

NURTURING  
**LIFELONG  
LEARNERS**

ANNUAL REPORT 2016

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### NURTURING LIFELONG LEARNERS

As a nation whose only resource is its people, Singapore takes education very seriously. Education becomes even more critical in shaping Singapore's future in a future where a knowledge-based economy is the driver in the global community.

Since its inception, SIM University (UniSIM) has been focused on providing applied and lifelong education to learners who are not only passionate to gain new knowledge, but also looking to upgrade their skills. We recognise that every learner is unique and we provide them with different pathways to enable them to realise their aspirations and full potential throughout life.

Today, UniSIM is at the forefront of innovative, flexible and applied tertiary education. As we move forward into a new era where teaching and learning must evolve to meet future needs, we stand poised to further our mission of providing lifelong education, equipping learners to serve society.

## CORPORATE PROFILE

Established in 2005, UniSIM is Singapore's only private university. Home to about 14,000 undergraduate and graduate students, UniSIM offers some 60 academic programmes, available in full- and part-time study modes, in various disciplines through five schools: School of Arts & Social Sciences, School of Business, School of Human Development & Social Services, School of Law and School of Science & 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

The university of choice for lifelong learning

## MISSION

To provide lifelong education, equipping learners to serve society

## CORE VALUES

- Spirit of learning
- Passion for community
- Integrity
- Respect and trust
- Innovation for excellence
- Teamwork

## KEY FACTS AND FIGURES

ACADEMIC PROGRAMMES <b>55</b> <i>* Excludes Diploma, Beijing Normal University and Nanjing University programmes</i>	ALUMNI <b>28,542</b>
STUDENT ENROLMENT <b>13,912</b> <i>* Excludes Modular, Diploma, Beijing Normal University and Nanjing University students</i>	FULL-TIME FACULTY <b>145</b>
GRADUATES <b>2,054</b> <i>* Excludes Diploma, Beijing Normal University and Nanjing University graduates</i>	ASSOCIATE FACULTY <b>961</b>
	NON-ACADEMIC STAFF <b>286</b>

## FINANCIAL HIGHLIGHTS

	2016 <sup>(1)</sup> \$'000	2015 <sup>(1)</sup> \$'000
Course Fees and Other Income	139,734	128,942
Operating Expenses	96,703	83,441
Capability-building Expenditure	24,151	21,110
Net Surplus (Deficit)	18,880	24,391
Tax-deductible Donations Received	3,372	217
General Fund Reserve Level <sup>(2)</sup>	1.9 years	2.0 years
SIM University Education Fund Reserve Level <sup>(2)</sup>	1.6 years	2.5 years

(1) For the year ended on December 31.

(2) 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 CHAIRMAN



Over the last 11 years, UniSIM as a private university has been making progress in its mission to serve society through the provision of qualification upgrading opportunities for adult learners. It has carved out a niche for itself in Singapore's competitive tertiary education sector, giving value-for-money good quality applied university education in an inclusive framework. In serving the adult-learning space, UniSIM has fielded courses and programmes in many disciplines that require graduates in the workplace.

It is with a sense of pride and vindication of all that UniSIM has been doing when the Ministry of Education announced that it intends to re-structure UniSIM as an autonomous university (AU) with the concurrence of the Singapore Institute of Management (SIM) within which UniSIM functions. If this comes about, UniSIM will join the other five AUs in the Singapore public university landscape, enriching this space and bringing its brand of university education. In particular, the working adults and adult learners of all ages will be better served, and more pathways to a degree qualification and to continuing learning will be introduced in this public domain.

What does this mean for UniSIM? The foundation for what UniSIM is today has been built up over a short period of 11 years; nevertheless, it is robust and of quality that serves learners, the market and society well. Still, becoming an AU will raise the stakes for UniSIM, as public expectations mount in keeping with what is already found in the other AUs. While our standards are high, we will need to continually improve to deliver a high quality education suited to

market needs. We will need to remain agile, keeping close to the ground to sense changes and respond effectively, to continually innovate to introduce new pathways for learning and skills upgrading, new pedagogies to serve changing learning behaviour, new modalities to enable flexible mobile anytime anywhere any pace learning. There are fresh opportunities for UniSIM to play a bigger role in SkillsFuture and in lifelong learning.

But, in adjusting to new paradigms – economic, social, political, etc. – we will need to keep to our mission and our core values. These remain the same whether we are a private university or an AU. Our students are our *raison d'être*, and our alumni the fruit of our labour. We will also remember our heritage and what had brought UniSIM thus far. The journey to excellence is no short trip – it builds on what has been before, that which paves the way for the next step of advancement.

What does it mean for learners and the public? Variety, choice, an enriched learning ecosystem to tap on, more pathways to upgrade knowledge and skills, greater confidence in UniSIM and greater access to what it has to offer, an AU the adults can call their own, perhaps.

What UniSIM has achieved is the outcome of strong support from the government, public agencies, industry, other stakeholders and benefactors, and SIM. And, the students who believe in UniSIM and the alumni who advocates for UniSIM by making a positive impact at their workplace and in society at large. Most critical are the people serving in UniSIM – the full-time staff and the part-time associates

“The foundation for what UniSIM is today has been built up over a short period of 11 years; nevertheless, it is robust and of quality that serves learners, the market and society well.”

– who labour together with the same goals before them. I am grateful to them for their dedication and teamwork. I am also thankful to all my board members who have given their valuable support and counsel.

As we face the future, I am confident that UniSIM is on a firm foundation, a clear path, united in our resolve to take hold of new opportunities opening up, all to provide education for learners who will then go out to serve society.

**Mr Richard Eu**  
Chairman  
SIM University

## MESSAGE FROM THE PRESIDENT

The year 2016 was a watershed year for UniSIM. In October 2016, the Ministry of Education announced its intention to re-structure UniSIM into an autonomous university (AU), joining the other five AUs in Singapore's public university system. It was an intent, made at the University's Convocation, and much work would need to be done to bring it into reality. However, it represented a significant development in the University's short history and one that would herald not just changes in its status, reputation and funding, but also in enhanced roles it can play in the national provision of university studies.

We greet this development with anticipation, but even as we do, the University continued in the year with fervour and focus in its mission to provide lifelong learning opportunities to learners who can then serve society. In pursuit of this, we continued to place our effort on providing more opportunities for degree studies, increasing the offerings of continuing education and training modules and work-study programmes in support of SkillsFuture, enabling greater flexibility in learning, and enhancing our capabilities to support the work.

Of notable significance is the announcement that UniSIM will offer a Bachelor of Laws (LL.B) programme for undergraduates and a Juris Doctor (J.D.) programme for graduates, with classes to start in January 2017. These are not the usual law degrees, but ones with a strong emphasis on family and criminal law, this in keeping with the social mission of the University. Staffing of the new Law School is underway, and we hope the law graduates we will turn out will be ones who are not only able

to compete with others coming into the market but will have a niche identity as champions of legal provision to deal with family disputes, family issues, criminal representation and service to the underserved. In our full-time offerings, we added Supply Chain Management and Social Work to increase our stable of full-time programmes from four to six. We are heartened by the increasing numbers who have applied to our full-time programmes.

But, education just for the degree qualification isn't quite what the market needs increasingly as we venture into the uncertain future. A continual upgrading of skills and practice is paramount for our labour force if it is to keep up with job, societal and living-mode changes that will be brought about by disruptions much talked about already. So, we have ramped up our effort at providing structured continuing education for life through our Centre for Continuing & Professional Education, and partnership arrangements for such training with many public and private organisations.

As we open more places to enjoy university-level learning, we view the support of our students as concern that merits more attention. So, our Teaching & Learning Centre has enlarged its size and effort to uncover or curate ways to enhance learning in our students and ability of our faculty to deliver effective teaching. With our many associates from industry, it is our goal that the workplace be more and more manifest in classroom instruction, discourse and experience. All this effort is augmented by an evidence-based approach for our methodology and decisions – to this end, we set up the Institutional Research & Analytics Unit (IRAU) which will build our

own data warehouse, conduct analytics training and projects, build an end-to-end profile of our input-process-output-outcome education value chain. IRAU will also eventually provide services to support our human resources, finance, marketing, alumni and other activities.

Flexibility for our students on their learning journey is a key value proposition of UniSIM. In 2016, we have continued to make strides in this area, deploying more of our interactive Study Guides (iSGs), preparing to bring in more e-textbooks, and enhancing our mobile applications. We have also taken the first steps to produce courses which can be taken fully online through our newly-formed Online Learning Unit.

In tandem with our growth in learning and support services, we have added significantly to our faculty, technical and administrative staff strength, boosting our capabilities especially in teaching, continuing education, IT and educational technology. In the next few years, as our full-time cohort reaches its planned size, we will continue to add to our manpower strength.

All of these are intended to strengthen UniSIM's ability to respond actively and in a timely manner to the manpower needs of our economy, the training needs of the individual, and to position the University as Singapore's lifelong learning university. We will forge ahead in creating more pathways for learning and skills upgrading, and look to enlarging our contribution to skilling our people for the future economy. So, as we keenly anticipate the re-structuring of UniSIM into an AU, we will keep to our core mission of providing lifelong learning



opportunities in the service of society. I am thankful that the University enjoys the full support and advocacy of our Patron, Chancellor, Board members, staff, learners, alumni and all our valued partners. It is a joint effort of all that makes a complete, thriving and impactful university.

A handwritten signature in black ink, appearing to read 'Cheong Hee Kiat', written in a cursive style.

**Professor Cheong Hee Kiat**  
President  
SIM University

## BOARD OF TRUSTEES



**MR RICHARD Y M EU**

**Chairman**

SIM University Board of Trustees

**Group Chief Executive Officer**  
Eu Yan Sang International Ltd

Mr Richard Eu, the Group Chief Executive Officer of Eu Yan Sang International Ltd, has overseen the overall corporate development and management of the Eu Yan Sang Group since starting as its General Manager in 1989. Eu Yan Sang is today a leading integrative health and wellness company with a unique heritage in Traditional Chinese Medicine.

He was named the Ernst & Young Entrepreneur of the Year 2011 (Singapore) and represented Singapore at the Ernst & Young World Entrepreneur of The Year 2012 Award in Monte Carlo, Monaco. He was also recognised as the CEO of the Year by the Singapore Corporate Awards 2010, for SGX-listed companies with a market capitalisation of under S\$300 million. In 2015, Eu Yan Sang was awarded the bronze award by the Singapore Corporate Awards for Best Managed Boards in the mid-cap category.

Mr Eu is an independent non-executive director of SGX-listed Broadway Industrial Group Ltd and Reliance Asset Management Singapore Ltd.

Mr Eu holds a Bachelor of Laws degree from the University of London.



**MR ONG BOON HWEE**

**Chief Executive Officer**  
Stewardship Asia Centre

Mr Ong Boon Hwee is the Chief Executive Officer of the Stewardship Asia Centre.

Prior to his current appointment, Mr Ong has a diverse career where he served in the civil service, in corporations and also in entrepreneurship start-ups.

In his earlier military career, Brigadier General Ong held various key command and staff positions in the Singapore Armed Forces and the Ministry of Defence. He left the civil service to move into a corporate career in management and business. Mr Ong had previously served as the Managing Director for Strategic Relations in Temasek Holdings and also held a concurrent position as the Chief Executive Officer of Temasek Management Services. He then moved on to take on the role of Chief Operating Officer of Singapore Power, and was responsible for all the business units in Singapore. Mr Ong serves as a director on the boards of a number of companies and non-profit organisations.



**PROFESSOR BERNARD TAN**

**Professor of Physics**  
National University of Singapore

Professor Bernard Tan is a Professor of Physics at the National University of Singapore (NUS), where he is also Director of the Centre for Maritime Studies and Chairman of the Centre for Remote Imaging, Sensing and Processing and the Singapore Synchrotron Light Source.

He chairs the National Advisory Committees for Laboratory Animal Research and Radiation Protection and Nuclear Science. A former Chairman of the National Internet Advisory Committee, he has served on the boards of multiple government bodies.

Professor Tan also sits on the boards of Keppel Telecommunications and Transportation, Cadi Scientific, the Singapore Arts School and NUS Technology Holdings. Past appointments include his membership of the boards of Keppel Corporation Ltd and CSA Holdings, and his chairmanship of Keppel Hitachi Zosen and IMCB Holdings.

He graduated from the National University of Singapore and Oxford University.



**MR TAN CHOON SENG**

**Chairman**  
Truscott Group

Mr Tan Choon Seng is Chairman of Truscott Group, a private investment company. He is an active angel investor and has co-founded Indiverein, Link2ventures and Aleko Investment Pte Ltd.

He holds directorships in Fundedby.me Sweden, Fundedby.me Asia Pacific Ltd and Noa Potions AB, Sweden. He is a director of Kuangchen Pte Ltd, Sparrow Capital Pte Ltd and Nihon Connexion Pte Ltd.

