

Being **10**  
Being UniSIM



ANNUAL REPORT 2015

## CONTENTS

Corporate Profile	1
Vision, Mission and Core Values	
Key Facts and Figures	
Financial Highlights	
Chairman's Message	2
President's Message	4
Board of Trustees	6
Key Academic Members	15
SIM University Education Fund	16
Corporate Governance	18
Corporate Information	19
Milestones	20
Chapter 1: Being Unique	24
Chapter 2: Being Boundless	27
Chapter 3: Being Cohesive	32
Chapter 4: Being Vibrant	38
Chapter 5: Being Engaging	43
SIM University Financial Report	46
SIM University Education Fund Financial Report	78

Just like how a kaleidoscope changes colours, patterns and images with the turning of the tube, the needs of the world are constantly changing with time. To remain relevant, SIM University (UniSIM) not only keeps up with the change, we lead the way. We are focused on providing uniquely-designed learning experiences, equipping our learners to be future-ready. And as we celebrate 10 years of providing lifelong education, we remain committed to offering the best opportunities to our learners to realise their full potential.



## CORPORATE PROFILE

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

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

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

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

## VISION

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

## MISSION

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

## CORE VALUES

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

## KEY FACTS AND FIGURES

Academic programmes

**54** \* Excludes Diploma, Beijing Normal University and Nanjing University programmes

Student enrolment

**13,712** \* Excludes Modular, Diploma, Beijing Normal University and Nanjing University students

Graduates

**2,152** \* Excludes Diploma, Beijing Normal University and Nanjing University graduates

Alumni

**26,391**

Full-time faculty

**121**

Associate faculty

**828**

Non-academic staff

**262**

## FINANCIAL HIGHLIGHTS

	2015 <sup>(1)</sup>	2014 <sup>(1)</sup>
	\$'000	\$'000
Course Fees and Other Income	128,942	109,773
Operating Expenses	83,441	75,575
Capability-building Expenditure	21,110	21,207
Net Surplus (Deficit)	24,391	12,991
Tax-deductible Donations Received	217	289
General Fund Reserve Level <sup>(2)</sup>	2.0 years	1.4 years
SIM University Education Fund Reserve Level <sup>(2)</sup>	2.5 years	1.9 years

(1) For the year ended on December 31.

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

## CHAIRMAN'S MESSAGE



### RESHAPING HIGHER EDUCATION

Ten years ago, UniSIM was formed to fill a gap in the tertiary education landscape. It provided a pathway for working adults, eager to upgrade their skills and better themselves. Designed with the busy professional in mind, our programmes have direct relevance to the working world with a flexible, learn-at-your-own-pace-and-space approach. This allowed students to juggle their work, study and social responsibilities while they acquired a university degree.

This development triggered a mindset transformation in the way higher education is perceived. Once where getting a degree was merely about acquiring the passport to a better paying job, it had evolved to a state where the process of earning a degree is to empower graduates with the knowledge and competencies to contribute to the economy and society at large, regardless of one's station, age or educational background.

We have already seen the shift in first world countries, where graduates are unable to find employment, despite jobs being available. The establishment of UniSIM a decade ago reflects the foresight of our higher education architects, in anticipation of the need to address the misconception that tertiary education is simply a marker of social status. Singapore needs to develop workers who possess the skills relevant to propel our economy and society forward. Some of these skills may not be gained by studying for a university degree. At UniSIM, we need to understand employers' needs and respond with programmes and initiatives that best solve these challenges.

### A REPUTATION FOR QUALITY

Indeed, the exponential growth in enrolment of UniSIM has demonstrated that our efforts have gone a long way in meeting needs, both for students and for employers. Our proposition of offering work-relevant degrees has struck a chord not just with our part-time students, but also our full-time students. Applications for our four full-time programmes far exceed the number of vacancies, reflecting strong public confidence in UniSIM. That our full-time students enjoy the same government tuition fee subsidies, bursaries and tuition fee loans as those in other Singapore universities speaks volumes of the solid reputation we have established.

In line with our original mission to integrate education with training, our Centre for Continuing and Professional Education (CCPE) was set up during the year. The Centre will strengthen our focus on applied learning, to be close to industry and remain relevant. As we enter an increasingly challenging economic climate, it is clear that graduates have to prove that they can hit the workplace running, able to make the most of a diverse and complex work environment. The CCPE will provide the launch pad for employers to equip their staff with the necessary skills and qualifications to be re-skilled and up-skilled for continued success.

### IN APPRECIATION

UniSIM's accomplishments have been made possible only with the dedication of the faculty, staff and management. I wish to extend my gratitude to them for their continued efforts and hard work. The students, too, have been great ambassadors

of UniSIM and I would like to commend them for helping to make a great institution.

I also wish to thank our Patron, His Excellency President Tony Tan Keng Yam; the Board of Trustees; the Chancellor, Dr Aline Wong; and outgoing Chairman Mr Gerard Ee. Their wisdom and guidance have been invaluable in steering the University.

My wish for UniSIM on her tenth anniversary is that we will continue to grow from strength to strength. We have achieved a tremendous amount in a short period and I hope to see a similar rate of achievement in the next 10 years.

**Mr Richard Eu**  
Chairman  
SIM University

## PRESIDENT'S MESSAGE

In 2015, UniSIM celebrated its tenth anniversary. This milestone is more momentous than its number suggests. More than just another local university, UniSIM has, in many ways, redefined what a tertiary education entails.

We have raised the profile and enhanced understanding of applied learning. We added a strong dimension to continuing education, creating a flexible learning system and educational pathway that works for adults. With UniSIM, a large group of Singapore residents now have opportunities to pursue quality and cost-effective higher education and skills upgrading where they previously did not. In essence, we have been, and still are transforming the philosophy and access to university-level education in Singapore. That's something worth celebrating.

### MAKING LEARNING RELEVANT

In all of our endeavours, we strengthen our position as Singapore's only university championing lifelong learning. We contribute to Singapore's labour and continuing education needs, and empower Singapore's workforce to move painlessly into new jobs and skills as the economy restructures.

For this reason, we set up the Centre for Continuing and Professional Education (CCPE) in 2015 to focus efforts on providing accessible university-level education, working with both individuals and companies. The CCPE will bolster our efforts in the area of Continuing Education and Training (CET) by offering bite-sized courses and stackable "micro-qualifications", drawing on the expertise of our schools and industry partners. The CCPE ties in seamlessly with the national SkillsFuture movement to provide Singaporeans with the opportunities to develop their full potential throughout life.

The response to this initiative has been warm, signalling the need for such efforts in making continuing education approachable and achievable. As a notable mention, UniSIM is currently the only university to offer university-

level course under the Ministry of Health's SG50 Lifelong Learning Initiative.

### GRADUATES READY TO MAKE A DIFFERENCE

2015 was a productive year for UniSIM. We admitted our second cohort of full-time students into four programmes – Accountancy, Finance, Marketing and Human Resource Management. We are on track to offer 50% of our courses as e-courses, reinforcing online learning as a trademark of UniSIM to provide flexible learning.

When designing our programmes, we aim to cultivate graduates who are not just work-ready, but community-ready. Our curriculum incorporates The Three H's – Head (professionally competent with applied skills), Heart (socially conscious with a desire to make a positive impact on society), and Habit (self-directed and lifelong learner with strong values). In short, our graduates are equipped and eager to contribute to the growth of the economy, the community as well as themselves.

### ANTICIPATING CHALLENGES

As much as we acknowledge the accomplishments of UniSIM over the past decade, we constantly look forward, not back. With a challenging and fast evolving economic landscape ahead, we need to keep abreast of impending shifts in terms of demographics, labour demand and supply, educational aspirations, and anticipate needs that arise as a result of these changes.

For example, in response to rapid technological changes and disaggregation of the higher education value chain, we need to explore new technologies and opportunities in online learning to keep ahead. This could also be an answer to the issue of physical space constraints.

Remaining adaptive is key – whether it is to survey opportunities for more programmes or meeting the needs of students with a wider spectrum of abilities. By strengthening our curriculum and student support, we move towards being truly student-centric.

In the immediate future, our focus is to increase our capability and reach in CET and SkillsFuture support. We have a headstart in aligning the University with the SkillsFuture philosophy of lifelong learning, and can maintain leadership in this area. In the coming year, all hands will also be on deck to smoothen the way for the Law School's opening. Within five years, we hope to establish the School as a well-reputed one with quality programmes, notably in family law and criminal law.

### A BIRTHDAY WISH

If I could have one birthday wish for UniSIM, it is that we can truly be a people's university – one of distinction that serves the people and works to provide quality higher education that enables them to function meaningfully at work and in society.

It is a wish that has every sign of coming true, as long as we do not waver from our objectives. Ten years on, I envision UniSIM as a university of distinction in adult and online learning with a comprehensive suite of programmes that caters to a diverse range of educational pathways for post-school, post-employment, in-employment and post-employment studies. If UniSIM can be a major provider of university education in Singapore with a system that supports personalised, flexible and adaptive learning for all ages and in multiple, inter-disciplinary areas, then my wish would have been realised.

Such a dream can be fulfilled only with a strong, motivated team of employees that share the same goal. They and our predecessors are the reason behind the good work that has been done thus far. The making of UniSIM is the result of the efforts of a community and I wish to thank everyone involved – the Government, stakeholders, partners, Board of Trustees, faculty, staff, students and alumni, for their invaluable contribution. May the next 10 years for UniSIM shine as brightly as the last.



**Professor Cheong Hee Kiat**  
President  
SIM University



## BOARD OF TRUSTEES



### MR RICHARD Y M EU

Chairman  
SIM University Board of Trustees  
*(from 1 September 2015)*

Group Chief Executive Officer  
Eu Yan Sang International Ltd

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

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

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

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



### MR GERARD EE

Chancellor and Chairman  
SIM University Board of Trustees  
*(until 31 August 2015)*

Mr Gerard Ee is Chairman of the four Canossian Schools, St. Joseph's Institution, Eastern Health Alliance, Changi General Hospital and the Charity Council. He is also on the boards of EDB Investments Pte Ltd, MOH Holdings Pte Ltd, and others. He has been active in the field of social service throughout his career as an accountant. He retired as a partner from Ernst & Young in 2005.

Mr Ee was formerly the Chairman of the Public Transport Council, President of the National Council of Social Service, President of the Automobile Association of Singapore, and has chaired an extensive range of social service organisations and programmes which include juvenile rehabilitative centres, grassroots organisations, schools, and various programmes for the elderly and youth.

Mr Ee is a Fellow of the Institute of Singapore Chartered Accountants and is its current President.



### MR ONG BOON HWEE

Chief Executive Officer  
Stewardship Asia Centre

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

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

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



### PROFESSOR BERNARD TAN

Professor of Physics  
National University of Singapore

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

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

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

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



**PROFESSOR CHONG CHI TAT**

*(until 31 May 2015)*

University Professor  
Department of Mathematics  
National University of Singapore

Professor Chong Chi Tat is University Professor at the Department of Mathematics, National University of Singapore (NUS). He has held positions as Head of the Department of Information Systems and Computer Science, Vice Dean of Science, Deputy Vice Chancellor, as well as Provost at the NUS.

He is currently Director of the Institute for Mathematical Sciences and chairs the Management Board of the Asia Research Institute, and is a Member of the Management Board of Temasek Life Sciences Laboratory. He also serves on the Technical Advisory Committee of the Casino Regulatory Authority. In addition, he was an Executive Committee Member of the Association for Symbolic Logic (USA) and a Managing Editor of the Journal of Mathematical Logic. Professor Chong is a Fellow of the Singapore National Academy of Science.



**MR TAN CHOON SENG**

*(from 1 June 2015)*

Chairman  
Truscott Group

Mr Tan Choon Seng is Chairman of Truscott Group and Co-Founder of Indiverein, and Aleko Investment Pte Ltd – trading as JZWcars in China. He is a director of Fundedbyme AB (Sweden) and Noa Potions AB (Sweden). He was formerly the Group Chief Executive Officer of WBL Corporation. Mr Tan was previously Vice President (Customer Solutions Group) and Managing Director of Hewlett-Packard South East Asia; a post he held from June 2002 when Hewlett-Packard acquired Compaq.

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

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



**PROFESSOR LEO TAN WEE HIN**

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

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

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



**MR RONNIE TAY**

Chief Executive Officer  
National Environment Agency

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

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



**ADJUNCT PROFESSOR  
SEAH MOON MING**

Executive Director and  
Group Chief Executive Officer  
Pavilion Energy Pte Ltd

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

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

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

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



**MS ANG BEE LIAN**

Director of Social Welfare  
Ministry of Social and Family  
Development

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

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

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

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



**MR LOK VI MING, SC**

*(from 1 June 2015)*

Senior Partner  
Rodyk & Davidson LLP

Mr Lok Vi Ming, SC, was appointed a Senior Counsel (Singapore's equivalent of a Queen's Counsel) in 2005. He is also a senior partner in Rodyk & Davidson LLP's Litigation & Arbitration Practice Group and heads the firm's Aviation Practice. Mr Lok is recognised as a leading international aviation and insurance lawyer.

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

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



**PROFESSOR ALEX  
SIOW YUEN KHONG**

*(from 1 June 2015)*

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

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

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

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



**MR LAM YI YOUNG**

Deputy Secretary (Policy)  
Ministry of Education

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

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

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

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

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

Mr Ng Cher Pong is the Chief Executive of Singapore Workforce Development Agency (WDA). He is responsible for spearheading WDA's mission to enhance the employability and competitiveness of Singapore's Workforce.

Prior to joining WDA, Mr Ng served in the Ministry of Education as Deputy Secretary (Services) and Deputy Secretary (Policy). He had also previously worked in numerous ministries, including the Ministry of Defence and Ministry of Manpower.

Mr Ng is currently serving as a Board Director of Singapore Technologies Kinetics Ltd, Info-communications Development Authority of Singapore, Employment and Employability Institute, Northlight School Board of Governors and SIM University Board of Trustees.



**MR NG CHER PONG**

Chief Executive  
Singapore Workforce  
Development Agency



**MR RONALD TAN**

Executive Director  
Singapore Institute of  
Management

Mr Ronald Tan was first appointed Executive Director of the Singapore Institute of Management (SIM) on 1 April 2001. Mr Tan brought with him more than 25 years of varied experience from both the public and private sectors.

