Association for the Hong Kong-Korea-Singapore Exchange Training Programme based in Inha University (South Korea). Thirteen UniSIM students teamed up with 20 Hong Kong and seven Korean students to visit companies and facilities to study logistics problems and issues, and to recommend solutions.

Connecting Beyond The Campus

Learning often takes place outside of the classroom and we organised numerous external enrichment events during the year. These included a *Tea and Ancient Chinese Poetry Appreciation Seminar* in Chinatown to enrich our Chinese Language Education and Chinese Language and Literature undergraduates' knowledge of Chinese tea through literature. The classroom also came alive for a group of some 40 Chinese Painting and Calligraphy Appreciation course students when they visited the art studio of Ms Wu Xue Li. A renowned Chinese oil painter, Ms Wu discussed in great detail with our students the process of creating an artwork, enabling them to gain a deeper appreciation of paintings.

Looking Ahead

2015 will be a significant year for UniSIM as we celebrate our 10th anniversary. As part of our commemorative events, we will be organising four international conferences, viz., the 14th *Tamil Internet Conference*, the 10th *e-Learning Forum Asia*, the 19th *International Symposium of the International Consortium for Social Development*, and the 9th *International Conference on Researching Work and Learning*.

- 10. UniSIM's completed campus at 461 Clementi Road.
- 11. Participants of the Hong Kong-Korea-Singapore Exchange Training Programme touring logistics facilities in South Korea to gain first-hand experience and understanding of the operations.

WE CELEBRATE
THE INDIVIDUALS

WHOSE ASPIRATIONS
KNOW NO BOUNDS

CHAPTER 4 PEOPLE

PEOPLE



The UniSIM community is a diverse and energetic one, with dynamic individuals spurring one another on. Against the backdrop of a vibrant environment, our people are inspired to rise to the challenge and excel in their respective fields.

Students Making Their Mark

The UniSIM student body continued to make the University proud with achievements in various arenas. As a case in point, three of our full-time students, viz., Ms Han Yi Li, Mr Matthew Sim and Mr Kenneth Yap, participated in the 5th ASEAN-Korea Frontier Forum and ASEAN-Korea Summit in Busan, South Korea. The team won the Excellence Award (second prize) for their outstanding contribution and performance. This achievement speaks volumes of our inaugural batch of full-time students.

Our part-time students, too, held their own through a demonstration of their innovativeness and market-savviness. A group of Visual Communication with Business students participated in the NexGen Challenge 2014 at the Singapore Creative Circle Gong Awards and emerged first runner-up. NexGen is a 48-hour team challenge for young agency creatives to submit a digital pitch to an actual client. UniSIM students Mr Samuel Ng Sian Hui, Ms Liew Yingyu and Mr Rusydi bin Daud impressed the judges with their imaginative idea and brilliant presentation through the creative use of technology to connect with consumers. This annual award, organised by the Association of Accredited Advertising Agents Singapore, is Singapore's most prestigious accolade in the advertising industry. Separately, Communication student Mr Alan Lim, became one of the top three finalists of the DJ Hunt



Competition organised by MediaCorp Radio's YES 93.3 FM.

In research, a paper entitled *Centralising Slow-moving Items in a Retail Network* which was co-authored by Class of 2013's top student in our Logistics and Supply Chain Management programme, Mr Lim Boon Lian, and his supervisor, associate faculty Mr Goh Shao Hung, won the *Best Track Paper Award* at the 4th International Conference on Industrial Engineering and Operations Management, held in Bali, Indonesia. In another joint research paper, Business Analytics student Mr Jeffrey Sim and faculty Dr James Tan presented a paper entitled *A Pragmatic Approach to Summarise Association Rules in Business Analytics* at the 2014 Conference on Technologies and Applications of Artificial Intelligence in Taiwan.

Besides academic success, our students also showed their mettle in the sporting arena. UniSIM students Mr Gilbert Wong, Mr Ng Kai Yong and Mr Wong Wei Jie were members of the SIM Dragon Boat team that clinched the coveted *Prime Minister's Challenge Trophy* at Singapore Dragon Boat Festival 2014. The men's team successfully defended their title for the second consecutive year, their third title since 2010.

Creating waves in the international scene were students Ms Alvina Neo and Mr Jason Chee, who participated in the 2nd

Asian Para Games held in Incheon, South Korea. Debuting for Team Singapore at the biggest multi-sports, multi-disability sporting event in Asia, Alvina came in fourth in the Women's 16.2 km Individual Time Trials cycling event. Jason, who was participating in his second international sporting event, turned in a commendable performance in the Table Tennis Men's Singles.



01. (From left) Kenneth Yap, Matthew Sim and Han Yi Li in South Korea for the 5th ASEAN-Korea Frontier Forum and ASEAN-Korea Summit.
02. Jason Chee (left) in action against his South Korean opponent at the 2nd Asian Para Games.
03. (From left) Liew Yingyu and Samuel Ng Sian Hui with their NexGen Challenge 2014 awards.
04. Alvina Neo (front) with her fellow Team Singapore mates at the 2nd Asian Para Games.

UniSIM provides me with many opportunities to learn and grow. My team and I participated in the 5th ASEAN-Korea Frontier Forum in Busan, where we and other international delegates discussed the importance of bilateral cooperation between ASEAN and Korea. I was so engrossed in the debate that I forgot it was a competition! It was a pleasant surprise when they announced that my team had won the Excellence Award (second prize).

HAN YI LI
Bachelor of Science in Finance
with minor student (full-time)



Connecting Our Alumni

Our alumni, too, have consistently brought credit to UniSIM with their ongoing achievements in various fields. Mr Goh Kok Keng, a Bachelor of Engineering in Electronics graduate, was presented with the *Institution of Engineers Singapore (IES) 2014 Gold Medal* for achieving the best overall academic performance in the 2014 graduating cohort. This award is given to the top students of Engineering degree programmes that are accredited by the IES's Engineering Accreditation Board.



Our alumni have also been active on the research publication front. Former Psychology student, Mr Christopher Foo, presented his research on the effects of work and family role demands on adult learners based on his honours thesis, at the *29th Annual Society for Industrial and Organisational Psychology Convention* in Honolulu, Hawaii, USA. Another Psychology alumnus, Mr Danial Bohan, presented his qualitative research study on a guide dog team, based on his honours thesis, at the *Singapore Rehabilitation Conference* and the *11th International Conference on Low Vision* in Melbourne, Australia. The British

Journal of Visual Impairment also accepted and published Danial's academic paper.

Throughout the year, numerous activities were organised to connect our alumni and help them foster a continued bond with UniSIM. These included popular anchor events such as Unwind Saturday, Graduates' Party and a movie outing to welcome the new graduating cohort.

- 05. Goh Kok Keng (2nd from left) with his *IES 2014 Gold Medal*, alongside other award recipients.
- 06. Christopher Foo presenting his research work in Honolulu, Hawaii.



We held educational events, such as a visit to the ArtScience Museum, an oral health talk and an investment talk, as well as fun outings, such as a durian feast trip to Johor, a bowling competition and Family Day at the zoo. In conjunction with SIM's 50th anniversary in 2014, we held our very first combined homecoming event with SIM Global Education's alumni arm – an alumni-for-alumni event with food and beverage provided by alumni vendors and entertainment by student performers.



- 07. An alumnus and his guest visiting the *Dinosaurs: Dawn to Extinction* exhibition at the ArtScience Museum.
- 08. Alumni purchasing goodies during a pre-Chinese New Year shopping trip to Johor Bahru.
- 09. Alumni members and their guests posing for a photo before enjoying the movie *Interstellar*.
- 10. Alumni, students and staff helping out at a game station at a Mid-autumn Festival celebration, organised by the Geylang East Neighbourhood Link and Harmony Activity Centre to raise funds for the Geylang East Home for the Aged.

I have participated in many events at UniSIM, one of which was the *NexGen Challenge 2014* where my team had only 48 hours to develop a complete design solution for a local start-up. I was able to come up with the proposal by applying the knowledge I had gained from my programme, as well as the skill of good time management which I had acquired at UniSIM. Winning the second prize was a huge encouragement for me.

SAMUEL NG SIAN HUI
 Bachelor of Arts in
 Visual Communication with
 Business student (part-time)
 Founder, NSGI Furniture Group





Newsletters, email and social media help keep alumni abreast of activities and connected with UniSIM. More effort will be placed on student and alumni integration in the coming year. We will also focus on niche activities to cater to the different interests of our alumni.



Faculty And Staff Setting The Pace

Our faculty members continued to make their mark on the education landscape and beyond. In August, Associate Professor Randolph Tan was appointed a Nominated Member of the Singapore Parliament, thereby beginning his two-and-a-half-year term. Dr Calvin Chan was appointed a Visiting Professor at e-Government Innovation Centre, University of Brunei Darussalam, as well as a member of the Editorial Board, International Journal of Intercultural Information Management.

A case study report entitled *Mastering the Art of Managing a Conglomerate Business Empire in Myanmar* co-authored by Associate Professor Randolph Tan, Dr Jenson Goh, Adjunct Professor Manohar Sabnani and Ms Tan Siew Peng won second place in the 20th CEEMAN Teaching Case Competition, held in cooperation with Emerald Group Publishing.

Demonstrating its industry knowledge, the UniSIM Centre for Chinese Studies published two books during the year – the fourth volume of the *UniSIM Humanities Series* entitled *A Study of the Changing Perceptions of China in Singapore and Malaysia, 1949-1965* authored by Dr Lu Hu; and the first volume of the new *Chinese Enterprises & Communities Monograph Series* entitled *Prime Group International: A Study on Family Enterprise* written by Dr Chung Yun-ying.

Building Teamwork Among Staff

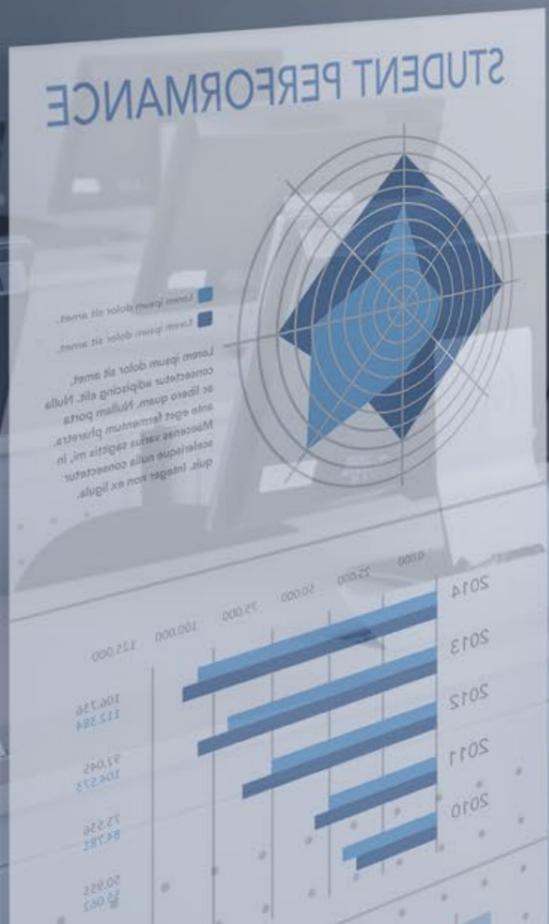
Our staff members are an integral part of the UniSIM community, as they work to ensure the University runs smoothly and effectively. During the year, a SIM-wide *Employee Engagement Survey* was carried out for employees to share their views and suggestions on possible areas of improvement. The 2014 survey results indicated that our strengths lie in leadership, training and development, and strategy and direction.