He was formerly the Group Chief Executive Officer of WBL Corporation. Mr Tan was previously Vice President (Customer Solutions Group) and Managing Director of Hewlett-Packard South East Asia; a post he held from June 2002 when Hewlett-Packard acquired Compaq.

He also served as the Vice President and Managing Director for the ASEAN region of Compaq Computer Asia between June 1999 and June 2002. He joined Compaq Computer in 1996 as the Chief Financial Officer for its Asia Pacific operations. Prior to joining Compaq, he spent 20 years in various multinational organisations in the audit and tax, oil services and IT industries, where he held a number of senior leadership positions in operations, sales, strategy and business development.

Mr Tan holds an Accountancy degree from the University of Singapore and is a non-practising Fellow of Certified Public Accountants (Singapore).



**PROFESSOR  
LEO TAN WEE HIN**

Director (Special Projects)  
Faculty of Science  
National University of Singapore

Professor Leo Tan Wee Hin is a Professor of Biology at the National University of Singapore. He is also Director (Special Projects) in the Faculty of Science. He was previously Executive Director of the Science Centre Singapore, Director of the National Institute of Education and Chairman of the National Parks Board.

Professor Tan is immediate past President and Fellow of Singapore National Academy of Science. He chairs the NParks Garden City Fund, National Youth Achievement Award Council and the Temasek Singapore Technologies Endowment Programme (STEP) Board. He is also Singapore Governor to the Asia-Europe Foundation (ASEF) and Member of the Government Parliamentary Committee (GPC) Resource Panel for National Development & Environment and Water Resources.



**MR RONNIE TAY**

Chief Executive Officer  
National Environment Agency

Mr Ronnie Tay was appointed Chief Executive Officer of National Environment Agency (NEA) on 1 July 2013. The NEA is the leading public organisation responsible for improving and sustaining a clean and green environment in Singapore.

From November 2007 to June 2013, Mr Tay was the Chief Executive Officer of the Infocomm Development Authority of Singapore (IDA). Prior to joining IDA, Mr Tay served 25 years in the Singapore Armed Forces (SAF), during which he held various command and staff positions in the Republic of Singapore Navy. He served as the Chief of Navy from 2003 to 2007 with the rank of Rear-Admiral.



**ADJUNCT PROFESSOR  
SEAH MOON MING**

Executive Director and  
Group Chief Executive Officer  
Pavilion Energy Pte Ltd

Mr Seah Moon Ming is Group Chief Executive Officer of Pavilion Energy.

He was Senior Managing Director of Temasek from March to September 2013. He is Chairman of International Enterprise Singapore, Singapore Cooperation Enterprise and Trusted Board Ltd. He is a member of the Board of Trustees, SIM University; and Adjunct Professor at its School of Science & Technology. He was also formerly Chairman of Temasek Polytechnic.

He is recipient of numerous awards including the 2014 Asia Pacific Executive of the Year, the 2014 National Day Award, Public Service Star (BBM), the 2011 Distinguished NUS Engineering Alumni Award and IES/IEEE Joint Medal of Excellent Award 2008. In 2008, he was conferred the Honorary Citizen of Guiyang, China.

He is a Fellow of The Institution of Engineers, Singapore, and a Senior Member of Institute of Electrical and Electronics Engineers.



**MS ANG BEE LIAN**

Director of Social Welfare  
Ministry of Social  
and Family Development

Ms Ang Bee Lian is the Director of Social Welfare at the Ministry of Social and Family Development (MSF). In her role at MSF, Ms Ang provides views and advice on the standards of social work practice and the professional development of social service practitioners in the sector.

Qualified as a social worker, Ms Ang has worked within the statutory and voluntary sectors in the children, youth, elder care, disability and juvenile rehabilitation settings, and in a variety of policy, practice and management roles. She has been instrumental in contributing to the strengthening of capability in the social service sector. She is the immediate former Chief Executive Officer of the National Council of Social Service.

Ms Ang was presented with the Outstanding Social Worker Award in Singapore in 2000. In 2003, she was among the winners of the Leader Mentor Awards, given out during the Global Leadership and Mentoring Congress in Singapore.

Ms Ang has a Masters from the London School of Economics and Political Science.



**MR LOK VI MING, SC**

Managing Director  
LVM Law Chambers LLC

Mr Lok Vi Ming, SC, is the managing director of LVM Law Chambers, LLC, a dispute resolution practice specialising in litigation, international and domestic arbitration and mediation. He was appointed a Senior Counsel (Singapore's equivalent of a Queen's Counsel) in 2005 and was a senior partner in Dentons Rodyk & Davidson LLP's Litigation & Arbitration Practice Group heading the firm's Aviation Practice till 2016. Mr Lok is recognised as a leading international aviation and insurance lawyer.

He is a Board member of the Singapore International Mediation Centre and a principal Mediator with the Singapore Mediation Centre. He is also a panel arbitrator of numerous arbitration centres, including the Singapore International Arbitration Centre, Korean Commercial Arbitration Board, Kuala Lumpur Regional Centre for Arbitration and China International Economic and Trade Arbitration Commission.

Mr Lok chairs the Advisory Council of Temasek Junior College and sits on the Boards of various companies, including voluntary welfare organisations. He was President of the Law Society of Singapore from 2013 to 2014 and currently chairs its International Relations Committee and its Professional Indemnity Committee. He is also a Fellow of the Singapore Academy of Law.



**PROFESSOR ALEX SIOW  
YUEN KHONG**

Professor (Practice)  
School of Computing, and  
Director  
Strategic Technology  
Management Institute (STMI)  
National University of Singapore

Professor Alex Siow is currently Professor (Practice) in the School of Computing, National University of Singapore; and concurrently Director of the Strategic Technology Management Institute (STMI) and the Centre for Health Informatics (CHI).

Professor Siow started his career as a Structural Engineer in the Housing & Development Board in 1981 and rose through the ranks to become the Chief Information Officer in 1989. In 2003, Professor Siow joined the private sector and became the Senior Vice President in StarHub Ltd, holding various portfolios including Corporate Sales, IT and Enterprise Risk Management. From 2013 to 2014, Professor Siow was the Managing Director, Health & Public Service in Accenture Pte Ltd.

Professor Siow currently sits on the Board of Governors of Temasek Polytechnic and is Chairman of its Audit and Risk Management Committee. He is a member of the Edusave Advisory Committee and is a consultant to ST Electronics (Infocomm) and PM-Partners Pte Ltd.



**MR LAM YI YOUNG**

Former Deputy Director (Policy)  
Ministry of Education  
(until 31 December 2016)

Mr Lam Yi Young was the Deputy Secretary (Policy) in Singapore's Ministry of Education, overseeing the development and implementation of education policies in support of the Ministry's mission.

Prior to his appointment in the Ministry in January 2014, Mr Lam was Chief Executive of the Maritime and Port Authority of Singapore from 2009 to 2013.

Since joining the Singapore Civil Service in 1996, Mr Lam has also served in different appointments in the Ministry of Defence and the Ministry of Finance.

Mr Lam sits on the boards of the Agency for Science, Technology and Research; CapitaCommercial Trust Management Limited; Education Fund Board of Trustees; Lee Kong Chian School of Medicine; Lifelong Learning Endowment Fund Advisory Council; Singapore Institute of Technology; Singapore University of Technology and Design; Singapore Workforce Development Agency; and Yale-NUS College.

Mr Lam has a Master of Arts in Engineering from the University of Cambridge and a Master in Public Administration from Harvard University.



**MR NG CHER PONG**

Chief Executive  
SkillsFuture Singapore

Mr Ng Cher Pong is the Chief Executive of the newly-created SkillsFuture Singapore since 3 October 2016 and also concurrently holds the appointment as Deputy Secretary (SkillsFuture) in the Ministry of Education. He is responsible for driving the implementation of the national skills strategy known as SkillsFuture, in order to enhance the employability and competitiveness of Singapore's workforce.

Mr Ng joined the Administrative Service of the Singapore Civil Service in 1996. He had served in various capacities across many Ministries and government agencies such as the Ministry of Manpower, Ministry of Defence, Ministry of Education and the Singapore Workforce Development Agency. He also serves on various Boards such as the Singapore Technologies Kinetics Ltd, SkillsFuture Singapore, Learning Gateway Ltd, Workforce Singapore, the Employment and Employability Institute and SIM University Board of Trustees. He is also an Adjunct Lecturer of the Civil Service College.

Mr Ng graduated from the University of Cambridge, UK with a First Class Honours Degree in Electrical Engineering. He obtained his Master in Business Administration (Distinction) from INSEAD, France in 2003 and subsequently participated in the Advanced Management Programme at Harvard Business School in 2015.



**MR RONALD TAN  
HEE HUAN**

Executive Director  
Singapore Institute of  
Management

Mr Ronald Tan is the Executive Director of the Singapore Institute of Management (SIM). Mr Tan brought with him more than 25 years of varied experience from both the public and private sectors.

Prior to joining SIM, Mr Tan was Senior Vice President and Head of Group Human Resources at the United Overseas Bank Group. Before joining the Bank, Mr Tan held senior appointments in several government ministries under the Administrative Service. He served as a Combat Engineers Battalion Commander and was the Division Engineer of the Guards' Division during his national service.

Mr Tan is also a Director of the NTUC First Campus Board of which he is a member of the Establishment Committee and the Audit & Risk Committee. He also serves as a member of the National Kidney Foundation Remuneration Committee and the HR Committee of Focus on the Family. Mr Tan was presented the Friend of Labour Award by the NTUC in 2016.

Mr Tan holds a Bachelor of Science in Mechanical Engineering and a Master of Business Administration.



**PROFESSOR  
CHEONG HEE KIAT**

**Ex-officio**  
SIM University Board of Trustees  
**President**  
SIM University

Professor Cheong Hee Kiat is Founding President of SIM University. He joined academia in Nanyang Technological University in 1986, and held various academic and administrative appointments including Dean of Civil and Environmental Engineering and Deputy President.

Professor Cheong has served on the boards of several tertiary education institutions, the Public Utilities Board and Building and Construction Authority (BCA), and public committees. He has been active in university accreditation and academic audits in Singapore and internationally, chairing the Polytechnic Quality Assurance External Review Panel for 11 years, and is a member of the Singapore Engineering Accreditation Board. He currently chairs the BCA Academy Advisory Panel.

Professor Cheong graduated from the University of Adelaide and the Imperial College, London.

He is a registered Professional Engineer (Civil) and Fellow of the Institution of Engineers Singapore and the Singapore Academy of Engineers.



**ASSOCIATE PROFESSOR  
YIP WOON KWONG**

**Secretary**  
SIM University Board of Trustees  
**Registrar**  
SIM University

Associate Professor Yip Woon Kwong is a registered Professional Engineer and a member of the Institution of Engineers Singapore. He started his career as a civil/structural engineer with the Public Works Department (PWD) of Singapore in 1978. His portfolios included the structural design and construction supervision of public buildings, vehicular bridges and flyovers.

In 1982, Associate Professor Yip joined the Nanyang Technological Institute/University (NTI/NTU). In his 25-year career in NTI/NTU, he was a course instructor in civil engineering, Director of the Centre for Advanced Construction Studies and Vice-Dean/Associate Chair of the School of Civil and Environmental Engineering.

## BOARD COMMITTEES

### AUDIT COMMITTEE

#### Chairman

Mr Ramasamy Dhinakaran

#### Members

Professor Bernard Tan

Mr Ng Cher Pong

### ESTABLISHMENT COMMITTEE

#### Chairman

Mr Richard Y M Eu

#### Members

Mr Lam Yi Young (*until 31 December 2016*)

Professor Leo Tan Wee Hin

Mr Ronald Tan Hee Huan

### FINANCE COMMITTEE

#### Chairman

Adjunct Professor Seah Moon Ming

#### Members

Professor Alex Siow

Mr Ronnie Tay

### INVESTMENT COMMITTEE

#### Chairman

Mr Ong Boon Hwee

#### Members

Mr Lok Vi Ming, SC

Mr Tan Choon Seng

### NOMINATION COMMITTEE

#### Chairman

Mr Richard Y M Eu

#### Members

Adjunct Professor Seah Moon Ming

Ms Ang Bee Lian

## KEY ACADEMIC MEMBERS



**PROFESSOR CHEONG HEE KIAT**  
President



**PROFESSOR TSUI KAI CHONG**  
Provost



**ASSOCIATE PROFESSOR  
YIP WOON KWONG**  
Registrar



**ASSOCIATE PROFESSOR  
WONG YUE KEE**  
Vice President  
Learning Services



**ASSOCIATE PROFESSOR  
GENICE NGG**  
Dean  
School of Arts & Social Sciences



**ASSOCIATE PROFESSOR  
LEE PUI MUN**  
Dean  
School of Business



**ASSOCIATE PROFESSOR  
CHEAH HORN MUN**  
Dean  
School of Human Development  
& Social Services  
Assistant Provost



**PROFESSOR LESLIE CHEW**  
Dean  
School of Law



**ASSOCIATE PROFESSOR  
ATTALLAH SAMIR**  
Dean  
School of Science & Technology



**PROFESSOR KOH HIAN CHYE**  
Assistant Provost  
(until 31 July 2016)

## 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 2016, the Fund supported the development of over 50 courses and more than 70 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 two new research grants during the year in areas of consumers' behaviour and institutional research. There were 14 active faculty research projects that were funded from SUEF monies, and of these, four were with industry/external linkages.