Prior to joining SIM, Mr Tan was Senior Vice President and Head of Group Human Resources at the United Overseas Bank Group. Besides having held several senior appointments in the Singapore Government's Administrative Service, Mr Tan had also served as a Combat Engineers Battalion Commander and was the Division Engineer of the Guards' Division during his national service.

Mr Tan is a Director of the NTUC First Campus Board of which he was an Establishment Committee Member and currently a Member of the Audit Committee. He is also a Member of the Remuneration Committees of the National Kidney Foundation and Focus on the Family.

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



**PROFESSOR CHEONG HEE KIAT**

Ex-officio  
SIM University Board of Trustees  
President  
SIM University

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

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

Professor Cheong graduated from the University of Adelaide and the Imperial College, London. He is a registered Professional Engineer (Civil) and Fellow of the Institution of Engineers Singapore and the Singapore Academy of Engineers.



**ASSOCIATE PROFESSOR YIP WOON KWONG**

Secretary  
SIM University Board of Trustees  
Registrar  
SIM University

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

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

**BOARD COMMITTEES**

**Audit Committee**

**Chairman**  
Mr Ramasamy Dhinakaran

**Members**  
Mr Ng Cher Pong  
*(from 1 March 2015)*  
Professor Leo Tan Wee Hin  
*(until 31 July 2015)*  
Professor Bernard Tan  
*(from 1 August 2015)*

**Establishment Committee**

**Chairman**  
Mr Gerard Ee  
*(until 31 August 2015)*  
Mr Richard Y M Eu  
*(from 1 September 2015)*

**Members**  
Professor Leo Tan Wee Hin  
Mr Ronald Tan  
Mr Ong Boon Hwee  
*(until 31 July 2015)*  
Mr Lam Yi Young  
*(from 1 August 2015)*

**Finance Committee**

**Chairman**  
Professor Bernard Tan  
*(until 31 July 2015)*

Adjunct Professor  
Seah Moon Ming  
*(from 1 August 2015)*

**Members**  
Mr Ronnie Tay  
Adjunct Professor  
Seah Moon Ming  
*(until 31 July 2015)*

Mr Ong Boon Hwee  
*(until 31 July 2015)*  
Professor Alex Siow  
*(from 1 August 2015)*

**Investment Committee**

**Chairman**  
Mr Ong Boon Hwee

**Members**  
Mr Lok Vi Ming, SC  
Mr Tan Choon Seng

**Nomination Committee**

**Chairman**  
Mr Gerard Ee  
*(until 31 August 2015)*

Mr Richard Y M Eu  
*(from 1 September 2015)*

**Members**  
Adjunct Professor  
Seah Moon Ming  
Mr Ong Boon Hwee  
*(until 31 July 2015)*

Ms Ang Bee Lian  
*(from 1 August 2015)*

**KEY ACADEMIC MEMBERS**



**PROFESSOR CHEONG HEE KIAT**

President



**PROFESSOR TSUI KAI CHONG**

Provost



**ASSOCIATE PROFESSOR YIP WOON KWONG**

Registrar



**ASSOCIATE PROFESSOR WONG YUE KEE**

Vice President  
Learning Services



**ASSOCIATE PROFESSOR GENICE NGG**

Dean  
School of Arts and Social Sciences



**ASSOCIATE PROFESSOR LEE PUI MUN**

Dean  
School of Business



**PROFESSOR TAN NGOH TIONG**

Dean  
School of Human Development  
and Social Services



**PROFESSOR LESLIE CHEW**

Dean  
School of Law  
*(from 1 August 2015)*



**ASSOCIATE PROFESSOR PHILIP CHEANG**

Dean  
School of Science and Technology



**PROFESSOR KOH HIAN CHYE**

Assistant Provost



**ASSOCIATE PROFESSOR CHEAH HORN MUN**

Assistant Provost  
Director  
Office of Graduate Studies

## SIM UNIVERSITY EDUCATION FUND

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

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

In 2015, the Fund supported the development of over 40 courses and more than 100 e-courses, which widened the range of offerings at UniSIM and garnered even more interest among those keen to pursue higher education. It also contributed to the building up of infrastructure vital to the functioning and development of the University, including IT infrastructure, software development and enhancements.

Funds were approved for 11 new research grants during the year in areas of subjective well-being, heritage studies, teaching and learning, and institutional research. There were 14 active faculty research projects that were funded from SUEF monies, and of these, four were with industry/external linkages.

The Fund continued to support UniSIM students in their tertiary education pursuits through various financial schemes. UniSIM awarded 54 sponsorships, 11 scholarships, and 363 study grants in 2015. In total, S\$576,129.25 was used to support the various financial schemes. Through these schemes, UniSIM hopes to recognise scholarly excellence and to provide additional avenues for learners needing financial support to pursue their dreams, and in turn, contribute to society.

## MEMBERS OF THE SUEF BOARD OF TRUSTEES

### MR LIM SOON HOCK (CHAIRMAN)

Managing Director  
Plan-B ICAG Pte Ltd

### PROFESSOR CHAM TAO SOON

Special Advisor to  
SIM Governing Council

### PROFESSOR BERNARD TAN

Professor of Physics  
National University of Singapore

### PROFESSOR CHONG CHI TAT

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

### MR RAMASAMY DHINAKARAN

Managing Director  
Jay Gee Group of Companies

### MR LAM SIEW WAH

Deputy Chief Executive Officer  
(Industry Development)  
Building and Construction  
Authority

### DR JOSEPHINE KWA LAY KENG

Chairman  
Raffles Marina Holdings Ltd

### MR NOEL HON CHIA CHUN

Chairman  
e-Cop Pte Ltd

### MS ANG BEE LIAN

Director of Social Welfare  
Ministry of Social and Family  
Development

### MR RONALD TAN HEE HUAN

Executive Director  
Singapore Institute of Management

### PROFESSOR CHEONG HEE KIAT

President  
SIM University

## CORPORATE GOVERNANCE

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

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

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

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

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

## CORPORATE INFORMATION

### REGISTERED ADDRESS

SIM University  
461 Clementi Road  
Singapore 599491  
Tel: +65 6248 9777  
Fax: +65 6469 9312  
www.unisim.edu.sg

### CHARITY REGISTRATION NUMBER

001887

### PRINCIPAL BANKER

Citibank, N.A.  
8 Marina View #16-00  
Asia Square Tower 1  
Singapore 018960

### LAWYER

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

### AUDITOR

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

## MILESTONES

In 2015, UniSIM proudly celebrated a decade of making a difference. It marked its tenth anniversary in this eventful year of many milestones, including the organising and hosting of special events such as four international conferences that looked into evolving trends for the next generation of learners and educators.

### JANUARY

- Established the Centre for Continuing and Professional Education within UniSIM to foster a culture of lifelong learning by driving SkillsFuture initiatives.
- Set up the Office of External Relations within UniSIM to formulate and direct external relations strategies; establish key policies and procedures for external relationships; identify, foster and monitor strategic partnerships; facilitate interactions/engagements with educational institutions and industry players; facilitate international exchanges and visits; oversee negotiations for external collaborations, amongst others.

### APRIL

- Commemorated tenth anniversary with a celebration luncheon held at Mandarin Orchard Singapore which was graced by Mr Tharman Shanmugaratnam, Deputy Prime Minister and Minister for Finance. The highlight was the launch and presentation of the UniSIM LEAP Award to honour pioneers who have contributed significantly to the establishment and development of UniSIM. Mr Gerard Ee, Chancellor and Chairman of UniSIM, presented the awards to four recipients: Mr John Yip, former Executive Director of Singapore Institute of Management who oversaw the Open University Development Programme (OUDP) which led to the setting up of UniSIM; Mr Seah Chiong Tian, who had run the OUDP and then served as Registrar and Vice President (Administration) at UniSIM; Dr Aline Wong, Academic Advisor at UniSIM; and Professor Cham Tao Soon, former Chancellor and Chairman of UniSIM's Board of Trustees. In commemoration of its tenth anniversary, UniSIM also presented a cheque for S\$30,000 – contributed by Board members and staff – to AWWA, a voluntary welfare organisation that provides a range of services to the needy, regardless of gender, race and religion. UniSIM continued the spirit of giving back to the community throughout 2015, with activities including befriending visits and outings for the elderly at the AWWA Community Home for Senior Citizens and Seniors Activity Centre, as well as providing volunteer support at AWWA School, which provides pupils with special needs education and support services.

01. Deputy Prime Minister and Minister for Finance Mr Tharman Shanmugaratnam (centre) gracing UniSIM's tenth anniversary celebration.

02. UniSIM Provost Professor Tsui Kai Chong (6<sup>th</sup> from right); Associate Professor Genice Ngg, Dean of UniSIM's School of Arts and Social Sciences (extreme right); and Dr K. Shanmugam, Head of UniSIM's Tamil Language and Literature programme (3<sup>rd</sup> from left), with student volunteers and associates at the 14<sup>th</sup> Tamil Internet Conference.

### MAY

- Co-organised and hosted the 14<sup>th</sup> Tamil Internet Conference which focused on computer-aided language teaching and mobile technology. The three-day event, which included the main conference, an exhibition and community-related activities, attracted some 350 delegates from Singapore, Malaysia, India, Sri Lanka, the United States, Australia and Europe. It was opened by Mr S. Iswaran, Minister in the Prime Minister's Office, and Second Minister for Home Affairs & Trade and Industry.

### JUNE

- Teamed up with Hong Kong Baptist University to collaborate on activities that will enhance student learning and quality of teaching at both universities.
- Collaborated with e-Learning Forum Asia to organise and host the 10<sup>th</sup> e-Learning Forum Asia, themed *Innovations In Education: Responding Intelligently To Diverse Learning Needs*, to identify emerging technologies and innovative pedagogical practices. This forum provided a platform for the global academic community to come together to interact, share best practices, network, and advance the application of information technology in teaching and learning. Nine speakers, including keynote speaker Dr Larry Johnson, Chief Executive Officer of the New Media Consortium, shared their approaches to online learning and teaching. Held over three days, the forum also saw 75 paper presenters, with UniSIM represented by 14 paper presentations. Sponsors also presented their forthcoming technological offerings to the delegates during the Vendor Round Table Tracks and User Group Meetings.
- Formalised ties with Hong Kong Logistics Association with the signing of an MOU, providing opportunities for Logistics and Supply Chain Management students at UniSIM and in Hong Kong to take part in logistics training programmes and activities in Asia.



**JULY**

-  Co-organised and hosted the 19<sup>th</sup> International Symposium of the International Consortium for Social Development (ICSD), themed *Transforming Society: Trends And Models In Community Leadership And Social Development*, to explore vibrant models and discuss latest trends with the aim to serve society. This four-day, biennial event provided a platform for over 400 delegates from 38 countries to share their commitment and dedication to the promotion of community leadership and social development. The opening ceremony was graced by Mr Tharman Shanmugaratnam, Deputy Prime Minister and Minister for Finance. The three distinguished keynote speakers who presented at this year's symposium were Dr Noeleen Heyzer, former Under-Secretary-General of the United Nations (UN) and Special Advisor of the UN Secretary-General to Timor-Leste; Professor Michael Sherraden, George Warren Brown Distinguished University Professor and founding director of the Center for Social Development at Washington University; and Mr Ang Hak Seng, Chief Executive Director of the People's Association (PA). Mr Lawrence Wong, Minister for Culture, Community and Youth, and Second Minister for Communications and Information, was Guest-of-Honour at the ICSD President's Dinner. Minister Wong delivered a speech at the Daniel S. Sanders Memorial Lecture and presented plaques to five ICSD pioneers to thank them for their hard work.
- Launched the Master of Arts in Applied Linguistics (TESOL) programme.
- Partnered Nanyang Confucian Association to provide scholarships to deserving students in UniSIM's Bachelor of Arts in Chinese Language and Literature programme.

**AUGUST**

- Received accreditation for the full-time Accountancy programme for direct entry into the Singapore Qualification Programme (Singapore QP) Professional Programme from the Singapore Accountancy Commission.
- Commenced classes for the first intake of students in the full-time Human Resource Management (with minor) programme – the first and only full-fledged programme in this field in Singapore.

**SEPTEMBER**

- Mr Richard Eu, Group Chief Executive Officer of Eu Yan Sang International Limited; and Dr Aline Wong, Academic Advisor of UniSIM, took over from Mr Gerard Ee in the roles of Chairman of the UniSIM Board of Trustees and Chancellor of UniSIM, respectively.
- Renewed partnership with Singapore Land Transport Authority to jointly develop and deliver a revamped Master in Management (Urban Transportation) programme.
- Held the inaugural *UniSIM Spirit Award* presentation ceremony to recognise people-oriented and social-centric full-time programme students who take the lead to better society.



03



04

03. Deputy Prime Minister and Minister for Finance Mr Tharman Shanmugaratnam delivering his speech at the 19<sup>th</sup> International Symposium of the International Consortium for Social Development.

04. Mr Ng Cher Pong, Chief Executive of the Singapore Workforce Development Agency, speaking at the 9<sup>th</sup> International Conference on Researching Work & Learning.

**OCTOBER**

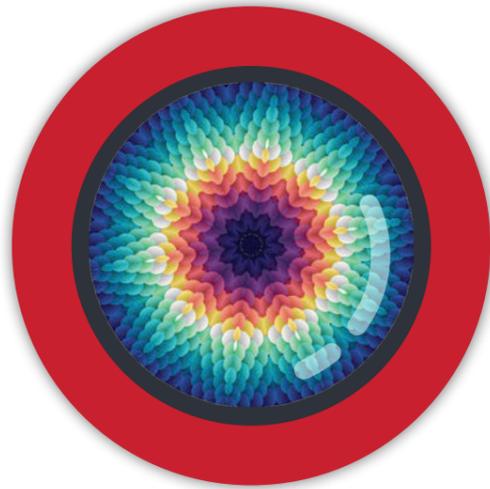
- Joined hands with the Singapore Armed Forces, Singapore Civil Defence Force, Nanyang Polytechnic, Institute of Technical Education and Justice Institute of British Columbia (JIBC) to jointly promote paramedicine skills mastery through training and education. Worked with JIBC to offer a new minor in Paramedicine and Emergency Response in UniSIM's Bachelor of Science in Biomedical Engineering programme.
- Sealed partnerships with Sport Singapore and National Council of Social Service to promote collaborations in scholarships and sponsorships for UniSIM's Master of Non-profit Management programme, which will see its first intake in July 2016, as well as to facilitate the sharing of expertise and resources in the development of leadership capacities in the non-profit sector.