As part of SIM's 50th anniversary celebrations, a team bonding event for the entire SIM Group was held at Republic Polytechnic – the first such event in SIM's history. Participating in the numerous activities enabled our staff to form stronger bonds with colleagues from the various SIM entities.

11. Participants enjoying themselves at the inaugural UniSIM alumni-versus-student bowling competition.
12. Mr Thomas Saw, Founder of Traders Round Table, presenting a talk on trading and finances to alumni.
13. Mr Owen Oo, a podiatrist from Arch Angel, presenting a seminar on foot care to our alumni.
14. The combined homecoming for UniSIM and SIM Global Education alumni, organised as part of SIM's 50th anniversary celebrations.
15. Contestants of the Best Dressed Competition at Graduates' Party 2014.
16. Alumni and students boarding the Hippo Bus at UniSIM before heading to Orchard Road to view the Christmas Light-up.
17. Dr Jenson Goh (centre), on behalf of his colleagues, accepting the award and prize money for coming in first runner-up in the CEEMAN Teaching Case Writing Competition 2014, at a gala dinner and award ceremony held in Budapest, Hungary.

WE PUSH
BACK FRONTIERS

TO MAKE LEARNING
MORE FULFILLING



CHAPTER 5 STANDARDS

STANDARDS



UniSIM breaks down barriers with technology to provide an effective level of support for learning and teaching. Tapping on innovation to enhance the delivery of our rigorous offerings, we transform individuals into self-directed and ever-ready learners.

Tapping On Technology

At UniSIM, e-learning takes centre stage as it enables our students to learn whenever they want, from wherever they are and through devices such as smartphones, tablets and laptops. We essentially enable learning on the move for them.

Our target is to have 50% of all courses available as e-courses by 2015. We are on track to achieving this target with 27% of our courses delivered as e-courses by end 2014. To date, more than 280 interactive

study guides (*iStudyGuides*) have been produced and 80 *eTextbook* titles are available to our students.

Always striving to improve our services, a performance review of UniSIM's Blackboard Learning Management System (LMS) infrastructure was carried out, resulting in overall improvements in service and delivery. The Canvas LMS was piloted for UniSIM College and has received positive feedback.

In addition to hardware enhancements, software was upgraded to enhance the learning experience. A new mobile application called *UniSIM Backpack* was launched, allowing students quick access to *iStudyGuides*, recorded lectures, past year examination papers and learning resources. The application also transmits important notifications to students and faculty instantaneously.



Learning Symposium, themed *Evidence-informed Practice: Action from the Ground up*, saw Professor Doug Hamilton from Royal Roads University, Canada, deliver a keynote address that highlighted opportunities for faculty to take a scholarly approach to improving their craft.

Upholding The Quality Of Teaching And Learning

As a teaching university, UniSIM is mindful of our role to enhance teaching strategies for the benefit of students. In 2014, we launched the university-wide *Scholarship of Teaching and Learning* (SoTL) initiative to encourage faculty and associates to adopt a more scholarly approach towards their teaching, and to gather feedback on, and evaluate the effectiveness and appropriateness of, their teaching strategies. We aim to build over time a knowledge base of effective pedagogies that will translate into an evidence-based approach to teaching and learning. As part of the effort to achieve this, an online, peer-reviewed SoTL journal, *Advances in Scholarship of Teaching and Learning*, and the *Innovation Seed Grant* for teaching associates, were also launched.

Seminars and forums were conducted to build on knowledge about teaching and learning. For example, UniSIM's 4th Faculty

We also pressed on with efforts to provide academic support to students. To enhance our students' learning and study skills, we introduced two online courses, viz., *Learning Effectively through Your iStudyGuide* and *Developing Academic Writing Skills*, and conducted talks and workshops, including *Learning Critically and Creatively with Mind Maps*, and *A Practical Guide to Answering Essay-based Exams and Assignments* for them. We also launched a *Learning Blog* that addresses anything and everything about student learning at UniSIM.

- 01. Associate Professor Wong Yue Kee (2nd from left), Vice President of Learning Services at UniSIM, with the speakers of the 4th Faculty Learning Symposium: (from left) Professor Brian Peacock from the School of Science and Technology, UniSIM; Professor Robert Kamei, Vice Dean of Education, Duke-NUS Graduate Medical School Singapore; Professor Doug Hamilton; Ms Lily Lim from the School of Arts and Social Sciences, UniSIM; and Mr Yeo Beng Teck from the School of Human Development and Social Services, UniSIM.
- 02. The *UniSIM Backpack* mobile application provides students with quick access to learning resources.



Enhancing the quality of teaching and learning at UniSIM, especially in technology-enhanced learning, is the most fulfilling aspect of my work. We use a variety of technological tools, including that for flipped learning, to create new knowledge and aid understanding. We will continue to enhance the process through which our students are transformed into skilled and valued employees in the workforce.

REBEKAH LIM WEI YING
Lecturer, Teaching and Learning Centre
SIM University



Looking Ahead

A reliable and user-friendly online environment is pivotal for a seamless e-learning experience, something that UniSIM's part-time students appreciate to help them better juggle the demands of studies, work, family and social responsibilities. We will continue to invest in developing online content and pedagogy, boosting the quality of our *iStudyGuides* and adopting technologies to enhance teaching and learning. More mobile applications will also be rolled out to enrich the learning experience. Going forward, we will continue to explore emerging innovations in supporting teaching and learning so that UniSIM will be at the frontier of learning and teaching technology.

We will work on training and certifying our faculty and staff in these technologies to enable them to fully support these strategies to enhance our students' learning journey. SoTL will continue to be a key focus area, with more training workshops and materials on research methods and pedagogical theories to be developed to help our associates build up the competencies to facilitate active learning.

At every step of the way, we will monitor the effectiveness of our technology use to ensure optimal learning. We will look into learning analytics where our students' online usage and interactions with their e-learning environment will be analysed for the purpose of improving their user experience, and identifying at-risk students so that assistance can be extended to them early.

In terms of student learning, English support courses will be rolled out in the coming year to improve the English proficiency of students in need. A learning preparatory roadmap will also be made available to highlight essential skills students need in their learning.

03. Professor Cheong Hee Kiat (6th from left), President of UniSIM, with the UniSIM Teaching Award winners at the Faculty Appreciation Dinner 2014.

SIM UNIVERSITY FINANCIAL REPORT

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REPORT OF THE TRUSTEES

The Board of Trustees presents its report together with the audited financial statements of SIM University ("UniSIM") for the financial year ended 31 December 2014.

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

Mr Gerard Ee Hock Kim	(Chairman; appointed on 16 May 2014)
Professor Cheong Hee Kiat	
Professor Chong Chi Tat	
Mr Richard Eu Yee Ming	
Mr Ong Boon Hwee	
Mr Ronald Tan Hee Huan	
Professor Bernard Tan Tiong Gie	
Mr Ronnie Tay	
Professor Leo Tan Wee Hin	
Mr Seah Moon Ming	
Mr Lam Yi Young	(Appointed on 1 September 2014)
Mr Ng Cher Pong	
Ms Ang Bee Lian	(Appointed on 1 June 2014)
Professor Cham Tao Soon	(Resigned on 15 May 2014)
Mr Lee Kwok Cheong	(Resigned on 15 May 2014)
Mr William Lim	(Resigned on 15 May 2014)

ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE SHARES AND DEBENTURES

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

As UniSIM is limited by guarantee, there are no matters to be disclosed under Section 201(6)(g) and Section 201(6A)(h) of the Companies Act, Cap 50.

TRUSTEES' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no trustee of UniSIM has received or become entitled to receive a benefit by reason of a contract made by UniSIM or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the trustee has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain trustees received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

OPTIONS TO TAKE UP UNISSUED SHARES

As UniSIM is limited by guarantee, there are no matters to be disclosed under Section 20(11)(b) and Section 201(12) of the Companies Act, Cap 50.

OPTIONS EXERCISED AND UNISSUED SHARES UNDER OPTION

As UniSIM is limited by guarantee, there are no matters to be disclosed under Section 201(11) and Section 201(12) of the Companies Act, Cap 50.

REPORT OF THE TRUSTEES

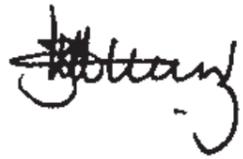
AUDITOR

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the trustees:



Mr Gerard Ee Hock Kim



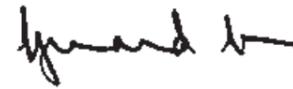
Professor Cheong Hee Kiat

Singapore
14 April 2015

STATEMENT BY TRUSTEES

In the opinion of the Trustees, the financial statements as set out on pages 72 to 106 are drawn up so as to give a true and fair view of the state of affairs of SIM University as at 31 December 2014, and of the results, changes in funds and reserves and cash flows of SIM University for the financial year ended 31 December 2014 and at the date of this statement there are reasonable grounds to believe that SIM University will be able to pay its debts when they fall due.

On behalf of the trustees



Mr Gerard Ee Hock Kim



Professor Cheong Hee Kiat

Singapore
14 April 2015

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SIM UNIVERSITY

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the SIM University set out on pages 72 to 106, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, the statement of changes in funds and reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SIM UNIVERSITY

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of SIM University as at 31 December 2014 and the results, changes in equity and cash flows of SIM University for the year ended on that date.

Other matter

The financial statements of SIM University for the year ended 31 December 2013, were audited by another auditor who expressed an unmodified opinion on those statements on 11 March 2014.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by SIM University have been properly kept in accordance with the provisions of the Act.