The Fund continued to support UniSIM students in their tertiary education pursuits through various financial schemes. UniSIM awarded 46 sponsorships, 18 scholarships, and 363 study grants in 2016. In total, S\$633,729.28 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

**Mr Lim Soon Hock (Chairman)**

Managing Director  
Plan-B ICAG Pte Ltd

**Professor Cham Tao Soon**

Special Advisor to SIM Governing Council

**Professor Bernard Tan**

Professor of Physics  
National University of Singapore

**Professor Chong Chi Tat**

University Professor, Department of Mathematics,  
and Director, Institute for Mathematical Sciences  
National University of Singapore

**Mr Ramasamy Dhinakaran**

Managing Director  
Jay Gee Group of Companies

**Mr Lam Siew Wah**

Managing Director  
(Built Environment Research and Innovation  
Institute)  
Building and Construction Authority

**Dr Josephine Kwa Lay Keng**

Chairman  
Raffles Marina Holdings Ltd

**Mr Noel Hon Chia Chun**

Chairman  
e-Cop Pte Ltd

**Ms Ang Bee Lian**

Director of Social Welfare  
Ministry of Social and Family Development

**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, Investment 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.

The Whistle-blowing Policy extends the notion of corporate governance to all staff and vendors, allowing them to take responsibility in playing their part to help UniSIM achieve a greater level of public confidence in our corporate governance.

## CORPORATE INFORMATION

### REGISTERED ADDRESS

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### CHARITY REGISTRATION NUMBER

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### PRINCIPAL BANKER

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8 Marina View #16-00  
Asia Square Tower 1  
Singapore 018960

### LAWYER

#### Ramdass & 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

- Ministry of Law announced that UniSIM will offer a Bachelor of Laws (LL.B) for undergraduates and a Juris Doctor (J.D.) for graduates, with classes to start in January 2017



### MARCH

- UniSIM set up the *Wings Scholarship and Award Endowment Fund* for students in its Human Development and Social Services programmes



### APRIL

- UniSIM launched *Conversation Starters* series with National Library, Singapore on subjects critical to the survival of Singapore



### JULY

- UniSIM, together with the autonomous universities, hosted the ASEAN University Games



### AUGUST

- UniSIM launched the full-time Supply Chain Management and Social Work programmes
- UniSIM set up the Institutional Research & Analytics Unit



### OCTOBER

- Ministry of Education announced its proposal for UniSIM to become Singapore's sixth autonomous university
- UniSIM held the inaugural International Conference on Well-being
- UniSIM presented with the *Best Facilities Management Training Institution of the Year Award* for its commitment to student development in this area

# CHAPTER 1

## PROGRAMMES

2016 was a momentous year for UniSIM. In October, Mr Ong Ye Kung, Acting Minister of Education (Higher Education and Skills) and Senior Minister of State for Defence announced the Government's proposal for UniSIM to become Singapore's sixth autonomous university (AU). This was in recognition of the University's significant contributions and its potential in furthering lifelong learning opportunities for Singaporeans. Providing an applied education that targets both fresh school leavers and adult learners, with a focus on the social sciences, the University will introduce new areas in social sciences and train its students for socially-related careers such as social work, human resource, psychology, early childhood education, and family and criminal law. The University will also continue with its current suite of programmes, such



Acting Minister for Education (Higher Education and Skills) and Senior Minister of State for Defence, Mr Ong Ye Kung, announcing the Government's proposal to make UniSIM Singapore's sixth autonomous university, at our opening Convocation 2016 session.

as engineering, information and communication technology, and languages. We will nurture our students to learn for life, so that they may contribute to the workplace and society at large in meaningful ways all their lives.

UniSIM's School of Law opened application to its Bachelor of Laws (LL.B) for undergraduates and a Juris Doctor (J.D.) for graduates, in March, which saw an overwhelming response from both fresh school leavers and adult learners. Eighty per cent of the 60 places were offered to mature students, such as paralegals, law enforcement officers and social workers, who are pre-disposed to a career in criminal and family law.

We are ready to receive our first intake of students for our Bachelor of Laws, Juris Doctor and Master of Applied Research in Social Science programmes who will commence their classes in January 2017.

To meet increased needs in the future, we launched two new full-time programmes – Supply Chain Management and Social Work to train qualified talents in these sectors. Our full-time programmes continued to witness strong interest. We received 3,100 applications with an eventual intake of 428 students into six programmes.

While we continued to expand our offerings of full-time programmes, we did not waver in our focus on our part-time programmes, which are tailored specially for working adults. We continued to ensure that the quality of our programmes remains high. In recognition of UniSIM's commitment to the

We received 3,100 applications with an eventual intake of 428 students into six full-time programmes.

development of our students from the Facilities and Events Management programme, as well as raising industry standards, the University was honoured with the *Best Facilities Management Training Institution of the Year 2016 Award*. This award was presented at the inaugural Singapore Facilities Management Awards ceremony, co-organised by the International Facility Association (Singapore Chapter) and Conference & Exhibition Management Services.

UniSIM has done well to make education accessible to all through flexible and yet rigorous learning pathways. Besides our undergraduate and graduate programmes, which can be pursued in full- and part-time mode, we also expanded our Continuing Education and Training (CET) offerings beyond

modular courses. We offer certification courses and recognise learning delivered outside the regular academic curriculum. Our CET students are assured of a compelling curriculum that is finely tuned to developments in society and the workplace, and of courses developed to help them upgrade their professional skills for career advancement or personal development.

Supporting the SkillsFuture movement, we increased the number of courses we offer under our Centre for Continuing & Professional Education. These courses focus on skills acquisition and applied lifelong learning to help dislocated PMEs (Professionals, Managers and Executives) get re-employed.



UniSIM participating in the SkillsFuture Marketplace – a series of roadshows by the Singapore Workforce Development Agency to raise the public's awareness of how they can use their SkillsFuture Credit and to help them understand how they can use it to take ownership of their lifelong learning journey.



UniSIM at the SkillsFuture Marketplace Roadshow for the public to find out more about learning for life through our modular courses.

## CHAPTER 2

# INDUSTRY

Supporting the SkillsFuture movement, we increased the number of courses we offer under our Centre for Continuing & Professional Education.



UniSIM President Professor Cheong Hee Kiat unveiling the 'Wings' sculpture at a ceremony where he announced the setting up of the *Wings Scholarship and Award Endowment Fund*.

To better support deserving UniSIM students with non-bonded scholarships and awards in areas such as social work, early childhood, human resource management, gerontology and non-profit management, an endowment fund *Wings Scholarship and Award Endowment Fund* was established through our School of Human Development & Social Services.

As we enter a more challenging economic climate in the coming year, it is more critical than ever for graduates to be at home in a globalised environment, adept at making sense of diverse and competing data, and adapt quickly to social, cultural and technological changes at the workplace. UniSIM is in a uniquely valuable position, able to capitalise on our industry ties and expertise in lifelong learning, to groom work-ready graduates for an increasingly complex workplace.

Engaging the industry is part of the UniSIM DNA, and this extends beyond working with employers and relevant associations and agencies to design our curriculum, teach our classes and offer work attachments. We constantly forge and strengthen partnerships with industry to enable our students to gain relevant work experience while pursuing their studies.

Our wide collaboration with industry leaders can be attested to by the numerous Memoranda of Understanding (MOUs) that were signed or renewed during the year locally and regionally, including with Thai Researchers' Consortium on Value Chain Management and Logistics, and Vietnam Logistics Research and Development Institute to provide students and faculty with learning opportunities in logistics and supply chain management.



(From left) UniSIM Provost Professor Tsui Kai Chong, UniSIM Vice President (Learning Services) Associate Professor Wong Yue Kee, Executive Director of IP Academy Ms Chiam Lu Lin and Chief Executive of IPOS Mr Daren Tang at the MOU signing ceremony between UniSIM and IP Academy to collaborate on intellectual property online learning.



The handshake between UniSIM Provost Professor Tsui Kai Chong; and Ms Ong Toon Hui, Dean of the Civil Service College and Deputy Secretary (Development) of the Public Service Division (Prime Minister's Office), seals the partnership to jointly develop, promote and conduct an undergraduate programme in the area of public sector service management.

We also partnered Thammasat University and Chiang Mai University to organise the 8<sup>th</sup> International Conference on Logistics and Transport, with the theme 'Next Generation Supply Chains: The Future of Supply Chain Management'.

To equip students for the global knowledge economy, UniSIM collaborated with IP Academy Singapore to develop a slate of online IP-related training courses. We also partnered the Public Service Division (Prime Minister's Office) and the Civil Service College to offer an undergraduate programme to upgrade the competencies of civil servants.

As part of the SkillsFuture Earn and Learn initiative, UniSIM partnered Nanyang Polytechnic, Republic Polytechnic and Temasek Polytechnic to offer their graduates in Retail Management, Supply Chain



The signing of Master Collaboration Agreements with Nanyang Polytechnic to support the SkillsFuture Earn and Learn Initiative.



The signing of Master Collaboration Agreements with Republic Polytechnic and Temasek Polytechnic to collaborate on the Earn and Learn Programme.



The sealing of strategic partnerships with the National Trades Union Congress and the Employment and Employability Institute (e2i) to deepen the competencies of the Singapore workforce.

Management, and Big Data and Analytics an articulation pathway to UniSIM part-time degree programmes. Graduates under this nationwide scheme acquire relevant job skills and an industry recognised degree certification at the same time.

UniSIM sealed a partnership with the National Trades Union Congress and the Employment and Employability Institute (e2i) to deepen the competencies of the Singapore labour force. The goal of this collaboration is to help Professional, Managers, Executive and Technicians (PMETs) and small and medium enterprises (SMEs) become more competitive through jointly-organised training programmes and activities in areas such as logistics.

UniSIM, together with the Ministry of Manpower, Centre for Seniors, Republic Polytechnic and Temasek Polytechnic launched the Age Management @ Workplace Training Programme. The programme, initiated by the Tripartite Committee on Employability of Older Workers, seeks to increase awareness and take-up of workplace age management practices among employers.



Mr Sam Tan Chin Siong, Minister of State in the Prime Minister's Office and Ministry of Manpower (centre), witnessing the signing of the MOU by UniSIM, the Ministry of Manpower, Centre for Seniors, Republic Polytechnic and Temasek Polytechnic for the Age Management @ Workplace Training Programme.

A key tenet of UniSIM's work-study initiative is its intensive six-month work attachments that are compulsory for all full-time students. In 2016, 195 students were placed on work attachments in Singapore, as well as Asian countries such as China, Indonesia, Japan and Myanmar. Students were also exposed to programmes further afield or broader in scope. Examples included an overseas study mission to the United Arab Emirates for participants to gain a wide breadth of appreciation for that region including economic and business opportunities, and an exchange programme with Thailand's Ubon Ratchathani University where students worked as teaching assistants.

*The Three H's* – 'Head', 'Heart' and 'Habit' – define UniSIM's education philosophy and design. The goal is that UniSIM graduates will be professionally competent and job-ready (Head), socially conscious (Heart) with strong work ethics and lifelong learning orientation (Habit).



Our students in Myanmar for their work attachments.

To cultivate the 'Heart', service-learning is a compulsory graduating requirement for UniSIM's full-time students. In 2016, more than 400 students participated in service-oriented projects in collaboration with over 40 community partners including Youth Corps Singapore and Pertapis. These collaborations were in areas such as ageing, health, poverty, vulnerable children and youth, inclusion and diversity, and the environment.

To help our students grow beyond the classroom and Singapore, we also worked with international partners such as the Hillary Outdoors Education Centre (New Zealand) and Nomad Adventure Pte Ltd (Malaysia) on customised student programmes focused on building life skills.



Our students undergoing training for rock climbing and kayaking, in hope of exploring service-learning project ideas.

