

SMMU

SINGAPORE MANAGEMENT UNIVERSITY



TOWARDS THE NEXT DECADE OF
EXCELLENCE

ANNUAL REPORT TO STAKEHOLDERS 2010/11

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FRONT COVER.

The three individuals pictured on the front cover represent three pillars of excellence at SMU: a holistic, interactive undergraduate education; our suite of Masters and PhD programmes; and our pursuit of pioneering research which achieves academic advancement and is relevant to industry. They are Jonathan Tan, a first-year undergraduate in the School of Accountancy (Centre); Alice Chu, PhD, an SMU MBA graduate (R); and Yu Jun, who is a Professor of Economics and Finance in the School of Economics, and also the Director of the Sim Kee Boon Institute for Financial Economics (L).

A portrait of Mr Ho Kwon Ping, SMU Chairman, wearing a dark suit, white shirt, and red patterned tie. He is smiling and has his arms crossed.

“Our growing reputation for research helps the University to attract world-class scholars, thinkers and business leaders.”

Mr Ho Kwon Ping,
SMU Chairman

Chairman's Message

The past year has been one of transition for SMU. We celebrated the University's first ten successful years and looked forward to our second. I bade farewell to Professor Howard Hunter our previous president and to Dr Richard Hu our previous chancellor, as I welcomed Professor Arnoud De Meyer and Mr Yong Pung How into these offices. More recently, we held our last Patron's Day with Singapore's former President S.R. Nathan as Patron, and I look forward to greeting President Tony Tan as our new Patron.

It has also been a year in which we left behind the role of being a new university finding our place in the local educational landscape and the University leadership has been engaged in determining our strategic goals for the next decade. These goals require us to set out on a journey to make our mark in the region and around the world.

As part of this, we are dedicating a far greater proportion of our resources to research. In a global context, universities are judged on the quality of their research, and it is also through research that a university can contribute most to the world. We now offer five master degrees by research and five doctoral programmes. We also operate some 19

research centres and institutions, with several more planned for the near future. Many of these are made possible through partnerships with the government and industry. Such partnerships multiply our resources, improve the quality and increase the quantity of research inputs, and keep the outputs relevant to the needs of society.

Our growing reputation for research also helps the University to attract world-class scholars, thinkers and business leaders – whether it is to share their knowledge and ideas in lectures and seminars, to join us as visiting faculty, partner with us in research initiatives or to join us as full-time faculty members.

There is a whole world of ideas out there and, increasingly, right here in SMU too.



Mr Ho Kwon Ping
Chairman, Board of Trustees
Singapore Management University

President's Message

I came to SMU a year ago during the University's 10th anniversary and joined the celebrations which marked ten extraordinary years in which SMU had established itself as an institution of considerable strength. The foundations had been laid, and several pillars of excellence raised. SMU's holistic undergraduate curriculum, distinctive interactive pedagogy and the priority given to community service and global exposure had become the cornerstones of an SMU education.

Now, we are moving into a new phase of growth. From institution building, SMU will embark on a journey focussing on reputation building.

Expanding our postgraduate and professional programmes is making a significant contribution to raising our profile. In today's fast-paced and constantly changing business environment, education is a continuous process that helps individuals and businesses to keep pace with innovation and meet ever-higher expectations. Our goal is to be the university of choice for education and training throughout a lifetime of learning.

We are also increasing our global mindshare by expanding our research activities. SMU is creating a stimulating and dynamic research culture, combining focussed disciplinary

research with abundant opportunities for multidisciplinary perspectives. As a result, our reputation is growing for research in areas such as financial markets and institutions; business, consumer and social analytics; and in innovation and entrepreneurship.

This reputation serves us well both within our region and around the world. As a hub of educational and research excellence, we hold keys to the gateway between East and West. This makes us a valuable partner for European and American businesses looking east, and for businesses in China, India and throughout ASEAN that are looking west.

In short, SMU is differentiating itself as a university for the world of business and management. Let us ensure that this reputation continues to grow as we work and stride purposefully into our next decade of excellence together.



Professor Arnoud De Meyer
President,
Singapore Management University

“SMU is differentiating itself as a university for the world of business and management.”

Professor Arnoud De Meyer,
SMU President



Board of Trustees



“As we strive towards the next decade of excellence, we would like to put on record the significant contributions of our Board of Trustees, past and present, who are most passionate in sharing their distinctive experiences, drive, counsel and wisdom to propel SMU towards an even brighter future. Their robust, interactive debate and discourse enrich strategic decision-making and provide valuable guidance as the University scales a higher level of excellence.”

Mr Ho Kwon Ping,
SMU Chairman

Mr Ho Kwon Ping
(Chairman)
Executive Chairman
Banyan Tree Holdings Limited

Professor John Rodney Niland
(Deputy Chairman)
President Emeritus
University of New South Wales

Mr Zulkifli Bin Baharudin
Managing Director
Global Business Integrators Pte Ltd

Mr Paul Beh
President, Asia Pacific
Reed Exhibitions

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Samuel Blank Professor of Legal
Studies and Business Ethics
Professor of Management
The Wharton School of the University of
Pennsylvania

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Group CEO
Singapore Telecommunications Limited

Dr Choong May Ling Mimi
Deputy Secretary, Services
Ministry of Education

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Executive Chairman &
Managing Director
Health Management
International Ltd

Mr Kuok Khoon Ean
Director
Kuok (Singapore) Limited

BG Hugh Lim
Deputy Secretary
Ministry of Law

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Executive Chairman
Raffles Medical Group Ltd

Mr Sanjiv Misra
Managing Director
Phoenix Advisers Pte Ltd

Mr Dilhan Pillay Sandrasegara
Head, Portfolio Management and
Co-Head, Singapore
Temasek Holdings (Private) Limited

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Mr Andrew Y. Yan
Founding Managing Partner
SAIF Partners

Mr Jaime Augusto Zobel de Ayala
Chairman/CEO
Ayala Corporation



Dr Loo Choon Yong



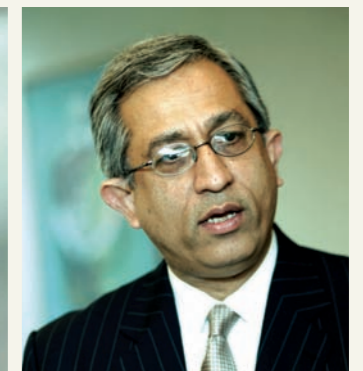
Dr Gan See Khem (L) and Professor Janice Bellace (R)



Mr Zulkifli Bin Baharudin (L)



Ms Chua Sock Koong (R)



Mr Sanjiv Misra



Professor John Rodney Niland (R)



BG Hugh Lim (L) and
Mr Jaime Augusto Zobel de Ayala (R)



Mr Paul Beh

University Leadership



INAUGURAL ADDRESS BY SMU'S 4TH PRESIDENT

Professor Arnoud De Meyer officially became the fourth President of SMU on 1 September 2010, taking over from Professor Howard Hunter who had served in the role since September 2004. In October, Professor De Meyer outlined his vision of SMU's future in his inaugural State of the University Address. The President reaffirmed SMU's commitment to providing a holistic undergraduate education, based on a broad-based curriculum and the University's distinctive participative, interactive and technologically-enabled pedagogy. An area Professor De Meyer will prioritise for growth is SMU's role as a partner in lifelong learning, through postgraduate, executive and professional programmes. There is potential for more cross-disciplinary research that goes beyond traditional boundaries and models, that is relevant to and serves society, and establishes the University as a centre of excellence in innovation. SMU's growing network of successful alumni will be encouraged to contribute their expertise, resources and philanthropic support as part of the SMU community. All of these things together, said Professor De Meyer, will build SMU as an internationally admired brand which is renowned for its cosmopolitan campus, global academic profile, cultural intelligence and social responsibility.



