

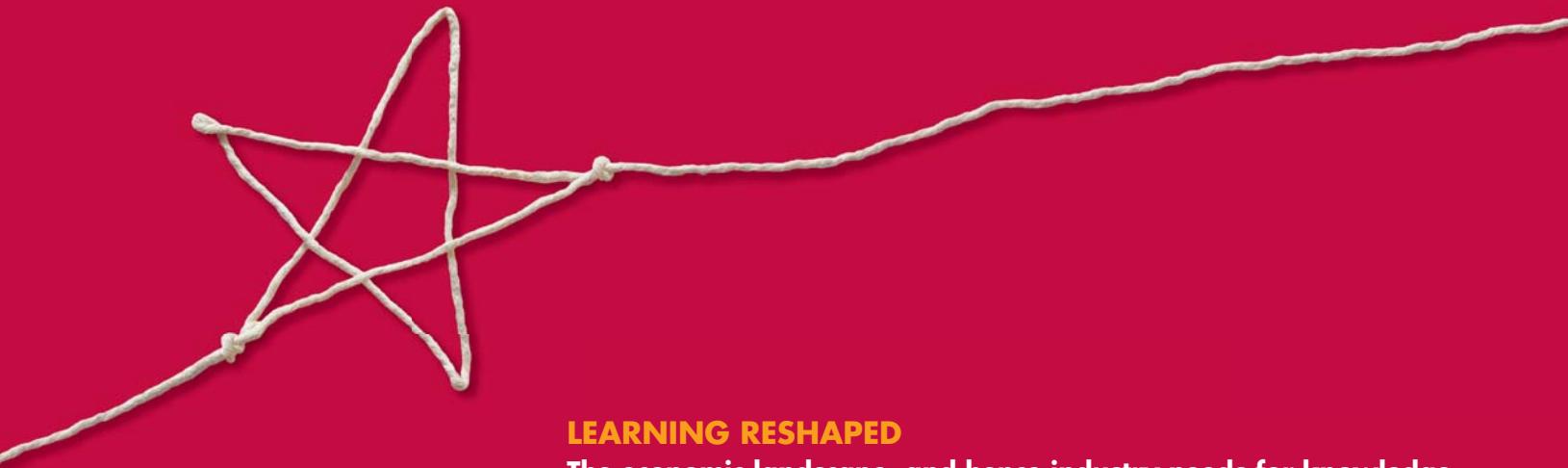
LEARNING RESHAPED

CREATING UNIQUE EXPERIENCES

 **SIM**
UNIVERSITY

ANNUAL REPORT 2008





LEARNING RESHAPED

The economic landscape, and hence industry needs for knowledge and skills, is ever evolving. Education, as a key pillar of manpower development and human advancement, needs to evolve with it.

As Singapore's first university dedicated to adult learners, SIM University (UniSIM) has been a catalyst for lifelong learning since our establishment. We help redefine learning and reshape the education landscape by bringing fresh perspectives to the whole paradigm of learning.

We are committed to providing a conducive and stimulating environment that centres on the distinctive needs of adult learners. At UniSIM, students are able to structure their own learning, at a pace of their choice and adopting learning modes that can complement their lifestyles. Though they are from diverse backgrounds and experiences, and whatever their objectives for continuing education, UniSIM's varied learning paths and methodologies help our graduates remain competitive and relevant, and empower them to reshape their lives for the better.



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CORPORATE PROFILE

SIM University (UniSIM) is the first and only local university in Singapore dedicated to working adults. Established in 2005, UniSIM is uniquely positioned to meet the higher educational needs of adult learners and develop a quality workforce. We award our own Singapore degrees which are recognised by the Ministry of Education (MOE). In line with national efforts to promote continuing education, eligible students in our degree programmes enjoy a generous subsidy by MOE from July 2008.

Our distinctive learning pedagogy is catered to the marked differences and needs of adult learners. Multiple and customised learning paths, flexible modes of study and delivery, as well as an extensive range of industry-relevant courses, are but a few of our unique value propositions. What remain unchanged and uncompromised are UniSIM's rigorous academic standards, experienced faculty and the diversity and choice of programmes.

OUR VISION

Serving society through excellence in flexible learning for adults.

UniSIM offers more than 40 academic programmes through four schools - School of Arts and Social Sciences, School of Science and Technology, School of Business, and School of Human Development and Social Services. Some 10,000 students and 9,000 alumni, from working adults as young as 21 to retirees, are a clear testimony to UniSIM's effective approach of offering valuable lifelong learning opportunities while balancing career, family or social responsibilities.

OUR MISSION

To provide opportunities for professionals and adult learners to upgrade their qualifications, knowledge and skills through a wide range of relevant programmes.

OUR CORE VALUES (SPIRIT)

Spirit of learning

Passion for excellence

Integrity

Respect and trust for the individual

Innovation

Teamwork

MESSAGE FROM THE CHANCELLOR AND CHAIRMAN

YOUNG UNIVERSITY, BIG STRIDES

Although UniSIM is a young university, we have made big strides. As the only private university for working adults, we have launched many bold and unprecedented initiatives that have earned the University praise from many quarters.

Innovation and flexibility are the hallmarks of UniSIM. These are qualities especially important to adult learners who want high quality, industry-relevant programmes that allow them to learn at their own time, place and space.

The dedicated and nimble team at UniSIM enables us to respond quickly to market changes and meet needs, even niche ones that may not seem commercially viable in the short-term but are critical in the longer term. During the year, we continued to expand our programme offerings by introducing eight new degree and certification courses in areas such as communication, human resource, IT and aerospace.

Existing programmes also underwent rigorous review and enhancements to ensure that they remain relevant to the changing needs of industry.

In today's multi-faceted economy, it is no longer sufficient to just have specialist skills in one sector. Increasingly, specialists and professionals recognise the importance of business skills in contributing to a company's bottom line. To meet this need, some of our programmes are twinned with other disciplines for a uniquely cross-disciplinary education. Our degree in visual communication is a case in point – it is the first to combine both arts and business to give creative professionals that powerful competitive edge. Likewise, the human resource management programme integrates social sciences and business courses.

ENDORSEMENT FROM GOVERNMENT, INDUSTRY AND STUDENTS

Our role and value to the individual, industry and society have been endorsed

by the government. MOE offers up to 40% subsidy to our students and more recently, the government announced that selected programmes will be covered under the Skills Programme for Upgrading and Resilience (SPUR) funding scheme.

UniSIM has been growing in strength and popularity, a clear testament to the effectiveness of our strategies. In 2008, revenue surged by 26% to \$67 million. The number of applications for our over 40 academic programmes jumped 60% and enrolment stands at 10,000 as at the end of the financial year. UniSIM now has about 50 full-time and 500 associate faculty members and 140 non-academic staff to support our wide scope of programmes.

At UniSIM, we take a long-term view of education and training. Even as the economy looks sombre for the near future, continuous learning will ensure relevance and employability in the long run. With the government's encouragement and support for

training and re-skilling, education will remain a pivotal contributor to our nation's success, and UniSIM will remain at the forefront of adult education at the tertiary level.

I wish to thank our Patron, President SR Nathan and the Board of Trustees for their dedication and leadership, and all the management and staff for their hard work. I look forward to another year of collaborative efforts in bringing UniSIM to the next plane of achievements.



Professor Cham Tao Soon
Chancellor and Chairman
SIM University



MESSAGE FROM THE PRESIDENT

2008 was a year of continued healthy growth for UniSIM. Having laid our foundation for three years, the University is strengthening its reputation as Singapore's university providing tertiary education for adult learners, with recognition and support by academia, industry and students alike now starting to pour in.

In February, the government further signalled its endorsement of UniSIM with a 40% subsidy for all Singaporeans and 20% for Permanent Residents who pursue our degree programmes. This subsidy is an added incentive for working adults to pursue continuing education and resulted in a 60% surge in applications.

Currently, our student enrolment in over 40 programmes and the complement of full-time and associate faculty numbers stand at 10,000 and 550 respectively. These represented a 25% and 10% increase over 2007.

Our conviction in the quality and relevance of our programmes and graduates has been borne out in the first UniSIM Graduate Survey conducted by Nielsen. The survey revealed that the majority of UniSIM graduates have enjoyed salary increases, career advancement or employment mobility, clearly reflecting the value of a UniSIM education and its recognition among employers.

RESHAPING EDUCATION FOR ADULT LEARNERS

UniSIM is unique. We are the only private local university dedicated to adult learners – in fact, this was the reason for our establishment. Our entry into the market has reshaped the education scene by acknowledging the distinct needs of adult learners. For many, this is a precious chance at obtaining a degree, an opportunity they might have missed out on earlier in life for various reasons. For others, they may wish to upgrade their skills, acquire new skills or pursue a long-standing passion.

What is almost certain for these learners is their need to ensure that their multiple responsibilities to family, career and society are not compromised even as they strive to achieve their educational aspirations. Here is where the UniSIM advantage is clearly evident. Our flexible learning approach allows adults to take up to eight years to complete their degree, and our modular method including e-learning makes learning convenient and accessible.

By tying up with industry partners, our curriculum remains relevant. We aim to meet the needs of not just general industries but also niche sectors via programmes such as the General Studies Programme, and language and literature programmes in all the four Singapore official languages. The impetus behind our curriculum design is not commercial viability but relevance to industry manpower needs. "Learn today, apply tomorrow" – this is our philosophy.

Indeed, at UniSIM, executives can choose their own education paths and learning modes to suit their needs and ensure that they stay relevant in a rapidly morphing world.

ENHANCING OUR PROGRAMMES AND PROCESSES

In line with our growth plans, we broadened our range of programmes during the year. All of them are in areas important to Singapore's growth and economy, including IT, logistics, aerospace, communication and human resource management. Our linkages with academia and industry have also increased, offering invaluable support to our programmes and ensuring quality and relevance.