**NOVEMBER**

- Signed MOU with Project Dignity to offer trainees in the food and beverage industry the opportunity to read university-level courses in management and finance at UniSIM.

**DECEMBER**

- Formed alliance with the Institute for Adult Learning, which was acting on behalf of the Singapore Workforce Development Agency, to cooperate in areas such as research on workforce development and lifelong learning, as well as capability development of educators and researchers.
-  Co-organised the 9<sup>th</sup> International Conference on Researching Work & Learning, themed *Work And Learning In The Era Of Globalisation: Challenges For The 21<sup>st</sup> Century*. The three-day conference series saw the attendance of over 300 delegates hailing from 20 countries, from various backgrounds including academic, research, human resource development, and adult education and training. Mr Ng Cher Pong, Chief Executive of the Singapore Workforce Development Agency, was Guest-of-Honour. The three keynote speakers who shared their knowledge and insights were Professor Raewyn Connell from University of Sydney; Associate Professor Lee Yew Jin from the National Institute of Education; and Professor David Guile from University College London.



# Being Unique

At UniSIM, our programmes revolve around our learners' unique dreams and aspirations. No matter which field they choose to pursue their studies in, we help them become inspired learners who will shine at the workplace and in society.

## FULL-TIME PROGRAMMES THAT MEET INDUSTRY NEEDS

Following the successful launch of UniSIM's full-time undergraduate programmes in 2014, we built on the momentum to add a new programme to our fold – Human Resource Management. This brings the total number of full-time programmes to four, the other three being Accountancy, Finance and Marketing. All four programmes were heavily oversubscribed, with 2,293 applications received for 280 places. The popularity of the programmes reflects the public's confidence in UniSIM's quality and credibility.

UniSIM College, which administers the full-time programmes, will continue to expand to cater to healthy demand for our full-time programmes. During the year, the Ministry of Education gave in-principle approval for two new programmes in Social Work and Supply Chain Management, which will commence in 2016. To support the rapid growth of UniSIM College, we will invest



heavily in faculty and staff recruitment, as well as in quality curriculum design.

A key milestone in 2015 was the accreditation of the full-time Accountancy programme by the Singapore Accountancy Commission for the Singapore Qualification Programme, which qualifies chartered accountants in Singapore.

The year also saw our full-time students read courses in their minors with their part-time counterparts which provided them with the opportunity to interact with, and benefit from, classmates who are working adults.

Looking forward, some of the distinctive hallmarks of a UniSIM education include service-learning, work attachments and overseas exposure. Built on UniSIM's strengths in adult education and industry connections, these features form the cornerstone on which we can develop our competitive edge and differentiate ourselves from other universities.

## A COMPREHENSIVE SPECTRUM OF PART-TIME PROGRAMMES

UniSIM's part-time programmes are the bedrock of the University. They enable professionals and adult learners to upgrade their skills and qualifications at their own time and pace, an offering that is unique to UniSIM. Students may choose from a wide array of industry-relevant programmes across industries from our four schools – the School of Arts and Social Sciences, School of Business, School of Human Development and Social Services, and School of Science and Technology.

In 2015, we introduced three new Masters programmes. The first was the Master of Arts in Applied Linguistics (TESOL) – an advanced academic graduate degree that provides language teachers with the knowledge and skills needed for language teaching and related work. The second was the Master of Business Administration which grooms managers with heart, able to achieve business objectives in an ethical and sustainable way. Finally, the new Master of Non-profit Management is a specialised programme that will equip personnel in the non-profit sector with a practice-based academic degree.



01. Promoting our full-time programmes at Temasek Polytechnic's Opportunity Fair.

02. Our second-year full-time students working with service-learning community partners on UniSIM's inaugural Service-Learning Fair.

03. Associate Professor Benny Lee, Head of the Master of Arts in Applied Linguistics (TESOL) programme, briefing the first batch of prospective students who had received offers from UniSIM.

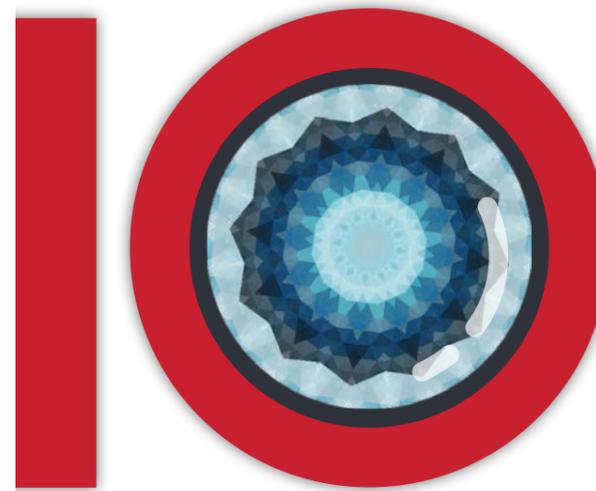
Several new minors were also launched, one of which was the Paramedicine and Emergency Response in the Biomedical Engineering programme. This paramedic training programme is the first of its kind in Singapore at the degree level. Another minor, Contemporary China Studies for the Communication and Sociology programmes, helps students better understand various facets of contemporary China, and how to forge or deepen ties with this growing global power in areas such as finance, real estate and environment.

We continued to expand and improve on other programmes, including the Communication, Urban Transportation, Malay Language and Literature, Accountancy, and Social Work programmes, making revisions where necessary to ensure that they remain relevant amidst a changing economic and social landscape. Collaborating with the Singapore College of Insurance, students who complete related financial planning courses in UniSIM can now receive exemptions for four modules in the Chartered Financial Consultant certification. This is in addition to the existing recognition by the Financial Planning Association of Singapore of five UniSIM courses towards the Certified Financial Planner Programme.

Besides individual programmes, efforts have also been made to enhance school offerings as a whole. Capitalising on the synergy of all School of Business (SBIZ) programmes, an SBIZ Core Programme has been developed and approved for implementation in July 2016. The SBIZ Core Programme is one that all SBIZ students will have to undergo, so as to acquire basic proficiency in business knowledge.



04. UniSIM and the Land Transport Authority of Singapore (LTA), as represented respectively in a MOU signing ceremony by (front row, from left) Provost Professor Tsui Kai Chong; and Mr Lew Yii Der, Group Director of Corporate Planning and Development, commit to jointly develop and deliver a revamped Master in Management (Urban Transportation) programme.



# Being Boundless

A UniSIM education is more than just classroom theories. It is the gateway to boundless opportunities, made possible with strong support from our partners that enable the empowerment of our learners through practical, hands-on approach and industry-relevant curricula.

## SPEARHEADING SKILLSFUTURE TO EMPOWER CITIZENS

Over the past 10 years, the UniSIM brand has become synonymous with quality education tailored for working adults, due to our robust industry connections. A major highlight of 2015 was the setting up of the Centre for Continuing and Professional Education (CCPE) to capitalise on these ties, working with government and industry partners to integrate education with training and career progression.

CCPE dovetails with the national SkillsFuture initiative as the lead entity empowering lifelong learning in Singapore. It draws on the expertise and resources of the UniSIM Schools to develop courses for both casual learners and professionals wishing to upgrade their skills. Under SkillsFuture, selected modular courses in future growth sectors, such as aerospace, biomedical science and logistics, receive a subsidy of 55% from the Ministry of Education. In addition, participants aged 40 and above receive a Mid-Career Enhanced Subsidy of 60% off the remaining fee payable.

UniSIM is the only university to offer university-level courses under the Ministry of Health's SG50 Lifelong Learning Initiative. Some 196 places were taken up by seniors, reading 76 courses from different disciplines. In the coming year, we will expand our repertoire of skills-based modular course, including online courses for greater outreach. We will continue to drive SkillsFuture, working closely with the public sector as well as the polytechnics on the Earn and Learn Programmes.

**SYNERGISING EDUCATION AND WORK THROUGH PARTNERSHIPS**

Our ties with industry leaders enable us to develop a myriad of programmes that are directly relevant to the workplace. For instance, during the year, we inked a Memorandum of Understanding (MOU) with the Hong Kong Logistics Association to provide UniSIM and Hong Kong students with training programmes in logistics and supply chain management. This took place in conjunction with the 2015 Vietnam Exchange Training Programme in June 2015. We also signed MOUs with the Singapore Armed Forces, Singapore Civil Defence Force, Nanyang Polytechnic, Institute of Technical Education and Justice Institute of British Columbia to jointly promote paramedicine skills mastery; Hong Kong Baptist University to collaborate on student exchange programmes and e-courses; and Sport Singapore and National Council of Social Service in support of the upcoming Master of Non-profit Management programme.

Of notable interest is the MOU signed with Project Dignity, a social enterprise which provides employment opportunities in hawker stalls for the disadvantaged. Project Dignity offers basic training for those in

Food and Beverage (F&B) industries. The MOU with UniSIM will make available university-level courses to trainees who wish to better understand the management of services in the F&B sector, and their application in food stalls and food courts. This area is in line with one of the SkillsFuture identified priority sectors, namely Food Services. We also signed an MOU with the Institute for Adult Learning, forging a partnership in research on workforce development and lifelong learning.

When it comes to Chinese studies and publications, the UniSIM Centre for Chinese Studies is a one-stop centre and leader in the region, marrying academic and industry developments. New partnerships were forged to strengthen ties with the Taipei Representative Office in Singapore, Taipei Business Association in Singapore, and the Ministry of Education's Committee to Promote Chinese Language Learning.

- 01. (From right) Associate Professor Lee Pui Mun, Dean of UniSIM's School of Business; and Ir Dr Owen Yue, Secretary General of Hong Kong Logistics Association, sealing a partnership to support our Logistics and Supply Chain Management programme.
- 02. UniSIM is part of the six-party MOU signing to promote paramedicine skills mastery.
- 03. (From left) Mr Lim Teck Yin, Chief Executive Officer of Sport Singapore; UniSIM Provost Professor Tsui Kai Chong; and Mr Sim Gim Guan, Chief Executive Officer of National Council of Social Service, with the signed MOUs for the upcoming Master of Non-profit Management programme.
- 04. (From right) UniSIM Provost Professor Tsui Kai Chong; and Professor Franklin Luk, Vice-President (Academic) of Hong Kong Baptist University, committing to collaborate on activities that will enhance student learning and quality of teaching at both universities.



- 05. (From left) UniSIM Provost Professor Tsui Kai Chong and Mr Koh Seng Choon, Executive Director of Project Dignity, sealing the partnership to provide opportunities for the upskilling of the workforce in the food and beverage sector with a handshake.
- 06. With the signing of the MOU by UniSIM Provost Professor Tsui Kai Chong; and Ms Hui Mei San, Executive Director of Institute for Adult Learning, a partnership in research on workforce development and lifelong learning is forged. (Back row, from left) UniSIM President Professor Cheong Hee Kiat and Mr Ng Cher Pong, Chief Executive of the Singapore Workforce Development Agency, witnessing the event.
- 07. Director Mr Chen Hwai-eng presenting a talk entitled 'From The Sandwich Man To A Life That Sings – My Journey In Taiwan Cinema' as part of the Taiwan Documentary Showcase 2015 co-organised by UniSIM, Taipei Representative Office in Singapore, Taipei Business Association in Singapore and Singapore Film Society.

Apart from helping us develop courses, industry collaborations open up invaluable opportunities for our students in terms of workplace attachments and exchange programmes and access to resources. In 2015, we established an MOU with the Nanyang Confucian Association to provide scholarships for top students from the Chinese Language and Literature programme. Under this scheme, a total of 16 UniSIM students will receive the scholarships. An MOU with the Singapore Psychological Society (SPS) was renewed during the year, which allows UniSIM's Psychology students to join SPS as student members at a subsidised rate.

Field trips too, help students enhance their understanding of how organisations work. During the year, 38 participants from the Logistics and Supply Chain Management programme made

a site visit to Asia Pacific Breweries Singapore, while Communication students received a guided tour of the Singapore Press Holdings Print Centre.

Industry support for UniSIM has been strong and forthcoming, not just for our part-time programmes but also our full-time programmes. UniSIM College forged several new collaborations in 2015, with partners such as the National Youth Council, Outward Bound Singapore, Binjai Tree and Government Investment Corporation, which are particularly supportive of our service-learning initiatives. In terms of work attachments, 72 companies have committed to taking on UniSIM's full-time students.

Throughout the year, our Centre for Applied Research supported our industry partners in driving various research projects with real-world impact. This entailed conducting the quarterly *Business Times-UniSIM Business Climate Survey*, now in its ninth year, as well as the *LTA Public Transport Customer Satisfaction Survey*, which reached its seventh year.

10. Our Communication programme students, alumni and staff touring the Singapore Press Holdings Print Centre.

11. Students, staff, associates and industry supporters from UniSIM's Bachelor of Science in Logistics and Supply Chain Management programme visiting Asia Pacific Breweries Singapore.

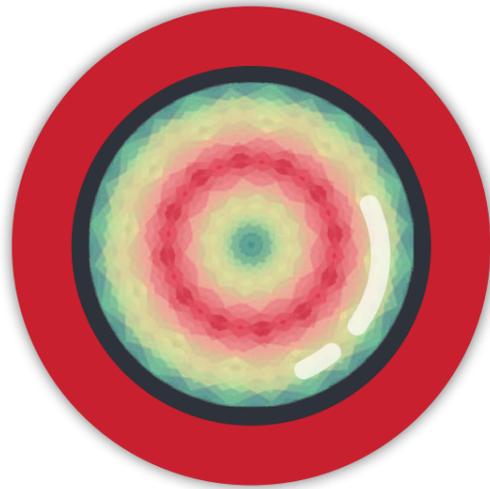


08. Under the MOU signed by (from right) Associate Professor Genice Ngg, Dean of UniSIM's School of Arts and Social Sciences; and Mr Kek Boon Leong, President of Nanyang Confucian Association (NCA) and Chairman of the Kongzi Culture Fund Ltd, NCA will extend the Kongzi Culture Fund Scholarship to our top Chinese Philosophy (Confucianism) and Literature students.



09. (From right) Associate Professor Genice Ngg, Dean of UniSIM's School of Arts and Social Sciences; and Ms Clare Yeo, President of Singapore Psychological Society, renewing the MOU for UniSIM's Psychology programme.