MR YONG PUNG HOW APPOINTED CHANCELLOR

Mr Yong Pung How, former Chief Justice of Singapore, was appointed Chancellor of SMU by the Minister for Education, for a period of five years with effect from 1 September 2010. Formerly the Pro-Chancellor, Mr Yong is also Chairman of the Advisory Board and Distinguished Fellow of the School of Law. In 2007, he was conferred the Doctor of Laws, honoris causa by SMU to honour his exceptionally insightful and distinctive achievements which have contributed significantly to the study and practice of law. During his 16 years as Chief Justice, he initiated wide-ranging reforms and served as Chairman of the Presidential Council on Minority Rights. Mr Yong takes over from Dr Richard Hu, former Minister for Finance, who served as Chancellor from July 2002.

“SMU enjoys a special relationship with Mr Yong who has been a close friend of the University. He has been instrumental in providing wisdom and guidance in his leadership of the advisory board of the School of Law. SMU is deeply appreciative of Mr Yong's gracious contributions and is very proud to have him as our new Chancellor.”

**Professor Howard Hunter,
Former SMU President
(SMU President at the time of
Mr Yong's appointment)**



(From L-R) Mr. S.R. Nathan, then Singapore's President; Mr Ho Kwon Ping, SMU Chairman; Mr Yong Pung How, SMU Chancellor; and Professor Arnoud De Meyer, SMU President

11TH PATRON'S DAY CELEBRATIONS

SMU commemorated its journey into its second decade by celebrating its 11th Patron's Day, on 21 January 2011. Gracing the event on Campus Green was Patron of SMU, Mr S.R. Nathan, who was then President of Singapore.

Calling the journey over the last decade an amazing one, Professor Arnoud De Meyer, SMU President, highlighted several successes in 2010: the introduction of the Executive MBA, the students' achievement of one million hours of community service and the launch of the University Scholars Programme which allows outstanding freshmen to do double bachelor's degrees or both a bachelor's and a master's through a specially tailored curriculum. Dinner was symbolically held at the student-run Colours Cafe to celebrate the spirit of enterprise and entrepreneurship — values which are synonymous with an SMU education.

Patron's Day marks the day on which SMU was incorporated in 12 January 2000. The date was designated Patron's Day, and has been celebrated with its patron, President S.R. Nathan on campus every year since 2001. This was the 11th and last Patron's Day with Mr Nathan as SMU Patron. The SMU community would like to express its deepest gratitude to Mr Nathan for his warm friendship and support throughout the years. We look forward to welcoming Singapore's 7th President, His Excellency Dr Tony Tan as the University's new Patron.

PROFESSOR BRYCE HOOL APPOINTED DEAN OF THE SCHOOL OF ECONOMICS

Appointed Dean of the School of Economics from 1 January 2012 is Professor Bryce Hool. Professor Hool joins SMU from the University of Auckland where he was Professor of Economics and Director of Undergraduate Studies. He has held faculty positions at the University of Wisconsin and the State University of New York at Stony Brook where he rose to Provost and Executive Vice President for Academic Affairs. His current research involves the application of optimal contract theory to issues of human capital theory and resource economics. He succeeds Interim Dean Professor Phang Sock Yong.



Professor Bryce Hool, Dean, School of Economics (from 1 January 2012)

Holistic Education

- 12 Undergraduate and Postgraduate Programmes
- 16 Graduate Employment
- 18 Lifelong Learning
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Undergraduate and Postgraduate Programmes



Assistant Professor Geng Xuesong (standing) with students from the Lee Kong Chian School of Business

SMU's undergraduate and postgraduate programmes aim to produce leaders and creative entrepreneurs capable of excelling in a rapidly changing and dynamic world. Today, SMU is home to more than 7,500 students, around 90% of them are undergraduates and 10% are postgraduates.

The University comprises six schools: the School of Accountancy, Lee Kong Chian School of Business, School of Economics, School of Information Systems, School of Law, and School of Social Sciences. These schools offer six bachelor's degree programmes in their respective disciplines.

SMU announced the launch of four new innovative postgraduate programmes in 2012: Law, Communication Management, Quantitative Finance, and Innovation. These will join the twelve Master's programmes currently offered — namely Applied Economics, Applied Finance, Applied

Finance (China), Business Administration, Executive MBA, Economics, Finance, Professional Accounting, IT in Business (Financial Services), IT in Business (Service Sector Analytics), Information Systems, and Wealth Management — and the Juris Doctor programme.

The Lee Kong Chian School of Business consolidated its doctoral programmes into a single PhD in Business. There are also PhD programmes in Economics, Information Systems, and Psychology.

In all postgraduate research programmes, the focus is on equipping graduates with the knowledge, skills and ability to conduct rigorous and relevant research in their respective areas and preparing them for careers in academia and industry. To date, 102 students have graduated from SMU's postgraduate research programmes and there are currently 92 students pursuing



research-based degrees. The number of postgraduate research students will continue to grow as SMU establishes itself as a premier university in world-class research.

SMU has nearly 300 faculty members who are selectively recruited from around the world to advance knowledge in teaching and research. They form an experienced and committed pool of talent to reinforce SMU's unique pedagogy of seminar-style teaching in small class sizes, creative thinking and dynamic exchange of ideas between faculty and students in the advanced infrastructure of our classroom environment.

In addition to recruiting some of the best academics in their fields, SMU also calls upon successful leaders in business and their professions for their specific expertise. As a result, SMU programmes combine academic rigour with hands-on business savvy.

“The interactive pedagogy and encouraging class environment at SMU gave me the soft skills and confidence to quickly make my mark in the workplace.”

Nelly Yong, Analyst at Deutsche Bank and SMU double degree graduate



LLM (MASTER OF LAWS)

The LLM (Master of Laws) by coursework programme is designed to equip legal practitioners with the skills and knowledge to meet the changing needs of an increasingly complex global market. The programme comprises specialisations in three niche areas: commercial law, dispute resolution, and Islamic law and finance. The SMU LLM in Islamic Law and Finance is the only course available in Singapore and one of the few specialised programmes in the world to provide an opportunity for postgraduate law students to acquire knowledge and expertise in this burgeoning area. The duration of the programme is one to two years.