We have also taken steps to strengthen operational efficiency with the setting up of a dedicated IT department. This will bear us well as we continue to expand the University in terms of student enrolment and offerings.

UNIVERSITY FOR THE PEOPLE

During the year, as part of our corporate social responsibility activities, we set aside S\$1 million for 76 undergraduate scholarships and study sponsorships. These awards, together with the 40% MOE subsidy, help bring university education and continuing learning within the reach of more aspiring students.

BRACING FOR CHALLENGES AHEAD

2009 will be a challenging year as the world navigates the unprecedented global slowdown. In a volatile economic climate,

education stands out as one of the few viable investments for a better long-term. Indeed, the government recognises this through its initiatives such as the SPUR programme which will be available for selected UniSIM programmes. Continuing education and training among working adults will be more critical than ever, and it is my hope that people will use this opportunity to focus on upgrading their knowledge and skills. Life skills will be particularly pivotal in helping workers maintain employability. UniSIM is here to be the tool of empowerment. We will continue to be adaptable to market needs and raise the quality of our academic programmes and student support services.

In the coming year, new programmes will be added to our repertoire for undergraduate and postgraduate studies, and the General Studies Programme will see the launch of new lifestyle courses. Existing niche programmes will be reviewed to ensure relevance and sustainability.

We will also augment our focus on research, especially collaborations with industry, as well as strengthen linkages with polytechnics where the majority of our potential students hail from. Alumni relations will be another area of emphasis. We need to engage our alumni in a mutually beneficial relationship so that the University can provide greater value-add to them as well as involve them in activities such as the mentoring of our students and teaching of some of our courses.

We are bracing ourselves for challenging times ahead with the same resolve, positive outlook and prudent management. With the continued engagement and support of everyone, I am confident that we will move on to greater achievements as we continue to redefine learning and reshape the educational landscape in Singapore.

I wish to express my gratitude to all those who have invested their time and resources to ensuring the success of UniSIM. These include our Patron, President SR Nathan, Chancellor, Professor Cham Tao Soon, Board of Trustees, Advisory Boards, partners, donors, faculty and staff. Without the determination and efforts of all these individuals, UniSIM would not be poised for takeoff as we are now.



Professor Cheong Hee Kiat
President
SIM University



**PATRON**

His Excellency President SR Nathan

BOARD OF TRUSTEES

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 ensures that UniSIM acts to further its objectives in education and research, and that its funds and assets are safeguarded and properly accounted for.

MEMBERS**01. Associate Professor Yip Woon Kwong**

Secretary, Board of Trustees

Registrar

SIM University

02. Professor Chong Chi Tat

University Professor

Department of Mathematics

National University of Singapore

03. Mr Lee Kwok Cheong

CEO

SIM Pte Ltd

04. Mr Richard YM Eu

Group CEO

Eu Yan Sang International Ltd

05. Mr Er Kwong Wah

Executive Director

EASB Institute of Management

06. Ms Tan Gee Keow

Director, Higher Education Division

Ministry of Education, Singapore

(with effect 14 July 2008)

07. Mr Ong Boon Hwee

Chief Operating Officer

Singapore Power Ltd

**08. Dr N Varaprasad**

Chief Executive
National Library Board

09. Mr Chan Heng Kee

Chief Executive
Singapore Workforce Development Agency
(with effect 1 December 2008)

10. Mr Ronald Tan

Executive Director
Singapore Institute of Management

11. Professor Cham Tao Soon

Chairman, Board of Trustees
Chancellor
SIM University
Special Advisor to SIM Group
President Emeritus
Nanyang Technological University

12. Professor Cheong Hee Kiat

Ex-Officio, Board of Trustees
President
SIM University

13. Professor Aline Wong

Academic Advisor
SIM University

14. Mr Han Vo-Ta

Managing Director
Vota Management Pte Ltd

**Mr Perry Lim**

*Formerly Director,
Higher Education Division
Ministry of Education, Singapore
(up to 31 May 2008)*

**Mr Ong Ye Kung**

*Formerly Chief Executive
Singapore Workforce
Development Agency
(up to 1 December 2008)*

FINANCE & AUDIT COMMITTEE

**Mr Han Vo-Ta (Chairman), Mr Chan Heng Kee,
Dr N Varaprasad, Professor Cheong Hee Kiat**

ESTABLISHMENT COMMITTEE

**Professor Cham Tao Soon (Chairman),
Mr Ong Boon Hwee, Mr Ronald Tan,
Professor Aline Wong, Professor Cheong Hee Kiat**



KEY ACADEMIC MEMBERS

- | | |
|---|---|
| 01. Professor Koh Hian Chye
Dean
School of Business | 04. Professor Cheong Hee Kiat
President
SIM University |
| 02. Associate Professor Neelam Aggarwal
Dean
School of Arts and Social Sciences | 05. Associate Professor Yip Woon Kwong
Registrar
SIM University |
| 03. Professor Tsui Kai Chong
Provost
SIM University
(also overseeing School of Human Development and Social Services) | 06. Professor Chong Chee Leong
Dean
School of Science and Technology |

MILESTONES

JANUARY 2008

- Announcement of up to S\$1 million UniSIM scholarships and student sponsorships
- Commencement of new programme:
 - General Studies

FEBRUARY 2008

- Announcement of Ministry of Education tuition fee subsidies of up to 40% for undergraduate degree studies at UniSIM

MARCH 2008

- MOU signing ceremony with Cranfield University (UK), Singapore Technologies Aerospace (ST Aerospace) and Singapore Polytechnic for the first local broad-based Aerospace Systems Degree Programme
- Graduation of the first cohort of 35 graduates from UniSIM-Beijing Normal University Masters of Arts in Chinese Language and Literature
- MOU signing ceremony with Nanyang Academy of Fine Arts (NAFA) for the first local Visual Communication with Business degree programme

APRIL 2008

- Announcement of first specialised Human Resource Management Degree in Singapore

MAY 2008

- MOU signing with the Ministry of Foreign Affairs Diplomatic Academy for the Certification Examination for Professional Interpreters
- MOU signing with five public accounting firms: KPMG, Don Ho & Associates, Foo Kon Tan Grant Thornton, Nexus Public Accounting Corporation and RSM Chio Lim for proposed Accountancy degree programme

JULY 2008

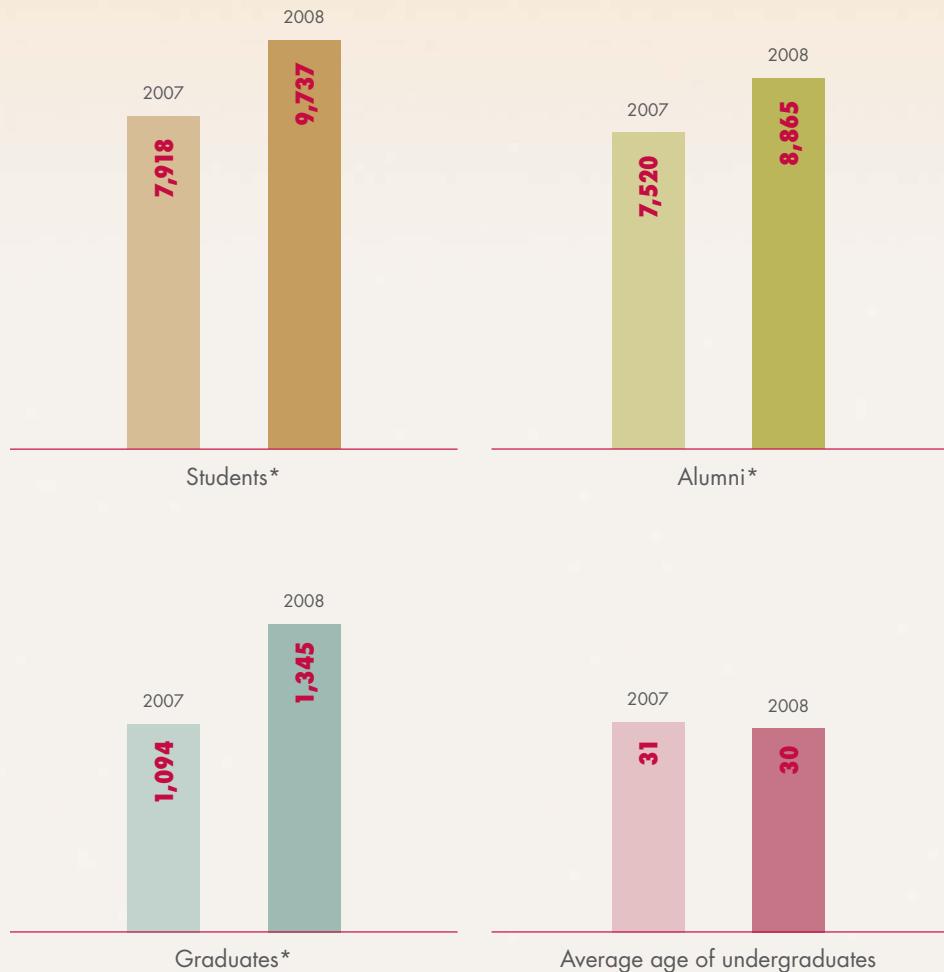
- MOU signing with industry leader SAP for the first e-learning SAP Global Certification Programme in Singapore
- Commencement of new programmes:
 - Bachelor of Communication
 - Bachelor of Engineering (Honours) in Aerospace Systems
 - Bachelor of Human Resource Management

- Bachelor of Arts (Honours) in Visual Communication with Business
- Executive Graduate Diploma and Executive Master in Technology Entrepreneurship
- UniSIM-SAP e-Academy Certification Programme
- Certification Examination for Professional Interpreters