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

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

14 April 2015

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Note	2014					2013					Total	
		General fund	College fund	Education fund	Endowment fund	Other restricted funds	General fund	College fund	Education fund	Endowment fund	Other restricted funds		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating income	4	92,302	968	251	-	-	93,521	89,985	-	198	-	-	90,183
Course expenditure		(29,037)	(800)	(2,521)	-	-	(32,358)	(27,674)	(65)	(2,348)	(14)	-	(30,101)
Staff and manpower costs	5	(26,258)	(4,081)	(6,379)	-	-	(36,718)	(24,764)	(1,569)	(5,424)	-	-	(31,757)
Depreciation expense	12	(470)	(23)	(2,178)	-	-	(2,671)	(658)	(3)	(4,667)	-	-	(5,328)
Other operating expenditure	6	(12,906)	(1,515)	(8,431)	-	(52)	(22,904)	(12,613)	(941)	(3,964)	-	(2)	(17,520)
Non-operating expenditure	7	(433)	-	(1,698)	-	-	(2,131)	(21)	-	(470)	-	-	(491)
Government grant income	8	16	9,471	-	-	-	9,487	108	2,661	-	-	-	2,769
Non-operating income	9	3,723	2	3,232	45	52	7,054	2,141	-	18,227	30	2	20,400
Net surplus for the year		26,937	4,022	(17,724)	45	-	13,280	26,504	83	1,552	16	-	28,155
Other comprehensive income:													
Items that will not be reclassified to income and expenditure													
Funds utilised		-	-	-	-	(52)	(52)	-	-	-	-	(2)	(2)
Items that may be reclassified subsequently to income and expenditure:													
Net fair value gains on available-for-sale financial assets	25	1,288	-	2,144	-	-	3,432	(492)	-	2,246	-	-	1,754
Net fair value changes on available-for-sale financial assets reclassified to income and expenditure	25	(138)	-	(1,610)	-	-	(1,748)	55	-	(7)	-	-	48
Other comprehensive income for the year, net of tax		1,150	-	534	-	(52)	1,632	(437)	-	2,239	-	(2)	1,800
Total comprehensive income for the year		28,087	4,022	(17,190)	45	(52)	14,912	26,067	83	3,791	16	(2)	29,955

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014 \$'000	2013 \$'000
ASSETS			
Non-current assets			
Plant and equipment	12	4,012	4,441
Other receivables	13	1,959	555
Available-for-sale investments	11	83,458	57,226
Held-to-maturity investments	16	18,168	10,650
Total non-current assets		107,597	72,872
Current assets			
Other receivables	13	9,623	7,880
Prepayments		2,220	2,315
Grants receivables	14	2,353	-
Derivatives	15	2	24
Held-to-maturity investments	16	2,000	4,000
Cash and bank balances	17	139,877	153,176
		156,075	167,395
Total assets		263,672	240,267
LIABILITY AND EQUITY			
Current liabilities			
Other payables	18	20,888	19,015
Derivatives	15	871	-
Course fees received in advance		11,593	8,689
Deferred capital grants	20	294	17
Government grants received in advance	19	2,371	1,284
Total current liabilities		36,017	29,005
Net current assets		120,058	138,390
Non-current liability			
Other payables	18	1,747	238
Total liabilities		37,764	29,243
Net assets		225,908	211,024
Funds and reserves			
<i>General fund:</i>			
Accumulated surplus		138,112	111,175
Fair value reserve	25	734	(416)
		138,846	110,759
<i>College fund:</i>			
Accumulated surplus	23	4,105	83
<i>Education fund:</i>			
Accumulated surplus		76,499	94,223
Endowment fund	22	1,061	1,016
Fair value reserve	25	5,250	4,716
		82,810	99,955
Other restricted funds	24	147	227
Total funds and reserves		225,908	211,024
Total liability and equity		263,672	240,267

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN FUNDS AND RESERVES

For the financial year ended 31 December 2014

	General fund			College fund			Education fund			Other restricted funds	Total	
	Accumulated surplus	Fair value reserve	Sub-Total	Accumulated surplus	Fair value reserve	Sub-Total	Accumulated surplus	Fair value reserve	Endowment fund			Sub-Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2013	84,671	21	84,692	-	-	-	93,171	2,477	-	95,648	171	180,511
Profit for the year	26,504	-	26,504	83	-	83	1,552	-	16	1,568	-	28,155
Other comprehensive income for the year	-	(437)	(437)	-	-	-	-	2,239	-	2,239	(2)	1,800
Total comprehensive income for the year	26,504	(437)	26,067	83	-	83	1,552	2,239	16	3,807	(2)	29,955
Donation from a foundation	-	-	-	-	-	-	-	-	500	500	-	500
Donation from a foreign government body	-	-	-	-	-	-	-	-	-	-	58	58
Transfer of funds	-	-	-	-	-	-	(500)	-	500	-	-	-
Balance at 31 December 2013 and 1 January 2014	111,175	(416)	110,759	83	-	83	94,223	4,716	1,016	99,955	227	211,024
Profit for the year	26,937	-	26,937	4,022	-	4,022	(17,724)	-	45	(17,679)	-	13,280
Other comprehensive income for the year	-	1,150	1,150	-	-	-	-	534	-	534	(52)	1,632
Total comprehensive income for the year	26,937	1,150	28,087	4,022	-	4,022	(17,724)	534	45	(17,145)	(52)	14,912
Funds refunded	-	-	-	-	-	-	-	-	-	-	(28)	(28)
Balance at 31 December 2014	138,112	734	138,846	4,105	-	4,105	76,499	5,250	1,061	82,810	147	225,908

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOW

For the financial year ended 31 December 2014

	2014 \$'000	2013 \$'000
Cash flows from operating activities		
Net surplus for the year	13,280	28,155
Adjustments for:		
Depreciation expense	2,671	5,328
Interest income	(2,216)	(1,635)
Distribution income from investment in REITs	(45)	(30)
Grant income – government grants	(1,268)	(2,769)
Other restricted funds utilised	(80)	(2)
(Gain)/loss on disposal of available-for-sale investments	(1,748)	48
Gain on redemption of held-to-maturity investments	(113)	-
Amortisation of premium paid for held-to-maturity investments	62	69
Impairment loss on available-for-sale investments	897	-
Change in fair value of forward foreign exchange contracts	893	(14)
Dividend income from available-for-sale investments	(1,346)	(974)
Gain on disposal of plant and equipment	(97)	-
Grants received from the government – net	2,632	3,670
Unrealised foreign exchange gain on available-for-sale investments	(223)	-
Operating surplus before changes in working capital	13,299	31,846
Changes in working capital:		
Other receivables	(5,279)	(554)
Prepayments	95	(123)
Course fees received in advance	2,904	2,273
Other payables	3,382	2,093
Net cash flows generated from operating activities	14,401	35,535
Cash flows from investing activities		
Purchase of plant and equipment	(2,255)	(3,140)
Proceeds from disposal of plant and equipment	110	4
Proceeds from available-for-sale investments	16,583	16,848
Purchase of available-for-sale investments	(39,878)	(30,663)
Dividend income received from available-for-sale investments	943	713
Proceeds from redemption of held-to-maturity investments	6,113	12,000
Purchase of held-to-maturity investments	(11,580)	-
Distribution income from investment in REITs	45	30
Interest received	1,996	1,728
Placement of fixed deposits	(22,664)	(1,217)
Net cash flows used in investing activities	(50,587)	(3,697)
Cash flows from financing activities		
Donation from a foreign government body	-	58
Donation from a foundation	-	500
Net cash flows generated from investing activities	-	558
Net (decrease)/increase in cash and cash equivalents	(36,186)	32,396
Cash and cash equivalents at beginning of the year	129,349	96,953
Cash and cash equivalents at end of the year (Note 17)	93,163	129,349

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

1. GENERAL

SIM University ("UniSIM") (UEN 200504979Z) is incorporated in Singapore as a company limited by guarantee. UniSIM is registered with the Commission of Charities as a charity under the Charities Act, Chapter 37.

The registered office and principal place of business are located at 461 Clementi Road, Singapore 599491.

The principal activities of UniSIM are those relating to the advancement of education and dissemination of knowledge, the promotion of research and the conferring and awarding of degrees, diplomas and certificates.

The ultimate controlling party of UniSIM is the Singapore Institute of Management ("SIM") which is registered in Singapore as a charity under the Commission of Charities. SIM and UniSIM have common Trustees. The Governing Council of SIM may appoint, remove or replace a Trustee of UniSIM. Accordingly, the Board of Trustees deemed UniSIM to be a subsidiary of SIM.

Related parties in these financial statements refer to its subsidiaries of the parent entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Singapore Financial Reporting Standards ("FRS") and the Charities Act.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$'000) which is UniSIM's functional currency.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, UniSIM has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2014. The adoption of these standards did not have any effect on the financial performance or position of UniSIM.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

UniSIM has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 <i>Share Based Payment</i>	1 July 2014
(b) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(c) Amendments to FRS 108 <i>Operating Segments</i>	1 July 2014
(d) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
(e) Amendments to FRS 16 <i>Property, Plant and Equipment</i> and FRS 38 <i>Intangible Assets</i>	1 July 2014
(f) Amendments to FRS 24 <i>Related Party Disclosures</i>	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(b) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
FRS 114 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 111: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Improvements to FRSs (November 2014)	1 January 2016
Amendments to FRS 110 & FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018

Except for FRS 115 Revenue from Contracts with Customers and FRS 109 Financial Instruments, the Trustees expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

The nature of the impending changes in accounting period on adoption of FRS 115 and FRS 109 are described below:

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers.

Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

UniSIM is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (cont'd)

FRS 109 Financial Instruments

In December 2014, the ASC issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption.

The adoption of FRS 109 will have an effect on the classification and measurement of UniSIM's financial assets, but no impact on the classification and measurement of the UniSIM's financial liabilities.

2.4 Foreign currency

The financial statements are presented in Singapore Dollars, which is also UniSIM's functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of UniSIM and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in income and expenditure.

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to UniSIM and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, UniSIM recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in income and expenditure as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Office equipment, furniture and fittings (excluding artifacts and paintings)	25%
Renovations	25%
Computers	33.33%
Motor vehicles	20%

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Plant and equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

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

2.6 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, UniSIM becomes a party to the contractual provisions of the financial instrument. UniSIM determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in income and expenditure when the loans and receivables are de-recognised or impaired, as well as through the amortisation process.

UniSIM classifies other receivables, fixed deposits and cash and cash equivalents as loans and receivables.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the statement of comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of comprehensive income as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income and expenditure when the held-to-maturity investments are de-recognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when UniSIM becomes a party to the contractual provisions of the financial instrument. UniSIM determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in income and expenditure when the liabilities are de-recognised and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income and expenditure.