# Being Cohesive

UniSIM's strength lies in our philosophy – unity in diversity. We create a platform for real-world connections and cultivate a cohesive environment for exchange of ideas, so that our students can grow intellectually, culturally and socially.

## NURTURING A COMMUNITY MINDSET

At UniSIM, we believe that learning and contributing to society go hand in hand. As such, service-learning forms an integral part of our curriculum. Our full-time undergraduates attended several service-learning seminars by prominent speakers including world renowned primatologist Dr Jane Goodall, Director Emeritus of the Bing Overseas Studies Programme at Stanford University Professor Timothy Stanton, and Founding Director of the National Service-Learning Clearinghouse Dr Robert Shumer, and a service-learning fair, as well as worked with community partners on service-learning projects.



01



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The year saw 45 students embark on study missions overseas – to China, Hong Kong, Japan and Myanmar. On these trips, the students visited notable companies such as Huawei in China, Star City Developments in Myanmar and Yamato Holdings in Japan. They interacted with senior business leaders to understand regional business issues and practices. Each trip was designed to address a specific theme and our students explored topics ranging from *Revitalising the Japanese Economy* to *The Social and Economic Transformation of the Pearl River Delta*, as well as identifying the *Challenges and Opportunities of Emerging Myanmar*.

UniSIM staff members too, embarked on overseas trips to Cambodia, Malaysia and the Philippines to source for, and evaluate, potential service-learning and student life opportunities for our students.

Where appropriate, this mindset was also ingrained in our Class of 2015 of 2,248 which saw pioneer batches of graduates in Aviation Maintenance, Communication with Business, Communication with Psychology, Early Childhood and Chinese Language Education, and Human Factors in Safety with Military Studies.

01. World renowned primatologist and conservationist, Dr Jane Goodall, presenting a service-learning seminar entitled 'Planting Seeds Of Hope: Values In Action Through Roots & Shoots' at UniSIM.

02. Dr Robert Shumer (standing) chatting with our full-time programme student leaders at the 'Service-Learning & Youth Leadership Development' session.

**HONING REAL-WORLD KNOWLEDGE**

UniSIM's strong industry collaborations translate into ample platforms for students to participate in events that mirror the world of work. In October 2015, Singapore Exchange and UniSIM launched My First Stock Carnival @UniSIM – an investment carnival to educate students on investing. A group of 30 full-time students underwent investment training at SGX Academy before taking on roles as Student Investment Ambassadors at the carnival to share their knowledge.

The Supply Chain Challenge 2015 – Tripartite Effort to Promote the Logistics Industry among Young People, was co-organised together with the Singapore Logistics Association, with support from SPRING Singapore, the polytechnics and the Institute of Technical Education, to expose pre-university students to the logistics industry. Meanwhile, the 6<sup>th</sup> Analytics Education Forum provided Business Analytics students with a platform to showcase their projects featuring real-world applications of business analytics in local organisations.

Language students, in particular, enjoyed a plethora of learning opportunities via public conferences organised by UniSIM in 2015. These included the 4<sup>th</sup> International Conference on Teaching and Learning of Chinese as a Second Language, with 1,000 delegates attending from 17 countries; the half-day Speaking Singapore: Language, Culture and Identity forum touching on many important issues in language in Singapore; the BNU Cultural Classroom Series; the Singapore Chinese Film Festival; and the UniSIM Cultural China Public Lecture.



03. An SGX-trained UniSIM student ambassador answering queries from visitors at the My First Stock Carnival @ UniSIM event.



04. (From left) UniSIM President Professor Cheong Hee Kiat; Guest-of-honour Senior Minister of State for Trade & Industry and National Development, Mr Lee Yi Shyan; and Singapore Logistics Association Chairman Mr Stanley Lim launching Supply Chain Challenge 2015.



05. Renowned Taiwanese writer Professor Lung Yingtai presenting a talk entitled 'From Village To Metropolis: My Cultural Experience' during the UniSIM Cultural China Public Lecture 2015.

06. UniSIM's senior management and faculty at the 4<sup>th</sup> International Conference on Teaching and Learning of Chinese as a Second Language.

07. Ms Indraneel Rajah, Senior Minister of State, Ministry of Law and Ministry of Education (4<sup>th</sup> from right), was Guest-of-Honour at the 'Speaking Singapore: Language, Culture And Identity' forum.

08. A lively sharing by panel members (from right) Taiwanese directors Mr Wan Jen and Mr Lee Hsing, and Mr Zhang Jianyong, former Deputy Curator of China's Film Archive Institute, on the topic 'Tribute To Lee Hsing: A Life In Cinema', with Associate Professor Foo Tee Tuan, Deputy Director of the UniSIM Centre for Chinese Studies, as the moderator, during the Singapore Chinese Film Festival.

**HEARING FROM THE EXPERTS**

On campus, ideas and interactions bring life and learning to the UniSIM community. Events such as seminars and talks by invited speakers take place throughout the year. Of note was the Interfaith Seminar held in conjunction with OnePeople.sg to promote religious harmony in Singapore. Attracting some 60 people of different faiths, the seminar surfaced issues of religious expression, rights and sensitivity.

Numerous talks spanning a wide range of topics were held during the year, to enhance students' knowledge and learning. These included *Understanding the Media Industry: Why Build Media Relations?*, *Can Cognitive Psychology Explain Delusional Thinking?*, *200 Years of Translation in Singapore*, *Effective Resolution of Cross-border Contractual Disputes: Arbitration, Mediation and Litigation and New ADR Paradigms*, *The Finnish Way of Education with Special Focus on Early Childhood*, and *Latest Developments in Thermal Spray: Applications for Industrial Profit*.



09

09. Mr Nicholas Fang, Supervising Editor at MediaCorp's Singapore Desk and Executive Director of the Singapore Institute of International Affairs, presenting a talk on 'Understanding The Media Industry: Why Build Media Relations?' to students, alumni and faculty.



10

10. Mr Tan Dan Feng, director of a regional translation group, a language software developer, an established publisher and a member of the National Translation Committee, speaking at the '200 Years Of Translation In Singapore' enrichment talk.



11

We also organised events such as dialogues, conferences and forums where students have the opportunity to hear from and interact with leaders of industry. The Senior Business Leader Dialogue Series in 2015 featured prominent individuals, including Mr John Lim, Group CEO of ARA Asset Management; Mr Ho Kwon Ping, Executive Chairman of Banyan Tree Holdings; and Mr Alvin Tan, Executive Director of Goldman Sachs. Other distinguished guests who came to share with our community in 2015 included former Singapore Commissioner of Police Ng Joo Hee, Ambassador-at-Large Professor Tommy Koh and Parliamentary Secretary for Education and for Social and Family Development Associate Professor Muhammad Faishal Ibrahim.

As part of our applied learning initiative, we also launched a CFO Workshop Series in Applied Finance and Accounting, which saw senior business practitioners conduct skills-based training for our full-time students.



12

11. Ambassador-at-Large Professor Tommy Koh (4<sup>th</sup> from right) with UniSIM's senior management team and staff.

12. (From left) Former Singapore Commissioner of Police Ng Joo Hee receiving a token of appreciation from UniSIM Provost Professor Tsui Kai Chong after his talk on 'Policing The Safest Place In The World' at UniSIM.



# Being Vibrant

The distinctiveness and vibrancy of the UniSIM community enable different personalities across groups – students, faculty, staff and alumni – to synergise ideas and make their mark both on campus and beyond.

## A CLASS OF THEIR OWN

UniSIM students consistently demonstrate their talent and mettle not just locally but in the international arena. In 2015, they continued to bag awards in a wide range of fields. Two of our full-time students, Mr Kenneth Lim and Mr Kenneth Yap, were among 22 undergraduates from seven Asian universities who participated in the Cross-Border Service-Learning Summer Institute. Mr Kenneth Lim's team was awarded Best Presentation (Yunnan) and Mr Kenneth Yap's team Best Presentation (Hong Kong). Another full-time student, Ms Priscilla Ngeow, was selected as one of three debaters to represent Singapore at an event organised by the Singapore Ministry of Foreign Affairs and ASEAN Intergovernmental Commission on Human Rights. Priscilla received a special commendation from Ambassador-at-Large Chan Heng Chee.



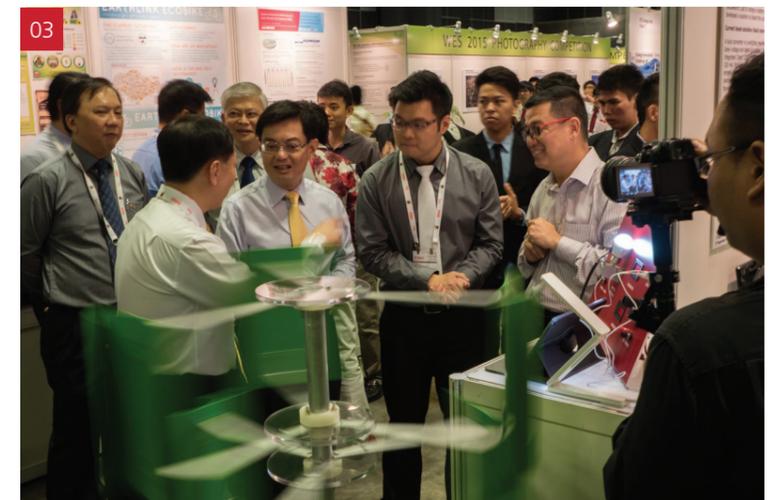
01. Full-time student Ms Priscilla Ngeow presenting her arguments at the ASEAN Intergovernmental Commission on Human Rights (AICHR) Youth Debates 2015.



02

Beyond inspiring self-actualisation, we are committed to instilling social consciousness in our students through service-learning. The UniSIM Spirit Award was given out for the first time to honour seven students who possess the strength of character, are driven to help others, and embody UniSIM's educational philosophy of *The Three H's* – 'Head', 'Heart' and 'Habit'.

Our part-time students too, made their presence felt at competitions. Mr Roy Sng, an Aerospace Systems student, won the inaugural Energy Innovation Challenge with his sustainable urbanised vertical axis wind turbine prototype, beating off stiff competition from the other Singapore and foreign universities.



02. The inaugural batch of the UniSIM Spirit Award recipients, together with UniSIM's senior management.

03. Mr Roy Sng (front row, 2<sup>nd</sup> from right) and the UniSIM team briefing Minister for Education Mr Heng Swee Keat on the prototype that generates electricity from wind energy.

Ms Phyllis Hui, a Communications student, was a student presenter for the 'Dream Future' Envisioning Forum, organised by the Association for Public Affairs under SG100 COMPASS (Conversations on Measures of Progress for our Aspirational Singapore Society) (Youth Edition) and went on to win the title of Best Presenter for her session. Meanwhile, a team of Master of Gerontology students participated in the Singapore SingHealth Age-Friendly Award Poster Exhibition and clinched the Age-Friendly Award.

Our students also made us proud on the sports front. Psychology with Sociology student Ms Hayden Ong, Facilities and Events Management student Ms Loh Peixuan, Psychology student Ms Nicole Tan and Marketing student Ms Grace Seet won medals in the 28<sup>th</sup> SEA Games. Sports and Physical Education with Management student Mr Pang Jie Liang, and Psychology students

Mr Ng Kai Yong and Mr Wong Wei Jie were part of the team which won the coveted Prime Minister's Challenge Trophy during the Singapore Dragon Boat Festival 2015.

It was not all work and no play for UniSIM students and alumni though. The UniSIM campus is a hive of activity throughout the year, with students leading the charge. A group of Logistics and Supply Chain Management graduates and faculty members organised UniSIM's first-ever flash mob during the UniSIM Convocation on 8 October 2015. The video garnered the highest number of views on UniSIM's Facebook page over the year. The Office of Student and Alumni Relations organised several student events during the year to meet the interests of different student groups and to promote interaction among students. These events included a ukulele workshop, an art-jamming session and a bowling friendly competition.

04. A bowling competition between our students and alumni.

05. Our students learning the basics of ukulele playing.



### CONTRIBUTING TO TEACHING AND RESEARCH

At UniSIM, our faculty members are distinguished individuals in their fields, well-engaged in applied research. The School of Business, for instance, saw their faculty publish 55 works, such as conference papers, journals papers, books and teaching cases.

In addition to their research output, UniSIM faculty are equally on task with their teaching capabilities. Associate Professor Tan Yan Weng was presented with the Supply Chain Educator of the Year Award at Supply Chain Asia Awards 2015. Dr Jonathan Leong won the second prize in the inaugural Asian Scientist Writing Prize Competition, which was organised to recognise outstanding science writers in Asia. Dr Jenson Goh clinched the third prize in the CEEMAN Case Writing Competition 2015, which aimed to encourage and promote the development of high quality teaching case material relevant for the realities of dynamic and emerging economies. Lifetime Inspiring Teaching Awards were conferred on Dr K. Shanmugam, Head of our Tamil Language and Literature programme, and Dr M. Rajikannu, an associate in the same programme. These awards were presented during the Tamil Murasu Most Inspiring Tamil Teachers Award ceremony, which honoured the best in the Tamil teaching community.

06. Associate Professor Tan Yan Weng (centre) receiving the Supply Chain Educator of the Year Award from Guest-of-Honour Mr Teo Ser Luck, Minister of State for Manpower and Mayor of North East District (left). With them is Dr Robert Yap, Executive Chairman of YCH Group and Chairman of the Supply Chain Asia Board.

07. Dr Jonathan Leong won the second prize in the inaugural Asian Scientist Writing Prize Competition for his submission on tribology – the study of how moving surfaces interact.

08. Dr K. Shanmugam, Head of our Tamil Language and Literature programme (extreme left); and Dr M. Rajikannu, an associate in the same programme (centre), with their distinguished Lifetime Inspiring Teaching Awards at the Tamil Murasu Most Inspiring Tamil Teachers Award ceremony.

09. Dr Jenson Goh (2<sup>nd</sup> from left) receiving his prize in the CEEMAN Case Writing Competition 2015.



**KEEPING TIES THAT BIND**

Among alumni, the effects of a UniSIM education continue to leave an indelible mark. Even after they have graduated, our alumni continue to do UniSIM proud, earning recognition for their achievements. For example, recent Tamil Language and Literature alumnus, Mr Natarajan Saravanan, won first prize in the Golden Point Award 2015 organised by the National Arts Council, for his Tamil short story entitled *Nursed with Sweet Milk*.