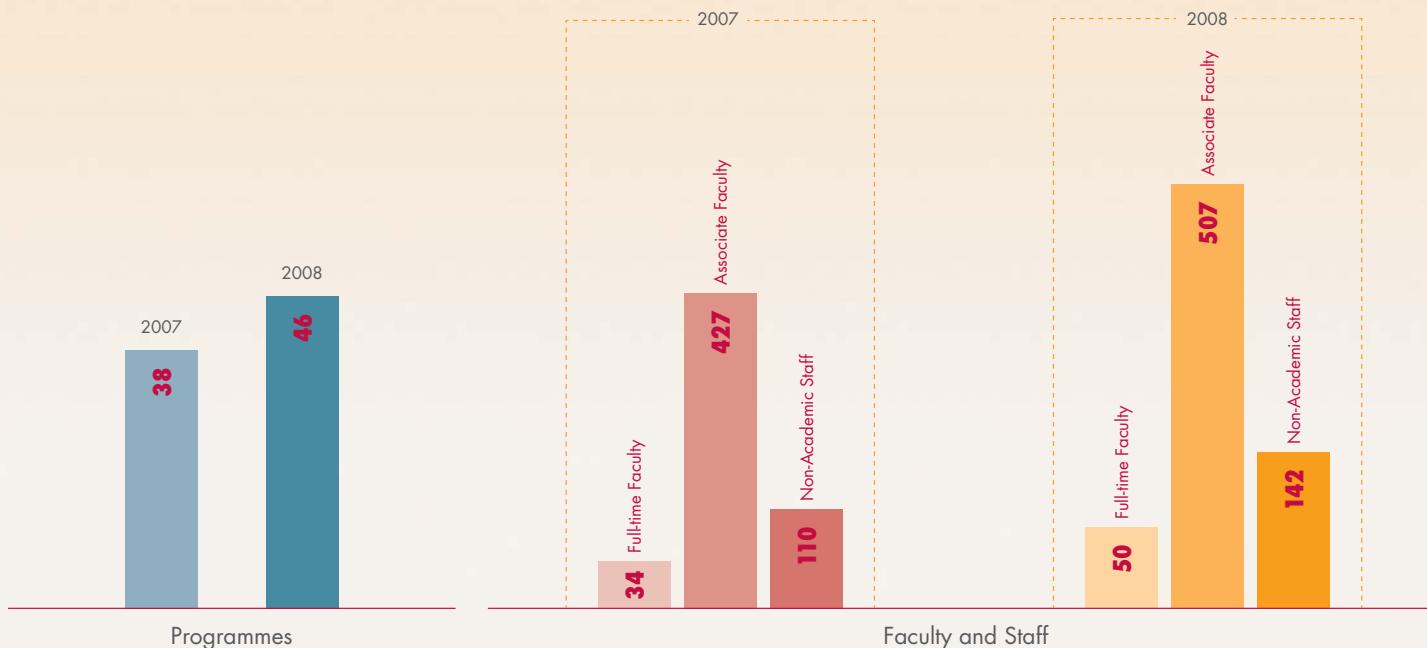
OCTOBER 2008

- Release of inaugural UniSIM Graduate Survey results
- UniSIM Convocation 2008
- MOU signing with Singapore Logistics Association (SLA) for the first local part-time Logistics & Supply Chain Management degree programme

KEY FACTS & FIGURES



* includes numbers for Open University (UK) and Diploma programmes



FINANCIAL HIGHLIGHTS

	Year Ended 31 Dec 2007 \$'000	Year Ended 31 Dec 2008 \$'000
Course Fees & Other Income	34,824	45,959
Operating Expenses	32,479	37,244
Net Operating Surplus/(Deficit)	2,345	8,715
Capability-Building Expenditure	10,500	7,200
Donations from SIM Group	17,800	20,440





School of Arts and Social Sciences

Rekindling CREATIVITY AND NURTURING THINKERS

In a global marketplace characterised by cross-boundary transactions and multi-cultural relationships, communication and other life skills are essential in building business relationships.

UniSIM's School of Arts and Social Sciences launched new programmes and reviewed existing ones so as to better equip our students for success in the New Economy. Our social sciences programmes also underwent a revamp to strengthen their relevance to industry.

The School of Arts and Social Sciences offers an array of diverse programmes in the areas of communication studies, language and literature, translation and interpretation, psychology and sociology. It has a current enrolment of about 2,500 students in 17 programmes.

BOLSTERING OUR COMMUNICATION PROGRAMMES

Following the success of our three Language and Literature programmes in English, Chinese and Tamil, we launched the Bachelor of Malay Language and Literature (BAML) in 2008. The programme aims to empower potential teachers or professionals in the applied linguistics field with in-depth knowledge on topics such as Malay linguistics, culture, literature, grammar and translation.

To boost the programme's quality and relevance, an MOU was signed with Universiti Sains Malaysia in December. Classes commenced in January 2009 with an initial cohort of 50 students. With the launch of the programme, UniSIM is now the first and only local university to offer language and literature undergraduate degree programmes in our four official languages – English, Chinese, Tamil and Malay.

Another new degree programme launched during the year was the Bachelor of Communication (BComm) which commenced in July. Responding to the increasing industry need for media professionals, the programme aims to grow knowledge and expertise in vibrant sectors such as radio,



"As a teacher, my dream was to get a degree and gain more in-depth knowledge of Tamil language and literature so that I can better inspire my students. UniSIM is the only local university that offers a Tamil language degree and with its part-time study mode, it was perfect for my needs."

*Chinnamah Silvarajoo
BA Tamil Language and Literature graduate
Teacher
Yuhua Secondary School*





UniSIM academic members with scholars from the Saudi Arabia Special English Project

television, newspapers, magazine, public relations, corporate communications, events management, advertising and new media. The School's programmes have been enjoying a steady increase in applications, reflecting their relevance and credible standing. The inaugural BAML and BComm programmes met with an overwhelming number of applications, and the majority of the other programmes also saw increases in student enrolment.

Three of our other degree programmes also underwent a revamp to keep pace with current industry needs. The Bachelor of Chinese Language and Literature programme has been revised to inject breadth and increase the local relevance of the curriculum and will be re-launched in 2009 as a UniSIM degree, thus also allowing students to enjoy the 40% government subsidy. UniSIM will maintain our strong collaborative ties with Beijing Normal University (BNU), with its

faculty continuing to teach many of the subjects in the programme. We will also continue to work with BNU to offer the Masters programme.

Apart from degree programmes, the School also offers shorter courses to meet niche demands from industry. During the year, we launched the first and only Certification Examination for Professional Interpreters (CEPI) in Singapore, following a Memorandum of Understanding (MOU) signed with the Ministry of Foreign Affairs Diplomatic Academy in May. The CEPI certifies the competence levels of English-Chinese interpretation, raising standards so critical towards fostering ties in a globalised world. The inaugural examination in 2008 was only open to candidates from selected government agencies. From 2009, the examination will be made available to the general public.

Also in the spirit of building bridges across cultures, we conducted the Special English Project in collaboration with the Ministry of Education and the Saudi Arabian Cultural Office. This project offers English courses for students from Saudi Arabia.

SOCIAL SCIENCES FOR THE NEW ECONOMY

July 2008 saw the introduction of the Social Science Core as a pivotal supplement for UniSIM's Communication, Psychology and Sociology programmes. It serves to expand students' breadth of knowledge in the social sciences, essential in the new knowledge economy.

The revamped Psychology programme has added emphasis on psychology in the workplace and health educational studies to strengthen its relevance to work and the overall well-being of citizens in modern society. Likewise, the Sociology programme was refined to focus more on contemporary issues in urban society.

FUTURE PLANS

In line with UniSIM's over-arching efforts to deliver a quality learning experience for adult learners, the School will continue to expand its repertoire of programmes and ensure the relevance of existing ones. Some programmes in the pipeline are the Masters programme in Psychology and PhD programme in Chinese Language and Literature.

We will continue to fortify our partnerships by collaborating with regional universities such as the University of Malaya and University Putra Malaysia.

UniSIM is now the first and only local university to offer language and literature undergraduate degree programmes in four official languages – English, Chinese, Tamil and Malay.





School of Business

Redefining **TOMORROW'S BUSINESS LEADERS**

The volatile economic climate of today calls for business leaders who can think on their feet. UniSIM's business programmes groom graduates to be leaders in their respective fields through the inculcation of business fundamentals, specialised industry knowledge and critical life skills.

The School of Business offers degree programmes in business, business analytics, finance, marketing, management and security studies, and visual communication with business. Currently, some 2,200 students are enrolled in the School's 10 programmes.

GROWING OUR FOLD OF PROGRAMMES

During the year, the School's programme development has been expanded to embrace a more comprehensive scope, including taxation, logistics and supply chain management, and accountancy.

July 2008 saw the launch of the BA (Hons) Visual Communication with Business programme, in collaboration with Nanyang Academy of Fine Arts (NAFA). A breakthrough offering, the programme is the first in Singapore to combine both arts and business. This unique degree programme

will equip designers and artists in the advertising, media and design industries with both creative and business skills, giving rise to a new generation of multi-disciplinary arts professionals.

The programme will cover key business principles including management, economics, marketing and law, as well as the artistic skills related to visual communication. Students will take business courses at UniSIM and artistic studio classes at NAFA. The MOU between UniSIM and NAFA was signed on 14 March 2008.

In January 2009, the Master of Taxation programme was launched – the first such programme in Southeast Asia resulting from a collaboration between UniSIM and the Tax Academy of Singapore.

To develop a programme in accountancy, MOUs were signed with five established audit firms on 30 May 2008, namely KPMG, RSM Chio Lim, Foo Kon Tan Grant Thornton, Don Ho & Associates, and Nexus Public Accounting Corporation. These collaborations will allow us to tap on the invaluable experience and best practices of the audit firms in our proposed BAcc (Hons) programme. This programme is unique for two reasons: it will be the first part-time degree programme in accountancy in Singapore, and the first accountancy programme to systematically collaborate with industry players in curriculum development and delivery. Graduates from the programme will be granted advanced standing for admission to the Master of Taxation programme, offering them a seamless educational pathway.