2.8 Impairment of financial assets

UniSIM assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, UniSIM first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If UniSIM determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in income and expenditure.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Impairment of financial assets (cont'd)

(a) Financial assets carried at amortised cost (cont'd)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in income and expenditure.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

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

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in income and expenditure. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in income and expenditure, the impairment loss is reversed in income and expenditure.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on-hand, and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Application fees are recognised in income and expenditure when received.

Course fees are recognised over the duration of the programmes.

Diploma license fees are recognised on an accrual basis in accordance with the agreement.

Donations and non-endowed donations are recognised in the financial year they are received.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.11 Derivative financial instruments

UniSIM uses derivative financial instruments such as forward foreign currency exchange contracts to manage its exposure to foreign exchange rate risk.

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

2.12 Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in income and expenditure.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than twelve months and it is not expected to be realised or settled within twelve months. Other embedded derivatives are presented as current assets or current liabilities.

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to income and expenditure over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.15 Employee benefits

(a) Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where UniSIM's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of UniSIM's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying UniSIM's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Classification of held-to-maturity investments

UniSIM follows the guidance of FRS 39 on classifying non-derivative financial assets with fixed or determinable payment and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, UniSIM evaluates its intention and ability to hold such investments to maturity. If UniSIM fails to hold these investments to maturity other than for the specific circumstances, for example, selling an insignificant amount close to maturity, it will be required to reclassify the entire class as available-for-sale. The investment would therefore be measured at fair value and no longer at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. UniSIM based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of UniSIM. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These techniques involve uncertainties and require assumptions and judgements regarding prepayments, credit risks and discount rates. Changes in these assumptions will significantly affect the estimated value of the financial instruments. UniSIM uses a variety of methods and makes assumptions that are based on market conditions existing on end of the reporting period. Quoted market prices or dealer quotes for similar instruments are some of the common techniques used to calculate the fair value of these instruments. The carrying amounts of these financial instruments are disclosed in Notes 11 and 15 respectively.

4. OPERATING INCOME

	2014 \$'000	2013 \$'000
Course fees	92,525	89,276
Application fees	485	424
Executive seminars	21	14
Others	490	469
	93,521	90,183

5. STAFF AND MANPOWER COSTS

	2014 \$'000	2013 \$'000
Wages and salaries	32,038	27,528
Contributions to Central Provident Fund	3,331	2,909
Other staff benefits	1,349	1,320
	36,718	31,757

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

6. OTHER OPERATING EXPENDITURE

	2014	2013
	\$'000	\$'000
Group Corporate service charges (Note 26)	18,356	13,395
Administrative expenses	4,548	4,125
	22,904	17,520

7. NON-OPERATING EXPENDITURE

	2014	2013
	\$'000	\$'000
Realised exchange loss	1	6
Realised exchange loss on forward foreign exchange contracts	278	368
Amortisation of premium paid for held-to-maturity investments	62	69
Impairment loss on available-for-sale investments	897	–
Loss on disposal of available-for-sale investments	–	48
Change in fair value of forward foreign exchange contracts	893	–
	2,131	491

8. GOVERNMENT GRANT INCOME

	2014	2013
	\$'000	\$'000
Operating grants received/receivable	9,469	2,769
Deferred capital grants amortised	18	–
	9,487	2,769

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

9. NON-OPERATING INCOME

	2014	2013
	\$'000	\$'000
Tax -deductible donations received from:		
- Related company (Note 26)	–	17,000
- Outside parties	289	114
Interest income from fixed deposits	1,178	944
Interest income from held-to-maturity investments	583	691
Interest income from available-for-sale investments	455	–
Dividend income from available-for-sale investments	1,346	974
Change in fair value of forward foreign exchange contracts	–	14
Unrealised foreign exchange gain on available-for-sale investments	223	–
Distribution income from investment in REITs	45	30
Other restricted funds received	52	2
Gain on disposal of available-for-sale investments	1,748	–
Gain on redemption of held-to-maturity investments	113	–
Others	1,022	631
	7,054	20,400

10. TAXATION

With effect from Year of Assessment 2008, UniSIM will, as a registered charity, enjoy automatic income tax exemption without having the need to meet the 80% spending rule in respect of its annual receipts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

11. AVAILABLE-FOR-SALE INVESTMENTS

	2014 \$'000	2013 \$'000
At fair value:		
Quoted investment funds	46,629	39,121
Quoted preference shares	19,143	18,105
Quoted debt securities	16,604	–
Quoted real estate investment trusts (REITs)	1,082	–
	<u>83,458</u>	<u>57,226</u>

The investments offer UniSIM the opportunity for return through dividend income, interest income, distribution income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these quoted funds are determined as the quoted fund net asset values provided by fund managers and banks at the last market day of the financial year.

During the financial year, UniSIM recognised an impairment loss of \$897,000 (2013: nil) on one of the quoted funds managed by fund managers as there was a “significant” decline in the fair value of the investment below its cost. UniSIM treats “significant” generally as more than 30%.

The fair values of the quoted preference shares are determined based on the last traded price on the Singapore Stock Exchange at the end of the reporting period.

The available-for-sale investments that are not denominated in its functional currency are as follows:

	2014 \$'000	2013 \$'000
United States dollar	32,538	12,989

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

12. PLANT AND EQUIPMENT

	Office equipment, furniture and fittings \$'000	Computers \$'000	Renovations \$'000	Motor vehicles \$'000	Total \$'000
Cost					
At 1 January 2013	3,867	28,378	7,684	432	40,361
Additions	34	3,106	–	–	3,140
Disposals	–	(412)	–	–	(412)
At 31 December 2013 and 1 January 2014	3,901	31,072	7,684	432	43,089
Additions	833	1,311	111	–	2,255
Disposals	(691)	(647)	(7,181)	(187)	(8,706)
At 31 December 2014	4,043	31,736	614	245	36,638
Accumulated depreciation					
At 1 January 2013	3,510	22,496	7,577	145	33,728
Charge for the year	259	4,930	53	86	5,328
Disposals	–	(408)	–	–	(408)
At 31 December 2013 and 1 January 2014	3,769	27,018	7,630	231	38,648
Charge for the year	214	2,326	48	83	2,671
Disposals	(692)	(645)	(7,173)	(183)	(8,693)
At 31 December 2014	3,291	28,699	505	131	32,626
Net carrying amount					
At 31 December 2013	132	4,054	54	201	4,441
At 31 December 2014	752	3,037	109	114	4,012

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

13. OTHER RECEIVABLES

	2014 \$'000	2013 \$'000
Current:		
Course fee receivable	979	211
Dividend receivable	100	216
Interest receivables	610	388
Staff loans	2	11
Due from Ministry of Education ("MOE")	7,792	7,037
Deposits	10	8
Others	130	9
	9,623	7,880
Non-current:		
Tuition fee loans and study loans receivable	1,959	555
Total other receivables	11,582	8,435
Add: Cash and bank balances	139,877	153,176
Add: Grants receivables	2,353	-
Total loans and receivables	153,812	161,611

UniSIM's other receivables and deposits are denominated in its functional currency. Other receivables and deposits are unsecured, interest-free and repayable on demand.

Course fee receivables are non-interest bearing and are generally on 30 days (2013: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amount due from MOE relates to mainly tuition fee subsidies.

Tuition fee loans and study loans receivable from students are interest-free during the course of study and repayable within 2 years (for tuition fee loans) and 6 years (for study loans) after graduation or upon graduates securing employment, whichever is earlier. The loans are funded by MOE and the repayments from students will be collected and returned to MOE.

Other receivables that are neither past due nor impaired relate to customers that the company has assessed to be creditworthy. Accordingly, the management believes that there is no impairment is required.

UniSIM has no other receivable which are past due but not impaired.

14. GRANTS RECEIVABLES

Grants receivables relates to grants from MOE for the operating and capital spending of UniSIM.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

15. DERIVATIVES

	2014			2013		
	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000
Forward foreign currency contracts						
- Buy SGD/Sell USD	18,396	-	871	-	-	-
- Buy SGD/Sell USD	8,053	2	-	10,658	24	-

Forward foreign exchange contracts are entered into to hedge foreign currency risk arising from investments denominated in USD.

16. HELD-TO-MATURITY FINANCIAL ASSETS

	2014 \$'000	2013 \$'000
Unquoted debt securities, at amortised cost:		
Current	2,000	4,000
Non-current	18,168	10,650
	20,168	14,650

The unquoted debt securities comprise bonds issued by financial institutions and public listed companies. As at 31 December 2014, the unquoted debt securities have nominal values amounting to \$20.2 million (2013: \$14.6 million) with coupon rates ranging from 3.5% to 4.88% (2013: 3.83% to 4.88%) per annum and maturity dates ranging from February 2015 to May 2026 (2013: January 2014 to August 2017). The average effective interest rate of the debt securities ranges from 1.18% to 2.47% (2013: 1.06% to 4.88%) per annum.

Bonds are carrying a fixed coupon rate. The fair values of the securities are provided by banks employing generally market accepted valuation parameters and techniques.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

17. CASH AND BANK BALANCES

Cash and bank balances comprise the following at 31 December:

	2014 \$'000	2013 \$'000
Cash held by fund manager	1,801	–
Cash on hand and at bank	26,804	18,581
Fixed deposits	111,272	134,595
	139,877	153,176

The carrying amounts of these assets approximate their fair values.

Short-term fixed deposits earn interest at average rates ranging from 0.22% to 1.33% (2013: 0.02% to 1.15%) per annum and are for a tenure of approximately 10 days to 364 days (2013: 11 days to 196 days).

Cash and cash equivalents comprise of cash on hand and at bank and short-term fixed deposits with 3 months to maturity.

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2014 \$'000	2013 \$'000
Cash on hand and at bank	26,804	18,581
Cash held by fund manager	1,801	–
Fixed deposits (with maturity period of up to 3 months)	64,558	110,768
	93,163	129,349

18. OTHER PAYABLES

	2014 \$'000	2013 \$'000
Current:		
Due to parent entity (Note 1)	2,607	3,094
Due to related parties (Note 1)	–	1
Accruals	13,753	10,932
Others	4,528	4,988
	20,888	19,015
Non-current:		
Tuition fee loans and study loans payable to MOE	1,747	238
	22,635	19,253

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

18. OTHER PAYABLES (CONT'D)

Tuition fee loans and study loans payable to MOE relates the funds from MOE for purpose of providing loans to students, collection of loan repayment from students and refundable to MOE. The amount due to MOE also includes any unutilised funds refundable to the MOE.