MASTER OF SCIENCE IN COMMUNICATION MANAGEMENT

The Master of Science in Communication Management degree will be the first postgraduate degree in the discipline in Southeast Asia. It has been designed for mid-level professionals in corporate communication, public relations and public affairs. The 12-month programme is offered in collaboration with Università della Svizzera italiana (USI) in Lugano, Switzerland, which runs a world-renowned programme in corporate communication, and their partner, the UCLA Anderson School of Management in the US. Participants will take courses in Singapore and join their peers in USI and UCLA for courses and study visits in Lugano and Los Angeles respectively.

MASTER OF SCIENCE IN QUANTITATIVE FINANCE

The Master of Science in Quantitative Finance is targeted at finance executives who want to improve their quantitative analysis skills, non-finance executives who want to make a career switch to the finance industry and fresh graduates who aspire to specialise in quantitative finance. Students on the one-year full-time programme will spend two semesters at SMU and one in Cass Business School in London.

PHD IN BUSINESS (GENERAL MANAGEMENT)

The Lee Kong Chian School of Business has restructured its PhD programmes under a PhD in Business umbrella, which includes concentrations in organisational behaviour and human resources, and finance, for example. A new PhD in Business (General Management) will also be launched in 2012 to train senior managers through a heuristic interdisciplinary approach with applied research as a key component.

For details of the part-time Master of Science in Innovation programme, see the Executive Education section.

Assistant Professor Chiang Chin-Han (3rd from L) with students from the Lee Kong Chian School of Business





Two of the School of Law's first graduates

AACSB INTERNATIONAL ACCREDITATION

Both the Lee Kong Chian School of Business and School of Accountancy earned accreditation from the Association to Advance Collegiate Schools of Business, or AACSB International, for their undergraduate and postgraduate programmes. SMU is one of the youngest universities to have earned dual accreditation. AACSB accreditation is known worldwide as the longest standing, most recognised form of professional accreditation an institution and its business programmes can earn. Just 620 institutions, or less than 5% of the world's business schools, are accredited. Of these, only 177 institutions maintain an additional specialised AACSB accreditation for their accounting programmes.

SCHOOL OF LAW'S FIRST GRADUATES

SMU's first batch of 106 law students graduated at Commencement 2011. The SPH Valedictorian Award was presented to Russell Low Tzeh Shyian, who graduated Summa Cum Laude with double degrees in Law and Business Management. Russell was also the winner of the inaugural Kwa Geok Choo Top Law Student Award and CIRCLE Award and has now begun his training contract as a Justice's Law Clerk at the Supreme Court.

Joshua Lim Yong En also graduated Summa Cum Laude with double degrees in Law and Business Management and received the first DBS Bank School Valedictorian Award. During his five years at SMU, Joshua won several prestigious scholarships, the Ministry of Foreign Affairs DUO Exchange Fellowship Award and David Marshall Prize for Top Student in Criminal Law.

STUDENT EXCHANGE PROGRAMME

As employers are increasingly seeking graduates with global and especially Asian exposure, SMU is committed to developing a global perspective and cross-cultural understanding among its students. Around 75% of our 2011 graduates experienced some form of global exposure overseas during their course of study. In the years ahead, we hope to increase this to 100%. One of the steps taken to achieve this is by maintaining close links with over 200 partner institutions in the various continents through international student exchange and summer programmes. SMU's Office of International Relations manages the programmes; advises students on academic, immigration and accommodation issues; and also administers a buddy system which fosters a better understanding and friendship between full-time and international exchange students.

A great many other international initiatives complement the academic exchange programmes. For example, in September 2010, three SMU students helped to organise the Australian University Games.



Student Exchange Programme

Their contribution was greatly appreciated by the hosts and the students gained invaluable first-hand experience of staging a large-scale sporting event.

SCHOLARSHIPS FOR COMMUNITY SERVICE OVERSEAS

Outstanding students at SMU can tap on more than 200 scholarships. Thanks to philanthropic support from the government, members of the business community as well as many individual benefactors, the number of scholarships available per student is among the highest in local universities. Two of our scholarships have the twin objectives of allowing students to develop a global outlook through overseas attachment while being actively involved in community service.

The Temasek Foundation-SMU LEARN scholarship programme enabled Rachel Kok Wei Xian, a final year student at the Lee Kong Chian School of Business, to spend six months in Shanghai as part of her exchange programme and take part in a project to donate and deliver prosthetic limbs to physically disabled people in Anhui.

Funded by the Goh Foundation Endowed Scholarship, Heng Xiang Le, a second year student at the School of Economics, led two teams to Cambodia in Project Aphreak. The Social Responsibility Project helped to create an alternative income source for the rural village in a sustainable way through eco-tourism.

OVERSEAS INTERNSHIPS

All SMU undergraduates complete an internship of ten weeks or more before they graduate, to gain career-related work experience and see their learning put into practice. Every year, many choose to visit countries in emerging economies.

For example, in 2011 six students chose to serve their internships in Mexico. They were placed in businesses in Mexico City, Veracruz, Guadalajara, Queretaro and Culican, in a variety of businesses which included a print media company, a logistics

firm, a business council and a meat exporting company. Armed with a smattering of Spanish and a spirit of adventure, the students took on the challenge to do their best both as ambassadors of Singapore and SMU.

The learning curve was steep as the students had to adjust to a vastly different culture, cuisine and environment. However, they impressed their supervisors with their dedication, drive and quality of work, as well as their adaptability into the Mexican culture and all returned with an 'Excellent' grade on their performance appraisal.

TEACHING EXCELLENCE AWARDS 2011

DISTINGUISHED TEACHER

Venky Shankararaman, Associate Professor of Information Systems (Practice), Associate Dean (Education), School of Information Systems

INNOVATIVE TEACHER (JOINT WINNERS)

Rosie Ching Jue Mae, Senior Lecturer of Statistics, School of Economics

Rathna Nathan, Associate Professor of Law (Practice), School of Law

MOST PROMISING TEACHER

Shubhankar Dam, Assistant Professor of Law, School of Law

OUTSTANDING ADJUNCT

Yoko Morikawa, School of Social Sciences

INTERNATIONAL TRADING TRACK

With the objective of grooming young international trading talent for Singapore's dynamic trading and commodities sector, the International Trading Track (ITT) is offered as a specialisation under the Finance major in SMU. Undergraduates on the track have the opportunity to explore international trading and its related industries as attractive career options. Experiential learning plays an important role for students on the track. Apart from classroom sessions, students have the opportunity to intern with trading companies, participate in site visits to places such as Jurong Island (petrochemicals) and Petra Foods' processing plant in Malaysia (cocoa) as well as join industry study missions to Australia, Indonesia and China to gain insights on each country's commodities sector. These opportunities are made possible by the unique tripartite partnership between SMU, industry partners and the Singapore government through International Enterprise (IE) Singapore. A majority of ITT graduates end up pursuing careers in international trading and commodities-related sectors.