The BA (Hons) Visual Communication with Business programme in collaboration with NAFA is the first in Singapore to combine both arts and business studies.



UniSIM partners Singapore Logistics Association to offer the first local part-time degree in logistics

To address the burgeoning need for professional management employees in logistics and supply chain management, UniSIM signed an MOU with the Singapore Logistics Association on 28 October to collaborate in an area crucial to our economic activities. The partnership initiates the development of BSc in Logistics and Supply Chain Management, the first dedicated undergraduate logistics degree programme to be offered locally. The programme which will commence in July 2009 is practice-oriented and aims to upgrade the skills of logistics industry employees as well as equip mid-career professionals with new competencies.

FUTURE PLANS

Moving forward, the School of Business will consolidate its existing programmes and develop new ones. New initiatives will be explored to enrich its business programmes, such as business study missions to expose students to diverse business environments, cultures and economies.

The School will also grow its expertise and competency in the different areas of business, as well as continue to build on its talented pool of faculty and staff.

"I love the vibrant learning environment. I enjoy sharing study, work and life experiences with a group of crazy, like-minded classmates. The broader knowledge I gained has also helped me enhance my services to clients."

Fiona Goh
Master of Taxation student
Director
Tan, Teo & Partners PAC







School of Human Development and Social Services

Reinforcing **SKILLS FOR LIFE**

People are our country's most precious resource. The School of Human Development and Social Services is dedicated to developing people, such as through HR and counselling programmes to help individuals serve others in society and in industry, and through the General Studies Programme which advocates learning for self-fulfilment.

The School of Human Development and Social Services is UniSIM's newest school, aimed at promoting the benefits of lifelong learning through programmes such as counselling, social work, general studies and human resources. A total of 360 students are enrolled in the School's four programmes.

PROGRAMMES THAT EMPOWER

To live is to learn. To advance the message that learning is not just limited to the young, UniSIM launched the General Studies Programme (GSP) in January. The GSP is ground-breaking in that it spurs learning for pleasure, interest and self-fulfilment, not just as a means to a career. With an expansive range of courses and highly flexible educational pathways, the GSP is ideal for adult learners. The programme has been endorsed by the Council for Third Age (C3A) as part of its effort to encourage the silver

generation to experience the joy of learning in retirement years.

Another landmark programme launched during the year was the Bachelor of Human Resource Management (BHRM). Borne out of extensive consultation with HRM professionals, the programme's unique selling point is that it is the only undergraduate degree in Singapore which integrates social sciences and business courses. Students undergoing the programme will be equipped with four HRM core competencies, namely managing strategic partnerships, driving change, running HR processes and fostering good employee relations – all essential in enabling an organisation to achieve its goals.

During the year, UniSIM worked with the Police Psychological Unit of the Singapore Police Force (SPF) to assess and accredit the

The General Studies Programme advances the message that learning is not just for the young: it spurs learning for pleasure, interest and self-actualisation for all.



Staff and students of School of Human Development and Social Services at a programme orientation briefing



latter's para-counselling training course. After undergoing the course, para-counsellors from all ground units in the SPF will be able to provide day-to-day counselling and crisis help to police officers. Graduates from the course will receive credit exemption for the School's Bachelor of Counselling programme.

FUTURE PLANS

2009 will see the launch of the Master of Social Work programme. Eligible participants of the programme will receive a 30% subsidy of course fees from the National Council of Social Service through the Voluntary Welfare Organisations Charities Capability Fund.

The School will continue to build on the foundation of its programmes by boosting the quality and delivery of their content, as well as by forging strong relationships with industry partners.

The Bachelor of Human Resource Management is the only HRM undergraduate degree in Singapore which integrates social sciences and business courses.



"I love the idea of learning for learning's sake. I can choose modules that are relevant to my profession and impart what I learn to my students, which ups my credibility. Only UniSIM offers such wide-ranging opportunities for my continuing education."

Nordin Mohd Yassin

General Studies Programme undergraduate
Senior F & B and Chef Instructor
At-Sunrice GlobalChef Academy







School of Science and Technology

THE FUTURE TODAY

**At the School of Science and Technology,
our programmes help students appropriate
cutting-edge technology to empower new creations
and developments for the betterment of humankind.
Through our partnerships with industry, we were
able to roll out new programmes in the areas of IT
and aerospace to cater to the nation's current and
future manpower needs.**



Professor Cheong Hee Kiat, UniSIM President (right), with Mr Tay Kok Kiang, ST Aerospace President, one of the partners to co-develop the UniSIM Aerospace Programme



UniSIM staff and students in Hangzhou during a two-week internship programme

Our IT programmes received a boost when UniSIM inked an MOU with SAP Asia Pte Ltd to offer SAP Solution Consultant Certificates at the newly opened UniSIM-SAP e-Academy.

The School of Science and Technology offers programmes in IT, multimedia, electronics, mathematics, biomedical engineering, aerospace, human factors and technopreneurship, all aimed at developing a pool of talent for the nation's economic development. Some 2,600 students are presently enrolled in the School's 14 programmes.

MAINTAINING INDUSTRY RELEVANCE

Industry relevance is one of the distinctive features of our programmes. This reputation is further enhanced when UniSIM inked an MOU with SAP Asia Pte Ltd to offer SAP Solution Consultant Certificates at the newly opened UniSIM-SAP e-Academy. This initiative opens up popular SAP courses to UniSIM students at affordable rates and via a convenient e-learning mode. The courses are also made accessible to members of the public.

In response to the manpower needs of the fledgling aerospace industry, UniSIM signed a four-way MOU with ST Aerospace, Singapore Polytechnic and Cranfield University (UK) to co-develop the Aerospace Systems Bachelor Programme and the associated Integrated Bachelor-Master Programme. Graduates from the programme will be industry-ready and be able to apply what they learnt immediately to their jobs. The Bachelor programme was announced in March and had an intake of 85 students.

Engaging industry is a time-tested way of ensuring relevance. The School became the first in UniSIM to roll out three graduate programmes in collaboration with industry: the Technology Entrepreneurship Programme (TEN), Open Source Software Management Programme (OSOM) and Environmental Science Programme (ESCI). TEN is in

partnership with The Institution of Engineers, Singapore and SPRING Singapore, while OSOM is in collaboration with Red Hat Academy.

To add an international dimension to its learning process, the School and the Singapore Chinese Chamber of Commerce and Industry (SCCCI) jointly organised a two-week internship programme to Hangzhou and the Hangzhou East Software Park in September. Under this UniSIM-SCCCI HangZhou Internship Programme (Qian Li Ma-Hangzhou), Science and Technology honours students will be able to work on Hangzhou-based capstone projects under the mentorship of local and China-based supervisors.

LOOKING FORWARD

The School will continue to explore opportunities for new collaborations to enhance the learning experiences of its students. The bold vision is that each of its programmes will become the platform for a unique community of practice where faculty, students and industry can form a rich network of cross-disciplinary connections.



"The knowledge from my Bio-medical Engineering programme is astronomical. What I learnt is real-life and relevant and can be applied immediately at work. The qualification and skills gained have certainly given me an edge."

Noel Lim

BSc Biomedical Engineering graduate
Key Account Manager, Surgical Sales
Bausch & Lomb







Quality and Standards

Reiterating OUR DEDICATION TO QUALITY

The UniSIM pledge to quality and standards is our hallmark trait. Whether it is the rigour and relevance of our programmes, the quality of our methodologies and delivery, full-time or associate faculty, support infrastructure and systems, e-learning initiatives or research, we apply the highest appropriate benchmarks and commit ourselves to continuous improvement in all that we do.

At UniSIM, enhancing the quality of our faculty is one of our highest priorities. This ensures that our students receive the best possible education from the experts in their fields.

MAINTAINING A CORE OF DEDICATED FACULTY

At UniSIM, enhancing the quality of our faculty is one of our highest priorities. This ensures that our students receive the best possible education from the experts in their fields. Our full-time and associate faculty size stood at 550 at the end of 2008.

We saw greater involvement of our adjunct professors. These adjunct faculty bring with them invaluable experience as industry and academic leaders, augmenting the expertise of our full-time faculty.

In the School of Business, Adjunct Professor Lee Fook Hong was involved in the development of the accountancy programme and course materials on corporate governance, as well as the fostering of linkages with academic and professional institutions overseas. Adjunct Professor Kau Ah Keng and Adjunct Associate Professor Hui Tak Kee were helping to craft and implement student and graduate surveys to enable the University to better meet our educational objectives.

In the School of Science and Technology, Adjunct Professor Patrick Loh mentored the TEN students in their business plan production and sponsored the School's first orientation programme for the TEN programme. Adjunct Professor Sarbjit Singh worked with the faculty staff on research and is one of the Co-Principal Investigators in a Proof-of-Concept Project funded by the Economic Development Board. Adjunct

Professor Seah Moon Ming, President of Singapore Technologies Electronics, contributed to the establishment of the Aerospace Systems Engineering programme.

Adjunct Professor Esther Tan from the School of Human Development and Social Services was promoted from her Adjunct Associate Professorship in March in recognition of her significant contributions to the counselling programme.

INDUSTRY-FOCUSED RESEARCH

The Centre for Applied Research was set up in June 2006 to undertake, administer and facilitate research and related activities. The Centre focuses on applied research and research on learning and teaching pedagogies, particularly e-learning. Its research activities frequently involve collaborations with industry as part of its efforts to engage and give back to society. The Centre is expected to grow in tandem with UniSIM.

In 2008, the Centre was involved in two special projects. The first was the BT-UniSIM Business Climate Survey – a quarterly business activities survey that tracks Singapore business cycles to ascertain variations in performance by size and ownership of companies. It captures the performance of Singapore firms in terms of their sales, profits and orders as well as the firms' perceptions of business prospects. The survey findings are published in The Business Times once every quarter.



"The UniSIM-SAP Financials course is a unique opportunity for me to qualify as a certified SAP consultant through e-learning. E-learning allows me to schedule my learning and the completion of my course to suit my needs. The in-depth knowledge has built my confidence and adds value to my organisation."