UniSIM's other payables that are not denominated in its functional currency are as follows:

	2014 \$'000	2013 \$'000
United States dollar	17	52
Sterling pound	–	38

19. GOVERNMENT GRANTS RECEIVED IN ADVANCE

	2014 \$'000	2013 \$'000
At 1 January	1,284	400
Received during the year	2,632	3,671
Transfer to deferred capital grants upon utilisation (Note 20)	(295)	(20)
Utilised during the year (income and expenditure)	(1,250)	(2,767)
At 31 December	2,371	1,284

20. DEFERRED CAPITAL GRANTS

	2014 \$'000	2013 \$'000
At 1 January	17	–
Transfer from grants received in advance during the year (Note 19)	295	20
Amortisation (to match depreciation in income and expenditure)	(18)	(3)
At 31 December	294	17

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

21. EDUCATION FUND

The SIM University Education Fund is set up to receive fund from public and related entity for the purpose of establish, operate, maintain and promote UniSIM as a private university. The SIM University Education Fund has been conferred the Institution of a Public Character status.

The following represents the financial position of SIM University Education Fund:

	2014 \$'000	2013 \$'000
At 1 January	99,955	95,648
Total comprehensive income	(17,145)	3,807
Grant from a foundation	–	500
At 31 December	82,810	99,955
<i>Represented by:</i>		
Current assets		
Cash and bank balances	37,911	69,563
Other receivables	418	300
Prepayments	276	231
Derivatives	2	24
Held-to-maturity investments	–	4,000
	38,607	74,118
Non-current assets		
Available-for-sale investments	33,993	18,827
Held-to-maturity investments	11,092	6,624
Plant and equipment	2,870	3,779
	47,955	29,230
Less: current liability		
Other payables	3,400	3,393
Derivatives	352	–
Total net assets	3,752	3,393
Total net assets	82,810	99,955

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

22. ENDOWMENT FUND

The Social Resilience Enhancement Fund is set up on 11 October 2013 to receive funds for the purpose of awarding scholarships and sponsoring faculty programme and prizes to students.

	2014 \$'000	2013 \$'000
Social Resilience Enhancement Fund		
Balance at 1 January	1,016	–
Donation received from a foundation during the year	–	500
Distribution income from investment in REITs	45	30
Transfer from education fund	–	500
Utilised during the year	–	(14)
Balance at 31 December	1,061	1,016

23. COLLEGE FUND

The SIM University College Fund relates to grants received from MOE for the purpose of establish, operate and maintain UniSIM full-time programme.

	2014 \$'000	2013 \$'000
College Fund		
Balance at 1 January	83	–
Pre-operating grant received from MOE	4,022	83
Balance at 31 December	4,105	83

24. OTHER RESTRICTED FUNDS

Name of fund	Purpose
Sponsorship awards fund	To receive donations and sponsorships for the purpose of awarding scholarships, medals, prizes to deserving students.
Other funds – Spring Singapore and Economic Development Board	To receive funds from Spring Singapore and Economic Development Board for the purpose of course development for Biomedical Sciences Proof of Concept Scheme and Executive Master in Technology Entrepreneurship and Rotman Design Work.
Other funds – Taipei Representative Office in Singapore & Taipei Economic and Cultural Office in Malaysia	To receive funds from Taipei Representative Office in Singapore & Taipei Economic and Cultural Office in Malaysia for the purpose of planning, organising, and executing events and activities that foster cultural exchanges and promote Taiwan's culture in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

24. OTHER RESTRICTED FUNDS (CONT'D)

	Sponsorship awards fund \$'000	Other funds \$'000	Total \$'000
Balance at 1 January 2013	142	29	171
Received/receivable during the year	–	58	58
Utilised during the year	(1)	(1)	(2)
Balance at 31 December 2013	141	86	227
Received/receivable during the year	–	–	–
Utilised during the year	–	(80)	(80)
Balance at 31 December 2014	141	6	147
<i>Represented by:</i>			
<i>Cash and bank balances:</i>			
At 31 December 2014	141	6	147
At 31 December 2013	141	86	227

25. FAIR VALUE RESERVE

	2014 \$'000	2013 \$'000
General fund	734	(416)
Education fund	5,170	4,716
Endowment fund	80	–
	5,984	4,300
<i>Movement during the year:</i>		
At beginning of financial year	4,300	2,498
Arising during the year	2,535	1,754
Impairment loss on available-for-sale investments	897	–
Reclassification to income and expenditure on disposal of available-for-sale investments	(1,748)	48
At end of financial year	5,984	4,300

The fair value reserve relates to revaluation of the available-for-sale investments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

26. RELATED PARTY TRANSACTIONS

Some of UniSIM's transactions and arrangements are between UniSIM and related parties. The following significant transactions between UniSIM and related parties took place at terms agreed between the parties during the financial year:

	2014 \$'000	2013 \$'000
Group Corporate Service charges paid/payable to SIM	(18,356)	(13,395)
Tax deductible donations received from a related party	–	17,000

The amount due to and due from between Group are unsecured, interest-free and repayable on demand unless otherwise stated.

Related parties in these financial statements refer to entities where the trustees are key management personnel of these entities.

During the year, UniSIM entered into the following significant transactions with related parties:

	2014 \$'000	2013 \$'000
Advertising expenses	–	216

Compensation of trustees and key management personnel

The remuneration of key management during the year was as follows:

	2014 \$'000	2013 \$'000
Short-term benefits	5,673	4,863
Contributions to Central Provident Fund	260	212
	5,933	5,075

The remuneration of key management is determined by the Compensation and Establishment Committee of UniSIM having regard to the performance of individuals and market trends.

Key management comprises senior executives in the President's Office, Deans and Directors.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

26. RELATED PARTY TRANSACTIONS (CONT'D)

Number of key management in remuneration bands for UniSIM is set out below:

	2014	2013
\$600,001 to \$650,000	1	–
\$550,001 to \$600,000	–	1
\$500,001 to \$550,000	1	1
\$350,001 to \$400,000	1	–
\$300,001 to \$350,000	2	2
\$250,001 to \$300,000	3	4
\$200,001 to \$250,000	5	3
\$150,001 to \$200,000	7	7
\$100,001 to \$150,000	4	3
\$100,000 and below	2	2
	26	23

Trustees are not remunerated for their board services.

Related party transaction with trustees for advisory services during the year was \$12,000 (2013: \$12,000) during the year.

27. OPERATING LEASE AND COMMITMENTS

(a) Commitments

Commitments contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2014 \$'000	2013 \$'000
Commitments in respect of plant and equipment	1,095	265

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

27. OPERATING LEASE AND COMMITMENTS (CONT'D)

(b) Operating lease commitments

At the end of the reporting period, UniSIM has outstanding commitments under non-cancellable operating leases which fall due as follows:

Operating lease payments represent rentals payable by UniSIM for certain of its office equipment. Leases are negotiated for the range from 2 to 5 years and rentals are fixed.

Minimum lease payments recognised as an expense in income and expenditure for the financial year ended 31 December 2014 amounted to \$76,000 (2013: \$67,000).

At the end of the reporting period, UniSIM has outstanding commitments under non-cancellable operating leases which fall due as follows:

	2014 \$'000	2013 \$'000
Future minimum lease payments payable:		
Within one year	58	49
In the second to fifth years inclusive	21	6

28. FAIR VALUE OF ASSETS AND LIABILITIES

Other than the financial assets at fair value through profit or loss, held-to-maturity financial assets and available-for-sale investments, the carrying amounts of financial assets and liabilities reported in the statement of assets, liabilities, reserves and fund balances approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value available-for sale investments is disclosed in Note 11.

(a) Fair value hierarchy

UniSIM categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that UniSIM can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of financial instruments that carried at fair value by the above hierarchy:

	Note	Fair value measurements at the end of the reporting period using			Total \$'000
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
2014					
Assets measured at fair value					
Financial assets:					
<i>Derivatives</i>	15				
Forward foreign exchange contracts		–	2	–	2
<i>Available-for-sale investments</i>	11				
Quoted investment funds		–	46,629	–	46,629
Quoted debt securities		–	16,604	–	16,604
Quoted preference shares		–	19,143	–	19,143
Quoted real estate investment trusts (REITs)		1,082	–	–	1,082
Financial assets as at 31 December 2014		1,082	82,378	–	83,460
Liabilities measured at fair value					
Financial liabilities:					
<i>Derivatives</i>	15				
Forward foreign exchange contracts		–	871	–	871
Financial liabilities as at 31 December 2014		–	871	–	871
2013					
Assets measured at fair value					
Financial assets:					
<i>Derivatives</i>	15				
Forward foreign exchange contracts		–	24	–	24
<i>Available-for-sale investments</i>	11				
Quoted funds managed by fund manager		–	39,121	–	39,121
Quoted preference shares		–	18,105	–	18,105
Financial assets as at 31 December 2013		–	57,250	–	57,250

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Assets and liabilities measured at fair value (cont'd)

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities:

Forward foreign exchange contracts

Derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique includes a forward pricing model, using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates and interest rate curves. There were no credit value or debit value adjustments made in the determination of fair value of these securities.

Quoted investment funds

UniSIM invests in managed funds which are not in an active market. UniSIM investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as a input into measuring their fair value. The management used the NAV per share as an appropriate basis for the market value of the said funds as this will be the redemption price to be received in case UniSIM redeems. UniSIM classifies these funds as Level 2.

Quoted debt securities and preference shares

In the absence of a quoted price in an active market, they are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, UniSIM categorises these investments as Level 2.

Quoted real estate investment trusts (REITs)

The fair value of quoted real estate investment trust (REITs) are determined by direct reference to their bid and ask price quotation in an active market at the end of the reporting period.

(c) Financial instruments whose carrying amount approximates fair value

The carrying amounts of cash and bank balances, other receivables and other payables, based on their notional amounts, reasonably approximate their fair values because they are mostly short-term in nature.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

SIM Group has documented financial risk management policies. These policies set out the SIM Group's overall business strategies and its risk management philosophy. The Governing Council of SIM provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk), credit risk, liquidity risk, cash flow interest rate risk, use of derivative financial instruments and investing excess cash. Such written policies are reviewed annually by the Governing Council and periodic reviews are undertaken to ensure that the SIM Group's policy guidelines are complied with. Risk management is carried out by Treasury Department under the policies approved by the Governing Council.

Financial risk management policies and objectives are managed at the Singapore Institute of Management Group ("SIM Group") level.

UniSIM's overall financial risk management programme seeks to minimise potential adverse effects of financial performance.

There has been no significant change to UniSIM's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below:

(a) Foreign exchange risk

UniSIM's foreign currency exposures arise mainly from the exchange rate movements of the United States dollar against the Singapore dollar.