To engage our alumni, we organised events to help them continue their bond with UniSIM. In 2015, some new initiatives included a wine and cheese event; a career fair and industry networking event; as well as different categories of events catering to diverse interests, such as sports, health, entertainment and personal development. Initiatives also featured community service events, such as volunteering at the YMCA Community Service at Bishan and bringing the elderly out to Gardens by the Bay.



- 10. The alumni participants of a wine-tasting event.
- 11. Our alumni and their guests at the Unwind Saturday movie event organised by UniSIM.
- 12. Our UniSIM alumni and University-YMCA volunteers from National University of Singapore and Nanyang Technological University, with the residents of Bishan Home for the Intellectually Disabled.
- 13. Mr Steven Yeong, Chief Talent Evangelist at Hof Consulting, sharing tips with alumni on how to ace the job interview.
- 14. Our alumni and their guests learning more about the production of batik, during their one-day trip to Kukup, Malaysia.



# Being Engaging

UniSIM is dedicated to engaging students intellectually and socially. We continuously work at enhancing our student support, and technology plays a central role in optimising the delivery of our offerings.

**TECHNOLOGY AS A KEY ENABLER**

Technology has allowed us to eliminate barriers to learning and we have made the most of it. E-learning has been a central part of the UniSIM experience, purposefully designed to enable students to learn whenever they can and wherever they are.

By end of 2015, about 50% of courses have met our target of being offered as e-courses. To date, more than 450 iStudyGuides and 87 eTextbook titles have been produced – a major push forward in our e-learning strategy. The new iBookstore was also launched, offering an online platform for students, associates and faculty members to access the ePUB and PDF versions of study guides. A print-on-demand option with delivery direct to homes, is available at a fee for those who prefer the alternative.

Our e-services are constantly being reviewed and upgraded, to ensure that users have a positive online experience. A task force was formed to evaluate Blackboard, the Learning Management System (LMS) that UniSIM has been using since 2006. One of the recommendations resulting from the review was that a new platform would be needed to take UniSIM to the next level in terms of e-learning. Canvas has been identified as the new LMS that is able to meet the teaching and learning of UniSIM, scoring highly in the areas of ease of use, mobile learning, social learning, outcome assessment, learning analytics and learning personalisation. The transition from Blackboard to Canvas will take place progressively from March 2016, completing on 1 January 2017.

In celebration and promotion of e-learning, UniSIM hosted the 10<sup>th</sup> e-Learning Forum Asia (eLFA). The two-and-a-half-day event was organised around the theme *Innovations in Education: Responding Intelligently to Diverse Learning Needs*. Some 415 delegates from across 22 countries attended the event, which saw a total of 72 peer-reviewed papers presented. A major highlight of the event was the release of our eLFA mobile app. It allowed participants to access photos, clickers, live Q&A, Twitter and so on, enhancing their experience of the event. The app was so popular that we received requests to customise the app for other forthcoming events.

Another mobile app that we worked on during the year was the *UniSIM Backpack* app. Several enhancements were added, including the CGPA calculator for students to calculate their CGPA scores and estimate what grades they need to score; and attendance marking by faculty via Bluetooth.

We also provided consultancy services to Pathlight School to help it establish an effective e-learning strategy, systems infrastructure and content development plan.

During the year, we achieved the ISO 27001:2013 certification for both our IT Operations and Application Development units. ISO 27001:2013 provides a set of standardised requirements for an information security management system, with the standard adopting a process approach for establishing, implementing, operating, monitoring, reviewing, maintaining, and improving our Information Security Management Systems.

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

**ENHANCING STUDENT SUPPORT**

At UniSIM, we regularly explore ways to improve our support to students, not just in academic matters, but also in administrative tasks. In 2015, we reduced the waiting time for students trying to reach the Student Support hotline, especially during peak periods, by implementing automated announcements to answer more straightforward queries. With this, our Student Support Officers are then able to focus on more complex questions.

To ensure a high level of customer service, a call calibration was conducted monthly with Student Support staff, as well as their immediate supervisors and managers via randomly picked calls. The calls were shared with monitoring staff and advice given on areas that needed improvement.



01. Keynote speaker  
Dr Larry Johnson at  
the 10<sup>th</sup> e-Learning  
Forum Asia.

## SIM UNIVERSITY FINANCIAL REPORT

Trustees' statement	47
Independent auditor's report	50
Statement of comprehensive income	51
Statement of financial position	52
Statement of changes in funds and reserves	53
Statement of cash flows	54
Notes to the financial statements	55

## TRUSTEES' STATEMENT

The Board of Trustees presents its report together with the audited financial statements of SIM University ("UniSIM") for the financial year ended 31 December 2015.

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

Mr Richard Eu Yee Ming	(Chairman)
Professor Cheong Hee Kiat	(Ex-Officio)
Mr Ong Boon Hwee	
Mr Ronald Tan Hee Huan	
Professor Bernard Tan Tiong Gie	
Mr Ronnie Tay	
Professor Leo Tan Wee Hin	
Mr Seah Moon Ming	
Mr Lam Yi Young	
Mr Ng Cher Pong	
Ms Ang Bee Lian	
Professor Alex Siow Yuen Khong	(Appointed on 1 June 2015)
Mr Tan Choon Seng	(Appointed on 1 June 2015)
Mr Lok Vi Ming	(Appointed on 1 June 2015)
Mr Gerard Ee Hock Kim	(Resigned on 31 August 2015)
Professor Chong Chi Tat	(Resigned on 31 May 2015)

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

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

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

### TRUSTEES' CONTRACTUAL BENEFITS

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

### OPTIONS TO TAKE UP UNISSUED SHARES

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

### OPTIONS EXERCISED AND UNISSUED SHARES UNDER OPTION

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

## TRUSTEES' STATEMENT

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### AUDITOR

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

On behalf of the trustees:



Mr Richard Eu Yee Ming



Professor Cheong Hee Kiat

Singapore  
19 April 2016

## TRUSTEES' STATEMENT

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In the opinion of the Trustees, the financial statements as set out on pages 51 to 77 are drawn up so as to give a true and fair view of the financial position of SIM University as at 31 December 2015, and of the financial performance, changes in funds and reserves and cash flows of SIM University for the financial year ended 31 December 2015 and at the date of this statement there are reasonable grounds to believe that SIM University will be able to pay its debts when they fall due.

On behalf of the trustees:



Mr Richard Eu Yee Ming



Professor Cheong Hee Kiat

Singapore  
19 April 2016

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

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the SIM University set out on pages 51 to 77, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, the statement of changes in funds and reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the financial statements

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

#### Auditor's responsibility

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

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

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

#### Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of SIM University as at 31 December 2015 and of the financial performance, changes in equity and cash flows of SIM University for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

**Ernst & Young LLP**  
Public Accountants  
and Chartered Accountants

Singapore  
19 April 2016

## STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	2015					2014						
		General fund \$'000	College fund \$'000	Education fund \$'000	Endowment fund \$'000	Other restricted funds \$'000	Total \$'000	General fund \$'000	College fund \$'000	Education fund \$'000	Endowment fund \$'000	Other restricted funds \$'000	Total \$'000
Operating income	4	93,595	3,474	383	–	–	97,452	92,302	968	251	–	–	93,521
Course expenditure		(29,074)	(1,275)	(2,708)	(14)	–	(33,071)	(29,037)	(800)	(2,521)	–	–	(32,358)
Staff and manpower costs	5	(27,796)	(7,140)	(6,605)	–	–	(41,541)	(26,258)	(4,081)	(6,379)	–	–	(36,718)
Depreciation expense	12	(461)	(156)	(1,795)	–	–	(2,412)	(470)	(23)	(2,178)	–	–	(2,671)
Other operating expenditure	6	(13,650)	(3,837)	(9,946)	–	(40)	(27,473)	(12,906)	(1,515)	(8,431)	–	(52)	(22,904)
Non-operating expenditure	7	(12)	–	(42)	–	–	(54)	(433)	–	(1,698)	–	–	(2,131)
Government grant income	8	516	17,907	–	–	–	18,423	16	9,471	–	–	–	9,487
Non-operating income	9	5,262	86	7,799	97	40	13,284	3,723	2	3,232	45	52	7,054
Net surplus for the year		28,380	9,059	(12,914)	83	–	24,608	26,937	4,022	(17,724)	45	–	13,280
<b>Other comprehensive income:</b>													
<i>Items that will not be reclassified to income and expenditure:</i>													
Funds received/ (utilised)		–	–	–	–	140	140	–	–	–	–	(52)	(52)
<i>Items that may be reclassified subsequently to income and expenditure:</i>													
Net fair value (loss)/ gains on available-for-sale financial assets	26	(520)	–	(73)	–	–	(593)	1,288	–	2,144	–	–	3,432
Net fair value changes on available-for-sale financial assets reclassified to income and expenditure	26	(729)	–	(5,188)	–	–	(5,917)	(138)	–	(1,610)	–	–	(1,748)
Other comprehensive income for the year, net of tax		(1,249)	–	(5,261)	–	140	(6,370)	1,150	–	534	–	(52)	1,632
Total comprehensive income for the year		27,131	9,059	(18,175)	83	140	18,238	28,087	4,022	(17,190)	45	(52)	14,912

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

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	12	3,030	4,012
Other receivables	13	4,107	1,959
Available-for-sale investments	11	19,456	83,458
Held-to-maturity investments	16	15,124	18,168
<b>Total non-current assets</b>		<b>41,717</b>	<b>107,597</b>
<b>Current assets</b>			
Other receivables	13	10,746	9,623
Prepayments		2,384	2,220
Grants receivables	14	4,639	2,353
Derivatives	15	–	2
Held-to-maturity investments	16	3,000	2,000
Cash and bank balances	17	218,461	139,877
		239,230	156,075
<b>Total assets</b>		<b>280,947</b>	<b>263,672</b>
<b>LIABILITY AND EQUITY</b>			
<b>Current liabilities</b>			
Other payables	18	21,994	20,888
Derivatives	15	–	871
Course fees received in advance		7,638	11,593
Deferred capital grants	20	428	294
Government grants received in advance	19	3,232	2,371
<b>Total current liabilities</b>		<b>33,292</b>	<b>36,017</b>
<b>Non-current liability</b>			
Other payables	18	3,393	1,747
<b>Total liabilities</b>		<b>36,685</b>	<b>37,764</b>
<b>Net assets</b>		<b>244,262</b>	<b>225,908</b>
<b>Funds and reserves</b>			
<i>General fund:</i>			
Accumulated surplus		166,492	138,112
Fair value reserve	26	(515)	734
		165,977	138,846
<i>College fund:</i>			
Accumulated surplus	24	13,164	4,105
<i>Education fund:</i>			
Accumulated surplus		63,470	76,499
Endowment fund	22	1,144	1,061
Fair value reserve	26	(11)	5,250
Other restricted fund	23	231	–
	21	64,834	82,810
Other restricted funds	25	287	147
<b>Total funds and reserves</b>		<b>244,262</b>	<b>225,908</b>
<b>Total liabilities and equity</b>		<b>280,947</b>	<b>263,672</b>

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

## STATEMENT OF CHANGES IN FUNDS AND RESERVES

For the financial year ended 31 December 2015

	General fund			College fund		Education fund						Total
	Accumulated surplus	Fair value reserve	Sub-Total	Accumulated surplus	Sub-Total	Accumulated surplus	Fair value reserve	Endowment fund	Other restricted fund	Sub-Total	Other restricted funds	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2014	111,175	(416)	110,759	83	83	94,223	4,716	1,016	–	99,955	227	211,024
Profit for the year	26,937	–	26,937	4,022	4,022	(17,724)	–	45	–	(17,679)	–	13,280
Other comprehensive income for the year	–	1,150	1,150	–	–	–	534	–	–	534	(52)	1,632
<b>Total comprehensive income for the year</b>	<b>26,937</b>	<b>1,150</b>	<b>28,087</b>	<b>4,022</b>	<b>4,022</b>	<b>(17,724)</b>	<b>534</b>	<b>45</b>	<b>–</b>	<b>(17,145)</b>	<b>(52)</b>	<b>14,912</b>
Funds refunded	–	–	–	–	–	–	–	–	–	–	(28)	(28)
Balance at 31 December 2014 and 1 January 2015	138,112	734	138,846	4,105	4,105	76,499	5,250	1,061	–	82,810	147	225,908
Profit for the year	28,380	–	28,380	9,059	9,059	(12,914)	–	83	–	(12,831)	–	24,608
Other comprehensive income for the year	–	(1,249)	(1,249)	–	–	–	(5,261)	–	–	(5,261)	140	(6,370)
<b>Total comprehensive income for the year</b>	<b>28,380</b>	<b>(1,249)</b>	<b>27,131</b>	<b>9,059</b>	<b>9,059</b>	<b>(12,914)</b>	<b>(5,261)</b>	<b>83</b>	<b>–</b>	<b>(18,092)</b>	<b>140</b>	<b>18,238</b>
Donation from a foundation	–	–	–	–	–	–	–	–	116	116	–	116
Transfer of funds	–	–	–	–	–	(115)	–	–	115	–	–	–
Balance at 31 December 2015	166,492	(515)	165,977	13,164	13,164	63,470	(11)	1,144	231	64,834	287	244,262

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

## STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	2015	2014
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Net surplus for the year	24,608	13,280
Adjustments for:		
Depreciation expense	2,412	2,671
Interest income	(2,685)	(2,216)
Distribution income from investment in REITs	(97)	(45)
Grant income - government grants	(2,224)	(1,268)
Other restricted funds utilised	(98)	(80)
Gain on disposal of available-for-sale investments	(7,294)	(1,748)
Gain on redemption of held-to-maturity investments	-	(113)
Amortisation of premium paid for held-to-maturity investments	45	62
Impairment loss on available-for-sale investments	-	897
Dividend income from available-for-sale investments	(1,102)	(1,346)
Gain on disposal of plant and equipment	-	(97)
Grants received from the government - net	3,219	2,632
Unrealised foreign exchange loss/(gain) on available-for-sale investments	200	(223)
<b>Operating surplus before changes in working capital</b>	16,984	12,406
Changes in working capital:		
Other receivables	(5,440)	(5,279)
Prepayments	(165)	95
Course fees received in advance	(3,954)	2,904
Other payables	2,754	3,382
<b>Net cash flows generated from operating activities</b>	10,179	13,508
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(1,430)	(2,255)
Proceeds from disposal of plant and equipment	-	110
Proceeds from disposal of available-for-sale investments	66,419	16,583
Purchase of available-for-sale investments	(406)	(39,878)
Dividend income received from available-for-sale investments	930	943
Proceeds from redemption of held-to-maturity investments	2,000	6,113
Change in fair value of available-for-sales investment	(1,370)	-
Purchase of held-to-maturity investments	-	(11,580)
Change in fair value of forward foreign exchange contracts	(869)	893
Distribution income from investment in REITs	97	45
Interest received	2,565	1,996
Placement of fixed deposits	(17,862)	(22,664)
<b>Net cash flows generated from/(used in) investing activities</b>	50,074	(49,694)
<b>Cash flows from financing activities</b>		
Education fund received	231	-
Other restricted fund received	238	-
<b>Net cash flows generated from investing activities</b>	469	-
Net increase/(decrease) in cash and cash equivalents	60,722	(36,186)
Cash and cash equivalents at beginning of the year	93,163	129,349
<b>Cash and cash equivalents at end of the year (Note 17)</b>	153,885	93,163

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 1. GENERAL

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

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

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

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

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

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

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

#### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, UniSIM has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of UniSIM.