Teh Teik Lee
UniSIM-SAP eAcademy graduate
Assistant Manager
Daimler South East Asia



Students at a briefing on how to optimise the benefits of e-learning

Flexibility in learning is one of UniSIM's unique selling points and a key advantage for adult learners to learn at their own pace, space and time.



The other special project was the Project Group on Standards for E-Learning Contents and Systems (SEC) undertaken in collaboration with the Singapore Infocomm Technology Federation (eLearning Chapter). This project aims to develop standards for e-learning content, standards for inter-operability for e-learning tools and systems, e-learning related licensing matters and e-learning typologies and models, among other areas. The resulting knowledge is expected to boost UniSIM's understanding and reputation for e-learning.

During the year, the Centre also funded eight other research projects undertaken by faculty from the four schools in areas such as teaching pedagogy, service quality, patient management, and IT systems.

E-LEARNING INITIATIVES TO OPTIMISE FLEXIBILITY

Flexibility in learning is one of UniSIM's unique selling points and a key advantage for adult learners to learn at their own pace, space and time. To achieve this, UniSIM embarked on a comprehensive plan to implement e-learning as an alternative teaching and learning mode in 2006.

In July 2008, eight e-learning courses were launched. Students were able to perform the bulk of their curriculum learning online. They also had the option of attending some face-to-face sessions. Three workshops on online instruction were held for our faculty and our first batch of 24 online instructors was ready to take on the July 2008 semester.

Having drawn out the initial plans and put the relevant resources in place, the ongoing effort is in developing and rolling out e-learning courses at an incremental pace. A further 22 courses will be developed in blended e-mode by July 2009, bringing the total of e-learning courses to 30 or approximately 10% of UniSIM courses.

LEVERAGING TECHNOLOGY

In January 2008, the IT services supporting UniSIM's activities were re-grouped under the Campus IT Services (CITS) department, newly set up to manage and oversee UniSIM's IT operations and resources. The goal of CITS is to explore and exploit emerging technologies for anytime, anywhere learning in support of UniSIM's vision for providing a flexible mode of learning.

CITS offers ICT network infrastructure support, manages the e-learning system (Blackboard) and Enterprise E-mail Services (MS Exchange), develops IT applications, and manages UniSIM's laboratories and computing resources.

Through the work of CITS, UniSIM saw major successes in terms of technology in 2008. UniSIM became the first institution of higher learning in Singapore to offer online submissions of video presentation assignments. We also launched the first phase of the Student Information Management System (SIMS), targeted towards a highly-paperless end-to-end environment for our staff and students and

improving administrative processes. The UniSIM WAN network infrastructure was also set up.

In the coming year, SIMS will continue to be developed and rolled out. A unified University Portal will also be developed to enhance the accessibility of online information for students, faculty and staff.

ENSURING ACADEMIC EXCELLENCE AND RELEVANCE

UniSIM has several avenues in place to ensure the academic excellence and relevance of our programmes. A case in point is the SIM International Academic Panel (IAP). Formed in 2004 even before the establishment of UniSIM, the IAP comprises academic and industry leaders who meet once a year to advise SIM's Governing Council on the strategic direction of the Group's academic programmes and services, including that of UniSIM.

In addition to the IAP, each school has its own School Advisory Committees that provide independent advice to the schools on their new or existing academic programmes. Each school also appoints external examiners who are experienced academics from other leading institutions of higher learning to vet their programmes. The external examiner provides an outside, objective perspective relating to the fairness of the assessment processes, the standards of the examinations and the relevance of the examinations to prescribed learning outcomes.

UniSIM conducts several academic audits by external auditors as part of our overall quality assurance system. The audits measure the effectiveness of the programme delivery, teaching and assessment, the sharing of good practices for continuous improvement, and the participation of faculty and staff in external professional activities.

UniSIM became the first institution of higher learning in Singapore to offer online submissions of video presentation assignments.





Students and Alumni

TIES THAT BIND

UniSIM's commitment to our students and alumni is steadfast. They are the foundation on which the university is built, and are a key pillar for our future. We therefore strive to ensure that the UniSIM experience adds to their intellectual, social and emotional development even after graduation.



Professor Cham Tao Soon, Chancellor and Chairman of UniSIM, presenting degrees to graduates at the UniSIM convocation in October

Our students and alumni form the backbone of UniSIM and we strive to ensure that they fulfill their personal objectives when pursuing a programme with us.

GRADUATE SURVEY GIVES UNISIM TOP MARKS

Our first comprehensive graduate survey on the impact of Continuing Education and Training showed that their trust in UniSIM has not been misplaced. Conducted by The Nielsen Company, the survey found that UniSIM graduates enjoy better pay, career advancement and mobility after completing their studies at the University. About half of the over 1,000 graduates surveyed received a pay raise after graduation, with one in five attaining an increment of over 30%. UniSIM graduates were also found to enjoy greater job mobility – 20% changed jobs within two years of graduation, and half of these moved to a different industry.



A time for fun with friends and family: alumni members at a National Day celebration

The majority of graduates surveyed were satisfied with their degree, citing relevance, benefits at the workplace and overall high quality. UniSIM was also the institution of choice for almost 80% of respondents when deciding on a part-time degree programme.

ENGAGING THE ALUMNI

UniSIM recognises the importance of engaging our alumni so that they may continue to benefit from UniSIM's offerings while adding value and lending their expertise to the University.

In January 2008, we launched the Volunteering Scheme where alumni are offered opportunities to render their services to the University. In doing so, they remain connected to the alma mater, students and other alumni of UniSIM. Three alumni groups have been set up to date, namely, the Newsletter Editorial Group which manages

the quarterly alumni newsletter, the Events Group which assists UniSIM in events management, and the Marketing Group which works with merchants and retailers to offer benefits to the alumni community.

UniSIM's third Convocation on 16 October 2008 saw our largest graduating cohort yet, with 851 graduands from 18 programme majors. Some 90% of them were working adults between the ages of 21 and 40, and hailed from diverse sectors of the economy. To celebrate the graduation Class of 2008, the inaugural UniSIM Graduates' Night was held the following evening.

Besides other alumni activities organised throughout the year, the University has an Alumni Continuing Education (ACE) programme that encourages UniSIM alumni to come back for further upgrading through courses at special concessionary fees.

AMBASSADORS FOR UNISIM

An initiative was launched to identify and appoint ambassadors for UniSIM. These ambassadors would act as the University's representatives in official events and activities.

Through an Ambassador Hunt Campaign in May, seven students and alumni were selected based on their communication skills, leadership quality, community and social talents to represent UniSIM.

FUTURE PLANS

UniSIM will continue to engage our alumni by encouraging them to serve as volunteers in our events and activities. In 2009, we will be introducing a secured alumni portal which acts as a communication tool for the University to interact with our alumni more quickly and effectively. The portal will have features such as e-Directory, Live Chat, e-Shop, e-Job posting and e-Announcement.

UniSIM recognises the importance of engaging our alumni so that they may continue to benefit from UniSIM's offerings while adding value and lending their expertise to the University.

"It's important to stay in touch with my alma mater – it enables me to keep in touch with my peers and expand my horizons through networking with those from other fields."

*Christine Kwong Pui Leng
BA English with Business graduate
Teacher
Ai Tong School*



SIM UNIVERSITY EDUCATION FUND COMMITTEE

The SIM University Education Fund Committee (SUEF) oversees the management of all tax deductible donations and endowment funds of UniSIM. It establishes the guiding principles for the management and utilisation of the Education Fund. It also maintains separate accounting records for disbursements from the Fund, as well as for donations received.

Mr Lim Soon Hock (Chairman)
Managing Director
Plan-B IGAG Pte Ltd

Professor Cheong Hee Kiat
President
SIM University

Professor Cham Tao Soon
Chairman
SIM University Board of Trustees

Professor Leo Tan Wee Hin
Director, Dean's Office (Science)
National University of Singapore

Professor Chong Chi Tat
University Professor
National University of Singapore

Mr Lam Siew Wah
Deputy Chief Executive Officer
(Industry & Corporate Development)
Building & Construction Authority

Mr Han Vo-Ta
Managing Director
Vota Management Pte Ltd

Mr Robin Hu Yee Cheng
Executive Vice-President
Singapore Press Holdings

Mr Ronald Tan
Executive Director
Singapore Institute of Management

Dr Josephine Kwa Lay Keng
Chief Operating Officer
NSL Ltd

CORPORATE INFORMATION

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Members of The SIM Group





LEARNING RESHAPED

CREATING UNIQUE EXPERIENCES

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REPORT OF THE TRUSTEES

The Board of Trustees presents its report together with the audited financial statements of SIM University ("UniSIM") for the year ended December 31, 2008.

1 TRUSTEES

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

Professor Cham Tao Soon (Chairman)

Professor Cheong Hee Kiat

Professor Chong Chi Tat

Mr Richard Eu Yee Ming

Mr Er Kwong Wah

Mr Lee Kwok Cheong

Mr Ong Boon Hwee

Mr Ronald Tan Hee Huan

Dr N. Varaprasad

Mr Han Vo-Ta

Professor Aline Wong

Ms Tan Gee Keow (Appointed on July 14, 2008)

Mr Chan Heng Kee (Appointed on December 1, 2008)

Singapore Companies Act, by reason of a contract made by UniSIM or a related corporation with the Trustee or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain Trustees received remuneration from related corporation in their capacity as directors and/or executives of those related corporations.