ITT students at an opencast coal mine, Perth, Australia



Graduate Employment

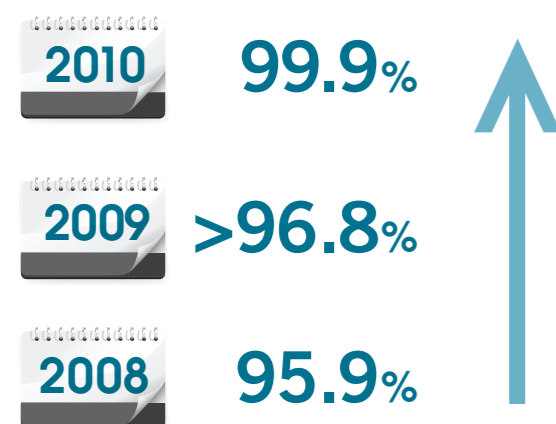
EMPLOYMENT RATE AND SALARIES FOR GRADUATES

SMU's 2010 graduates achieved a record employment rate of 99.9%, surpassing the rate of 96.8% in 2009 and 95.9% in 2008. It was the seventh consecutive year that SMU graduates have achieved close to 100% employment rate.

According to SMU's annual Graduate Employment Survey, almost 60% of the economically-active 2010 graduates managed to clinch job offers even before they graduated and an additional 14% of them landed jobs within one month after graduation. Almost 63% of them also enjoyed more career choices with multiple job offers (between two and eight offers).

The average monthly salary of SMU graduates in full-time permanent employment is a record S\$3,271, which is an increase of around 5.8% over the previous year's average monthly salary. The top 20% of the 2010 cohort commanded an average salary of S\$5,062. There were also 125 top earners drawing a monthly salary ranging from S\$4,000 to S\$13,000.

SMU Student Employment Rate:



LAW GRADUATES' PRACTICE TRAINING CONTRACTS

Nearly all of the first batch of 106 students taking SMU's Bachelor of Laws (LL.B) programme secured practice training contracts three months before graduation. Rajah & Tann LLP, Drew & Napier LLC, WongPartnership LLP and Colin Ng & Partners LLP were among the prestigious firms who snapped up the School of Law's pioneer students. Students have also been accepted by the Singapore Legal Service. The four law students who did not take up practice training contracts had decided on a different path after graduation. They include a Singapore Police Force scholar who has a service contract, and another who went to study film production in New York.

Graduate Joshua Lim is currently a Justices' Law Clerk in Singapore's Supreme Court



"I've seen nothing but a totally positive attitude from SMU SIS graduates! Their initiative and confidence make it a pleasure having such talent on my team!"

Carly Switzer Senior Manager, Talent & Organisation Performance, Accenture Singapore



"Our 2010 graduates have proved that their education at SMU — in broad-based cross-disciplinary research, critical thinking and reasoning, global exposure, character building through community service, public speaking and leadership skills, coupled with the valuable work experience that they gained through their industry internships — has paid off and turned them into well-rounded, confident and savvy individuals ready for the marketplace."

Professor Arnoud De Meyer, SMU President

Lifelong Learning

EXECUTIVE EDUCATION

Executive Education continues to be an area of growth as the University seeks to expand its educational scope to encompass lifelong learning.

In September 2010, 27 healthcare professionals emerged as the first graduates of the SMU-SingHealth Graduate Diploma in Healthcare Management and Leadership. SMU's strategic partnership with SingHealth and long-standing relationship with medical companies such as Johnson & Johnson attracted the attention of several new clients. Edwards LifeSciences, for example, is a global leader in the science of heart valves and haemodynamic monitoring while GlaxoSmithKline is the world's leading research-based pharmaceutical and healthcare company. Having partnered with hospital, pharmaceutical and medical

companies, SMU was able to leverage on the expertise and insights of this full healthcare delivery value chain to create niche programmes and prepare leaders to succeed in the dynamic industry.

In June 2011, Far East Academy (FEA) was launched to groom and prepare Far East Organization's middle management for leadership roles. Its mission was to 'inspire through learning' and SMU was selected as one of FEA's inaugural learning partners to deliver training for the organisation's diverse talents.

In the financial services sector, SMU drew on the years of experience working with UOB and MSIG to help Asia Capital Reinsurance Group and MasterCard develop their leadership teams. Tata Consultancy Services, TaoBao (China), Ascendas, UOL Group, Infotech and Infineon were also among the new clients who commissioned SMU for education and training.

In addition, the Financial Training Institute (FTI@SMU) has trained more than 1,800 participants from over 100 financial institutions since its inception in 2007.

SMU continued to work closely with several government agencies and, building on its experience of working with the Economic Development Board and Ministry of Foreign Affairs, developed a new Global Executive Programme for International Enterprise (IE) Singapore. IE spearheads the overseas growth of Singapore-based companies and promotes international trade. SMU's programme aims to enhance IE officers' understanding of the impact that global economies and financial markets have on Singapore companies' growth, to sharpen their market assessment skills and equip them with the ability to foster stronger client relationships.



MASTER OF SCIENCE IN INNOVATION

The Master of Science in Innovation is the only Asia-focused postgraduate degree designed to teach anyone to be an innovator in their field. The 12-month weekend-based programme is crafted with a cross-disciplinary curriculum for corporate managers, creative art professionals, technologists, entrepreneurs and practitioners keen on advancing innovation in their field. It features regular engagement with thought-leading practitioners, international residencies with leading schools, practical projects and internships.

CONTINUING LEGAL EDUCATION

SMU's School of Law established a new programme to offer professional and executive education for members of the Singapore legal profession, including local and foreign lawyers, corporate in-house counsel from multi-national corporations and government legal and judicial officers. An auditing programme allows members of the legal fraternity to keep up with legal developments by observing Bachelor of Laws and Juris Doctor seminars without the need to sit for exams. Topics have ranged from arbitration, civil litigation and sale of goods law, to intellectual property and Vietnamese law, as well as legal research and accounting and finance for lawyers. A customised programme on contract law for judicial officers of the Supreme Court of Singapore has also been developed.

DIGITAL MARKETING FOR BUSINESS EXECUTIVES

The Centre for Marketing Excellence supports the development of new solutions to marketing in a global economy, as well as innovative ideas for business organisations. In December 2010, the centre ran a successful two-and-a-half day executive training programme on digital marketing, called Digital:works, in collaboration with Omnicom, a leading global advertising and marketing communications services company. The Marketing Certificate programme drew on Omnicom Group's broad practical experience in digital marketing and SMU's research on the impact of new media technology on markets and marketing communications.

EXECUTIVE MBA

In April 2011, 31 senior executives embarked on SMU's new Executive Master of Business Administration (EMBA) programme, which comprises nine weeks of study over a 13-month period. The programme incorporates classroom teaching, industry visits and interactions with top CEOs. It is designed to develop the next generation of business leaders as Asia leads the world in economic growth. There are overseas residential segments for classes at Wharton Business School in the USA, Peking University in China and the Indian School of Business. In developing the curriculum, the programme directors sought the input of over 100 leaders in Asia to produce resources and case studies that meld the best practices of the East and West.



Executive MBA students at a baseball game during residency at Wharton Business School, USA

"The EMBA programme will produce a new generation of business leaders and entrepreneurs, who differentiate themselves by their abilities to think creatively, look at their operations in a new way and relentlessly question and challenge conventions."