#### 2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
FRS 114 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 16 <i>Property, plant and equipment</i> and FRS 41: <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
(b) Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
(c) Amendments to FRS 19 <i>Employee Benefits</i>	1 January 2016
Amendments to FRS 111 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 1 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	to be determined

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

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

Except for FRS 115 and FRS 109, the Trustees expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

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

##### FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the UniSIM include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The UniSIM is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

##### FRS 109 Financial Instruments

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

The UniSIM currently measures one of its investments in unquoted equity securities at cost. Under FRS 109, the Company will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the UniSIM apply FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The UniSIM is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

#### 2.4 Foreign currency

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

##### Transactions and balances

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### 2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

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

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

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

#### 2.6 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income and expenditure unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

#### 2.7 Financial instruments

##### (a) Financial assets

###### Initial recognition and measurement

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

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

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

###### Subsequent measurement

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

##### (i) Loans and receivables

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

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

##### (ii) Available-for-sale financial assets

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

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

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

##### (iii) Held-to-maturity investments

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

###### De-recognition

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

##### (b) Financial liabilities

###### Initial recognition and measurement

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

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

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

###### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in income and expenditure when the liabilities are de-recognised, and through the amortisation process.

###### De-recognition

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

#### 2.8 Impairment of financial assets

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

##### (a) Financial assets carried at amortised cost

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

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

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

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

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

##### (b) Financial assets carried at cost

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

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

##### (c) Available-for-sale financial assets

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

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

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

#### 2.9 Cash and cash equivalents

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

#### 2.10 Revenue recognition

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

Application fees are recognised in income and expenditure when received.

Course fees are recognised over the duration of the programmes.

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

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

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

#### 2.11 Derivative financial instruments

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

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

#### 2.12 Embedded derivatives

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### 2.13 Provisions

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

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

#### 2.14 Government grant

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

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

#### 2.15 Employee benefits

##### (a) Defined contribution plan

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

##### (b) Employee leave entitlement

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

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

#### 3.1 Judgements made in applying accounting policies

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

##### Classification of held-to-maturity investments

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

#### 3.2 Key sources of estimation uncertainty

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### 3.2 Key sources of estimation uncertainty (cont'd)

##### Fair value of financial instruments

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

### 4. OPERATING INCOME

	2015	2014
	\$'000	\$'000
Course fees	96,201	92,525
Application fees	471	485
Executive seminars	50	21
Others	730	490
	<u>97,452</u>	<u>93,521</u>

### 5. STAFF AND MANPOWER COSTS

	2015	2014
	\$'000	\$'000
Wages and salaries	36,212	32,038
Contributions to Central Provident Fund	3,952	3,331
Other staff benefits	1,377	1,349
	<u>41,541</u>	<u>36,718</u>

### 6. OTHER OPERATING EXPENDITURE

	2015	2014
	\$'000	\$'000
Group Corporate Service charges (Note 27)	22,719	18,356
Administrative expenses	4,754	4,548
	<u>27,473</u>	<u>22,904</u>

### 7. NON-OPERATING EXPENDITURE

	2015	2014
	\$'000	\$'000
Realised exchange loss	9	1
Realised exchange loss on forward foreign exchange contracts	-	278
Amortisation of premium paid for held-to-maturity investments	45	62
Impairment loss on available-for-sale investments	-	897
Change in fair value of forward foreign exchange contracts	-	893
	<u>54</u>	<u>2,131</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 8. GOVERNMENT GRANT INCOME

	2015	2014
	\$'000	\$'000
Operating grants received/receivable	18,256	9,469
Deferred capital grants amortised (Note 20)	167	18
	<u>18,423</u>	<u>9,487</u>

### 9. NON-OPERATING INCOME

	2015	2014
	\$'000	\$'000
Tax-deductible donations received from:		
- Outside parties	217	289
Interest income from fixed deposits	1,956	1,178
Interest income from held-to-maturity investments	728	583
Interest income from available-for-sale investments	-	455
Dividend income from available-for-sale investments	1,102	1,346
Realised exchange gain on forward foreign exchange contracts	392	-
Unrealised foreign exchange gain on available-for-sale investments	-	223
Distribution income from investment in REITs	97	45
Other restricted funds received	98	52
Gain on disposal of available-for-sale investments	7,294	1,748
Gain on redemption of held-to-maturity investments	-	113
Others	1,400	1,022
	<u>13,284</u>	<u>7,054</u>

### 10. TAXATION

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

### 11. AVAILABLE-FOR-SALE INVESTMENTS

	2015	2014
	\$'000	\$'000
<b>At fair value:</b>		
Quoted investment funds	-	46,629
Unquoted preference shares	18,308	19,143
Unquoted debt securities	-	16,604
Quoted real estate investment trusts (REITs)	1,028	1,082
Quoted shares	120	-
	<u>19,456</u>	<u>83,458</u>

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

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

	2015	2014
	\$'000	\$'000
United States dollar	–	32,538

### 12. PLANT AND EQUIPMENT

	Office equipment, furniture and fittings \$'000	Computers \$'000	Renovations \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>					
At 1 January 2014	3,901	31,072	7,684	432	43,089
Additions	833	1,311	111	–	2,255
Disposals	(691)	(647)	(7,181)	(187)	(8,706)
At 31 December 2014 and 1 January 2015	4,043	31,736	614	245	36,638
Additions	56	1,374	–	–	1,430
Disposals	(102)	(86)	–	–	(188)
At 31 December 2015	3,997	33,024	614	245	37,880
<b>Accumulated depreciation</b>					
At 1 January 2014	3,769	27,018	7,630	231	38,648
Charge for the year	214	2,326	48	83	2,671
Disposals	(692)	(645)	(7,173)	(183)	(8,693)
At 31 December 2014 and 1 January 2015	3,291	28,699	505	131	32,626
Charge for the year	280	2,045	38	49	2,412
Disposals	(102)	(86)	–	–	(188)
At 31 December 2015	3,469	30,658	543	180	34,850
<b>Net carrying amount</b>					
At 31 December 2014	752	3,037	109	114	4,012
At 31 December 2015	528	2,366	71	65	3,030

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 13. OTHER RECEIVABLES

	2015	2014
	\$'000	\$'000
<b>Current:</b>		
Course fee receivable	1,242	979
Dividend receivable	100	100
Interest receivable	728	610
Staff loans	4	2
Due from Ministry of Education ("MOE")	8,572	7,792
Deposits	11	10
Others	89	130
	10,746	9,623
<b>Non-current:</b>		
Tuition fee loans and study loans receivable	4,107	1,959
	14,853	11,582
<b>Total other receivables</b>		
Add: Cash and bank balances	218,461	139,877
Add: Grant receivables	4,639	2,353
<b>Total loans and receivables</b>	237,953	153,812

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

Course fee receivables are non-interest bearing and are generally on 30 days (2014: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amount due from MOE relates to tuition fee subsidies.

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

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

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

### 14. GRANT RECEIVABLE

Grant receivable relates to grants from MOE in respect of the operating and capital expenditure of UniSIM.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 15. DERIVATIVES

	2015			2014		
	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000
Forward foreign currency contracts						
– Buy SGD/Sell USD <sup>(a)</sup>	–	–	–	18,396	–	871
– Buy SGD/Sell USD <sup>(b)</sup>	–	–	–	8,053	2	–

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

(a) These forward foreign exchange contracts are designated as hedging instruments in cash flow hedges and are assessed to be effective.

(b) These forward foreign exchange contracts are not designated as hedging instruments in cash flow hedges.

### 16. HELD-TO-MATURITY INVESTMENTS

	2015 \$'000	2014 \$'000
<b>Unquoted debt securities, at amortised cost:</b>		
Current	3,000	2,000
Non-current	15,124	18,168
	<u>18,124</u>	<u>20,168</u>

The unquoted debt securities comprise bonds issued by financial institutions and public listed companies. As at 31 December 2015, the unquoted debt securities have nominal values amounting to \$18.1 million (2014: \$20.2 million) with coupon rates ranging from 3.50% to 4.88% (2014: 3.50% to 4.88%) per annum and maturity dates ranging from March 2016 to May 2026 (2014: February 2015 to May 2026). The average effective interest rate of the debt securities ranges from 1.43% to 2.47% (2014: 1.18% to 2.47%) per annum.

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

### 17. CASH AND BANK BALANCES

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

	2015 \$'000	2014 \$'000
Cash held by fund manager	–	1,801
Cash on hand and at bank	39,527	26,804
Fixed deposits	178,934	111,272
	<u>218,461</u>	<u>139,877</u>

Short-term fixed deposits earn interest at average rates ranging from 0.95% to 1.76% (2014: 0.22% to 1.33%) per annum and are for a tenure of approximately 11 days to 232 days (2014: 10 days to 364 days).

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

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

	2015 \$'000	2014 \$'000
Cash on hand and at bank	39,527	26,804
Cash held by fund manager	–	1,801
Fixed deposits (with maturity period of up to 3 months)	114,358	64,558
	<u>153,885</u>	<u>93,163</u>

### 18. OTHER PAYABLES

	2015 \$'000	2014 \$'000
<b>Current:</b>		
Due to parent entity (Note 1)	2,695	2,607
Accruals	15,150	13,753
Others	4,149	4,528
Total other payables	<u>21,994</u>	<u>20,888</u>
<b>Add:</b>		
<b>Non-current:</b>		
Tuition fee loans and study loans payable to MOE	3,393	1,747
Total financial liabilities carried at amortised cost	<u>25,387</u>	<u>22,635</u>

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

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

	2015 \$'000	2014 \$'000
United States dollar	46	17
Sterling pound	5	–

### 19. GOVERNMENT GRANTS RECEIVED IN ADVANCE

	2015 \$'000	2014 \$'000
At 1 January	2,371	1,284
Received during the year	3,219	2,632
Transfer to deferred capital grants upon utilisation (Note 20)	(301)	(295)
Utilised during the year (income and expenditure)	(2,057)	(1,250)
At 31 December	<u>3,232</u>	<u>2,371</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 20. DEFERRED CAPITAL GRANTS

	2015	2014
	\$'000	\$'000
At 1 January	294	17
Transfer from grants received in advance during the year (Note 19)	301	295
Amortisation (to match depreciation in income and expenditure) (Note 8)	(167)	(18)
At 31 December	428	294

### 21. EDUCATION FUND

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

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

		2015	2014
	Note	\$'000	\$'000
At 1 January		82,810	99,955
Total comprehensive income		(18,092)	(17,145)
Donation from a foundation	23	231	–
Transfer to other restricted fund		(115)	–
At 31 December		64,834	82,810

Represented by:

#### Current assets

Cash and bank balances		52,795	37,911
Other receivables		402	418
Prepayments		354	276
Derivatives		–	2
Held-to-maturity investments		3,000	–
		56,551	38,607

#### Non-current assets

Available-for-sale investments		1,148	33,993
Held-to-maturity investments		8,058	11,092
Plant and equipment		1,898	2,870
		11,104	47,955

#### Less: current liability

Other payables		2,821	3,400
Derivatives		–	352
		2,821	3,752
<b>Total net assets</b>		<b>64,834</b>	<b>82,810</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 22. EDUCATION FUND: ENDOWMENT FUND

Endowment fund comprises the Social Resilience Enhancement Fund which was set up on 11 October 2013 to receive funds for the purpose of awarding scholarships and sponsoring faculty programme and prizes to students.

	2015	2014
	\$'000	\$'000
<b>Social Resilience Enhancement Fund</b>		
At 1 January	1,061	1,016
Distribution income from investment in REITs	97	45
Utilised during the year	(14)	–
At 31 December	1,144	1,061

### 23. EDUCATION FUND: OTHER RESTRICTED FUND

The Wong Lan Eng (“WLE”) Fund was set up on 15 December 2015 to receive funds to providing scholarships in the Master of Non-Profit Management Programme.

	2015	2014
	\$'000	\$'000
At 1 January	–	–
Donation from a foundation	116	–
Transfer of funds	115	–
At 31 December	231	–

### 24. COLLEGE FUND

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

	2015	2014
	\$'000	\$'000
<b>College Fund</b>		
At 1 January	4,105	83
Operating grant received from MOE	9,059	4,022
At 31 December	13,164	4,105

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 25. OTHER RESTRICTED FUNDS

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

	Sponsorship awards fund \$'000	Other funds \$'000	Total \$'000
Balance at 1 January 2014	141	86	227
Utilised during the year	–	(80)	(80)
Balance at 31 December 2014	141	6	147
Received/receivable during the year	–	238	238
Utilised during the year	–	(98)	(98)
Balance at 31 December 2015	141	146	287
<i>Represented by:</i>			
At 31 December 2015	141	146	287
At 31 December 2014	141	6	147

### 26. FAIR VALUE RESERVE

	2015 \$'000	2014 \$'000
General fund	(515)	734
Education fund	4	5,170
Endowment fund	(15)	80
	(526)	5,984
<i>Movement during the year:</i>		
At beginning of financial year	5,984	4,300
Fair value changes during the year	(593)	2,535
Impairment loss on available-for-sale investments	–	897
Reclassification to income and expenditure on disposal of available-for-sale investments	(5,917)	(1,748)
At end of financial year	(526)	5,984

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 27. RELATED PARTY TRANSACTIONS

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

	2015 \$'000	2014 \$'000
Group Corporate Service charges paid/payable to SIM	(22,719)	(18,356)

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

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

#### Compensation of trustees and key management personnel

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

	2015 \$'000	2014 \$'000
Short-term benefits	5,751	5,673
Contributions to Central Provident Fund	273	260
	6,024	5,933

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

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

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

	2015	2014
\$600,001 to \$650,000	1	1
\$550,001 to \$600,000	–	–
\$500,001 to \$550,000	1	1
\$350,001 to \$400,000	2	1
\$300,001 to \$350,000	3	2
\$250,001 to \$300,000	2	3
\$200,001 to \$250,000	7	5
\$150,001 to \$200,000	5	7
\$100,001 to \$150,000	1	4
\$100,000 and below	3	2
	25	26

Trustees are not remunerated for their board services.