5 OPTIONS TO TAKE UP UNISSUED SHARES

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

6 OPTIONS EXERCISED

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

7 UNISSUED SHARES UNDER OPTION

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

8 AUDITORS

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

ON BEHALF OF THE TRUSTEES

3 TRUSTEES' INTERESTS IN SHARES AND DEBENTURES

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

4 TRUSTEES' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no Trustees has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the

Professor Cham Tao Soon

Professor Cheong Hee Kiat

March 9, 2009

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF SIM UNIVERSITY

We have audited the accompanying financial statements of SIM University which comprise the balance sheet as at December 31, 2008, the statement of income and expenditure, statement of changes in funds and reserves and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 30.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50, (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: 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 statement of income and expenditure and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

the internal control relevant to SIM University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SIM University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements of SIM University are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of SIM University as at December 31, 2008 and of the results, changes in funds and reserves and cash flows of SIM University for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by SIM University have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
March 9, 2009

BALANCE SHEET

DECEMBER 31, 2008

ASSETS	Note	2008 \$'000	2007 \$'000
Current assets			
Total current assets			
Cash and bank balances	7	62,367	54,896
Sundry debtors, deposits and prepayments	8	8,579	1,016
Financial assets at fair value through profit or loss	9	1,705	-
Held-to-maturity financial assets	12	3,999	-
Total current assets		76,650	55,912
Non-current assets			
Plant and equipment	10	9,343	9,179
Available-for-sale investments	11	13,906	10,562
Held-to-maturity financial assets	12	5,038	-
Total non-current assets		28,287	19,741
Total assets		104,937	75,653
LIABILITIES, FUNDS AND RESERVES			
Current liabilities			
Course fees received in advance		14,809	6,742
Government grants received in advance	13	313	253
Other payables	14	9,043	5,158
Total current liabilities		24,165	12,153
Funds and reserves			
General fund		14,298	5,583
Education fund:			
Accumulated surplus	15	66,891	58,114
Fair value reserve	16	(777)	(427)
		66,114	57,687
Other restricted funds	17	360	230
Total funds and reserves		80,772	63,500
Total liabilities, funds and reserves		104,937	75,653

STATEMENT OF INCOME AND EXPENDITURE

YEAR ENDED DECEMBER 31, 2008

	Note	2008			2007		
		General Fund \$'000	Education Fund \$'000	Total \$'000	General Fund \$'000	Education Fund \$'000	Total \$'000
Operating income	18	44,754	–	44,754	33,748	–	33,748
Course expenditure		(13,983)	(1,190)	(15,173)	(12,543)	(1,100)	(13,643)
Staff and manpower costs	19	(14,544)	(2,069)	(16,613)	(10,852)	(618)	(11,470)
Depreciation expense		(655)	(3,522)	(4,177)	(1,196)	(2,572)	(3,768)
Other operating expenditure	20	(8,062)	(5,643)	(13,705)	(7,888)	(139)	(8,027)
Operating surplus (deficit)		7,510	(12,424)	(4,914)	1,269	(4,429)	(3,160)
Non-operating income	21	1,205	21,201	22,406	1,076	18,665	19,741
Net surplus for the year		8,715	8,777	17,492	2,345	14,236	16,581

STATEMENT OF CHANGES IN FUNDS AND RESERVES

YEAR ENDED DECEMBER 31, 2008

	Note	EDUCATION FUND				Other restricted funds \$'000	Total \$'000
		General Fund \$'000	Accumulated surplus \$'000	Fair value reserve \$'000	Total \$'000		
Balance at January 1, 2007		3,238	43,878	–	43,878	76	47,192
Net surplus for the year		2,345	14,236	–	14,236	–	16,581
Change in fair value of available-for-sale investments	16	–	–	(427)	(427)	–	(427)
Receipts during the year (Net)	17	–	–	–	–	154	154
Balance at December 31, 2007		5,583	58,114	(427)	57,687	230	63,500
Net surplus for the year		8,715	8,777	–	8,777	–	17,492
Change in fair value of available-for-sale investments	16	–	–	(350)	(350)	–	(350)
Receipts during the year (Net)	17	–	–	–	–	130	130
Balance at December 31, 2008		14,298	66,891	(777)	66,114	360	80,772

CASH FLOW STATEMENT

YEAR ENDED DECEMBER 31, 2008

	Note	2008 \$'000	2007 \$'000
Operating activities			
Net surplus for the year		17,492	16,581
Adjustments for:			
Depreciation		4,177	3,768
Interest income		(736)	(1,288)
Grant income – Government grants		(163)	(276)
Other restricted funds utilised		(247)	(109)
(Gain) Loss on disposal of plant and equipment		(2)	10
Change in fair value of forward foreign exchange contracts		(154)	–
Change in fair value of fair value through profit or loss investments		295	–
Impairment loss on available-for-sale investments		4,243	–
Surplus before movements in working capital		24,905	18,686
Sundry debtors, deposits and prepayments		(7,409)	(87)
Course fees received in advance		8,067	1,142
Other payables		3,885	(1,455)
Cash generated from operations		29,448	18,286
Interest received		736	1,241
Net cash from operating activities		30,184	19,527
Investing activities			
Proceeds from disposal of plant and equipment		2	4
Purchase of plant and equipment		(4,341)	(8,006)
Purchase of financial assets at fair value through profit and loss		(2,000)	–
Purchase of available-for-sale investments		(7,937)	(10,989)
Purchase of held-to-maturity financial assets		(9,037)	–
Net cash used in investing activities		(23,313)	(18,991)
Financing activities			
Grants received from the government		223	287
Other restricted funds received		377	263
Net cash from financing activities		600	550
Net increase in cash and cash equivalents		7,471	1,086
Cash and cash equivalents at beginning of year		54,896	53,810
Cash and cash equivalents at end of year	7	62,367	54,896

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2008

1 GENERAL

UniSIM (UEN 200504979Z) is incorporated in Singapore as a company limited by guarantee with its principal place of business and registered office at 461 Clementi Road, Singapore 599491. It is also subject to the provisions of the Charities Act, Chapter 37. The financial statements are expressed in Singapore dollars.

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

The financial statements of UniSIM for the year ended December 31, 2008 were authorised for issue by the Board of Trustees on March 9, 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost basis, except for the revaluation of certain non-current assets and financial instruments, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS

In the current financial year, UniSIM has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2008. The adoption of these new/revised FRSs and INT FRSs does not result in changes to UniSIM's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

FRS 107 – Financial Instruments: Disclosures and amendment to FRS 1 Presentation of Financial Statements relating to Capital Disclosures

UniSIM has adopted FRS 107 with effect from annual periods beginning on or after January 1, 2008. The new Standard has resulted in an expansion of the disclosures in these financial statements regarding UniSIM's financial instruments. UniSIM has also presented information regarding its objectives, policies and processes for managing capital (see Note 4) as required by the amendment to FRS 1 which are effective from annual periods beginning on or after January 1, 2008.

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

FRS 1 – Presentation of Financial Statements (Revised)

FRS 1 (Revised) will be effective for annual periods beginning on or after January 1, 2009 but will change the basis for the presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

The Trustees anticipate that the adoption of the other FRSs, INT FRSs and amendments to FRSs that were issued but effective only in future periods will not have a material impact on the financial statements of UniSIM in the period of their initial adoption.

GENERAL FUND

Income and expenditure are generally accounted for under the General Fund in the Statement of Income and Expenditure.

EDUCATION FUND

The SIM University Education Fund ("Education Fund") is conferred the Institute of Public Character status. Accordingly, all donations made to the Education Fund will be tax deductible for the donors.

The income and expenditure relating to the Education Fund are accounted for under the Education Fund in the Statement of Income and Expenditure.

OTHER RESTRICTED FUNDS

Sponsorship-Award fund, Singapore IT Federation fund and other funds comprising donations and sponsorships, which are kept intact as capital, are directly taken to the fund in the year in which such donations and sponsorships are received for the purpose of awarding of scholarships, medals, prizes to deserving students, developing standards in e-learning and development of program lectures and research for project proof of concept.

Income and expenditure arising from the management of the fund is taken directly to Sponsorship-Awards fund account, Singapore IT Federation fund and other funds account. Income designated to fund specific activities or programmes will be transferred from the fund to the Statement of Income and Expenditure to match the designated expenditure. Any shortfall of income from the fund for a particular year will be taken directly to Statement of Income and Expenditure.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on UniSIM's balance sheet when UniSIM becomes a party to the contractual provisions of the instrument.

Financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

Other financial assets are classified into the following specified categories: "financial assets at fair value through profit or loss", "available-for-sale financial assets" and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that UniSIM manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with UniSIM's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 4.

Available-for-sale financial assets

Certain investments held by UniSIM are classified as being available for sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the fair value reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in income and expenditure. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is included in income and expenditure for the period. Dividends on available-for-sale equity instruments are recognised in income and expenditure when UniSIM's right to receive payment is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in income and expenditure, and other changes are recognised in fair value reserve.

Held-to-maturity investments

Bonds with fixed or determinable payments and fixed maturity dates where UniSIM has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Sundry debtors

Sundry debtors that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Sundry debtors are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of sundry debtors where the carrying amount is reduced through the use of an allowance account. When a sundry debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in income and expenditure.

With the exception of available-for-sale equity instruments, 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 loss was recognised, the previously recognised impairment loss is reversed through income and expenditure, to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognised directly in fair value reserve.

Derecognition of financial assets

UniSIM derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If UniSIM neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, UniSIM recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If UniSIM retains substantially all the risks and rewards of ownership of a transferred financial asset, UniSIM continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Other financial liabilities

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

UniSIM derecognises financial liabilities when, and only when, UniSIM's obligations are discharged, cancelled or they expire.

Derivative financial instruments

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

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

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

PLANT AND EQUIPMENT

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Artifacts and painting included in office equipment, furniture and fittings are not depreciated.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

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

Fully depreciated assets still in use are retained in the financial statements.

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

During the financial year, management revised the estimated useful lives of computers from 2 years to 3 years. Management is of the opinion that the revised useful life better reflects the useful life of the assets concerned. The financial effects of the change in the estimated useful lives are disclosed in Note 10.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income and expenditure statement.