Professor Howard Thomas,
Dean of the Lee Kong Chian School of Business



Student Life and Achievements

There is never a dull day on campus at SMU with a host of clubs and events constantly competing for attention. In March 2011 there were around 130 student clubs, including 27 arts clubs, 47 sports and adventure clubs, 18 special interest clubs, 7 community service clubs and a club for international students. In addition, a series of university-wide events throughout the year pulls the whole university community together, including the annual Patron's Day, Peace Day and arts festival. As a result, SMU has a vibrant campus and strong team spirit which is often rewarded with wins in global competitions.

CONVOCATION 2011

Each year, the ceremony which welcomes new students and their parents and other invited guests to SMU gets bigger and better. Convocation 2011 continued the tradition as the 12th batch of nearly 1,800 students from Singapore and abroad joined the SMU family.

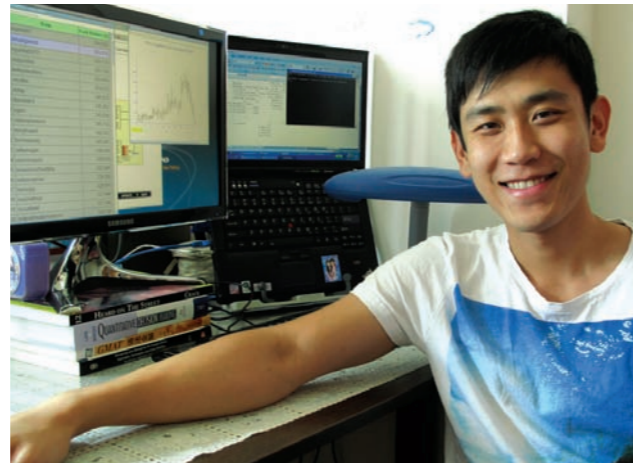
The colourful showcase of student life featured spectacular dance performances by several student clubs, including Eurhythmix, Caderas Latinas, InDanCity, and SMU Komunitas Indonesia, with music from Samba Masala, Guitarissimo, Symphonia, SMU Chinese Orchestra and other SMU singers and musicians. Other co-curricular activities were also demonstrated, ranging from martial arts to ultimate Frisbee.

In the formal segment, SMU's Pro-Chancellor, Chairman and President led the faculty members in full academic regalia into the Suntec convention centre halls. After the opening remarks by Mr Ho Kwon Ping, SMU Chairman, an inspiring keynote address was delivered by Mr Mechai Viravaidya, Founder and Chairman of Thailand's Mechai Viravaidya Foundation. His frank, witty and uplifting message about his foundation's 'Bamboo School' in Thailand was followed by addresses from Professor Arnoud De Meyer, SMU President and Mr Ryan Tan Yong Ding, President of SMU's Students' Association.



MIT-SLOAN OPERATIONS SIMULATION CONTEST

Masters in Operations Management student Wu Yue of the Lee Kong Chian School of Business emerged second in the Massachusetts Institute of Technology (MIT) Sloan's 7th Annual Operations Simulation Competition in 2011. The annual competition for master's students drew more than 140 entries, including teams from prestigious schools around the world such as MIT, Yale, Duke, NYU, Michigan and Tsinghua University. To prepare, Wu Yue reviewed subjects such as business processes and stochastic models under the guidance of Assistant Professor Lin Yun Fong. Over 72 hours, each team ran a manufacturer for 216 simulated days with a limited budget and a complicated random demand curve.



Wu Yue of the Lee Kong Chian School of Business

ENDURANCE SPORTS

Members of the SMU Aquathlon team achieved two top-ten finishes in the Ironman 70.3 Asia-Pacific Championships 2010 in Phuket. A few days earlier, their team-mate Ashley Liew (Social Sciences undergraduate) came second in a field of 60,000 international competitors at the Standard Chartered Marathon 2010.



SMU Aquathlon Team

ASIA CUP 2010 MOOT

A team of four third-year law students won the Asia Cup 2010 moot competition held in Tokyo in August, defeating leading law schools from Japan, China, Thailand, the Philippines, Nepal, Vietnam, Malaysia and Indonesia. The law school's success came hot on the heels of winning the Monroe E. Price International Media Law Moot in Oxford in March. Organised by the Ministry of Foreign Affairs, the Asia Cup is an annual moot competition centred on international human rights and humanitarian laws.



Winners of the Asia Cup 2010 moot competition



Kenneth Oh led his team to win the Singapore HR Challenge 2011

SINGAPORE HR CHALLENGE 2011

An inter-disciplinary team of students emerged tops in the Singapore HR Challenge 2011. Comprising four students from the Schools of Accountancy, Business and Social Sciences, the team studied the HR system and operations of Kwong Wai Shiu Hospital before recommending strategies to improve its workflow and manpower allocation. Team leader Kenneth Oh said, 'Considering that none of us is majoring in HR, our win came as a surprise for many of the other teams. Going into this without any pre-conceived notions of HR gave us the winning edge.'

WATERSPORTS

In January 2011, the sailing team emerged 22nd in their China Cup race debut, after a gruelling five-hour race from Hong Kong to Shenzhen, China. Shaun Toh Hong Yi, the team's skipper, said it was the first time they had sailed in such choppy waters and in such a large boat. The 10-year-old SMU sailing team had recently been placed in the top five places in the Ambassador's Cup and other international regattas in Thailand and Greece. The current team comprises nine undergraduates and three alumni.

At the 16th Asian Games in 2010 in Guangzhou, China, two undergraduate student sailors, Dawn Liu (Accountancy) and Siobhan Tan (Business), won bronze medals in the women's 470 class sailing event.

Closer to home, the sailing team co-organised the 13th Western Circuit Sailing Regatta – one of the largest regattas in Singapore. SMU sailed to take all top three places in the IRC-B category, as well as 2nd, 3rd and 4th in the President's Cup. At the regatta's gala dinner, the team also raised S\$20,000 in aid of sailors with disabilities.

Also on the water, SMU's dragon boat team successfully defended their champion's title in Aus Champ 2010 and claimed the 2nd runners-up place. SMU teams also won three medals in the Marina Reservoir 500 Dragon Boat Race in March 2011.



SMU's Sailing Team

"We were happy to be able to represent Singapore. The China Cup gave us the chance to compete at an international level and learn from more experienced sailors from around the world."

Shaun Toh Hong Yi, Skipper, SMU Sailing Team



SMU's Dragon Boat Team

MUSIC AND DANCE

SMU's Symphonia musicians blew away their rivals to come top in the International Youth Wind Orchestra competition and 2nd overall in the Mid-Europe Festival and Competition in July 2011. In the same month, InDanCity gained 1st and 2nd places for the individual lyrical novice category and an honourable mention in the group category at the dance competition organised by the Commonwealth Society for Teachers of Dancing, in Australia.



SMU's InDanCity dance team in Perth, Australia

COSMOPOLITAN CAMPUS

Two students, one Singaporean and one Myanmar, formed SMU Roots, a club aimed at helping international students settle into life in Singapore. Today, the 50-member strong SMU Roots consists of an even mix of both Singapore and international students. SMU's success in helping overseas students integrate into Singapore society were recognised by Prime Minister Lee Hsien Loong in his National Day Speech in 2010. Mr Lee highlighted Singapore Shiok! – a tongue-in-cheek guidebook which contains a glossary of 'Singlish' (Singapore's colloquial English) terms, highlights on various cultures and a guide to eating out.