At the end of the reporting period, the carrying amounts of monetary assets denominated in currencies other than UniSIM's functional currency are as follows:

	2014 \$'000	2013 \$'000
Assets		
United States dollar	32,538	12,989
Liabilities		
United States dollar	17	52

UniSIM uses forward foreign exchange contracts to hedge its exposure to foreign currency risk in the local reporting currency. The Treasury Department of UniSIM's parent entity is responsible for hedging the net position in each borrowing currency.

The sensitivity rate used when reporting foreign currency risk is 10%, which is the change in foreign exchange rate that the trustees deem reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Foreign exchange risk (cont'd)

If the relevant foreign currency weakens/strengthens by 10% against the functional currency of UniSIM without considering the effect of the derivative financial instruments, which is Singapore dollar, income and expenditure will increase/(decrease) by:

	Income and expenditure	
	2014 \$'000	2013 \$'000
USD - strengthened 10% (2013: 10%)	(3,252)	(1,294)
- weakened 10% (2013: 10%)	3,252	1,294

(b) Interest rate risk

UniSIM is exposed to interest rate risk through the impact of rate changes on interest-bearing assets. UniSIM maintains its cash and bank balances and held-to-maturity investments in fixed rate instruments and does not have any significant interest-bearing liabilities.

All financial assets and liabilities at year end bear no interest rate except for cash, fixed deposits and held-to-maturity investments. The average interest rate on held-to-maturity financial asset is disclosed in Note 16.

The sensitivity analysis has been determined based on the exposure to interest rates for cash and bank balances at the end of the reporting period and the stipulated change taking place at the beginning of the financial year. A 100 basis point increase or decrease represents the Board of Trustees' assessment of the possible change in interest rate.

If interest rates had been 100 basis points higher/lower with all other variables held constant, UniSIM's net surplus for the years ended 31 December 2014 would increase/decrease by approximately \$1.4 million (2013: \$1.5 million).

(c) Credit risk

UniSIM is not exposed to significant credit risk as most of its fees are received in advance. As at 31 December 2014 and 2013, UniSIM's other receivables comprise mainly grants receivable from the Ministry of Education.

Cash and bank balances, fixed deposits, available-for-sale investments and held-to-maturity investments are held with reputable financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk

Liquidity risk is the risk that UniSIM will encounter difficulty in meeting financial obligations due to shortage of funds. UniSIM's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. UniSIM's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. UniSIM monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance UniSIM's operations and to mitigate the effects of fluctuation in cash flows.

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

2014	Within one year \$'000	More than one year \$'000	Total \$'000
<i>Financial assets:</i>			
Available-for-sale investments	–	83,458	83,458
Held-to-maturity investments	2,000	18,168	20,168
Derivatives	2	–	2
Loans and receivables	151,852	1,959	153,811
Total financial assets	153,854	103,585	257,439
<i>Financial liabilities:</i>			
Other payables	20,888	1,747	22,635
Derivatives	871	–	871
Total financial liabilities	21,759	1,747	23,506
Net financial assets	132,095	101,838	233,933

2013	Within one year \$'000	More than one year \$'000	Total \$'000
<i>Financial assets:</i>			
Available-for-sale investments	57,226	–	57,226
Held-to-maturity investments	4,000	10,650	14,650
Derivatives	24	–	24
Loans and receivables	161,056	555	161,611
Total financial assets	222,306	11,205	233,511
<i>Financial liabilities:</i>			
Other payables	19,015	238	19,253
Net financial assets	203,291	10,967	214,258

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Market price risk

UniSIM is exposed to market price risk arising from available-for-sale investments. Available-for-sale investments are held for strategic rather than trading purposes. UniSIM does not trade in available-for-sale investments.

Further details of these investments can be found in Note 11 to the financial statements.

Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. In respect of available-for-sale equity investments, if the prices had been 10% higher/lower while all other variables were held constant, UniSIM's fair value reserves for the years ended 31 December 2014 would increase/decrease by \$8,459,000 (2013: \$5,723,000).

(f) Categories of financial instruments

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

	2014 \$'000	2013 \$'000
<i>Financial assets:</i>		
Loans and receivables	153,811	161,611
Derivatives	2	24
Available-for-sale-investments	83,458	57,226
Held-to-maturity investments	20,168	14,650
	257,439	233,511
<i>Financial liability:</i>		
Other payables	22,635	19,253
Derivatives	871	–
	23,506	19,253

(g) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

UniSIM does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

30. CAPITAL MANAGEMENT

The primary objective of UniSIM's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business. UniSIM manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 2013.

31. COMPARATIVE NOTES

The financial statements for the financial year ended 31 December 2013 were audited by another firm of Certified Public Accountants.

32. AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

The financial statements of UniSIM for the year ended 31 December 2014 were authorised for issue by the board of trustees on 14 April 2015.

SIM UNIVERSITY EDUCATION FUND FINANCIAL REPORT

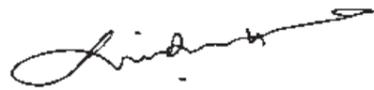
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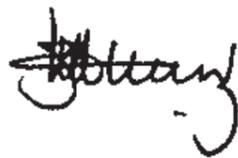
STATEMENT BY TRUSTEES

In the opinion of the Trustees, the financial statements as set out on pages 111 to 138 are drawn up so as to give a true and fair view of the state of affairs of SIM University Education Fund as at 31 December 2014, and of the results, changes in funds and reserves and cash flows of SIM University Education Fund for the financial year ended 31 December 2014 and at the date of this statement there are reasonable grounds to believe that SIM University Education Fund will be able to pay its debts when they fall due.

On behalf of the trustees



Lim Soon Hock



Professor Cheong Hee Kiat

14 April 2015

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SIM UNIVERSITY EDUCATION FUND

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the SIM University Education Fund (the "Fund") set out on pages 111 to 138, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, the statement of changes in funds and reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Fund as at 31 December 2014 and the results, changes in equity and cash flows of the Fund for the year ended on that date.

Other matter

The financial statements of SIM University Education Fund for the year ended 31 December 2013, were audited by another auditor who expressed an unmodified opinion on those statements on 11 March 2014.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SIM UNIVERSITY EDUCATION FUND

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Charities Act to be kept by the Fund have been properly kept in accordance with the provisions of the Charities Act.

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

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

14 April 2015

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Note	2014			2013		
		Education fund \$'000	Endowment fund \$'000	Total \$'000	Education fund \$'000	Endowment fund \$'000	Total \$'000
Donation income	4	289	–	289	17,114	–	17,114
Other operating income		251	–	251	198	–	198
Course expenditure		(2,521)	–	(2,521)	(2,348)	(14)	(2,362)
Staff and manpower costs	5	(6,379)	–	(6,379)	(5,424)	–	(5,424)
Depreciation expense	10	(2,178)	–	(2,178)	(4,667)	–	(4,667)
Other operating expenditure	6	(8,431)	–	(8,431)	(3,964)	–	(3,964)
Non-operating expenditure	7	(1,697)	–	(1,697)	(470)	–	(470)
Non-operating income	8	2,942	45	2,987	1,113	30	1,143
Net (deficit)/surplus for the year		(17,724)	45	(17,679)	1,552	16	1,568
Other comprehensive income:							
<i>Items that may be reclassified subsequently to income and expenditure:</i>							
Net fair value gains on available- for-sale financial assets	17	2,144	–	2,144	2,246	–	2,246
Net fair value changes on available-for-sale financial assets reclassified to income and expenditure	17	(1,610)	–	(1,610)	(7)	–	(7)
Total comprehensive income for the year		(17,190)	45	(17,145)	3,791	16	3,807

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014 \$'000	2013 \$'000
ASSETS			
Non-current assets			
Plant and equipment	10	2,870	3,779
Available-for-sale investments	9	33,993	18,827
Held-to-maturity investments	13	11,092	6,624
Total non-current assets		47,955	29,230
Current assets			
Other receivables	11	418	300
Prepayments		276	231
Derivatives	12	2	24
Held-to-maturity investments	13	–	4,000
Cash and bank balances	14	37,911	69,563
		38,607	74,118
Total assets		86,562	103,348
LIABILITY AND EQUITY			
Current liabilities			
Other payables	15	3,400	3,393
Derivatives	12	352	–
		3,752	3,393
Net current assets		34,855	70,725
Net assets		82,810	99,955
Funds and reserves			
Accumulated surplus		76,499	94,223
Endowment fund	16	1,061	1,016
Fair value reserve	17	5,250	4,716
Total funds and reserves		82,810	99,955
Total liability and equity		86,562	103,348

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN FUNDS AND RESERVES

For the financial year ended 31 December 2014

	Accumulated surplus \$'000	Endowment fund \$'000	Fair value reserve \$'000	Total \$'000
Balance at 1 January 2013	93,171	–	2,477	95,648
Net surplus for the year	1,552	16	–	1,568
Other comprehensive income	–	–	2,239	2,239
Total comprehensive income for the year	1,552	16	2,239	3,807
Grant from a foundation	–	500	–	500
Transfer of funds	(500)	500	–	–
Balance at 31 December 2013 and 1 January 2014	94,223	1,016	4,716	99,955
Net surplus for the year	(17,724)	45	–	(17,679)
Other comprehensive income	–	–	534	534
Total comprehensive income for the year	(17,724)	45	534	(17,145)
Balance at 31 December 2014	76,499	1,061	5,250	82,810

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOW

For the financial year ended 31 December 2014

	2014 \$'000	2013 \$'000
Cash flows from operating activities		
Net surplus for the year	(17,679)	1,568
Adjustments for:		
Depreciation expense	2,177	4,667
Interest income	(983)	(814)
Distribution income from investment in REITs	(45)	(30)
(Gain)/Loss on redemption of available-for-sale investments	(1,610)	57
Amortisation of premium paid for held-to-maturity investments	33	45
Impairment loss on available-for-sale investments	897	–
Loss on disposal of plant and equipment	9	–
Change in fair value of forward foreign exchange contracts	373	(14)
Dividend income from available-for-sale investments	(119)	(247)
Unrealised foreign exchange gain on available-for-sale investments	(121)	–
Operating surplus before changes in working capital	(17,068)	5,232
Changes in working capital:		
Other receivables	(111)	(56)
Prepayments	(45)	(231)
Other payables	7	1,966
Net cash flows generated from operating activities	(17,217)	6,911
Cash flows from investing activities		
Purchase of plant and equipment	(1,277)	(2,889)
Proceeds from disposal of plant and equipment	–	4
Proceeds on redemption of available-for-sale investments	6,511	13,135
Purchase of available-for-sale investments	(20,190)	165
Purchase of held-to-maturity investments	(4,500)	–
Dividend income from available-for-sale investments	–	204
Proceeds on redemption of held-to-maturity financial assets	4,000	8,000
Distribution income from investment in REITs	45	30
Interest received	976	863
Placement of fixed deposits	(4,648)	(953)
Net cash flows used in investing activities	(19,083)	18,559
Cash flows from financing activities		
Donation from a foundation	–	500
Net cash flows generated from financing activities	–	500
Net increase in cash and cash equivalents	(36,300)	25,970
Cash and cash equivalents at beginning of the year	62,563	36,593
Cash and cash equivalents at end of the year (Note 14)	26,263	62,563

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

1. GENERAL

The SIM University Education Fund (the "Fund") was established on 1 September 2005 to operate, maintain and promote SIM University ("UniSIM") as a private university for the advancement of education, to enlarge and improve UniSIM and to engage in activities relating to education, higher or tertiary education, teaching, learning, open learning, continuing education, research and development, knowledge development, human resource development and management, training, retraining and upgrading of the workforce, development of curricula and dissemination of education materials and research findings.