## CHAPTER 3 EVENTS

### The Three H's – 'Head', 'Heart' and 'Habit' – define UniSIM's education philosophy and design.

#### YOUTH CORPS SINGAPORE SIM UNIVERSITY



UniSIM and Youth Corps Singapore, represented by Provost Professor Tsui Kai Chong (seated, left) and Executive Director Mr Ong Kah Kuang, respectively, agree to jointly design, develop and offer a range of professional certification courses in service-learning. (Back row, from left) UniSIM President Professor Cheong Hee Kiat and Mr David Chua, Chief Executive Officer of National Youth Council, look on.

The Centre for Applied Research (CFAR) also steadily forges strategic collaborations in research, with the findings used to develop relevant programmes for learners and improve the world we live in. It was a fruitful year for CFAR, with the completion of five research studies, two new projects, six seminars and one panel discussion involving the academic, business and public sectors on a wide range of topics.

Industry engagement continued through our quarterly *Business Times-UniSIM Business Climate Survey*, in its tenth year, and the *LTA Public Transport Customer Satisfaction Survey*, in its eighth year. For the first time, CFAR contributed to the quarterly survey of the Asian economy conducted by the Japan Centre for Economic Research.

2016 also saw the setting up of UniSIM's Institutional Research & Analytics Unit to provide information to aid effective planning at UniSIM, with the eventual aim for the University to become a leader in the field of institutional decision-making leveraging analytics.

In the coming year, we will continue to foster ties with new partners and strengthen existing ones, so that we can continue to offer our students a robust platform for industry-relevant and practice-oriented education.

Providing a holistic experience for its students is a core focus of UniSIM. We believe that learning is not limited to within the classroom. We create a conducive environment for engagement through activities on campus and beyond, and cultivate a passion for exchange, to enrich our students' minds and souls.

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. At this year's Convocation, we had the privilege of having Mr Ong Ye Kung, Acting Minister for Education (Higher Education & Skills) and Senior Minister of State for Defence as our main guest-of-honour.

The Convocation ceremonies collectively saw 2,134 graduates receive their scrolls.

The ceremonies collectively saw 2,134 graduates receive their scrolls. These graduates included pioneer cohorts in Aviation Business Administration, Sociology with Security Studies, Psychology with Security Studies, and Communication with English Language.



Celebrating Convocation 2016.

Highlights of the year's events included the *Conversation Starters* series – launched with National Library, Singapore – through forums helmed by experts on subjects critical to the survival of Singapore; the inaugural International Conference on Well-being, with the theme 'National Accounts of Happiness and Social Development', covering topics at the individual and societal levels across cultures; and the Singapore Media Forum – organised for the first time by UniSIM, Australia's Murdoch University and Nanyang Technological University, which covered a variety of topics with a focus on the importance of digital media. Together with SAP and Monsoon Academy, we also mounted the Enterprise Resource Management Challenge – an annual business competition – to encourage students to learn about Enterprise Resource Planning (ERP) via gamification and to incubate ERP talents.

Throughout the year, we organised a multitude of industry talks so that our community could learn and hear directly from the experts. The distinguished guests included Dr Liu Thai-Ker, architect and master planner of Singapore; Professor Fok Tou-hui,



An insightful sharing by panellists (from right) Mr Neo Loo Seng, Senior Behavioural Sciences Research Analyst with the Home Team Behavioural Sciences Centre, Ministry of Home Affairs; Ms Susan Sim, Vice President for Asia of The Soufan Group; and Dr Mohamed bin Ali, Vice Chairman and counsellor of the Religious Rehabilitation Group, in a session moderated by UniSIM senior lecturer Dr Lim Tai Wei, at 'Countering The ISIS Threat' – the first panel discussion in the *Conversation Starters* series.



Mr Asri Sunawan (extreme left), a UniSIM Communication alumnus and Head of the Strategic Communication Department at the Islamic Religious Council of Singapore (MUIS), chairing the Singapore Media Forum 2016 opening panel session.



Participants from the region convene at UniSIM for the Enterprise Resource Management Challenge 2016 semi and grand finals.



UniSIM President Professor Cheong Hee Kiat (centre), UniSIM Provost Professor Tsui Kai Chong (seated, 2<sup>nd</sup> from right) and the International Conference on Well-being Keynote Speaker Professor Ed Diener (seated, 3<sup>rd</sup> from right), with the other committee members and plenary speakers of the event.

At UniSIM, we do not make a hard distinction between students and alumni as we see them all as lifelong students who learn from one another.

contemporary Hong Kong thinker and educator; Dr Helen Ko, Executive Director of Beyond Age; and Mr Koji Nakao, former chairman of the board of Terumo Corporation.

At UniSIM, we do not make a hard distinction between students and alumni as we see them all as lifelong students who learn from one another. As such, we increased the number of student-alumni activities to cater to the diverse needs of our community. Highlights included the first overseas trip to Malacca, OSIM Sundown Marathon and night cycling. The first Industry Networking Session was organised to provide a platform for students to interact and build friendships with alumni who are business leaders and industry players.



UniSIM alumni and their guests enjoying the relaxing river boat cruise during the Malacca trip.



UniSIM students and alumni from the Bachelor of Science in Logistics and Supply Chain Management programme at the OSIM Sundown Marathon.

# CHAPTER 4 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.

A member of UniSIM's Board of Trustees, Professor Leo Tan, received the *Meritorious Service Medal* in this year's National Day Awards. He was one of four people to be honoured with this medal – one of the highest awards for public service in Singapore.

Dr Adrian Yeow, a senior lecturer from UniSIM's School of Business was presented the *Best Paper Award (Senior Scholar)* by the Association for Information Systems' Special Interest Group on Health (AIS SIGHealth) for his paper 'Work Harder or Work Smarter? Information Technology and Resource Allocation in Healthcare Processes'. The paper shows how the telemedicine system has led to improvements in healthcare outcomes such as



Dr Adrian Yeow with his *Best Paper Award (Senior Scholar)* by the Association for Information Systems' Special Interest Group on Health for his paper 'Work Harder Or Work Smarter? Information Technology And Resource Allocation In Healthcare Processes'.

lower hospitalisation rates and reduced patient waiting time, through better allocation of specialist resources.



Professor Tan Ngoh Tiong (left) receiving his *Pioneer Social Worker Award* from Mr Tan Chuan-Jin, Minister for Social and Family Development.

UniSIM faculty members, Professor Tan Ngoh Tiong and Associate Professor Seng Boon Kheng from the School of Human Development & Social Services,

Against the backdrop of a vibrant environment, our people are inspired to rise to the challenge and excel in their respective fields.



Mr Tan Chuan-Jin, Minister for Social and Family Development (right), recognising Associate Professor Seng Boon Kheng's contributions to improving lives in Singapore, with the presentation of the *Pioneer Social Worker Award*.

were presented with the prestigious *Pioneer Social Worker Award* to recognise their contributions to improving lives in Singapore. Ms Wang Yue, a lecturer from the UniSIM's School of Business, was given the *Best Director* and *Best Picture Awards*, for her entry at the *South East Asia Micro Film Competition – China Impression and Story 2016*.

The UniSIM student and alumni body also continued to make the University proud with achievements in various arenas. Mr Terence Thaddeus Lew, a Visual Communication with Business undergraduate, was part of a five-member team which won the *Best Prototype Award* at *Designathon 2016*. Terence and his team developed a prototype of the *Swiftband* which alerts the wearer of oncoming vehicles through sound, motion and visual cues.

Six UniSIM full-time students were presented the *Friends of Students Care Service Award* by Students Care Service (SCS). This award celebrates students' commitment to collaborate with SCS engagement programmes such as mentoring for beneficiaries.



Mr Terence Thaddeus Lew (extreme right) and his fellow team members displaying their award-winning prototype.



(From right) Students Care Service volunteer coordinator and mentor to the group, Mr Samuel Chiam, with the recipients of the *Friends of Students Care Service Award*, Mr Jeffrey Yong, Mr Mervin Sim, Ms Anusha d/o Lakshmanan and Ms Siti Afiqah binte Ab Latip. Not pictured are Ms Ang Yi Xin and Ms Melissa Ho.



(From right) Speaker of Parliament Madam Halimah Yacob presenting the *Outstanding Volunteer Appreciation Award* by Pertapis to Ms Naseera Hidayathullah and Ms Amanda Chiam Hui Juin, both Service-Learning Leaders and second-year students in the Bachelor of Accountancy programme. With them is Mr Hussaini Abdullah, President of Pertapis.

Another nine full-time UniSIM students received the *Outstanding Volunteer Appreciation Award* by Pertapis, for their long-term contributions to meeting the needs of its beneficiaries.

Driven by their strong belief in inculcating the importance of education in youths, the students had formed the 'Learn.Love.Live' service-learning group and initiated the Pertapis TAJ Tuition Project, which saw them conduct a weekly tutoring and mentoring programme for primary and secondary school level students from low-income families served by the Pertapis Welfare Trust Fund.

UniSIM, together with the five Singapore autonomous universities, organised the ASEAN University Games (AUG) 2016, which saw the best university student-athletes in ASEAN and Timor-Leste compete against one another. Nine of our students, who were part of Team Singapore, put on their best showing, contributing to our country's fifth ranking in the medal table and tally of 24 gold medals, 20 silver medals and 29 bronze medals.

In the coming year, greater emphasis will be placed on capability building to support students and alumni with regard to lifelong learning and e-learning and engagement with them via new social media platforms in the digital space.

Our alumnus from the Tamil Language and Literature degree programme, Mr Stalin Ramasamy, did us proud when he was awarded the *Most Inspiring Tamil Trainee Teacher Award* for his excellent performance in the Graduate Diploma in Education programme at the National Institute of Education.

In the coming year, greater emphasis will be placed on capability building to support students and alumni with regard to lifelong learning and e-learning and engagement with them via new social media platforms in the digital space.

## CHAPTER 5 STANDARDS



A Canvas hands-on workshop for our students, associates and staff in session.

UniSIM strives to make education accessible to all through flexible and yet rigorous learning pathways. As one of the early proponents of e-learning, UniSIM continues to leverage new technologies to define the way we deliver the best learning experience for our students. By innovating continually to enhance the delivery of our offerings, we transform individuals into self-directed and lifelong learners.

Fuelled further by increasing competition for online education, we stepped up our online learning implementation. We improved our interactive study guides (iStudyGuides) and the *UniSIM Backpack* mobile application, which allows students quick access to iStudyGuides and learning resources among others. By end 2016, over 50% of our courses had been rolled out via e-learning mode, which incorporated elements such as e-textbooks.

We also migrated to a new learning management system, Canvas, to provide our students with a more engaging and effective learning experience.

With quality systems and processes well in place, UniSIM received the full six-year Grant of Registration under the Ministry of Education's Enhanced Registration Framework administered by the latter's Committee for Private Education (formerly known as Council for Private Education) once again.

In the coming year, we will continue to build our online capabilities, such as developing more industry-relevant content. We will work with external partners to enhance online course offerings and extend our market reach. Learning analytics will be one of our key focuses to help us identify and help at-risk students early.

# SINGAPORE UNIVERSITY OF SOCIAL SCIENCES FINANCIAL REPORT

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## TRUSTEES' STATEMENT

The Board of Trustees presents its report together with the audited financial statements of Singapore University of Social Sciences ("SUSS") for the financial year ended 31 December 2016.

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

Mr Richard Eu Yee Ming	(Chairman)
Professor Cheong Hee Kiat	(Ex-Officio)
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 Ng Cher Pong	
Ms Ang Bee Lian	
Professor Alex Siow Yuen Khong	
Mr Tan Choon Seng	
Mr Lok Vi Ming	
Ms Lai Wei Lin	(appointed on 1 January 2017)
Mr Lam Yi Young	(resigned on 31 December 2016)

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

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

As SUSS 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, Chapter 50.

### TRUSTEES' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no trustee of SUSS has received or become entitled to receive a benefit by reason of a contract made by SUSS 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 SUSS is limited by guarantee, there are no matters to be disclosed under Section 20(11)(b) and Section 201(12) of the Companies Act, Chapter 50.

### OPTIONS EXERCISED AND UNISSUED SHARES UNDER OPTION

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

## TRUSTEES' STATEMENT

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### AUDITOR

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

On behalf of the trustees:



Mr Richard Eu Yee Ming



Professor Cheong Hee Kiat

Singapore  
16 May 2017

## TRUSTEES' STATEMENT

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In the opinion of the Trustees, the financial statements as set out on pages 40 to 65 are drawn up so as to give a true and fair view of the financial position of Singapore University of Social Sciences as at 31 December 2016, and of the financial performance, changes in funds and reserves and cash flows of Singapore University of Social Sciences for the financial year ended 31 December 2016 and at the date of this statement there are reasonable grounds to believe that Singapore University of Social Sciences will be able to pay its debts when they fall due.