TATA CRUCIBLE CAMPUS QUIZ

Teams from SMU made a clean sweep at this year's Tata Crucible Campus Quiz by beating nearly 140 teams from Singapore's universities to claim all three top prizes. This is the third time the SMU team has won the competition since it was started in 2007. The top team won a cash prize of S\$7,000 and an offer of an international internship; the second and third placed teams won S\$3,000 and S\$2,000 respectively.

STUDENT SAFETY CENTRE

SMU became the first local university to invest in a dedicated safety centre for student activities and the first to attain Basic Cardiac Life Support training centre accreditation. The centre promotes a safety culture and also teaches and equips student leaders with a range of skills necessary to maintain the highest health and safety standards at student and university events.



PIONEERING
RESEARCH

- 26 Research Excellence
- 28 Research Initiatives

Research Excellence

SMU's research vision is to be an internationally recognised leader in high-quality research that results in knowledge creation, dissemination and application in ways that are relevant and responsive to the changing needs of society. The University places an emphasis on providing evidence-based solutions derived from insights that cross disciplines, address Asian issues of global significance, and bridge theory and practice. Over the past decade, research in SMU has grown rapidly and gained worldwide recognition.

GLOBAL RANKINGS

SMU continues to receive global recognition for the quality of its education and research. The university received 'Top' or four palm status in Eduniversal's worldwide ranking of business schools and universities in 2011; was placed 28th out of all business schools in the world by Webometrics in January 2011; and ranked 10th worldwide and 1st in Asia by The Accounting Review for the number of refereed articles accepted for publication in 2009.

The Lee Kong Chian School of Business was ranked 67th worldwide in the University of Texas at Dallas' business school rankings based on research contributions over the period 2006–2010. The School of Economics was ranked 5th worldwide and 1st in Asia in the Tilburg University Top 100 Worldwide Economics School Research Ranking for its research contributions to six leading econometrics journals in 2009–2010.



UNIVERSITY RANKING

4

Palm Status
(Eduniversal, 2011)

28th worldwide
among business schools
(Webometrics, 2011)

1st in Asia
for papers published
(The Accounting Review, 2009)

LEE KONG CHIAN SCHOOL OF BUSINESS

67th worldwide
(University of Texas at Dallas, 2011)

SCHOOL OF ECONOMICS

5th worldwide
for econometrics research
(Tilburg University, 2009-2010)

1st in Asia
for econometrics research
(Tilburg University, 2009-2010)

PROFESSOR DAVID CHAN'S FOUR FELLOWSHIPS

Professor David Chan became the first Asian to receive Elected Fellow status from all four international associations of psychology. He was presented the award of Elected Fellow of the International Association of Applied Psychology (IAAP) in 2010, and in 2011 he was appointed Elected Fellow of the Society for Industrial and Organisational Psychology (SIOP), Elected Fellow of the Association for Psychological Science (APS) and Elected Fellow of the American Psychological Association (APA) for his outstanding contributions in the field of psychology.

Professor Chan is internationally known for his various contributions in research methods and organisational psychology, particularly in his research on longitudinal modelling and how individuals adapt to various changes across diverse situations.

PROFESSOR HOWARD THOMAS'S SECOND HONORARY DEGREE

The Grenoble School of Management in France conferred an honorary degree (Doctor Honoris Causa) on Professor Howard Thomas, Dean of the Lee Kong Chian School of Business for his outstanding scholarship and contributions to the development of global management education. It is Professor Thomas's second honorary degree. In 2008, he was awarded an honorary degree by Swansea University, in Wales, which is his birthplace.



Professor David Chan



Professor Howard Thomas

LEE FOUNDATION FELLOWSHIP FOR RESEARCH EXCELLENCE

Jerry Cao Xiaping, Assistant Professor of Finance,
Lee Kong Chian School of Business

Hannah Chang, Assistant Professor of Marketing,
Lee Kong Chian School of Business

Cho Young Jun, Assistant Professor of Accounting,
School of Accountancy

Jiang Jing, Assistant Professor of Information Systems,
School of Information Systems

LEE KUAN YEW FELLOWSHIP FOR RESEARCH EXCELLENCE

Norman Li, Associate Professor of Psychology,
School of Social Sciences

Su Liangjun, Associate Professor of Economics,
School of Economics

Toru Yoshikawa, Associate Professor of Strategic Management,
Lee Kong Chian School of Business



(L-R) Professors Su Liangjun, Cho Young Jun, Hannah Chang, Rajendra K. Srivastava (Provost and Vice President for Academic Affairs), Arnoud De Meyer (President), Norman Li and Toru Yoshikawa

Research Initiatives

All six schools have identified areas of research focus and have created an environment that supports high quality research. Faculty members are encouraged to engage in multidisciplinary research through collaboration with the Research Centres and Institutes (RCIs). At present, 19 RCIs have been established and serve as key interfaces, linking knowledge creation, dissemination and application within the University and beyond. SMU faculty members also forge close research alliances working on joint projects with researchers from other universities and research institutions.

SMU continues to place stronger emphasis in multidisciplinary research, and encourages collaboration between faculty from different disciplines to embark on joint research. To make the research of practical relevance, SMU faculty regularly engage in research consultancy projects for government ministries and other organisations. Faculty from the School of Accountancy undertake industry research and disseminate knowledge particularly in

the areas of accounting and governance to the government, business and professional bodies. Faculty from the School of Law publish their research findings on issues relevant to Singapore and the global community. In addition, they present findings at overseas and local conferences and in seminars organised by the Continuing Legal Education Committee for the Singapore legal profession. Much of the research has contributed significantly towards addressing public sector and industry challenges.

SMU's online research journal, Knowledge@SMU, showcases the latest research and insights from faculty, visiting academics and industry partners, presented in an accessible, reader-friendly editorial style. Articles from Knowledge@SMU have been reprinted and quoted by leading publications and organisations such as the Economist Intelligence Unit, International Business Times, MIS Asia, China Staff, CIO Asia, CFO Innovation Asia, Today's Campus, and Society of Competitive Intelligence Professionals, Singapore's Business Times and CPA Singapore.

Main Research Areas School of Accountancy

- Financial Reporting and Corporate Disclosures
- Corporate Governance, Assurance, and Risk Management
- Performance Evaluation, Managerial Incentives and Taxation
- Analysts' Earnings Forecasts and Stock Recommendations
- Accounting Practice and Education



“A reputation for fostering valuable, original research is what distinguishes a great university from the simply good. SMU is one of the greats.”