IMPAIRMENT OF ASSETS

At each balance sheet date, UniSIM reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, UniSIM estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income and expenditure statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income and expenditure statement.

PROVISIONS

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

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

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

GOVERNMENT GRANTS

These represent contributions made by the government for UniSIM. Government grants received for the purchase of plant and equipment or to meet operating expenses are taken to the government grants received in advance account. Grants for the purpose of plant and equipment are recognised in the statement of income and expenditure over the periods necessary to match the depreciation of the assets purchased with the related grants. Government grants to meet operating expenses are recognised as income in the same year the expenses are incurred.

REVENUE RECOGNITION

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

Course fees are recognised over the duration of the programmes.

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

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.

RETIREMENT BENEFIT COSTS

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

EMPLOYEE LEAVE ENTITLEMENT

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

DONATIONS

Donations given are charged to the income and expenditure statement when incurred.

FOREIGN CURRENCY TRANSACTIONS

The financial statements of UniSIM are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of UniSIM, transactions in currencies other than UniSIM's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date where the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in income and expenditure for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income and expenditure for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in the Statement of Funds and Reserves. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the Statement of Funds and Reserves.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of UniSIM's accounting policies, which are described in Note 2, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) ***Critical judgements in applying UniSIM's accounting policies***

The management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements except as follows:

Classification of held-to-maturity investments

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

Impairment of investments

Management has concluded that the fall in fair values of certain of its investments is a 'significant or prolonged decline in fair value of those instruments below its cost' as management believes that the fall was brought about by the continuous decline in the global debt and equity markets.

In making its judgement, management considered the following factors, amongst others:

- Cost of a specific investment relative to its current fair value;
- The length of time fair value has remained lower than cost;
- The market capitalisation of the investee being lower than book value of net assets;
- The investee announcing a change in business model, restructuring, discontinued operations etc; and
- Increase in investees' cost of capital.

Consequently, impairment losses of \$4,243,000 (2007 : \$Nil) have been recognised during the year.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year are as discussed below.

Fair value of financial instruments

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

Useful lives of plant and equipment

Management exercises their judgment in estimating the useful lives of plant and equipment and reviews the useful lives at the end of each annual reporting period. The total carrying amount of plant and equipment is \$9,343,000 (2007 : \$9,179,000).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the balance sheet date:

	2008 \$'000	2007 \$'000
Financial Assets		
Cash and cash equivalents	62,367	54,896
Loans and receivables	6,799	793
Forward foreign exchange contracts	154	–
Financial assets at fair value through profit or loss	1,705	–
Held-to-maturity investments	9,037	–
Available-for-sale financial assets	13,906	10,562

(b) Financial risk management policies and objectives

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

UniSIM has documented financial risk management policies. These policies set out UniSIM's overall business strategies and its risk management philosophy. The Board of Trustees 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 Board of Trustees and periodic reviews are undertaken to ensure that UniSIM's policy guidelines are complied with. Risk management is carried out by Treasury Department under the policies approved by the Board of Trustees.

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

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

i) Foreign exchange risk management

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

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

	Assets		Liabilities	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Sterling pound	-	-	77	69
United States dollar	6,629	10,562	267	111

Entities in the SIM group use forward foreign exchange contracts to hedge their exposure to foreign currency risk in the local reporting currency. The Treasury Department is responsible for hedging the net position in each borrowing currency.

Foreign currency sensitivity

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

If the relevant foreign currency strengthens or weakens by 10% against the functional currency of UniSIM without considering the effect of the derivative financial instruments, which is Singapore dollar, profit or loss will increase or decrease by:

	United States dollar impact		Sterling pound impact	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Income or expenditure	636	1,064	(8)	(7)

ii) Interest rate risk management

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

All financial assets and liabilities at year end bear no interest rate except for cash, fixed deposits and held-to-maturity financial assets. The average interest rate on held-to-maturity financial asset is disclosed in Note 12.

Interest rate sensitivity analysis

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

If interest rates had been 100 basis points higher/lower with all other variables held constant, UniSIM's net surplus for the years ended December 31, 2008 and December 31, 2007 would increase/decrease by approximately \$0.6 million and \$0.5 million respectively.

iii) Credit risk management

UniSIM is not exposed to significant credit risk as most of its fees are received in advance. In 2008, UniSIM's sundry debtors comprise mainly grant receivable from the Ministry of Education.

Cash and fixed deposits are held with reputable financial institutions.

iv) Liquidity risk management

UniSIM maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities.

Non-derivative financial assets

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 except where UniSIM anticipate that the cash flow will occur in a different period.

	Fixed rate			Non-interest bearing	Total
	Less than 6 months	6 months to 12 months	More than 12 months		
2008	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	62,367	–	–	–	62,367
Loans and receivables	57	–	–	6,742	6,799
Financial assets at fair value through profit or loss	–	–	1,705	–	1,705
Available-for-sale investments	–	–	–	13,906	13,906
Held-to-maturity financial assets	3,999	–	5,038	–	9,037
Total	66,423	–	6,743	20,648	93,814
2007					
Cash and cash equivalents	54,896	–	–	–	54,896
Loans and receivables	97	–	–	696	793
Available-for-sale investments	–	–	–	10,562	10,562
Total	54,993	–	–	11,258	66,251

Non-derivative financial liabilities

UniSIM's financial liabilities are substantially payable in less than 6 months.

v) Price risk management

UniSIM is exposed to price risks arising from financial assets at fair value through profit and loss and available-for-sale investments. Available-for-sale equity investments are held for strategic rather than trading purposes. UniSIM does not trade in available-for-sale investments.

Further details of these investments can be found in Notes 9 and 11 to the financial statements.

Price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. In respect of financial assets at fair value through profit or loss, if prices had been 10% higher/lower, UniSIM's net surplus for the year ended December 31, 2008 would increase/decrease by \$170,000 (2007 : \$Nil).

In respect of available-for-sale equity investments, if the prices had been 10% higher/lower, UniSIM's fair value reserves would decrease/increase by \$1,390,000 (2007 : \$1,056,000).

vi) Fair value of financial assets and financial liabilities

Other than the financial assets at fair value through profit and loss, held-to-maturity financial assets and available-for-sale investments, the carrying amounts of financial assets and liabilities reported in the statement of assets, liabilities, reserves and fund balances approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of financial assets at fair value through profit or loss, available-for-sale investments and held-to-maturity financial assets are disclosed in Notes 9, 11 and 12 respectively.

The fair values of financial assets and financial liabilities are determined as follows:

- i) the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- ii) the fair values of other financial assets and financial liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- iii) the fair value of derivative financial instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives, where applicable.

(c) Capital risk management policies and objectives

UniSIM reviews the capital structure at least annually to ensure that it will be able to continue as a going concern. The capital structure of UniSIM comprises of funds and reserves. UniSIM's overall strategy remains unchanged from 2007.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The ultimate controlling party of UniSIM is the Singapore Institute of Management, a charity registered in Singapore. Singapore Institute of Management and UniSIM have common trustees. The Governing Council of Singapore Institute of Management may appoint, remove or replace a Trustee of UniSIM. Accordingly, the Board of Trustees deemed UniSIM to be a subsidiary of Singapore Institute of Management.

Related companies in these financial statements refer to members of the parent entity's group of companies.

Some of UniSIM's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The inter-company balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant intercompany transactions are as follows:

	2008 \$'000	2007 \$'000
Shared service charges paid/payable to parent entity	6,770	6,824
Donations received from related company	20,440	17,800
Diploma license fee received from related company	(1,507)	(774)

6 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or trustees. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the UniSIM's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

Compensation of trustees and key management personnel

The remuneration of the trustees and other members of key management during the year was as follows:

	2008 \$'000	2007 \$'000
Short-term benefits	2,921	2,873
Post-employment benefits	117	112
	3,038	2,985

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

Related party transaction with a trustee for advisory services during the year was \$90,000 (2007 : \$90,000).

Key management personnel comprises senior executives in the Presidents Office, Deans and Directors.

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

	2008	2007
\$500,001 to \$550,000	1	1
\$450,001 to \$500,000	1	1
\$300,001 to \$350,000	1	2
\$250,001 to \$300,000	1	–
\$200,001 to \$250,000	3	2
\$150,001 to \$200,000	2	2
\$100,001 to \$150,000	3	3
\$100,000 and below	–	2
	12	13

7 CASH AND BANK BALANCES

	2008	2007
	\$'000	\$'000
Cash at bank	9,806	3,687
Fixed deposits	52,558	51,207
Cash on hand	3	2
Total	62,367	54,896

Cash and bank balances comprise cash held by UniSIM and short-term fixed deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values.

Short-term fixed deposits bear interest at average rates ranging from 0.1% to 1.6575% (2007 : 0.3% to 3.28%) per annum and are for a tenure of approximately 2 to 183 days (2007 : 1 to 185 days).

8 SUNDRY DEBTORS, DEPOSITS AND PREPAYMENTS

	2008 \$'000	2007 \$'000
Related company (Note 5)	839	578
Course fee receivable	486	77
Interest receivable	57	97
Staff loans	1	1
Ministry of Education	5,340	–
Others	76	40
	6,799	793
Prepayments	1,602	222
Deposits	24	1
Forward foreign exchange contracts	154	–
Total	8,579	1,016

In 2008, the amount relating to forward foreign exchange contracts of \$154,000 represents the mark-to-market gain on derivative financial instruments entered into by Singapore Institute of Management ("SIM") on behalf of UniSIM.