On behalf of the trustees:



Mr Richard Eu Yee Ming



Professor Cheong Hee Kiat

Singapore  
16 May 2017

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SINGAPORE UNIVERSITY OF SOCIAL SCIENCES

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *Opinion*

We have audited the accompanying financial statements of Singapore University of Social Sciences, which comprise the statement of financial position as at 31 December 2016, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Singapore University of Social Sciences are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act), the Singapore Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of Singapore University of Social Sciences as at 31 December 2016 and of the financial performance, changes in equity and cash flows of Singapore University of Social Sciences for the year ended on that date.

#### *Basis for opinion*

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

#### *Other information*

Management is responsible for other information. The other information comprises the information included in the Trustees' statement, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of management and the Trustees for the financial statements*

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

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

The Trustees' responsibilities include overseeing Singapore University of Social Sciences's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SINGAPORE UNIVERSITY OF SOCIAL SCIENCES

### *Auditor's responsibilities for the audit of the financial statements*

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of Singapore University of Social Sciences's internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Singapore University of Social Sciences's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Singapore University of Social Sciences's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Singapore University of Social Sciences to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by Singapore University of Social Sciences 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 Singapore University of Social Sciences as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
2. Singapore University of Social Sciences 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  
16 May 2017

## STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

	Note	2016					2015					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	\$'000	
Operating income	4	94,932	5,963	104	–	–	100,999	93,595	3,474	383	–	–	97,452
Course expenditure		(28,122)	(2,220)	(2,448)	(3)	(43)	(32,836)	(29,074)	(1,275)	(2,708)	(14)	–	(33,071)
Employee benefits expense	5	(31,074)	(11,038)	(6,543)	–	–	(48,655)	(27,796)	(7,140)	(6,605)	–	–	(41,541)
Depreciation expense	11	(434)	(503)	(1,398)	–	–	(2,335)	(461)	(156)	(1,795)	–	–	(2,412)
Other operating expenditure	6	(15,127)	(7,312)	(13,571)	(1)	(3)	(36,014)	(13,650)	(3,837)	(9,946)	–	(40)	(27,473)
Non-operating expenditure	7	(827)	–	(40)	(147)	–	(1,014)	(12)	–	(42)	–	–	(54)
Grant income	8	4,578	27,503	–	–	–	32,081	516	17,907	–	–	–	18,423
Non-operating income	9	5,260	130	4,468	122	46	10,026	5,262	86	7,799	97	40	13,284
Net surplus for the year		29,186	12,523	(19,428)	(29)	–	22,252	28,380	9,059	(12,914)	83	–	24,608
<b>Other comprehensive income:</b>													
<i>Items that will not be reclassified to income and expenditure:</i>													
Funds received	24	–	–	–	–	18	18	–	–	–	–	140	140
<i>Items that may be reclassified subsequently to income and expenditure:</i>													
Net fair value gains/(loss) on available-for-sale financial assets	20	559	–	–	49	–	608	(520)	–	(73)	–	–	(593)
Net fair value changes on available-for-sale financial assets reclassified to income and expenditure	20	–	–	–	(4)	–	(4)	(729)	–	(5,188)	–	–	(5,917)
Other comprehensive income for the year, net of tax		559	–	–	45	18	622	(1,249)	–	(5,261)	–	140	(6,370)
Total comprehensive income for the year		29,745	12,523	(19,428)	16	18	22,874	27,131	9,059	(18,175)	83	140	18,238

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

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	2016 \$'000	2015 \$'000
			(Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	11	3,160	3,030
Available-for-sale investments	12	20,679	19,456
Held-to-maturity investments	13	8,500	15,124
Total non-current assets		32,339	37,610
<b>Current assets</b>			
Other receivables	14	36,425	11,460
Prepayments		2,151	2,384
Grant receivables	15	10,916	4,639
Held-to-maturity investments	13	3,522	3,000
Cash and bank balances	16	223,552	218,461
Total current assets		276,566	239,944
<b>Total assets</b>		308,905	277,554
<b>LIABILITY AND EQUITY</b>			
<b>Current liabilities</b>			
Other payables	17	29,207	21,994
Course fees received in advance		8,563	7,638
Deferred capital grants	18	923	428
Grants received in advance	19	2,373	3,232
Total current liabilities		41,066	33,292
<b>Total liabilities</b>		41,066	33,292
<b>Net assets</b>		267,839	244,262
<b>Funds and reserves</b>			
<i>General fund:</i>			
Accumulated surplus		195,678	166,492
Fair value reserve	20	44	(515)
		195,722	165,977
<i>College fund:</i>			
Accumulated surplus	21	25,687	13,164
<i>Education fund:</i>			
Accumulated surplus		43,539	63,470
Endowment fund	22	2,552	1,375
Fair value reserve	20	34	(11)
	23	46,125	64,834
Other restricted funds	24	305	287
<b>Total funds and reserves</b>		267,839	244,262
<b>Total liabilities and equity</b>		308,905	277,554
<b>Funds managed on behalf of Ministry of Education ("MOE")</b>	25	6,600	3,393

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 2016

	General fund			College fund		Education fund			Other restricted funds	Total
	Accumulated surplus	Fair value reserve	Sub-Total	Accumulated surplus	Accumulated surplus	Fair value reserve	Endowment fund	Sub-Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Balance at 1 January 2015	138,112	734	138,846	4,105	76,499	5,250	1,061	82,810	147	225,908
Profit for the year	28,380	–	28,380	9,059	(12,914)	–	83	(12,831)	–	24,608
Other comprehensive income for the year	–	(1,249)	(1,249)	–	–	(5,261)	–	(5,261)	140	(6,370)
Total comprehensive income for the year	28,380	(1,249)	27,131	9,059	(12,914)	(5,261)	83	(18,092)	140	18,238
Donation from a foundation	–	–	–	–	–	–	116	116	–	116
Transfer of funds	–	–	–	–	(115)	–	115	–	–	–
Balance at 31 December 2015 and 1 January 2016	166,492	(515)	165,977	13,164	63,470	(11)	1,375	64,834	287	244,262
Profit for the year	29,186	–	29,186	12,523	(19,428)	–	(29)	(19,457)	–	22,252
Other comprehensive income for the year	–	559	559	–	–	45	–	45	18	622
Total comprehensive income for the year	29,186	559	29,745	12,523	(19,428)	45	(29)	(19,412)	18	22,874
Donation from foundations	–	–	–	–	–	–	703	703	–	703
Transfer of funds	–	–	–	–	(503)	–	503	–	–	–
Balance at 31 December 2016	195,678	44	195,722	25,687	43,539	34	2,552	46,125	305	267,839

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

## STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000 (Restated)
<b>Operating activities</b>			
Net surplus for the year		22,252	24,608
Adjustments for:			
Depreciation expense	11	2,335	2,412
Interest income	9	(3,179)	(2,685)
Investment income	9	(1,054)	(1,199)
Grant income	18,19	(5,876)	(2,224)
Other restricted funds utilised		(99)	(98)
Loss/(gain) on disposal of available-for-sale investments	7,9	4	(7,294)
Amortisation of premium paid for held-to-maturity investments	7	102	45
Impairment loss on available-for-sale investments	7	842	–
Loss on disposal of plant and equipment	7	66	–
Grants received, net	19	5,512	3,219
Unrealised foreign exchange loss on available-for-sale investments		–	200
Unrealised foreign exchange gain		(57)	–
<b>Operating surplus before changes in working capital</b>		<b>20,848</b>	<b>16,984</b>
Changes in working capital:			
Other receivables		(31,495)	(3,794)
Prepayments		233	(165)
Course fees received in advance		925	(3,954)
Other payables		7,270	1,108
<b>Net cash flows (used in)/generated from operating activities</b>		<b>(2,219)</b>	<b>10,179</b>
<b>Investing activities</b>			
Purchase of plant and equipment	11	(2,538)	(1,430)
Proceeds from disposal of plant and equipment		7	–
Proceeds from disposal of available-for-sale investments		111	66,419
Purchase of available-for-sale investments		(1,576)	(406)
Proceeds from redemption of held-to-maturity investments		6,000	2,000
Change in fair value of available-for-sales investment		–	(1,370)
Change in fair value of forward foreign exchange contracts		–	(869)
Interest received		3,332	2,565
Investment income received		1,154	1,027
Withdrawal/(placement) of fixed deposits		7,517	(17,862)
<b>Net cash flows generated from investing activities</b>		<b>14,007</b>	<b>50,074</b>
<b>Cash flows from financing activities</b>			
Education funds received		703	231
Other restricted funds received		117	238
<b>Net cash flows generated from financing activities</b>		<b>820</b>	<b>469</b>
Net increase in cash and cash equivalents		12,608	60,722
Cash and cash equivalents at beginning of the year		153,885	93,163
<b>Cash and cash equivalents at end of the year</b>	16	<b>166,493</b>	<b>153,885</b>

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 2016

### 1. GENERAL

Singapore University of Social Sciences ("SUSS") (UEN 200504979Z) is incorporated in Singapore as a company limited by guarantee.

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

The principal activities of SUSS 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 immediate and ultimate controlling entity of SUSS is the Singapore Institute of Management ("SIM") which is registered in Singapore as a Society under the Registry of Societies and a charity under the Commission of Charities. The Governing Council of SIM may appoint, remove or replace a Trustee of SUSS. Accordingly, the Board of Trustees deemed SUSS to be a subsidiary of SIM.

Related parties in these financial statements refer to members of the SIM Group.

With effect from 17 March 2017, the Company changed its name from SIM University to Singapore University of Social Sciences.

### 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 SUSS'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, SUSS has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2016. The adoption of these standards did not have any effect on the financial performance or position of SUSS.

#### 2.3 Standards issued but not yet effective

SUSS 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 7 <i>Disclosure Initiative</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019

Except for FRS 109 and FRS 116, the Trustees expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

The nature of the impending changes in accounting period on adoption of FRS 109 and FRS 116 are described below:

##### FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

##### (a) Classification and measurements

SUSS expects to have mixed business model. SUSS intends to hold its currently held-to-maturity debt instruments assets to collect contractual cash flows, and accordingly measured at amortised cost when it applies FRS 109. For its available-for-sales debt securities, SUSS intends to hold the debt instrument to collect contractual cash flows and sell, and accordingly measured at fair value through other comprehensive income when it applies FRS 109. SUSS does not expect any significant impact to arise from these changes.

##### Transition

SUSS plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of the initial application in the opening retained earnings.

##### FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

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

#### 2.4 Foreign currency

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

##### Transactions and balances

Transactions in foreign currencies are measured in the functional currency of SUSS 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 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.

When significant parts of plant and equipment are required to be replaced in intervals, SUSS 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%
Computers	33.33%
Leasehold improvements	25%
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.

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

SUSS 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, SUSS 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.

Impairment losses are recognised in income and expenditure.

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.

#### 2.7 Financial instruments

##### (a) Financial assets

###### Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, SUSS becomes a party to the contractual provisions of the financial instrument. SUSS 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 2016

### 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, less impairment. 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.

SUSS classifies other receivables, grant 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 fair value reserve 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 SUSS 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.

##### (b) Financial liabilities

###### Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.7 Financial instruments (cont'd)

##### (b) Financial liabilities (cont'd)

###### Subsequent measurement

After initial recognition, financial liabilities are that are not carried at fair value through profit or loss 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

SUSS 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, SUSS 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 SUSS 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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current 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, SUSS 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.8 Impairment of financial assets (cont'd)

##### (b) 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, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to SUSS and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Application fees are recognised in income and expenditure when received.

Course fees are recognised over the duration of the programmes.

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 Provisions

Provisions are recognised when SUSS 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 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.12 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 statement of financial position 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.

#### 2.13 Employee benefits

##### (a) Defined contribution plan

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 SUSS'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.

#### 2.14 Leases

##### As lessee

Finance leases which transfer to SUSS substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to income and expenditure. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in income and expenditure on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of SUSS'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.

#### Impairment of available-for-sale equity investments

SUSS records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, SUSS evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

#### 3.1 Judgements made in applying accounting policies

In the process of applying SUSS'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

SUSS 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, SUSS evaluates its intention and ability to hold such investments to maturity. If SUSS 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. SUSS 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 SUSS. 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. SUSS 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 Note 12.