Professor Yeo Tiong Min,
Associate Dean (Research), School of Law



Lee Kong Chian School of Business

- Finance and Financial Markets
- Innovation and Entrepreneurship
- Marketing/Financial Strategy Interface: Investor and Brand Relations
- Strategy Modelling and Organisation
- Logistics and Supply Chain Management
- Service Sector Marketing and Operations
- Managerial Judgment and Decision-Making: Negotiation and Consumer Behaviour

School of Economics

- Econometrics
- International Economics
- Economic Growth and Development
- Political Economy
- Public Policy Evaluation

School of Information Systems

- Data Management & Analytics
- Information Security & Trust
- Information Systems & Management
- Intelligent Systems & Decisions Analytics
- Software Systems

School of Law

- Private & Commercial Laws
- Public & Criminal Laws
- International, Comparative & Transnational Laws
- Theories & Philosophies of Law, Regulation, Ethics & Society
- Legal & Dispute Resolution Skills & Methodologies

School of Social Sciences

- Asian Studies
- Philosophy
- Political Science
- Psychology
- Sociology



SMU-CARNEGIE MELLON LIVING ANALYTICS RESEARCH CENTRE

In a pioneering effort to create ways of understanding consumer and social behaviour by combining advances from computing, social science and management, SMU is building a S\$60 million Living Analytics Research Centre (LARC) in collaboration with Carnegie Mellon University. Dr Tony Tan, then Chairman of the National Research Foundation (NRF), was Guest-of-Honour at the launch ceremony to mark a S\$26 million grant from NRF over five years. The centre will develop new techniques to acquire data on consumer and social behaviour, pioneer new approaches to analyse the data, and use these analyses to develop applications and methods that will benefit consumers, businesses and society.

The centre will draw on the cross-disciplinary strengths of all six schools at SMU, as well as existing university-wide research institutes, especially the Institute of Service Excellence at SMU, the Behavioural Sciences Institute, and the Institute for Innovation and Entrepreneurship.



SMU-Carnegie Mellon Living Analytics Research Centre

SMU-TATA CONSULTING SERVICES ICITY LAB

SMU is set to become a regional centre of research on 'intelligent' cities. Growing economies are showing considerable interest in developing intelligent cities with a strong IT infrastructure, and over US\$100 billion is expected to be invested in the segment globally over the next ten years, according to Girija Pande, Chairman of Tata Consulting Services Asia Pacific. He was announcing TCS' investment over the next three years in a new iCity Lab at SMU. The lab will engage in research and development of cloud-based IT solutions for intelligent cities in Asia and worldwide.

The partnership combines TCS' industry-leading IT services expertise and culture of innovation with SMU's globally recognised focus on research and education for the world of business and management across public and private sectors. Both TCS and SMU are known for their ability to integrate IT with business in ways that create innovative IT solutions which meet public and private sector management needs.



Mr Tharman Shanmugaratnam, Deputy Prime Minister and Minister for Finance and Manpower (centre), opening the SMU-Tata Consulting Services iCity Lab

WHARTON-SMU RESEARCH CENTRE

Collaborations between SMU and The Wharton School, University of Pennsylvania have contributed to the research vibrancy at SMU. To date, the Wharton-SMU Research Centre has undertaken 82 projects in association with the Wharton faculty, covering a wide range of topics in marketing, economics, finance, legal studies and management. Over the last two years, a total of 13 faculty members from Wharton visited to deliver seminar presentations and engage in research activities.

“SMU’s research institutes and centres of excellence are pushing the frontier on new ideas. They are not only bringing thought leaders to Singapore but are also taking Singapore to the world by hosting leading scholars and business leaders in global conferences and development workshops.”

Professor Rajendra K. Srivastava, SMU Provost and Deputy President (Academic Affairs)



LIEN CENTRE FOR SOCIAL INNOVATION

The centre hosted the first annual summer meeting of the global Social Innovation eXchange (SIX) network to be held outside of Europe. Called SIX and the City 2010, the gathering of 80 social innovation centre leaders held discussions following four thematic tracks: the world's first social innovation park in Bilbao, Spain; urban innovation; a global social innovation academy and SIX best practices of social innovation.



Annual meeting of social innovation centres from around the world

BEHAVIOURAL SCIENCES INSTITUTE

At the Behavioural Science Institute, multi-disciplinary and evidence-based approaches to studying human behaviour for the development of more effective organisational practices and public policies will form the next wave of research activity. Research at the institute received a boost last year with an initial funding of S\$1 million from Wilmar International Limited and an additional S\$4.5 million grant from the Civil Service College.



Launch of Lee Kuan Yew Global Business Plan

INSTITUTE OF SERVICE EXCELLENCE

In November 2010, the Institute of Service Excellence at SMU (ISES) signed a Memorandum of Understanding with the Graduate School of Management at Kyoto University to collaborate in service-related research, jointly develop service-focused executive education programmes, lectures, seminars, conferences and courses at SMU and Kyoto University; and to provide opportunities for student exchanges at the postgraduate level.

ISES also announced a new award to recognise the pinnacle of service in Singapore. The Singapore Service Excellence Medallion is part of the national movement to achieve a customer-centric culture amongst organisations in Singapore. Organised in partnership with SPRING Singapore, the Singapore Tourism Board, Singapore Workforce Development Agency and the National Trades Union Congress, the prestigious medallion will be presented in November 2011 to the organisation that has demonstrated the highest levels of customer satisfaction, employee satisfaction and organisational service excellence.

SMU-STANDARD CHARTERED ILAB

The collaboration with Standard Chartered Bank in the Standard Chartered iLab @ SMU has been renewed for another two years, for the third time since the iLab's inception in 2006. The lab conducts leading-edge research and development in business and financial products, services and technologies for the bank's global network. More than 60 projects have been carried out and many new innovative concepts were developed, including an iPhone application that enables the customers to redeem their credit card rewards on the go, and the use of Microsoft Surface, a multi-touch sensing table that enables bankers to share investment materials with customers interactively.

CENTRE FOR CORPORATE AND INVESTOR RESPONSIBILITY

Singapore companies possess strong corporate adaptability and value open communications with stakeholders in times of uncertainty. This was revealed in an exploratory study jointly conducted by the Institute of Certified Public Accountants of Singapore (ICPAS) and SMU's Centre for Corporate and Investor Responsibility of the Sim Kee Boon Institute for Financial Economics and the School of Accountancy Research.

The study involved 30 participants and in-depth interviews with four CEOs who have over 30 years of experience each in companies with turnovers ranging from S\$50 million to several billion dollars. It revealed that business leaders remained governance-focused, as they actively engage the board of directors, shareholders and external auditors, but relatively less so with non-management staff.

INSTITUTE OF INNOVATION AND ENTREPRENEURSHIP

In the new Innovation Catalyst Programme spearheaded by the Institute of Innovation and Entrepreneurship, SMU undergraduates are being coached to assist local SMEs which aim to become regional and global MNCs. Students are schooled in innovation methodologies and management, and placed for internships in SMEs to gain hands-on experience.

The institute also received an endowed S\$5 million from agri-food giant Wilmar International for the Lee Kuan Yew Global Business Plan Competition, which will enable it to be run in perpetuity. The annual competition encourages tertiary students to showcase their business ideas in an international arena, network with potential investors and attract seed funding for their projects. It has attracted more than 1,000 business plan entries from over 75 institutions around the world since its launch in 2001.



BROADER HORIZONS

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Thought Leadership



Complementing SMU's focus on building pedagogical excellence and supporting ground-breaking research is the University's growing role as a centre of intellectual thought and a forum for discussing innovative ideas. An astounding variety of world-class speakers have delivered papers, given lectures and participated in seminars over the past year.