Related party transaction with trustees for advisory services during the year was \$6,000 (2014: \$12,000) during the year.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 28. OPERATING LEASE AND COMMITMENTS

#### (a) Commitments

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

	2015	2014
	\$'000	\$'000
Authorised and contracted for	1,567	1,095

#### (b) Operating lease commitments

Operating lease payments represent rentals payable by UniSIM for certain of its office equipment. These leases have an average tenure of 6 months (2014: 18 months).

Minimum lease payments recognised as an expense in income and expenditure for the financial year ended 31 December 2015 amounted to \$84,000 (2014: \$76,000).

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

	2015	2014
	\$'000	\$'000
Future minimum lease payments payable:		
Within one year	22	58
In the second to fifth years inclusive	–	21

### 29. FAIR VALUE OF ASSETS AND LIABILITIES

#### (a) Fair value hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 29. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

#### (b) Assets and liabilities measured at fair value

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

	Note	Fair value measurements at the end of the reporting period using			
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2015</b>					
<b>Assets measured at fair value</b>					
<b>Financial assets:</b>					
<i>Available-for-sale investments</i>	11				
Unquoted preference shares		–	18,308	–	18,308
Quoted real estate investment trusts (REITs)		1,028	–	–	1,028
Quoted shares		120	–	–	120
<b>Financial assets as at 31 December 2015</b>		<b>1,148</b>	<b>18,308</b>	<b>–</b>	<b>19,456</b>
<b>2014</b>					
<b>Assets measured at fair value</b>					
<b>Financial assets:</b>					
<i>Derivatives</i>					
Forward foreign exchange contracts	15	–	2	–	2
<i>Available-for-sale investments</i>	11				
Quoted investment funds		–	46,629	–	46,629
Unquoted debt securities		–	16,604	–	16,604
Unquoted preference shares		–	19,143	–	19,143
Quoted real estate investment trusts (REITs)		1,082	–	–	1,082
<b>Financial assets as at 31 December 2014</b>		<b>1,082</b>	<b>82,378</b>	<b>–</b>	<b>83,458</b>
<b>Liabilities measured at fair value</b>					
<b>Financial liabilities:</b>					
<i>Derivatives</i>					
Forward foreign exchange contracts	15	–	871	–	871
<b>Financial liabilities as at 31 December 2014</b>		<b>–</b>	<b>871</b>	<b>–</b>	<b>871</b>

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

#### Forward foreign exchange contracts

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 29. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

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

##### Quoted investment funds

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

##### Unquoted debt securities and preference shares

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

#### (c) Financial instruments whose carrying amount approximates fair value

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

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

#### (a) Foreign exchange risk

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

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

	2015	2014
	\$'000	\$'000
<b>Assets</b>		
United States dollar	–	32,538
<b>Liabilities</b>		
United States dollar	46	17
Sterling pound	5	–

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### (a) Foreign exchange risk (cont'd)

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

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

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

	2015	2014
	Income and expenditure	
	\$'000	\$'000
USD – strengthened nil% (2014: 10%)	–	(3,252)
– weakened nil% (2014: 10%)	–	3,252

#### (b) Interest rate risk

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

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

The sensitivity analysis has been determined based on the exposure to interest rates for cash and bank balances at the end of the reporting period and the stipulated change taking place at the beginning of the financial year. A 100 basis point increase or decrease represents the Board of 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 31 December 2015 would increase/decrease by approximately \$2.2 million (2014: \$1.4 million).

#### (c) Credit risk

UniSIM is not exposed to significant credit risk as most of its fees are received in advance. As at 31 December 2015 and 2014, UniSIM's other receivables comprise mainly grants receivable from the Ministry of Education.

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

#### (d) Liquidity risk

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### (d) Liquidity risk (cont'd)

	Within one year \$'000	More than one year \$'000	Total \$'000
<b>2015</b>			
<i>Financial assets:</i>			
Available-for-sale investments	–	19,456	19,456
Held-to-maturity investments	3,000	15,124	18,124
Loans and receivables	233,846	4,107	237,953
<i>Total undiscounted financial assets</i>	<u>236,846</u>	<u>38,687</u>	<u>275,533</u>
<i>Financial liability:</i>			
Other payables	21,994	3,393	25,387
<i>Total financial liability</i>	<u>21,994</u>	<u>3,393</u>	<u>25,387</u>
Net undiscounted financial assets	<u>214,852</u>	<u>35,294</u>	<u>250,146</u>
<b>2014</b>			
<i>Financial assets:</i>			
Available-for-sale investments	–	83,458	83,458
Held-to-maturity investments	2,000	18,168	20,168
Derivatives	2	–	2
Loans and receivables	151,853	1,959	153,812
<i>Total undiscounted financial assets</i>	<u>153,855</u>	<u>103,585</u>	<u>257,440</u>
<i>Financial liabilities:</i>			
Other payables	20,888	1,747	22,635
Derivatives	871	–	871
<i>Total financial liabilities</i>	<u>21,759</u>	<u>1,747</u>	<u>23,506</u>
Net undiscounted financial assets	<u>132,096</u>	<u>101,838</u>	<u>233,934</u>

#### (e) Market price risk

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

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

#### Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. In respect of available-for-sale equity investments, if the prices had been 10% higher/lower while all other variables were held constant, UniSIM's fair value reserves for the years ended 31 December 2015 would increase/decrease by \$1,946,000 (2014: \$8,346,000).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### (f) Categories of financial instruments

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

	2015 \$'000	2014 \$'000
<i>Financial assets:</i>		
Loans and receivables	237,953	153,812
Derivatives	–	2
Available-for-sale investments	19,456	83,458
Held-to-maturity investments	18,124	20,168
	<u>275,533</u>	<u>257,440</u>
<i>Financial liabilities:</i>		
Other payables	25,387	22,635
Derivatives	–	871
	<u>25,387</u>	<u>23,506</u>

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

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

### 31. CAPITAL MANAGEMENT

The primary objective of UniSIM's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business. UniSIM manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 2014.

### 32. AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

The financial statements of UniSIM for the year ended 31 December 2015 were authorised for issue by the board of trustees on 19 April 2016.

## **SIM UNIVERSITY EDUCATION FUND FINANCIAL REPORT**

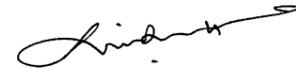
Trustees' statement	79
Independent auditor's report	80
Statement of comprehensive income	81
Statement of financial position	82
Statement of changes in funds and reserves	83
Statement of cash flows	84
Notes to the financial statements	85

### **TRUSTEES' STATEMENT**

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In the opinion of the Trustees, the financial statements as set out on pages 81 to 103 are drawn up so as to give a true and fair view of the financial position of SIM University Education Fund as at 31 December 2015, and of the financial performance, changes in funds and reserves and cash flows of SIM University Education Fund for the financial year ended 31 December 2015 and at the date of this statement there are reasonable grounds to believe that SIM University Education Fund will be able to pay its debts when they fall due.

On behalf of the trustees



**Lim Soon Hock**



**Professor Cheong Hee Kiat**

19 April 2016

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

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the SIM University Education Fund (the "Fund") set out on pages 81 to 103, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, the statement of changes in funds and reserves and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the financial statements

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

#### Auditor's responsibility

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

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

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

#### Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Fund for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

**Ernst & Young LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
19 April 2016

## STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	2015			2014		
		Education fund \$'000	Endowment fund \$'000	Total \$'000	Education fund \$'000	Endowment fund \$'000	Total \$'000
<b>Donation income</b>	4	217	–	217	289	–	289
Other operating income		383	–	383	251	–	251
Course expenditure		(2,708)	(14)	(2,722)	(2,521)	–	(2,521)
Staff and manpower costs	5	(6,605)	–	(6,605)	(6,379)	–	(6,379)
Depreciation expense	10	(1,795)	–	(1,795)	(2,178)	–	(2,178)
Other operating expenditure	6	(9,946)	–	(9,946)	(8,431)	–	(8,431)
Non-operating expenditure	7	(42)	–	(42)	(1,697)	–	(1,697)
Non-operating income	8	7,582	97	7,679	2,942	45	2,987
Net (deficit)/surplus for the year		(12,914)	83	(12,831)	(17,724)	45	(17,679)
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified subsequently to income and expenditure:</i>							
Net fair value (loss)/gains on available-for-sale financial assets	17	(73)	–	(73)	2,144	–	2,144
Net fair value changes on available-for-sale financial assets reclassified to income and expenditure	17	(5,188)	–	(5,188)	(1,610)	–	(1,610)
Other comprehensive income for the year, net of tax		(5,261)	–	(5,261)	534	–	534
Total comprehensive income for the year		(18,175)	83	(18,092)	(17,190)	45	(17,145)

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

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	10	1,898	2,870
Available-for-sale investments	9	1,148	33,993
Held-to-maturity investments	13	8,058	11,092
<b>Total non-current assets</b>		<b>11,104</b>	<b>47,955</b>
<b>Current assets</b>			
Other receivables	11	402	418
Prepayments		354	276
Derivatives	12	–	2
Held-to-maturity investments	13	3,000	–
Cash and bank balances	14	52,795	37,911
<b>Total assets</b>		<b>67,655</b>	<b>86,562</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Other payables	15	2,821	3,400
Derivatives	12	–	352
<b>Net current assets</b>		<b>53,730</b>	<b>34,855</b>
<b>Net assets</b>		<b>64,834</b>	<b>82,810</b>
<b>Funds and reserves</b>			
Accumulated surplus		63,470	76,499
Endowment fund	16	1,144	1,061
Fair value reserve	17	(11)	5,250
Other restricted fund	18	231	–
<b>Total funds and reserves</b>		<b>64,834</b>	<b>82,810</b>
<b>Total liabilities and equity</b>		<b>67,655</b>	<b>86,562</b>

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

## STATEMENT OF CHANGES IN FUNDS AND RESERVES

For the financial year ended 31 December 2015

	Accumulated surplus \$'000	Endowment fund \$'000	Fair value reserve \$'000	Other restricted fund \$'000	Total \$'000
Balance at 1 January 2014	94,223	1,016	4,716	–	99,955
Net surplus for the year	(17,724)	45	–	–	(17,679)
Other comprehensive income	–	–	534	–	534
<b>Total comprehensive income for the year</b>	<b>(17,724)</b>	<b>45</b>	<b>534</b>	<b>–</b>	<b>(17,145)</b>
Balance at 31 December 2014 and 1 January 2015	76,499	1,061	5,250	–	82,810
Net surplus for the year	(12,914)	83	–	–	(12,831)
Other comprehensive income	–	–	(5,261)	–	(5,261)
<b>Total comprehensive income for the year</b>	<b>(12,914)</b>	<b>83</b>	<b>(5,261)</b>	<b>–</b>	<b>(18,092)</b>
Donation from a foundation	–	–	–	116	116
Transfer of funds	(115)	–	–	115	–
<b>Balance at 31 December 2015</b>	<b>63,470</b>	<b>1,144</b>	<b>(11)</b>	<b>231</b>	<b>64,834</b>

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

## STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	2015	2014
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Net deficit for the year	(12,831)	(17,679)
Adjustments for:		
Depreciation expense	1,795	2,177
Interest income	(980)	(983)
Distribution income from investment in REITs	(97)	(45)
Gain on disposal of available-for-sale investments	(6,264)	(1,610)
Amortisation of premium paid for held-to-maturity investments	34	33
Impairment loss on available-for-sale investments	–	897
Loss on disposal of plant and equipment	–	9
Dividend income from available-for-sale investments	(23)	(119)
Unrealised foreign exchange loss/(gain) on available-for-sale investments	9	(121)
<b>Operating surplus before changes in working capital</b>	(18,357)	(17,441)
Changes in working capital:		
Other receivables	41	(111)
Prepayments	(78)	(45)
Other payables	(579)	7
<b>Net cash flows used in operating activities</b>	(18,973)	(17,590)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(823)	(1,277)
Proceeds on disposal of available-for-sale investments	34,251	6,511
Purchase of available-for-sale investments	(405)	(20,190)
Purchase of held-to-maturity investments	–	(4,500)
Dividend income from available-for-sale investments	23	–
Proceeds on redemption of held-to-maturity financial assets	–	4,000
Change in fair value of available-for-sale investments	(122)	–
Change in fair value of forward foreign exchange contracts	(350)	373
Distribution income from investment in REITs	97	45
Interest received	955	976
Placement of fixed deposits	(7,467)	(4,648)
<b>Net cash flows generated from/(used in) investing activities</b>	26,159	(18,710)
<b>Cash flows from financing activities</b>		
Education fund received	231	–
<b>Net cash flows generated from financing activities</b>	231	–
Net increase/(decrease) in cash and cash equivalents	7,417	(36,300)
Cash and cash equivalents at beginning of the year	26,263	62,563
<b>Cash and cash equivalents at end of the year (Note 14)</b>	33,680	26,263

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 1. GENERAL

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

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

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

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

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

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

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

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

#### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Fund has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Fund.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### 2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
FRS 114 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 16 <i>Property, plant and equipment</i> and FRS 41: <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
(b) Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
(c) Amendments to FRS 19 <i>Employee Benefits</i>	1 January 2016
Amendments to FRS 111 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 1 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	to be determined

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

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

#### FRS 109 Financial Instruments

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

The Fund currently measures one of its investments in unquoted equity securities at cost. Under FRS 109, the Fund will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Fund apply FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2017 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Fund is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

#### 2.4 Foreign currency

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

#### Transactions and balances

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### 2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

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

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

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

#### 2.6 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income and expenditure unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### 2.7 Financial instruments

##### (a) Financial assets

###### Initial recognition and measurement

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

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

###### Subsequent measurement

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

##### (i) Loans and receivables

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

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

##### (ii) Available-for-sale financial assets

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

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

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

##### (iii) Held-to-maturity investments

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

###### De-recognition

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

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

##### (b) Financial liabilities

###### Initial recognition and measurement

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

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

###### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in income and expenditure when the liabilities are de-recognised, and through the amortisation process.