The Fund is approved as an institution of a public character in accordance with Section 37(9) of the Income Tax Act. The Fund was granted tax-exempt status by Ministry of Education for another 3 year period from 19 November 2014 to 18 November 2017.

The Fund is registered as a charity under the Charities Act, Chapter 37.

The Fund is administered by a SUEF Committee, at least half of whom are independent (unless an application for waiver of this condition is approved by the Minister), and at least half of whom are citizens of Singapore. The Committee administers the Fund in accordance with the guidelines set out in the Minimum Operating Rules of the Fund.

The immediate and ultimate controlling parties of the Fund are UniSIM and Singapore Institute of Management ("SIM"), both charities registered in Singapore. SIM and UniSIM have common trustees.

Related parties in these financial statements refer to members of SIM's group of entities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Charities Act and Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$'000) which is the Fund's functional currency.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Fund has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2014. The adoption of these standards did not have any effect on the financial performance or position of the Fund.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Fund has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 <i>Share Based Payment</i>	1 July 2014
(b) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(c) Amendments to FRS 108 <i>Operating Segments</i>	1 July 2014
(d) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
(e) Amendments to FRS 16 <i>Property, Plant and Equipment</i> and FRS 38 <i>Intangible Assets</i>	1 July 2014
(f) Amendments to FRS 24 <i>Related Party Disclosures</i>	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(b) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 111: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Improvements to FRSs (November 2014)	1 January 2016
Amendments to FRS 110 & FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018

Except for FRS 109 Financial Instruments, the Trustees expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

The nature of the impending changes in accounting period on adoption of FRS 109 are described below:

FRS 109 Financial Instruments

In December 2014, the ASC issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption.

The adoption of FRS 109 will have an effect on the classification and measurement of the SUEF's financial assets, but no impact on the classification and measurement of the SUEF's financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Fund's functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the functional currencies of the Fund and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in income and expenditure.

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Fund recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in income and expenditure as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Office equipment, furniture and fittings	25%
Renovations	25%
Computers	33.33%

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

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. The Fund determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in income and expenditure when the loans and receivables are de-recognised or impaired, as well as through the amortisation process.

The Fund classifies other receivables, fixed deposits and cash and cash equivalents as loans and receivables.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the statement of comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of comprehensive income as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Fund has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income and expenditure when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when the Fund becomes a party to the contractual provisions of the financial instrument. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in income and expenditure when the liabilities are de-recognised and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income and expenditure.

2.8 Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in income and expenditure.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Impairment of financial assets (cont'd)

(a) Financial assets carried at amortised cost (cont'd)

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in income and expenditure.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

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

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in income and expenditure. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in income and expenditure, the impairment loss is reversed in income and expenditure.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on-hand, and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Donations are recognised in the income and expenditure in the year of receipt or when the right to receive payment is established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.11 Derivative financial instruments

The Fund uses derivative financial instruments such as forward foreign currency exchange contracts to manage its exposure to foreign exchange rate risk.

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

2.12 Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in income and expenditure.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than twelve months and it is not expected to be realised or settled within twelve months. Other embedded derivatives are presented as current assets or current liabilities.

2.13 Employee benefits

(a) Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where SUEF's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Fund's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Classification of held-to-maturity investments

The Fund follows the guidance of FRS 39 on classifying non-derivative financial assets with fixed or determinable payment and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Fund evaluates its intention and ability to hold such investments to maturity. If the Fund fails to hold these investments to maturity other than for the specific circumstances, for example, selling an insignificant amount close to maturity, it will be required to reclassify the entire class as available-for-sale. The investment would therefore be measured at fair value and no longer at amortised cost.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These techniques involve uncertainties and require assumptions and judgements regarding prepayments, credit risks and discount rates. Changes in these assumptions will significantly affect the estimated value of the financial instruments. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing on end of the reporting period. Quoted market prices or dealer quotes for similar instruments are some of the common techniques used to calculate the fair value of these instruments. The carrying amounts of these financial instruments are disclosed in Notes 9 and 12 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

4. DONATION INCOME

	2014 \$'000	2013 \$'000
Tax exempted donations received from:		
Related company (Note 18)	–	17,000
Outside parties	289	114
	289	17,114

5. STAFF AND MANPOWER COSTS

	2014 \$'000	2013 \$'000
Wages and salaries	5,453	4,636
Contributions to Central Provident Fund	668	569
Other staff benefits	258	219
	6,379	5,424

6. OTHER OPERATING EXPENDITURE

	2014 \$'000	2013 \$'000
Group Corporate service charges (Note 18)	5,696	1,289
Repair and maintenance expense	2,453	2,267
Other administrative expenses	282	408
	8,431	3,964

7. NON-OPERATING EXPENDITURE

	2014 \$'000	2013 \$'000
Realised exchange loss on forward foreign exchange contracts	385	368
Amortisation of premium paid for held-to-maturity investments	33	45
Impairment loss on available for sale investments	897	–
Change in fair value of forward foreign exchange contracts	373	–
Loss on disposal of available-for-sale investments	–	57
Loss on disposal of plant and equipment	9	–
	1,697	470

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

8. NON-OPERATING INCOME

	2014 \$'000	2013 \$'000
Interest income from fixed deposits and held-to-maturity financial assets	851	814
Interest income from available-for-sale investments	132	–
Dividend income from available-for-sale investments	119	247
Change in fair value of forward foreign exchange contracts	–	14
Unrealised foreign exchange gain on available-for-sale investments	121	–
Distribution income from investment in REITs (Note 16)	45	30
Gain on disposal of available-for-sale investments	1,610	–
Others	109	38
	2,987	1,143

9. AVAILABLE-FOR-SALE INVESTMENTS

	2014 \$'000	2013 \$'000
Quoted investment funds	24,621	18,827
Quoted debt securities	8,290	–
Quoted real estate investment trusts (REITs)	1,082	–
	33,993	18,827

The investments offer SUEF the opportunity for return through dividend income, interest income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these quoted funds are determined as the quoted fund net asset values provided by fund managers and banks at the last market day of the financial year.

The fair values of the quoted preference shares are determined based on the last traded price on the Singapore Stock Exchange at the end of the reporting period.

The available-for-sale investments that are not denominated in its functional currency are as follows

United States dollar	23,696	12,989
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

10. PLANT AND EQUIPMENT

	Office equipment, furniture and fittings \$'000	Computers \$'000	Renovations \$'000	Total \$'000
Cost				
At 1 January 2013	841	20,299	7,310	28,450
Additions	12	2,877	–	2,889
Disposals	–	(7)	–	(7)
At 31 December 2013 and 1 January 2014	853	23,169	7,310	31,332
Additions	346	820	111	1,277
Disposals	(540)	(40)	(7,181)	(7,761)
At 31 December 2014	659	23,949	240	24,848
Accumulated depreciation				
At 1 January 2013	798	14,887	7,204	22,889
Charge for the year	16	4,598	53	4,667
Disposals	–	(3)	–	(3)
At 31 December 2013 and 1 January 2014	814	19,482	7,257	27,553
Charge for the year	80	2,050	47	2,178
Disposals	(539)	(40)	(7,173)	(7,752)
At 31 December 2014	354	21,492	131	21,978
Net carrying amount				
At 31 December 2013	39	3,687	53	3,779
At 31 December 2014	304	2,457	109	2,870

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

11. OTHER RECEIVABLES

	2014 \$'000	2013 \$'000
Other receivables	168	56
Interest receivables	250	244
Total other receivables	418	300
Add: Cash and bank balances	37,911	69,563
Total loans and receivables	38,329	69,863

The Fund's other receivables are denominated in its functional currency. Other receivables are unsecured, interest-free and repayable on demand.

SUEF has no other receivables which are past due but not impaired.

12. DERIVATIVES

	2014			2013		
	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000
Forward foreign currency contracts						
- Buy SGD/Sell USD	9,939	–	352	–	–	–
- Buy SGD/Sell USD	26,260	2	–	32,298	24	–

Forward foreign exchange contracts are entered into to hedge foreign currency risk arising from investments denominated in USD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

13. HELD-TO-MATURITY INVESTMENTS

	2014 \$'000	2013 \$'000
Unquoted debt securities, at amortised cost:		
Current	–	4,000
Non-current	11,092	6,624
	11,092	10,624

The unquoted debt securities comprise bonds issued by financial institutions and public listed companies. As at 31 December 2014, the unquoted debt securities have nominal values amounting to \$11.1 million (2013: \$10.6 million) with coupon rates ranging from 3.5% to 4.88% (2013: 3.83% to 4.88%) per annum and maturity dates ranging from February 2015 to May 2026 (2013: January 2014 to August 2017). The average effective interest rate of the debt securities ranges from 1.43% to 2.47% (2013: 1.06% to 4.88%) per annum.

Bonds are carrying a fixed coupon rate. The fair values of the securities are provided by banks employing generally market accepted valuation parameters and techniques.

14. CASH AND BANK BALANCES

Cash and bank balances comprise the following at 31 December:

	2014 \$'000	2013 \$'000
Cash held by fund manager	874	–
Cash at banks	4,152	3,317
Fixed deposits	32,885	66,246
	37,911	69,563

The carrying amounts of these assets approximate their fair values.

Short-term fixed deposits earn interest at average rates ranging from 0.22% to 1.33% (2013: 0.02% to 1.15%) per annum and are for a tenure of approximately 7 days to 365 days (2013: 11 days to 196 days).

Cash and cash equivalents comprise of cash on hand and at bank and short-term fixed deposits with maturity period of up to 3 months.