At the balance date, the total notional amount of outstanding foreign exchange contracts which SIM has committed for the purpose of hedging foreign currency risk arising from the investments in SIM and UniSIM are as follows:

	2008 \$'000	2007 \$'000
Buy SGD	22,070	40,000
Sell USD	15,000	28,005

UniSIM's sundry debtors, deposits and prepayments that are not denominated in its functional currency are as follows:

	2008 \$'000	2007 \$'000
United States dollars	144	–

The table below is an analysis of UniSIM's sundry debtors as at December 31:

	2008 \$'000	2007 \$'000
Not past due and not impaired	6,765	684
Past due but not impaired (i) and (ii)	34	109
Total sundry debtors, net	6,799	793

(i) Aging of UniSIM's sundry debtors which are past due but not impaired

< 90 days	2	25
> 90 days	32	84
Total	34	109

(ii) These receivables are not secured by any collateral or credit enhancements.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Issue date	Maturity date	2008 \$'000	2007 \$'000
Credit linked note	July 31, 2008	July 31, 2011	1,705	–

The credit linked note has nominal value amounting to \$2,000,000 with a coupon rate of 5.1% per annum. The average effective interest rate of the credit linked note is 5.1% per annum.

The fair value of the credit link note is determined based on estimated valuations derived from market quotations or from proprietary models that take into consideration estimates about relevant present and future market conditions.

10 PLANT AND EQUIPMENT

	Renovations \$'000	Office equipment, furniture and fittings \$'000	Computers \$'000	Motor vehicles \$'000	Total \$'000
Cost:					
At January 1, 2007	3,622	1,831	7,996	175	13,624
Additions	3,921	442	3,643	–	8,006
Disposal	(429)	(1,023)	(921)	–	(2,373)
At December 31, 2007	7,114	1,250	10,718	175	19,257
Additions	289	649	3,403	–	4,341
Disposal	–	(115)	–	–	(115)
Write-offs	–	–	(125)	–	(125)
At December 31, 2008	7,403	1,784	13,996	175	23,358
Accumulated depreciation:					
At January 1, 2007	724	1,654	6,250	41	8,669
Depreciation for the year	1,573	106	2,054	35	3,768
Written off	(416)	(1,022)	(921)	–	(2,359)
At December 31, 2007	1,881	738	7,383	76	10,078
Depreciation for the year	1,838	250	2,054	35	4,177
Disposal	–	(115)	–	–	(115)
Written off	–	–	(125)	–	(125)
At December 31, 2008	3,719	873	9,312	111	14,015
Carrying amount:					
At December 31, 2007	5,233	512	3,335	99	9,179
At December 31, 2008	3,684	911	4,684	64	9,343

During the current financial year, management revised the useful lives of UniSIM's computers from 2 years to 3 years, to better reflect their economic useful lives. The effect of the change in the useful life has resulted in a decrease in current year's depreciation charge by \$862,000 and a corresponding increase in the carrying value of plant and equipment.

11 AVAILABLE-FOR-SELL INVESTMENTS

	2008 \$'000	2007 \$'000
Quoted funds managed by external fund managers, at fair value	12,046	10,562
Quoted preference shares, at fair value	1,860	–
	13,906	10,562

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

The fair values of the quoted preference shares are determined based on the last traded price on the Singapore Stock Exchange at the balance sheet date. During the current financial year, UniSIM's available-for-sale investments suffered an impairment loss of \$4,243,000.

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

	2008 \$'000	2007 \$'000
United States dollars	6,629	10,562

12 HELD-TO-MATURITY FINANCIAL ASSETS

	2008 \$'000	2007 \$'000
Unquoted debt securities, at amortised cost:		
Current	3,999	–
Non-current	5,038	–
	9,037	–

The unquoted debt securities comprise bonds issued by financial institutions and public listed companies. As at December 31, 2008, the unquoted debt securities have nominal values amounting to \$9.1 million with coupon rates ranging from 2.8% to 2.851% per annum and maturity dates ranging from May 2009 to November 2010. The average effective interest rate of the debt securities ranges from 2.8% to 2.851% per annum.

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

The unquoted debt securities have fair values amounting to \$9,037,000 (2007 : \$Nil).

The held-to-maturity financial assets are denominated in the functional currency of UniSIM.

13 GOVERNMENT GRANTS RECEIVED IN ADVANCE

	2008	2007
	\$'000	\$'000
At beginning of financial year	253	242
Funds received	223	287
Utilised during the year (Note 21)	(163)	(276)
At end of financial year	313	253

14 OTHER PAYABLES

	2008	2007
	\$'000	\$'000
Parent entity (Note 5)	1,928	1,359
Accruals	4,813	3,322
Others	2,302	477
	9,043	5,158

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

	2008	2007
	\$'000	\$'000
United States dollar	267	111
Sterling pound	77	69

15 EDUCATION FUND

The SIM University Education Fund is set up to establish, operate, maintain and promote SIM University as a private university. The SIM University Education Fund has been conferred the Institute of Public Character status.

The following represents the SIM University Education Fund:

	2008 \$'000	2007 \$'000
Balance at January 1	58,114	43,878
Net surplus for the year	8,777	14,236
Balance at December 31	66,891	58,114
Fair value reserve (Note 16)	(777)	(427)
	66,114	57,687

Represented by:

Current assets

Fixed deposits	33,249	38,822
Other receivables	186	–
Financial assets at fair value through profit or loss	1,705	–
Held-to-maturity financial assets	3,999	–
	39,139	38,822

Non-current assets

Available-for-sale investments	13,906	10,562
Held-to-maturity financial assets	5,038	–
Property, plant and equipment	8,031	8,303
	26,975	18,865
Total net assets	66,114	57,687

16 FAIR VALUE RESERVE

	2008 \$'000	2007 \$'000
At beginning of financial year	427	–
Arising during the year	350	427
At end of financial year	777	427

The fair value reserve relates to revaluation of the available-for-sale investments. As these investments are funded by the SIM University Education fund, the fair value reserve forms part of the Education Fund (Note 15).

17 OTHER RESTRICTED FUNDS

Other restricted funds comprise the following funds:

Name of fund	Purpose
Sponsorship awards fund	Donations and sponsorships received for the purpose of awarding of scholarships, medals, prizes to deserving students.
Singapore IT Federation ("SITF") fund	Funds received for the purpose of developing standards in e-learning.
Other funds – Singapore and Economic Development Board	Funds received for the purpose of course development for Biomedical Sciences Proof of Concept Scheme.

	Sponsorship awards fund \$'000	SITF fund \$'000	Other funds \$'000	Total \$'000
Balance at January 1, 2007	76	–	–	76
Received during the year	24	239	–	263
Utilised during the year	(2)	(107)	–	(109)
Balance at December 31, 2007	98	132	–	230
Received during the year	–	–	377	377
Utilised during the year	(1)	(132)	(114)	(247)
Balance at December 31, 2008	97	–	263	360

Represented by:

Cash and bank balances

Balance at December 31, 2008	97	–	263	360
Balance at December 31, 2007	98	132	–	230

18 OPERATING INCOME

	2008 \$'000	2007 \$'000
Course fees	42,898	32,786
Application fees	224	153
Diploma license fees (Note 5)	1,507	774
Graduation Function	53	35
Executive Seminars	72	–
	44,754	33,748

19 STAFF AND MANPOWER COSTS

	2008 \$'000	2007 \$'000
Wages and salaries	14,487	10,071
Employer's contribution to Central Provident Fund	1,431	908
Other staff benefits	695	491
	16,613	11,470

20 OTHER OPERATING EXPENDITURE

	2008 \$'000	2007 \$'000
Administrative expenses	1,866	1,203
Realised exchange loss on forward foreign exchange contracts	531	–
Change in fair value of fair value through profit or loss investments	295	–
Impairment loss on available-for-sale investments	4,243	–
Group Corporate Services charges paid/payable to parent entity	6,770	6,824
	13,705	8,027

21 NON-OPERATING INCOME

	2008 \$'000	2007 \$'000
Donations received from:		
Related company (Note 5)	20,440	17,800
Outside parties	68	–
Interest income from fixed deposits, current accounts and held-to-maturity financial assets	736	1,288
Change in fair value of forward foreign exchange contracts	154	–
Government grant income (Note 13)	163	276
Income from other restricted funds (Note 17)	247	109
Exchange gain	32	40
Other income	566	228
	22,406	19,741

22 TAXATION

With effect from Year of Assessment 2008, the requirement for charities to spend at least 80% of their annual receipts on charitable objects in Singapore within 2 years in order to enjoy income tax exemption has been removed. Consequently, Section 13M has been repealed by Section 13(1)(zm) and UniSIM's receipts for the financial year ended December 31, 2008 are exempt from income tax.

Prior to Year of Assessment 2008, under Section 13M (2)(b) of the Income Tax Act, Cap. 134, UniSIM is exempted from income tax in a financial year if it applies at least 80% of the amount of donations received by it and other sums accrued to it for that financial year towards the objectives of UniSIM by the end of the following financial year.

UniSIM have to expend approximately \$25,161,000 towards its objectives by December 31, 2007 to enable them to obtain exemption from tax in respect of donations and sums accrued to it in 2007.

As of December 31, 2008, SIM University had met the expenditure requirement under Section 13M (2)(b) of the Income Tax Act, Cap. 134.

23 COMMITMENTS

	2008 \$'000	2007 \$'000
Commitments for the acquisition of plant and equipment	7,650	570

24 OPERATING LEASE COMMITMENTS

	2008 \$'000	2007 \$'000
Minimum lease payments under operating leases recognised as an expense during the year	119	122

At the balance sheet date, UniSIM has outstanding commitments under non-cancellable operating leases which fall due as follows:

	2008 \$'000	2007 \$'000
Future minimum lease payments payable:		
Within one year	55	73
In the second to fifth years inclusive	90	127

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

STATEMENT BY TRUSTEES

In the opinion of the Trustees, the financial statements as set out on pages 3 to 30 are drawn up so as to give a true and fair view of the state of affairs of SIM University as at December 31, 2008, and of the results, changes in funds and reserves and cash flows of SIM University for the financial year ended December 31, 2008 and at the date of this statement there are reasonable grounds to believe that SIM University will be able to pay its debts when they fall due.

ON BEHALF OF THE TRUSTEES



Professor Cham Tao Soon



Professor Cheong Hee Kiat

March 9, 2009

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