###### De-recognition

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

#### 2.8 Impairment of financial assets

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

##### (a) Financial assets carried at amortised cost

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

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

##### (b) Financial assets carried at cost

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

##### (c) Available-for-sale financial assets

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

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

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

#### 2.9 Cash and cash equivalents

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

#### 2.10 Revenue recognition

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

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

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

#### 2.11 Derivative financial instruments

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### 2.12 Embedded derivatives

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

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

#### 2.13 Employee benefits

##### (a) Defined contribution plan

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

##### (b) Employee leave entitlement

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

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

#### 3.1 Judgements made in applying accounting policies

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

##### Classification of held-to-maturity investments

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

#### 3.2 Key sources of estimation uncertainty

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

##### Fair value of financial instruments

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 4. DONATION INCOME

	2015	2014
	\$'000	\$'000
Tax exempted donations received from:		
– Outside parties	217	289

### 5. STAFF AND MANPOWER COSTS

	2015	2014
	\$'000	\$'000
Wages and salaries	5,649	5,453
Contributions to Central Provident Fund	728	668
Other staff benefits	228	258
	6,605	6,379

### 6. OTHER OPERATING EXPENDITURE

	2015	2014
	\$'000	\$'000
Group Corporate Service charges (Note 19)	7,264	5,696
Repair and maintenance expense	2,442	2,453
Other administrative expenses	240	282
	9,946	8,431

### 7. NON-OPERATING EXPENDITURE

	2015	2014
	\$'000	\$'000
Realised exchange loss	8	–
Realised exchange loss on forward foreign exchange contracts	–	385
Amortisation of premium paid for held-to-maturity investments	34	33
Impairment loss on available-for-sale investments	–	897
Change in fair value of forward foreign exchange contracts	–	373
Loss on disposal of plant and equipment	–	9
	42	1,697

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 8. NON-OPERATING INCOME

	2015	2014
	\$'000	\$'000
Interest income from fixed deposits and held-to-maturity investments	980	851
Interest income from available-for-sale investments	–	132
Dividend income from available-for-sale investments	23	119
Realised exchange gain on forward foreign exchange contracts	210	–
Unrealised foreign exchange gain on available-for-sale investments	–	121
Distribution income from investment in REITs (Note 16)	97	45
Gain on disposal of available-for-sale investments	6,264	1,610
Others	105	109
	7,679	2,987

### 9. AVAILABLE-FOR-SALE INVESTMENTS

	2015	2014
	\$'000	\$'000
Quoted investment funds	–	24,621
Unquoted debt securities	–	8,290
Quoted real estate investment trusts (REITs)	1,028	1,082
Quoted shares	120	–
	1,148	33,993

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

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

	2015	2014
	\$'000	\$'000
United States dollar	–	23,696

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 10. PLANT AND EQUIPMENT

	Office equipment, furniture and fittings \$'000	Computers \$'000	Renovations \$'000	Total \$'000
<b>Cost</b>				
At 1 January 2014	853	23,169	7,310	31,332
Additions	346	820	111	1,277
Disposals	(540)	(40)	(7,181)	(7,761)
At 31 December 2014 and 1 January 2015	659	23,949	240	24,848
Additions	10	813	–	823
Disposals	–	(34)	–	(34)
At 31 December 2015	669	24,728	240	25,637
<b>Accumulated depreciation</b>				
At 1 January 2014	814	19,482	7,257	27,553
Charge for the year	81	2,050	47	2,178
Disposals	(540)	(40)	(7,173)	(7,753)
At 31 December 2014 and 1 January 2015	355	21,492	131	21,978
Charge for the year	103	1,654	38	1,795
Disposals	–	(34)	–	(34)
At 31 December 2015	458	23,112	169	23,739
<b>Net carrying amount</b>				
At 31 December 2014	304	2,457	109	2,870
At 31 December 2015	211	1,616	71	1,898

### 11. OTHER RECEIVABLES

	2015 \$'000	2014 \$'000
Other receivables	127	168
Interest receivables	275	250
Total other receivables	402	418
Add: Cash and bank balances (Note 14)	52,795	37,911
Total loans and receivables	53,197	38,329

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 12. DERIVATIVES

	2015			2014		
	Contract/Notional amount \$'000	Assets \$'000	Liabilities \$'000	Contract/Notional amount \$'000	Assets \$'000	Liabilities \$'000
Forward foreign currency contracts						
– Buy SGD/Sell USD <sup>(a)</sup>	–	–	–	9,939	–	352
– Buy SGD/Sell USD <sup>(b)</sup>	–	–	–	26,260	2	–

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

(a) These forward foreign exchange contracts are designated as hedging instruments in cash flow hedges and are assessed to be effective.

(b) These forward foreign exchange contracts are not designated as hedging instruments in cash flow hedges.

### 13. HELD-TO-MATURITY INVESTMENTS

	2015 \$'000	2014 \$'000
<b>Unquoted debt securities, at amortised cost:</b>		
Current	3,000	–
Non-current	8,058	11,092
	11,058	11,092

The unquoted debt securities comprise bonds issued by financial institutions and public listed companies. As at 31 December 2015, the unquoted debt securities have nominal values amounting to \$11.0 million (2014: \$11.1 million) with coupon rates ranging from 3.50% to 4.88% (2014: 3.50% to 4.88%) per annum and maturity dates ranging from March 2016 to May 2026 (2014: February 2015 to May 2026). The average effective interest rate of the debt securities ranges from 1.43% to 2.47% (2014: 1.43% to 2.47%) per annum.

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

### 14. CASH AND BANK BALANCES

Cash and bank balances comprise the following at 31 December:

	2015 \$'000	2014 \$'000
Cash held by fund manager	–	874
Cash at banks	3,605	4,152
Fixed deposits	49,190	32,885
	52,795	37,911

The carrying amounts of these assets approximate their fair values.

Short-term fixed deposits earn interest at average rates ranging from 1.20% to 1.76% (2014: 0.22% to 1.33%) per annum and are for a tenure of approximately 11 days to 223 days (2014: 7 days to 365 days).

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

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

	2015	2014
	\$'000	\$'000
Cash at bank	3,605	4,152
Cash held by fund manager	–	874
Fixed deposits (with maturity period of up to 3 months)	30,075	21,237
	<u>33,680</u>	<u>26,263</u>

### 15. OTHER PAYABLES

	2015	2014
	\$'000	\$'000
Due to parent entities (Note 1)	642	1,105
Accruals	2,098	1,993
Others	81	302
	<u>2,821</u>	<u>3,400</u>

### 16. ENDOWMENT FUND

Endowment fund comprises the Social Resilience Enhancement Fund which was set up on 11 October 2013 to receive funds for the purpose of awarding scholarships and sponsoring faculty programme and prizes to students.

	2015	2014
	\$'000	\$'000
<b>Social Resilience Enhancement Fund</b>		
At 1 January	1,061	1,016
Distribution income from investment in REITs	97	45
Utilised during the year	(14)	–
At 31 December	<u>1,144</u>	<u>1,061</u>

### 17. FAIR VALUE RESERVE

	2015	2014
	\$'000	\$'000
At beginning of financial year	5,250	4,716
Fair value changes during the year	(73)	1,247
Impairment loss on available-for-sale investments	–	897
Reclassification to income and expenditure on redemption of available-for-sale investments	(5,188)	(1,610)
At end of financial year	<u>(11)</u>	<u>5,250</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 18. OTHER RESTRICTED FUND

The Wong Lan Eng ("WLE") Fund was set up on 15 December 2015 to receive funds for the purpose of providing scholarships in the Master of Non-Profit Management Programme.

	2015	2014
	\$'000	\$'000
At 1 January	–	–
Donation from a foundation	116	–
Transfer of funds	115	–
At 31 December	<u>231</u>	<u>–</u>

### 19. RELATED PARTY TRANSACTIONS

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

	2015	2014
	\$'000	\$'000
Group Corporate Service charges paid/payable to SIM	<u>(7,264)</u>	<u>(5,696)</u>

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

#### Compensation of trustees and key management personnel

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

	2015	2014
	\$'000	\$'000
Short-term benefits	763	890
Contributions to Central Provident Fund	45	50
	<u>808</u>	<u>940</u>

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

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

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

	2015	2014
\$250,001 to \$300,000	1	–
\$200,001 to \$250,000	2	1
\$150,001 to \$200,000	–	3
\$100,001 to \$150,000	1	1
\$100,000 and below	–	–
	<u>4</u>	<u>5</u>

Trustees are not remunerated for their board services.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 20. OPERATING LEASE AND COMMITMENTS

#### (a) Commitments

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

	2015 \$'000	2014 \$'000
Authorised and contracted for	830	808

#### (b) Operating lease commitments

Operating lease payments represent rentals payable by UniSIM for certain of its office equipment. These leases have an average tenure of 6 months (2014: 18 months).

Minimum lease payments recognised as an expense in income and expenditure for the financial year ended 31 December 2015 amounted to \$8,000 (2014: \$5,000).

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

	2015 \$'000	2014 \$'000
Future minimum lease payments payable:		
Within one year	1	4
In the second to fifth years inclusive	–	2

### 21. FAIR VALUE OF ASSETS AND LIABILITIES

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

#### (a) Fair value hierarchy

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

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

Level 3 – Unobservable inputs for the asset or liability.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 21. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

#### (b) Assets and liabilities measured at fair value

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

	Note	Fair value measurements at the end of the reporting period using			
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2015</b>					
<b>Assets measured at fair value</b>					
<b>Financial assets:</b>					
<i>Available-for-sale investments</i>					
Quoted real estate investment trusts (REITs)	9	1,028	–	–	1,028
Quoted shares	9	120	–	–	120
<b>Financial assets as at 31 December 2015</b>		<b>1,148</b>	<b>–</b>	<b>–</b>	<b>1,148</b>
<b>2014</b>					
<b>Assets measured at fair value</b>					
<b>Financial assets:</b>					
<i>Derivatives</i>					
Forward foreign exchange contracts	12	–	2	–	2
<i>Available-for-sale investments</i>					
Quoted investment funds	9	–	24,621	–	24,621
Unquoted debt securities	9	–	8,290	–	8,290
Quoted real estate investment trusts (REITs)	9	1,082	–	–	1,082
<b>Financial assets as at 31 December 2014</b>		<b>1,082</b>	<b>32,913</b>	<b>–</b>	<b>33,995</b>
<b>Financial liabilities:</b>					
<i>Derivatives</i>					
Forward foreign exchange contracts	12	–	352	–	352
<b>Financial liabilities as at 31 December 2014</b>		<b>–</b>	<b>352</b>	<b>–</b>	<b>352</b>

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

#### Forward foreign exchange contracts

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

#### Quoted investment funds

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 21. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

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

##### Unquoted debt securities

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

#### (c) Financial instruments whose carrying amount approximates fair value

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

### 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

#### (a) Foreign exchange risk

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

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

	2015	2014
	\$'000	\$'000
<b>Assets</b>		
United States dollar	–	23,696
<b>Liabilities</b>		
United States dollar	30	17

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### (a) Foreign exchange risk (cont'd)

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

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

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

	2015	2014
	Income and expenditure	Income and expenditure
	\$'000	\$'000
USD – strengthened nil% (2014: 10%)	–	(2,368)
– weakened nil% (2014: 10%)	–	2,368

#### (b) Interest rate risk

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

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

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

If interest rates had been 100 basis points higher/lower with all other variables held constant, the Fund's net surplus for the years ended 31 December 2015 would increase/decrease by approximately \$0.5 million (2014: \$0.4 million).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### (c) Liquidity risk

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

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

	Within one year \$'000	More than one year \$'000	Total \$'000
<b>2015</b>			
<b>Financial assets:</b>			
Available-for-sale investments	–	1,148	1,148
Held-to-maturity financial assets	3,000	8,058	11,058
Loans and receivables	53,197	–	53,197
<b>Total undiscounted financial assets</b>	<b>56,197</b>	<b>9,206</b>	<b>65,403</b>
<b>Financial liability:</b>			
Other payables	2,821	–	2,821
<b>Total undiscounted financial liabilities</b>	<b>2,821</b>	<b>–</b>	<b>2,821</b>
<b>Net undiscounted financial assets</b>	<b>53,376</b>	<b>9,206</b>	<b>62,582</b>
<b>2014</b>			
<b>Financial assets:</b>			
Available-for-sale investments	–	33,993	33,993
Held-to-maturity financial assets	–	11,092	11,092
Derivatives	2	–	2
Loans and receivables	38,329	–	38,329
<b>Total undiscounted financial assets</b>	<b>38,331</b>	<b>45,085</b>	<b>83,416</b>
<b>Financial liabilities:</b>			
Other payables	3,400	–	3,400
Derivatives	352	–	352
<b>Total undiscounted financial liabilities</b>	<b>3,752</b>	<b>–</b>	<b>3,752</b>
<b>Net undiscounted financial assets</b>	<b>34,579</b>	<b>45,085</b>	<b>79,664</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

#### (d) Market price risk

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

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

#### Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. In respect of available-for-sale equity investments, if the prices had been 10% higher/lower while all other variables were held constant, the Fund's fair value reserves for the years ended 31 December 2015 would increase/(decrease) by \$115,000 (2014: \$3,399,000).

#### (e) Categories of financial instruments

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

	2015 \$'000	2014 \$'000
<b>Financial assets:</b>		
Loans and receivables	53,197	38,329
Derivatives	–	2
Available-for-sale-investments	1,148	33,993
Held-to-maturity investments	11,058	11,092
	<b>65,403</b>	<b>83,416</b>
<b>Financial liabilities:</b>		
Other payables	2,821	3,400
Derivatives	–	352
	<b>2,821</b>	<b>3,752</b>

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

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

### 23. CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 2014.

### 24. AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

The financial statements for the year ended 31 December 2015 were authorised for issue by the board of trustees on 19 April 2016.

## **SIM UNIVERSITY**

461 Clementi Road Singapore 599491

Tel: +65 6248 9777 Fax: +65 6469 9312

[www.unisim.edu.sg](http://www.unisim.edu.sg)

### **Members of The SIM Group**