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2014 \$'000	2013 \$'000
Cash at bank	4,152	3,317
Cash held by fund manager	874	–
Fixed deposits (with maturity period of up to 3 months)	21,237	59,246
	26,263	62,563

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

15. OTHER PAYABLES

	2014 \$'000	2013 \$'000
Due to parent entity (Note 1)	880	1,008
Accruals	1,993	1,954
Others	527	431
	3,400	3,393

16. ENDOWMENT FUND

The Social Resilience Enhancement Fund is set up on 11 October 2013 to receive funds for the purpose of awarding scholarships and sponsoring faculty programme and prizes to students.

	2014 \$'000	2013 \$'000
Social Resilience Enhancement Fund		
Balance at 1 January	1,016	–
Donation received from a foundation during the year	–	500
Distribution income from investment in REITs	45	30
Transfer from education fund	–	500
Utilised during the year	–	(14)
Balance at 31 December	1,061	1,016

17. FAIR VALUE RESERVE

	2014 \$'000	2013 \$'000
At beginning of financial year	4,716	2,477
Arising during the year	1,247	2,246
Impairment loss on available-for-sale investments	897	–
Reclassification to income and expenditure on redemption of available-for-sale investments	(1,610)	(7)
At end of financial year	5,250	4,716

The fair value reserve relates to revaluation of the available-for-sale investments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

18. RELATED PARTY TRANSACTIONS

Some of SUEF's transactions and arrangements are between SUEF and related parties. The following significant transactions between SUEF and related parties took place at terms agreed between the parties during the financial year:

	2014 \$'000	2013 \$'000
Group Corporate Service charges paid/payable to SIM	(5,696)	(1,289)
Tax deductible donations received from a related parties	–	17,000

Compensation of trustees and key management personnel

The remuneration of key management during the year was as follows:

	2014 \$'000	2013 \$'000
Short-term benefits	890	588
Contributions to Central Provident Fund	50	29
	940	617

The remuneration of key management is determined by the Compensation and Establishment Committee of the Institute having regard to the performance of individuals and market trends.

Key management comprises senior executives in the President's Office, Deans and Directors.

Number of key management in remuneration bands for the Fund is as below:

	2014	2013
\$200,000 to \$250,000	1	–
\$150,001 to \$200,000	3	2
\$100,001 to \$150,000	1	2
\$100,000 and below	–	–
	5	4

Trustees are not remunerated for their board services.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

19. OPERATING LEASE AND COMMITMENTS

(a) Commitments

Commitments contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2014 \$'000	2013 \$'000
Commitments in respect of plant and equipment	808	211

(b) Operating lease commitments

At the end of the reporting period, UniSIM has outstanding commitments under non-cancellable operating leases which fall due as follows:

Operating lease payments represent rentals payable by UniSIM for certain of its office equipment. Leases are negotiated for the range from 2 to 5 years and rentals are fixed.

Minimum lease payments recognised as an expense in income and expenditure for the financial year ended 31 December 2014 amounted to \$5,000 (2013: \$1,000).

At the end of the reporting period, UniSIM has outstanding commitments under non-cancellable operating leases which fall due as follows:

	2014 \$'000	2013 \$'000
Future minimum lease payments payable:		
Within one year	4	1
In the second to fifth years inclusive	2	–

20. FAIR VALUE OF ASSETS AND LIABILITIES

Other than the financial assets at fair value through profit or loss, held-to-maturity financial assets and available-for-sale investments, the carrying amounts of financial assets and liabilities reported in the statement of assets, liabilities, reserves and fund balances approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of forward foreign exchange contracts and available-for-sale investments are disclosed in Notes 9 and 12 respectively.

(a) Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Fund can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

20. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) Fair value hierarchy (cont'd)

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of financial instruments that carried at fair value by the above hierarchy:

	Note	Fair value measurements at the end of the reporting period			
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2014					
Assets measured at fair value					
Financial assets:					
<i>Derivatives</i>	12				
Forward foreign exchange contracts		–	2	–	2
<i>Available-for-sale investments</i>	9				
Quoted investment funds		–	24,621	–	24,621
Quoted debt securities		–	8,290	–	8,290
Quoted real estate investment trusts (REITs)		1,082	–	–	1,082
Financial assets as at 31 December 2014		1,082	32,913	–	33,995
Financial liabilities:					
<i>Derivatives</i>	12				
Forward foreign exchange contracts		–	352	–	352
Financial liabilities as at 31 December 2014		–	352	–	352

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

20. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Assets and liabilities measured at fair value (cont'd)

	Note	Fair value measurements at the end of the reporting period			
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2013					
Assets measured at fair value					
Financial assets:					
<i>Derivatives</i>	12				
Forward foreign exchange contracts		–	24	–	24
<i>Available-for-sale investments</i>	9				
Quoted investment funds		–	18,827	–	18,827
Financial assets as at 31 December 2013		–	18,851	–	18,851

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Forward foreign exchange contracts

Derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique includes a forward pricing model, using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates and interest rate curves. There were no credit value or debit value adjustments made in the determination of fair value of these securities.

Quoted investment funds

SUEF invests in managed funds which are not in an active market. SUEF investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. The management used the NAV per share as an appropriate basis for the market value of the said funds as this will be the redemption price to be received in case SUEF redeems. SUEF classifies these funds as Level 2.

(c) Financial instruments whose carrying amount approximates fair value

The carrying amounts of cash and cash equivalents, other receivables and other payables, based on their notional amounts, reasonably approximate their fair values because they are mostly short-term in nature.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

SIM Group has documented financial risk management policies. These policies set out the SIM Group's overall business strategies and its risk management philosophy. The Governing Council of SIM provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk), liquidity risk, cash flow interest rate risk, use of derivative financial instruments and investing excess cash. Such written policies are reviewed annually by the Governing Council and periodic reviews are undertaken to ensure that the SIM Group's policy guidelines are complied with. Risk management is carried out by Treasury Department under the policies approved by the Governing Council.

Financial risk management policies and objectives are managed at the Singapore Institute of Management Group ("SIM Group") level.

The Fund's overall financial risk management programme seeks to minimise potential adverse effects of financial performance.

There has been no significant change to the Fund's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below:

(a) Foreign exchange risk

The Fund's foreign currency exposures arise mainly from the exchange rate movements of the United States dollar against the Singapore dollar.

At the end of the reporting period, the carrying amounts of monetary assets denominated in currencies other than the Fund's functional currency are as follows:

	2014 \$'000	2013 \$'000
Assets		
United States dollar	23,696	12,989
Liabilities		
United States dollar	17	52

The Fund uses forward foreign exchange contracts to hedge their exposure to foreign currency risk in the local reporting currency. The Treasury Department of the Fund's parent entity is responsible for hedging the net position in each borrowing currency.

The sensitivity rate used when reporting foreign currency risk is 10%, which is the change in foreign exchange rate that the trustees deem reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Foreign exchange risk (cont'd)

If the relevant foreign currency weakens/strengthens by 10% against the functional currency of the Fund without considering the effect of the derivative financial instruments, which is Singapore dollar, income and expenditure will increase/(decrease) by:

	Income and expenditure	
	2014 \$'000	2013 \$'000
USD - strengthened 10% (2013: 10%)	(2,368)	(1,294)
- weakened 10% (2013: 10%)	2,368	1,294
GBP - strengthened 10% (2013: 10%)	-	(4)
- weakened 10% (2013: 10%)	-	4

(b) Interest rate risk

The Fund is exposed to interest rate risk through the impact of rate changes on interest-bearing assets. The Fund maintains its cash and cash equivalents and held-to-maturity financial assets in fixed rate instruments and does not have any significant interest-bearing liabilities.

All financial assets and liabilities at year end bear no interest rate except for cash, fixed deposits and held-to-maturity financial assets. The average interest rate on held-to-maturity financial asset is disclosed in Note 13.

The sensitivity analysis has been determined based on the exposure to interest rates for cash and cash equivalent balances at the end of the reporting period and the stipulated change taking place at the beginning of the financial year. A 100 basis point increase or decrease represents the Trustee's assessment of the possible change in interest rate.

If interest rates had been 100 basis points higher/lower with all other variables held constant, the Fund's net surplus for the years ended 31 December 2014 would increase/decrease by approximately \$0.4 million (2013: \$0.7 million).

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting financial obligations due to shortage of funds. The Fund's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Fund's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Fund monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Fund's operations and to mitigate the effects of fluctuation in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (cont'd)

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

	Within one year \$'000	More than one year \$'000	Total \$'000
2014			
Financial assets:			
Available-for-sale investments	–	33,993	33,993
Held-to-maturity financial assets	–	11,092	11,092
Derivatives	2	–	2
Loans and receivables	38,329	–	38,329
Total undiscounted financial assets	38,331	45,085	83,416
Financial liabilities:			
Other payables	3,400	–	3,400
Derivatives	352	–	352
Total undiscounted financial liabilities	3,752	–	3,752
Net undiscounted financial assets	34,579	45,085	79,664
2013			
Financial assets:			
Available-for-sale investments	–	18,827	18,827
Held-to-maturity financial assets	4,000	6,624	10,624
Derivatives	24	–	24
Loans and receivables	69,863	–	69,863
Total undiscounted financial assets	73,887	25,451	99,338
Financial liabilities:			
Other payables	3,393	–	3,393
Total undiscounted financial liabilities	3,393	–	3,393
Net undiscounted financial assets	70,494	25,451	95,945

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Market price risk

The Fund is exposed to market price risk arising from available-for-sale investments. Available-for-sale investments are held for strategic rather than trading purposes. The Fund does not trade in available-for-sale investments.

Further details of these investments can be found in Note 9 to the financial statements.

Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. In respect of available-for-sale equity investments, if the prices had been 10% higher/lower while all other variables were held constant, the Fund's fair value reserves for the years ended 31 December 2014 would increase/decrease by \$3,461,000 (2013: \$1,883,000).

(e) Categories of financial instruments

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

	2014 \$'000	2013 \$'000
Financial assets:		
Loans and receivables	38,329	69,863
Derivatives	2	24
Available-for-sale-investments	33,993	18,827
Held-to-maturity investments	11,092	10,624
Total	83,416	99,338
Financial liabilities:		
Other payables	3,400	3,393
Derivatives	352	–
Total	3,752	3,393

(f) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Fund does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

22. CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 2013.

23. COMPARATIVE NOTES

The financial statements for the financial year ended 31 December 2013 were audited by another firm of Certified Public Accountants.

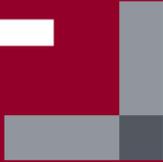
24. AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

The financial statements for the year ended 31 December 2014 were authorised for issue by the board of trustees on 14 April 2015.

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THE BIG PICTURE



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