### 4. OPERATING INCOME

	2016 \$'000	2015 \$'000
Course fees	99,471	96,201
Application fees	494	471
Executive seminar fees	498	50
Others	536	730
	<u>100,999</u>	<u>97,452</u>

### 5. EMPLOYEE BENEFITS EXPENSE

	2016 \$'000	2015 \$'000
Wages and salaries	42,236	36,212
Contributions to Central Provident Fund	4,849	3,952
Other short-term benefits	1,570	1,377
	<u>48,655</u>	<u>41,541</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 6. OTHER OPERATING EXPENDITURE

	2016	2015
	\$'000	\$'000
Group Corporate Service charges by SIM (Note 26)	31,233	22,719
Other administrative expenses	4,781	4,754
	<u>36,014</u>	<u>27,473</u>

### 7. NON-OPERATING EXPENDITURE

	2016	2015
	\$'000	\$'000
Net foreign exchange loss	–	9
Amortisation of premium paid for held-to-maturity investments	102	45
Impairment loss on available-for-sale investments	842	–
Loss on disposal of available-for-sale investments	4	–
Loss on disposal of plant and equipment	66	–
	<u>1,014</u>	<u>54</u>

### 8. GRANT INCOME

	2016	2015
	\$'000	\$'000
Operating grants received/receivable	31,590	18,256
Deferred capital grants amortised (Note 18)	491	167
	<u>32,081</u>	<u>18,423</u>

### 9. NON-OPERATING INCOME

	2016	2015
	\$'000	\$'000
Tax-deductible donations received from:		
– Third parties	172	217
– Related party (Note 26)	3,200	–
Interest income from:		
– Fixed deposits	2,661	1,956
– Held-to-maturity investments	518	728
Investment income from available-for-sale investments	1,054	1,199
Realised exchange gain on forward foreign exchange contracts	–	392
Net foreign exchange gain	81	–
Other restricted funds received	100	98
Gain on disposal of available-for-sale investments	–	7,294
Others	2,240	1,400
	<u>10,026</u>	<u>13,284</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 10. TAXATION

SUSS is a registered charity and enjoys automatic income tax exemption without having the need to meet the 80% spending rule in respect of its annual receipts.

### 11. PLANT AND EQUIPMENT

	Office equipment, furniture and fittings	Computers	Leasehold improvements	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>					
At 1 January 2015	4,043	31,736	614	245	36,638
Additions	56	1,374	–	–	1,430
Disposals	(102)	(86)	–	–	(188)
At 31 December 2015 and 1 January 2016	<u>3,997</u>	<u>33,024</u>	<u>614</u>	<u>245</u>	<u>37,880</u>
Additions	33	1,982	523	–	2,538
Disposals	(883)	(10,060)	–	–	(10,943)
Reclassification	(169)	169	–	–	–
At 31 December 2016	<u>2,978</u>	<u>25,115</u>	<u>1,137</u>	<u>245</u>	<u>29,475</u>
<b>Accumulated depreciation</b>					
At 1 January 2015	3,291	28,699	505	131	32,626
Charge for the year	280	2,045	38	49	2,412
Disposals	(102)	(86)	–	–	(188)
At 31 December 2015 and 1 January 2016	<u>3,469</u>	<u>30,658</u>	<u>543</u>	<u>180</u>	<u>34,850</u>
Charge for the year	298	1,960	28	49	2,335
Disposals	(881)	(9,989)	–	–	(10,870)
Reclassification	(165)	165	–	–	–
At 31 December 2016	<u>2,721</u>	<u>22,794</u>	<u>571</u>	<u>229</u>	<u>26,315</u>
<b>Net carrying amount</b>					
At 31 December 2015	<u>528</u>	<u>2,366</u>	<u>71</u>	<u>65</u>	<u>3,030</u>
At 31 December 2016	<u>257</u>	<u>2,321</u>	<u>566</u>	<u>16</u>	<u>3,160</u>

### 12. AVAILABLE-FOR-SALE INVESTMENTS

	2016	2015
	\$'000	\$'000
<b>At fair value:</b>		
Unquoted preference shares	18,168	18,308
Quoted REITs	2,510	1,028
Quoted shares	1	120
	<u>20,679</u>	<u>19,456</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 12. AVAILABLE-FOR-SALE INVESTMENTS (cont'd)

The investments offer SUSS 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, SUSS recognised impairment loss of \$699,000 on unquoted preference shares and \$143,000 on quoted REITs (2015: Nil) as there was a "prolonged" decline in the fair value of the investments below their cost. SUSS treats "prolonged" generally as a continuous decline of more than 6 months from the month the impairment test is performed.

### 13. HELD-TO-MATURITY INVESTMENTS

	2016	2015
	\$'000	\$'000
<b>Unquoted debt securities, at amortised cost:</b>		
Non-current	8,500	15,124
Current	3,522	3,000
	<u>12,022</u>	<u>18,124</u>

The unquoted debt securities comprise bonds issued by financial institutions and public listed companies. As at 31 December 2016, the unquoted debt securities have nominal values amounting to \$12.0 million (2015: \$18.1 million) with coupon rates ranging from 3.50% to 3.95% (2015: 3.50% to 4.88%) per annum and maturity dates ranging from August 2017 to May 2026 (2015: March 2016 to May 2026). The average effective interest rate of the debt securities ranges from 1.43% to 1.44% (2015: 1.43% to 2.47%) 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. OTHER RECEIVABLES

	2016	2015
	\$'000	\$'000
		<b>(Restated)</b>
Course fee receivable	1,373	1,242
Dividend receivable	–	100
Interest receivable	575	728
Staff loans	1	4
Due from Ministry of Education ("MOE")	34,110	9,286
Due from a related party	1	–
Deposits	70	11
Others	295	89
	<u>36,425</u>	<u>11,460</u>
Add: Cash and bank balances	223,552	218,461
Add: Grant receivables	10,916	4,639
Total loans and receivables	<u>270,893</u>	<u>234,560</u>

SUSS's other receivables and deposits are denominated in its functional currency. Others and deposits are unsecured, non-interest bearing and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 14. OTHER RECEIVABLES (cont'd)

#### Course fees receivable that are past due but not impaired

Course fee receivables are non-interest bearing and are generally on 30 days (2015: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

SUSS has course fees receivable amounting to \$191,000 (2015: Nil) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	2016	2015
	\$'000	\$'000
Not past due and not impaired	1,182	1,242
Past due but not impaired	191	–
	<u>1,373</u>	<u>1,242</u>

Ageing of course fees receivable which are past due but not impaired:

	2016	2015
	\$'000	\$'000
Less than 90 days	10	–
More than 90 days	181	–
	<u>191</u>	<u>–</u>

At the end of the reporting period, SUSS have no course fee receivables which are past due and impaired.

### 15. GRANT RECEIVABLES

Grant receivables relates to grants from MOE in respect of the operating and capital expenditure of SUSS.

### 16. CASH AND BANK BALANCES

Cash and bank balances comprise the following as at 31 December:

	2016	2015
	\$'000	\$'000
Cash on hand and at bank	15,147	39,527
Fixed deposits	208,405	178,934
	<u>223,552</u>	<u>218,461</u>

Short-term fixed deposits are interest bearing at average rates ranging from 0.28% to 1.76% (2015: 0.95% to 1.76%) per annum and are for a tenure of approximately 27 days to 374 days (2015: 11 days to 232 days).

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 16. CASH AND BANK BALANCES (cont'd)

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

	2016	2015
	\$'000	\$'000
Cash on hand and at bank	15,147	39,527
Fixed deposits (with maturity period of up to 3 months)	151,346	114,358
	<u>166,493</u>	<u>153,885</u>

### 17. OTHER PAYABLES

	2016	2015
	\$'000	\$'000
		(Restated)
Due to SIM	10,246	2,695
Accruals	15,568	15,150
Others	3,393	4,149
Total financial liabilities at amortised cost	<u>29,207</u>	<u>21,994</u>

The amount due to SIM are unsecured, non-interest bearing and repayable on demand.

Other payables denominated in foreign currencies are as follows:

	2016	2015
	\$'000	\$'000
		(Restated)
United States dollar	30	46
Sterling pound	239	5

### 18. DEFERRED CAPITAL GRANTS

	2016	2015
	\$'000	\$'000
At 1 January	428	294
Transfer from grants received in advance (Note 19)	986	301
Amortisation of deferred capital grants (Note 8)	(491)	(167)
At 31 December	<u>923</u>	<u>428</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 19. GRANTS RECEIVED IN ADVANCE

	2016	2015
	\$'000	\$'000
At 1 January	3,232	2,371
Received during the year	5,512	3,219
Transfer to deferred capital grants upon utilisation (Note 18)	(986)	(301)
Transfer to income and expenditure statement	(5,385)	(2,057)
At 31 December	<u>2,373</u>	<u>3,232</u>

### 20. FAIR VALUE RESERVE

	2016	2015
	\$'000	\$'000
General fund	44	(515)
Endowment fund	34	(11)
	<u>78</u>	<u>(526)</u>

*Movement during the year:*

At beginning of financial year	(526)	5,984
Fair value changes during the year	(234)	(593)
Impairment loss on available-for-sale investments	842	-
Reclassification to income and expenditure on disposal of available-for-sale investments	(4)	(5,917)
At end of financial year	<u>78</u>	<u>(526)</u>

The fair value reserve relates to cumulative fair value changes of the available-for-sale investments until they are disposed or impaired.

### 21. COLLEGE FUND

The College Fund relates to grants received from MOE to establish, operate and maintain SUSS full-time programme.

### 22. ENDOWMENT FUND

Endowment fund was set up to receive donations from external parties and internal matching grants which were invested for long term purposes of awarding scholarship, sponsorship, study grants, bursaries and prizes to students.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 23. EDUCATION FUND

The SIM University Education Fund was set up to receive funds from the public and related entity to establish, operate, maintain and promote SUSS 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:

	2016	2015
	\$'000	\$'000
Accumulated surplus	43,539	63,470
Fair value reserve	34	(11)
Endowment fund	2,552	1,375
At 31 December	46,125	64,834
<i>Represented by:</i>		
<b>Current assets</b>		
Cash and bank balances	39,508	52,795
Other receivables	905	402
Prepayments	182	354
Held-to-maturity investments	3,522	3,000
	44,117	56,551
<b>Non-current assets</b>		
Available-for-sale investments	2,511	1,148
Held-to-maturity investments	4,500	8,058
Plant and equipment	1,601	1,898
	8,612	11,104
<b>Less: current liabilities</b>		
Other payables	6,604	2,821
<b>Total net assets</b>	46,125	64,834

### 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	To receive funds from Taipei Representative Office in Singapore and 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. To receive funds used for student activities and research projects.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 25. FUNDS MANAGED ON BEHALF OF MOE

	2016	2015
	\$'000	\$'000
At 1 January	3,393	1,746
Student loans granted to students	3,513	1,736
Repayments received from students	(306)	(89)
Interest on student loans received	8	2
Interest on student loans paid	(8)	(2)
At 31 December	6,600	3,393
<i>Represented by:</i>		
– Tuition fee loan receivables	6,414	3,348
– Study loan receivables	186	45
	6,600	3,393

Student loans comprise student tuition fee loans and study loans. SUSS acts as an agent for the student loan schemes, where MOE is the financier providing the funds.

Student tuition fee and study loans are unsecured, non-interest bearing during the course of study and are repayable by monthly instalments over a period of up to 20 years after the students' graduation.

Interest is charged from the third month following the student's graduation based on the average of the prevailing prime rate of the three local banks. The interest rate as at statement of financial position date is 4.75% (2015: 4.75%) per annum.

### 26. RELATED PARTY TRANSACTIONS

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

	2016	2015
	\$'000	\$'000
Group Corporate Service charges paid/payable to SIM	(31,233)	(22,719)
Tax deductible donations received from a related party	3,200	–

Related parties in these financial statements refer to members of the SIM Group.

#### *Compensation of trustees and key management personnel*

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

	2016	2015
	\$'000	\$'000
Contributions to Central Provident Fund	350	273
Short-term benefits	6,575	5,751
	6,925	6,024

The remuneration of key management is determined by the Compensation and Establishment Committee of SUSS 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 2016

### 26. RELATED PARTY TRANSACTIONS (cont'd)

#### Compensation of trustees and key management personnel (cont'd)

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

	2016	2015
\$600,001 to \$650,000	1	1
\$500,001 to \$550,000	1	1
\$350,001 to \$400,000	2	2
\$300,001 to \$350,000	3	3
\$250,001 to \$300,000	2	2
\$200,001 to \$250,000	11	7
\$150,001 to \$200,000	5	5
\$100,001 to \$150,000	1	1
\$100,000 and below	2	3
	<u>28</u>	<u>25</u>

Trustees are not remunerated for their board services.

Related party transaction with trustees for advisory services during the year was \$12,000 (2015: \$6,000) during the year.

### 27. OPERATING LEASE AND COMMITMENTS

#### (a) Capital commitments

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

	2016	2015
	\$'000	\$'000
Capital commitments in respect of property, plant and equipment	<u>3,997</u>	<u>1,567</u>

#### (b) Operating lease commitments

Operating lease payments represent rentals payable by SUSS for certain of its campus space. These leases have an average tenure of 2 years (2015: 6 months).

Minimum lease payments recognised as an expense in income and expenditure for the financial year ended 31 December 2016 amounted to \$95,000 (2015: \$84,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	2016	2015
	\$'000	\$'000
Future minimum lease payments payable:		
Within one year	198	22
In the second to fifth years inclusive	<u>1,107</u>	<u>–</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 28. FAIR VALUE OF ASSETS AND LIABILITIES

#### (a) Fair value hierarchy

SUSS categories 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 SUSS 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.

#### (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			
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2016</b>					
<b>Assets measured at fair value</b>					
<b>Financial assets:</b>					
<i>Available-for-sale investments</i>	12				
Unquoted preference shares		–	18,168	–	18,168
Quoted REITs		2,510	–	–	2,510
Quoted shares		1	–	–	1
<b>Financial assets as at 31 December 2016</b>		<u>2,511</u>	<u>18,168</u>	<u>–</u>	<u>20,679</u>
<b>2015</b>					
<b>Assets measured at fair value</b>					
<b>Financial assets:</b>					
<i>Available-for-sale investments</i>	12				
Unquoted preference shares		–	18,308	–	18,308
Quoted REITs		1,028	–	–	1,028
Quoted shares		120	–	–	120
<b>Financial assets as at 31 December 2015</b>		<u>1,148</u>	<u>18,308</u>	<u>–</u>	<u>19,456</u>

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

#### Unquoted 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, SUSS categorises these investments as Level 2.

#### (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 2016

### 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

SUSS has documented financial risk management policies. These policies set out SUSS'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 SIM Group level.

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

There has been no significant change to SUSS'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

SUSS's foreign currency exposures arise mainly from the exchange rate movements of the United States dollar and Sterling pound against the Singapore dollar. SUSS does not apply hedge accounting for such foreign currency denominated transactions.

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

	Income and expenditure	
	2016	2015
	\$'000	\$'000
United States dollar	(3)	(5)
Sterling pound	(24)	(1)

#### (b) Interest rate risk

SUSS is exposed to interest rate risk through the impact of rate changes on interest-bearing assets. SUSS 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 13.

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 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, SUSS's net surplus for the years ended 31 December would increase/decrease by approximately \$2.2 million (2015: \$2.2 million).

#### (c) Credit risk

SUSS is not exposed to significant credit risk as most of its fees are received in advance. As at 31 December 2016 and 2015, SUSS's other receivables comprise mainly grants receivable from MOE.

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 2016

### 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### (d) Liquidity risk

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

	Within one year \$'000	More than one year \$'000	Total \$'000
<b>2016</b>			
<b>Financial assets:</b>			
Available-for-sale investments	–	20,679	20,679
Held-to-maturity investments	3,522	8,500	12,022
Loans and receivables	270,893	–	270,893
<i>Total undiscounted financial assets</i>	<i>274,415</i>	<i>29,179</i>	<i>303,594</i>
<b>Financial liability:</b>			
Other payables	29,207	–	29,207
<i>Total undiscounted financial liability</i>	<i>29,207</i>	<i>–</i>	<i>29,207</i>
Net undiscounted financial assets	245,208	29,179	274,387
<b>2015 (Restated)</b>			
<b>Financial assets:</b>			
Available-for-sale investments	–	19,456	19,456
Held-to-maturity investments	3,000	15,124	18,124
Loans and receivables	234,560	–	234,560
<i>Total undiscounted financial assets</i>	<i>237,560</i>	<i>34,580</i>	<i>272,140</i>
<b>Financial liability:</b>			
Other payables	21,994	–	21,994
<i>Total undiscounted financial liability</i>	<i>21,994</i>	<i>–</i>	<i>21,994</i>
Net undiscounted financial assets	215,566	34,580	250,146

#### (e) Market price risk

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

Further details of these investments can be found in Note 12 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, SUSS's fair value reserves for the years ended 31 December 2016 would increase/decrease by \$2,068,000 (2015: \$1,946,000).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 30. CAPITAL MANAGEMENT

The primary objective of SUSS's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business. SUSS 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 2016 and 2015.

### 31. EVENTS OCCURRING AFTER THE REPORTING PERIOD

In October 2016, MOE announced that SUSS will be the sixth autonomous university in Singapore. With effect from 1 January 2017, SUSS which hitherto was part of SIM Group, shall be transferred to and come under the purview of MOE. Changes to SUSS's current governance structure would include transferring the rights and powers of the SIM Governing Council relating to the appointment of SUSS members, SUSS Board of Trustees ("BOT") members, the Chancellor of SUSS, the President of SUSS, the Chairman of the SUSS BOT and other key persons to the Minister for Education (Higher Education and Skills).

Following the transfer, SUSS and SIM University Education Fund, which is part of SUSS, are no longer part of SIM Group.

### 32. COMPARATIVE NOTES AND PRIOR YEAR ADJUSTMENTS

The comparative figures for the financial year ended 31 December 2015 have been restated/reclassified principally due to the following:

In the prior years, SUSS presented tuition fee and study loans and advances from the Ministry for student loans at gross amounts as the assets and liabilities in the statement of financial position respectively. During the financial year, the Ministry clarified that SUSS acts as an agent for administering the tuition fee and student loans scheme with the Ministry as the financier providing the advances for student loans, SUSS reclassified its assets and liabilities balances and reflected these amounts at net, as "Other receivables" in the statement of financial position.

The effect on the statement of financial position is as follows:

	As previously reported 2015	As restated 2015
	\$'000	\$'000
<b>Statement of financial position</b>		
<b>Non-current assets</b>		
Other receivables	4,107	–
<b>Current assets</b>		
Other receivables	10,746	11,460
<b>Non-current liability</b>		
Other payables	(3,393)	–
	<u>11,460</u>	<u>11,460</u>
<b>Funds managed on behalf of Ministry of Education ("MOE")</b>	–	<u>3,393</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 32. COMPARATIVE NOTES AND PRIOR YEAR ADJUSTMENTS (cont'd)

The effect on the statement of cash flows is as follows:

	As previously reported 2015	As restated 2015
	\$'000	\$'000
<b>Operating activities</b>		
<b>Operating surplus before changes in working capital</b>		
<u>Changes in working capital:</u>		
Other receivables	(5,440)	(3,794)
Other payables	2,754	1,108
	<u>(2,686)</u>	<u>(2,686)</u>

### 33. AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

The financial statements of SUSS for the year ended 31 December 2016 were authorised for issue by the board of trustees on 16 May 2017.

## SIM UNIVERSITY EDUCATION FUND FINANCIAL REPORT

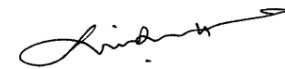
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## TRUSTEES' STATEMENT

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In the opinion of the Trustees, the financial statements as set out on pages 70 to 89 are drawn up so as to give a true and fair view of the financial position of SIM University Education Fund as at 31 December 2016, and of the financial performance, changes in funds and reserves and cash flows of SIM University Education Fund for the financial year ended 31 December 2016 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

27 April 2017

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *Opinion*

We have audited the accompanying financial statements of SIM University Education Fund, which comprise the statement of financial position as at 31 December 2016, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of SIM University Education Fund are properly drawn up in accordance with the provisions of the Singapore Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of SIM University Education Fund as at 31 December 2016 and of the financial performance, changes in equity and cash flows of SIM University Education Fund for the year ended on that date.

#### *Basis for opinion*

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

#### *Other information*

Management is responsible for other information. The other information comprises the information included in the Trustees' statement, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

#### *Responsibilities of management and the Trustees for the financial statements*

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

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

The Trustees' responsibilities include overseeing SIM University Education Fund's financial reporting process.

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

### *Auditor's responsibilities for the audit of the financial statements*

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of SIM University Education Fund's internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SIM University Education Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SIM University Education Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SIM University Education Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Charities Act to be kept by SIM University Education 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 SIM University Education Fund as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
2. SIM University Education 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  
27 April 2017

## STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

	Note	2016			2015		
		Education fund \$'000	Endowment fund \$'000	Total \$'000	Education fund \$'000	Endowment fund \$'000	Total \$'000
<b>Donation income</b>	4	3,372	–	3,372	217	–	217
Other operating income		104	–	104	383	–	383
Course expenditure		(2,448)	(3)	(2,451)	(2,708)	(14)	(2,722)
Employee benefits expense	5	(6,543)	–	(6,543)	(6,605)	–	(6,605)
Depreciation expense	9	(1,398)	–	(1,398)	(1,795)	–	(1,795)
Other operating expenditure	6	(13,571)	(1)	(13,572)	(9,946)	–	(9,946)
Non-operating expenditure	7	(40)	(147)	(187)	(42)	–	(42)
Non-operating income	8	1,096	122	1,218	7,582	97	7,679
Net (deficit)/surplus for the year		(19,428)	(29)	(19,457)	(12,914)	83	(12,831)
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified subsequently to income and expenditure:</i>							
Net fair value gains/(losses) on available-for-sale financial assets	16	–	49	49	(73)	–	(73)
Net fair value changes on available-for-sale financial assets reclassified to income and expenditure	16	–	(4)	(4)	(5,188)	–	(5,188)
Other comprehensive income for the year, net of tax		–	45	45	(5,261)	–	(5,261)
Total comprehensive income for the year		(19,428)	16	(19,412)	(18,175)	83	(18,092)

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

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	9	1,601	1,898
Available-for-sale investments	10	2,511	1,148
Held-to-maturity investments	11	4,500	8,058
Total non-current assets		8,612	11,104
<b>Current assets</b>			
Other receivables	12	905	402
Prepayments		182	354
Held-to-maturity investments	11	3,522	3,000
Cash and bank balances	13	39,508	52,795
Total current assets		44,117	56,551
<b>Total assets</b>		52,729	67,655
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Other payables	14	6,604	2,821
<b>Total current liabilities</b>		6,604	2,821
<b>Net current assets</b>		37,513	53,730
<b>Net assets</b>		46,125	64,834
<b>Funds and reserves</b>			
Accumulated surplus		43,539	63,470
Endowment fund	15	2,552	1,375
Fair value reserve	16	34	(11)
<b>Total funds and reserves</b>		46,125	64,834
<b>Total liabilities and equity</b>		52,729	67,655

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 2016

	Accumulated surplus \$'000	Endowment fund \$'000	Fair value reserve \$'000	Total \$'000
Balance at 1 January 2015	76,499	1,061	5,250	82,810
Net (deficit)/surplus for the year	(12,914)	83	–	(12,831)
Other comprehensive income	–	–	(5,261)	(5,261)
Total comprehensive income for the year	(12,914)	83	(5,261)	(18,092)
Donation from a foundation	–	116	–	116
Transfer of funds	(115)	115	–	–
Balance at 31 December 2015 and 1 January 2016	63,470	1,375	(11)	64,834
Net (deficit)/surplus for the year	(19,428)	(29)	–	(19,457)
Other comprehensive income	–	–	45	45
Total comprehensive income for the year	(19,428)	(29)	45	(19,412)
Donation from foundations	–	703	–	703
Transfer of funds	(503)	503	–	–
Balance at 31 December 2016	43,539	2,552	34	46,125

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

## STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>Operating activities</b>			
Net deficit for the year		(19,457)	(12,831)
Adjustments for:			
Depreciation expense	9	1,398	1,795
Interest income	8	(908)	(980)
Investment income	8	(122)	(120)
Loss/(gain) on disposal of available-for-sale investments	7,8	4	(6,264)
Amortisation of premium paid for held-to-maturity investments	7	36	34
Impairment loss on available-for-sale investments	7	143	–
Loss on disposal of plant and equipment	7	4	–
Unrealised foreign exchange loss on available-for-sale investments		–	9
<b>Operating loss before changes in working capital</b>		(18,902)	(18,357)
Changes in working capital:			
Other receivables		(617)	41
Prepayments		172	(78)
Other payables		3,783	(579)
<b>Net cash flows used in operating activities</b>		(15,564)	(18,973)
<b>Investing activities</b>			
Purchase of plant and equipment		(1,111)	(823)
Proceeds from disposal of plant and equipment		6	–
Proceeds from disposal of available-for-sale investments		111	34,251
Purchase of available-for-sale investments		(1,576)	(405)
Investment income received		122	120
Proceeds from redemption of held-to-maturity financial assets		3,000	–
Change in fair value of available-for-sales investments		–	(122)
Change in fair value of forward foreign exchange contracts		–	(350)
Interest received		1,022	955
Withdrawal/(placement) of fixed deposits		14,577	(7,467)
<b>Net cash flows generated from investing activities</b>		16,151	26,159
<b>Financing activities</b>			
Education funds received		703	231
<b>Net cash flows from financing activities</b>		703	231
Net increase in cash and cash equivalents		1,290	7,417
Cash and cash equivalents at beginning of the year		33,680	26,263
<b>Cash and cash equivalents at end of the year</b>	13	34,970	33,680

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 2016

### 1. GENERAL

The SIM University Education Fund (the "Fund") was established on 1 September 2005 to operate, maintain and promote Singapore University of Social Sciences ("SUSS") as a private university for the advancement of education, to enlarge and improve SUSS 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 Fund 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 entities of the Fund are SUSS and Singapore Institute of Management ("SIM"), both charities are registered in Singapore.

Related parties in these financial statements refer to members of the SIM group.

### 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 2016. The adoption of these standards did not have any effect on the financial performance or position of the Fund.

#### 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 7 <i>Disclosure Initiative</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

The nature of the impending changes in accounting policy on adoption of FRS 109 is described below:

##### FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

##### (a) Classification and measurements

The Fund expects to have mixed business model. The Fund intends to hold its currently held-to-maturity debt instruments assets to collect contractual cash flows, and accordingly measured at amortised cost when it applies FRS 109. For its available-for-sales debt securities, the Fund intends to hold the debt instrument to collect contractual cash flows and sell, and accordingly measured at fair value through other comprehensive income when it applies FRS 109. The Fund does not expect any significant impact to arise from these changes.

##### Transition

The Fund plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of the initial application in the opening retained earnings.

#### 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.

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%
Computers	33.33%
Leasehold improvements	25%

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 2016

### 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

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.

Impairment losses are recognised in income and expenditure.

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.

#### 2.7 Financial instruments

##### (a) Financial assets

###### Initial recognition and measurement

Financial assets are recognised 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 income and expenditure, directly attributable transaction costs.

###### 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, less impairment. 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 bank balances as loans and receivables.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.7 Financial instruments (cont'd)

##### (a) Financial assets (cont'd)

###### Subsequent measurement (cont'd)

##### (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 income and expenditure. 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.

##### (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 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.

##### (b) Financial liabilities

###### Initial recognition and measurement

Financial liabilities are recognised 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 in the case of financial liabilities not at fair value through income and expenditure, directly attributable transaction costs.

###### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 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.

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) 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.9 Cash and cash equivalents

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

#### 2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

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 Employee benefits

##### (a) Defined contribution plan

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 the Fund'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.

#### 2.12 Leases

##### As lessee

Finance leases which transfer to the Fund substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to income and expenditure. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in income and expenditure on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

### 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.

#### Impairment of available-for-sale equity investments

The Fund records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Fund evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

#### 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 Note 10.

### 4. DONATION INCOME

	2016	2015
	\$'000	\$'000
Tax-exempted donations received from:		
– Third parties	172	217
– Related party (Note 17)	3,200	–
	<u>3,372</u>	<u>217</u>

### 5. EMPLOYEE BENEFITS EXPENSE

	2016	2015
	\$'000	\$'000
Wages and salaries	5,547	5,649
Contributions to Central Provident Fund	738	728
Other short-term benefits	258	228
	<u>6,543</u>	<u>6,605</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 6. OTHER OPERATING EXPENDITURE

	2016	2015
	\$'000	\$'000
Group Corporate Service charges by SIM (Note 17)	10,470	7,264
Repair and maintenance expenses	2,868	2,442
Other administrative expenses	234	240
	<u>13,572</u>	<u>9,946</u>

### 7. NON-OPERATING EXPENDITURE

	2016	2015
	\$'000	\$'000
Net foreign exchange loss	–	8
Amortisation of premium paid for held-to-maturity investments	36	34
Impairment loss on available-for-sale investments	143	–
Loss on disposal of available-for-sale investments	4	–
Loss on disposal of plant and equipment	4	–
	<u>187</u>	<u>42</u>

### 8. NON-OPERATING INCOME

	2016	2015
	\$'000	\$'000
Interest income from:		
– Fixed deposits	586	537
– Held-to-maturity investments	322	443
Investment income from available-for-sale investments	122	120
Realised exchange gain on forward foreign exchange contracts	–	210
Net foreign exchange gain	3	–
Gain on disposal of available-for-sale investments	–	6,264
Others	185	105
	<u>1,218</u>	<u>7,679</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 9. PLANT AND EQUIPMENT

	Office equipment, furniture and fittings \$'000	Computers \$'000	Leasehold improvements \$'000	Total \$'000
<b>Cost</b>				
At 1 January 2015	659	23,949	240	24,848
Additions	10	813	–	823
Disposals	–	(34)	–	(34)
At 31 December 2015 and 1 January 2016	669	24,728	240	25,637
Additions	7	1,013	91	1,111
Disposals	(250)	(3,593)	–	(3,843)
Reclassification	299	(299)	–	–
At 31 December 2016	725	21,849	331	22,905
<b>Accumulated depreciation</b>				
At 1 January 2015	355	21,492	131	21,978
Charge for the year	103	1,654	38	1,795
Disposals	–	(34)	–	(34)
At 31 December 2015 and 1 January 2016	458	23,112	169	23,739
Charge for the year	134	1,254	10	1,398
Disposals	(250)	(3,583)	–	(3,833)
Reclassification	296	(296)	–	–
At 31 December 2016	638	20,487	179	21,304
<b>Net carrying amount</b>				
At 31 December 2015	211	1,616	71	1,898
At 31 December 2016	87	1,362	152	1,601

### 10. AVAILABLE-FOR-SALE INVESTMENTS

	2016 \$'000	2015 \$'000
Quoted REITs	2,510	1,028
Quoted shares	1	120
	2,511	1,148

The investments offer the Fund 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.

During the financial year, the Fund recognised impairment loss of \$143,000 (2015: Nil) on quoted REITs as there was a "prolonged" decline in the fair value of the investments below their cost. The Fund treats "prolonged" generally as a continuous decline of more than 6 months from the month the impairment test is performed.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 11. HELD-TO-MATURITY INVESTMENTS

	2016 \$'000	2015 \$'000
<b>Unquoted debt securities, at amortised cost:</b>		
– Non-current	4,500	8,058
– Current	3,522	3,000
	8,022	11,058

The unquoted debt securities comprise bonds issued by financial institutions and public listed companies. As at 31 December 2016, the unquoted debt securities have nominal values amounting to \$8,022,000 (2015: \$11,058,000) with coupon rates ranging from 3.50% to 3.95% (2015: 3.50% to 4.88%) per annum and maturity dates ranging from August 2017 to May 2026 (2015: March 2016 to May 2026). The average effective interest rate of the debt securities ranges from 1.43% to 1.44% (2015: 1.43% to 2.47%) 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.

### 12. OTHER RECEIVABLES

	2016 \$'000	2015 \$'000
Other receivables		
– Third parties	250	90
– SUSS	494	37
Interest receivables	161	275
Total other receivables	905	402
Add: Cash and bank balances (Note 13)	39,508	52,795
Total loans and receivables	40,413	53,197

Other receivables are unsecured, interest-free and repayable on demand.

### 13. CASH AND BANK BALANCES

	2016 \$'000	2015 \$'000
Cash at banks	1,850	3,605
Fixed deposits	37,658	49,190
	39,508	52,795

The carrying amounts of these assets approximate their fair values.

Short-term fixed deposits are interest bearing at average rates ranging from 0.58% to 1.76% (2015: 1.20% to 1.76%) per annum and are for a tenure of approximately 27 days to 366 days (2015: 11 days to 223 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 13. CASH AND BANK BALANCES (cont'd)

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

	2016	2015
	\$'000	\$'000
Cash at bank	1,850	3,605
Fixed deposits (with maturity period of up to 3 months)	33,120	30,075
	<u>34,970</u>	<u>33,680</u>

### 14. OTHER PAYABLES

	2016	2015
	\$'000	\$'000
Other payables		
– SIM	450	426
– SUSS	3,973	216
Accruals	2,158	2,098
Others	23	81
Total financial liabilities carried at amortised cost	<u>6,604</u>	<u>2,821</u>

The amounts due to SIM and SUSS are unsecured, non-interest bearing and repayable on demand.

### 15. ENDOWMENT FUND

Endowment fund was set up to receive donations from external parties and internal matching grants which were invested for long term purposes of awarding scholarship, sponsorship, study grants, bursaries and prizes to students.

### 16. FAIR VALUE RESERVE

	2016	2015
	\$'000	\$'000
At beginning of the year	(11)	5,250
Fair value changes during the year	(94)	(73)
Impairment loss on available-for-sale investments	143	–
Reclassification to income and expenditure on redemption of available-for-sale investments	(4)	(5,188)
At end of the year	<u>34</u>	<u>(11)</u>

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 2016

### 17. RELATED PARTY TRANSACTIONS

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

	2016	2015
	\$'000	\$'000
Group Corporate Service charges paid/payable to SIM	(10,470)	(7,264)
Tax exempted donation received from a related party	<u>3,200</u>	<u>–</u>

Related parties in these financial statements refer to members of the SIM Group.

#### Compensation of trustees and key management personnel

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

	2016	2015
	\$'000	\$'000
Contributions to Central Provident Fund	72	45
Short-term benefits	1,206	763
	<u>1,278</u>	<u>808</u>

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:

	2016	2015
\$250,001 to \$300,000	1	1
\$200,001 to \$250,000	2	2
\$150,001 to \$200,000	2	–
\$100,001 to \$150,000	1	1
\$100,000 and below	1	–
	<u>7</u>	<u>4</u>

Trustees are not remunerated for their board services.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 18. OPERATING LEASE AND COMMITMENTS

#### (a) Commitments

Commitments in respect of plant and equipment as at the end of the reporting period but not recognised in the financial statements are as follows:

	2016	2015
	\$'000	\$'000
Capital commitments in respect of plant and equipment	2,224	830

#### (b) Operating lease commitments

Operating lease payments represent rentals payable by the Fund for certain of its office equipment. These leases have an average tenure of Nil (2015: 6 months).

Minimum lease payments recognised as an expense in income and expenditure for the financial year ended 31 December 2016 amounted to \$7,000 (2015: \$8,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	2016	2015
	\$'000	\$'000
Future minimum lease payments payable:		
Within one year	–	1

### 19. FAIR VALUE OF ASSETS AND LIABILITIES

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

#### (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.

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 2016

### 19. 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			
		Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000
<b>2016</b>					
<b>Assets measured at fair value</b>					
<b>Financial assets:</b>					
<i>Available-for-sale investments</i>					
Quoted REITs	10	2,510	–	–	2,510
Quoted shares	10	1	–	–	1
<b>Financial assets as at 31 December 2016</b>		<b>2,511</b>	<b>–</b>	<b>–</b>	<b>2,511</b>
<b>2015</b>					
<b>Assets measured at fair value</b>					
<b>Financial assets:</b>					
<i>Available-for-sale investments</i>					
Quoted REITs	10	1,028	–	–	1,028
Quoted shares	10	120	–	–	120
<b>Financial assets as at 31 December 2015</b>		<b>1,148</b>	<b>–</b>	<b>–</b>	<b>1,148</b>

#### (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.

### 20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund has documented financial risk management policies. These policies set out the Fund'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 SIM Group level.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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) 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.

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
<b>2016</b>			
<b>Financial assets:</b>			
Available-for-sale investments	–	2,511	2,511
Held-to-maturity financial assets	3,522	4,500	8,022
Loans and receivables	40,413	–	40,413
<i>Total undiscounted financial assets</i>	<i>43,935</i>	<i>7,011</i>	<i>50,946</i>
<b>Financial liabilities:</b>			
Other payables	6,604	–	6,604
<i>Total undiscounted financial liabilities</i>	<i>6,604</i>	<i>–</i>	<i>6,604</i>
Net undiscounted financial assets	37,331	7,011	44,342
<b>2015</b>			
<b>Financial assets:</b>			
Available-for-sale investments	–	1,148	1,148
Held-to-maturity financial assets	3,000	8,058	11,058
Loans and receivables	53,197	–	53,197
<i>Total undiscounted financial assets</i>	<i>56,197</i>	<i>9,206</i>	<i>65,403</i>
<b>Financial liabilities:</b>			
Other payables	2,821	–	2,821
<i>Total undiscounted financial liabilities</i>	<i>2,821</i>	<i>–</i>	<i>2,821</i>
Net undiscounted financial assets	53,376	9,206	62,582

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

### 20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### (b) 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 10 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 financial year ended 31 December 2016 would increase/decrease by \$251,000 (2015: \$115,000).

### 21. 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. No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 2015.

### 22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

In October 2016, MOE announced that SUSS will be the sixth autonomous university in Singapore. With effect from 1 January 2017, SUSS which hitherto was part of SIM Group, shall be transferred to and come under the purview of MOE. Changes to SUSS's current governance structure would include transferring the rights and powers of the SIM Governing Council relating to the appointment of SUSS members, SUSS Board of Trustees ("BOT") members, the Chancellor of SUSS, the President of SUSS, the Chairman of the SUSS BOT and other key persons to the Minister for Education (Higher Education and Skills).

Following the transfer, SUSS and SIM University Education Fund ("SUEF"), which is part of SUSS, are no longer part of SIM Group.

### 23. AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

The financial statements for the year ended 31 December 2016 were authorised for issue by the board of trustees on 27 April 2017.

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