DR TONY TAN: THE FUTURES OF HIGHER EDUCATION

Speaking at the Sim Kee Boon Institute for Financial Economics (SKBI) Public Lecture Series in July 2011, Singapore's former Education Minister, former Deputy Prime Minister and soon-to-be-elected President, Dr Tony Tan said that the interests of Singaporeans should take priority in higher education and that it would be a mistake for Singapore to close its doors to foreigners.

Doing so would hinder collaborative research and exclude the many foreigners who contribute much to Singapore. He outlined three principles that should guide the next phase of developing higher education in Singapore: a comprehensive approach to education, flexibility and openness to new ideas. He delivered the lecture during his Presidential election campaign and answered a number of questions from a full house about the constitution and politics.

"In a world of tough competition and scarce resources, our institutions must leverage their local, regional and global networks to attract and retain the very best students and faculty, prepare local students for global careers and to be at the cutting edge of research."

**Dr Tony Tan
(now President Tan)**

DR NOURIEL ROUBINI: GLOBAL ECONOMIC OUTLOOK FOR H2, 2011 AND BEYOND

Dr Nouriel Roubini, Professor of Economics at New York University's Stern School of Business and investment strategy consultant was another eminent speaker in the Public Lecture Series co-organised by SKBI, the School of Economics and the Economic Society of Singapore.

Dr Roubini gave a detailed assessment of the downside risks and upside opportunities in the global recovery. Among the encouraging signs he saw were the acceleration of growth in the US and Eurozone, a decreasing risk of inflation as once-idle production capacity is consumed, and a world with more than one centre of economic gravity as demand shifts from the west to the east and from the north to the south. However, he expressed concern about the US economy, where de-leveraging the private and public sectors and solving the debt problem have been postponed.

PHILIPPINE PRESIDENT, BENIGNO S AQUINO: CONSENSUS BUILDING AND RESPONSIVE GOVERNMENT

Governments exist at the sufferance and authority of its people, regardless of the political system, Philippine President Benigno S Aquino III told a packed auditorium in March 2011. Analysing the political upheaval that was sweeping the world, he concluded, 'When a government begins to lose sight of its role and purpose in the lives of its people and shifts its focus to the retention of power – then change becomes inevitable.'

President Aquino was the Distinguished Speaker at the fourth SMU Ho Rih Hwa Leadership in Asia Public Lecture Series, which was established in 2001 by Mrs Ho Lien Fung in memory of her late husband, former Singapore Ambassador and successful businessman Mr Ho Rih Hwa. Previous speakers in the series include Mr Lee Kuan Yew, Dr Mahathir Mohamad and Chief Executive of Hong Kong SAR, Mr Donald Tsang.



Dr Nouriel Roubini



Philippine President, Benigno S Aquino

HO LIEN FUNG'S COLLOQUIUM

In June 2011, Miss Peggy Tan, First Vice President of the Orchid Society of Southeast Asia delivered the delightful lecture 'Orchids and Sensuality: Then and Now' in the annual Lien Fung's Colloquium series. The inspiring series of lectures was generously established in 2001 by Mrs Ho Lien Fung, the eminent bilingual writer. Ms Ho hoped the lectures would quench the thirst of the SMU community for knowledge beyond academic learning.

Sadly, this was to be the last colloquium to be delivered during Mrs Ho's lifetime. SMU wishes to express its deepest condolences to Mr Ho Kwon Ping, SMU Chairman, on the passing of his beloved mother.



The late Mrs Ho Lien Fung

**DR WILLIAM F. MILLER:
IT'S BUSINESS, NOT TECHNOLOGY**

There are two important aspects for successful technology commercialisation, said Dr William F. Miller, Herbert Hoover Professor of Public and Private Management Emeritus of Stanford University. First, founders and investors need to understand the steps for turning technologies into businesses. Second, the business, social and political environments they operate in must be supportive of new business formation and foster a culture of entrepreneurship. Dr Miller was guest speaker at the Shaw Foundation Distinguished Faculty Lecture Series.



Dr William F. Miller

**PROFESSOR DONALD K. EMMERSON:
GARUDA RISING, BLACK SWAN
WAITING – ECONOMIC AND
POLITICAL FUTURES OF INDONESIA**

The Indonesian economy has seen rising interest from foreign investors as its gross domestic product continues to grow. Drawing on his research on and experience in Indonesia, Professor Emmerson narrated the flight of the garuda (representing the Indonesian economy) to new heights but also warned that a black swan (representing an unexpected event) may be waiting to thwart Indonesia's trajectory of success. Professor Emmerson is Director of Stanford University's Southeast Asia Forum, Shorenstein Asia-Pacific Research Centre and was speaking at SMU in the Presidential Distinguished Lecturer Series.



Professor Donald K. Emmerson



Dr Yukon Huang

**DR YUKON HUANG:
THE RISE OF CHINA –
GEO-ECONOMIC IMPLICATIONS &
RISKS FOR SOUTH EAST ASIA**

Speaking at the Ngee Ann Kongsi Annual Lecture Series, Dr Yukon Huang of the Carnegie Endowment for International Peace said the Chinese government should allow farmers to sell their land rights and move freely to where the jobs are and not bring jobs to the poorer regions. Moderating the panel discussion which followed was Professor James T.H. Tang, Dean and Professor of Political Science, School of Social Sciences.



Mr Rober Swan

**DR DENNIS LIOTTA:
FROM THE RESEARCH BENCH TO THE
MARKET – OVERCOMING SOME OF THE
CHALLENGES FACING BIOTECH AND
PHARMACEUTICAL DEVELOPMENT IN THE
21ST CENTURY**

The biotechnology and pharmaceutical industries have experienced rapid advances in science and technology, a surge in mergers, acquisitions and strategic alliances, and unprecedented globalisation of the industry. As a result, the drug development industry is unbundling and providing new global opportunities for scientists and entrepreneurs. These were the views expressed by Dr Dennis Liotta, Executive Director of the Emory Institute and Researcher, Pharmaceutical Advisor and Inventor. Dr Liotta provided his insights in the Institute of Innovation and Entrepreneurship's Distinguished Speaker Series.



Dr Dennis Liotta

**MR ROBERT SWAN:
THE SUSTAINABLE LEADER**

At the inaugural Vitol Industry Speaker Series lecture, adventurer and motivational speaker Mr Robert Swan compared his expeditions to the Antarctic to boardroom manoeuvres, in order to illustrate the importance of inspiration, leadership and teamwork in achieving a dream. The series of lectures at the International Trading Institute @ SMU is made possible by a gift from the Vitol Group, one of the world's largest independent energy trading groups. It is designed to inspire a generation of business leaders to be responsible corporate citizens who strive towards sustainability in the social, environmental and economic spheres in their respective business fields.

LAW LECTURE SERIES

The School of Law began a series of lectures involving prestigious practitioners, academics, and policy-makers. The lecture series has engaged some of the most prominent figures in the industry, including Chief Justice Chan Sek Keong, Senior Counsel Mr Philip Jeyaretnam and former Nominated Member of Parliament Dr Thio Li-ann.

**SHIRIN FOZDAR CONFERENCE &
LECTURE**

A conference entitled 'Women in the Community: Sustaining Change' was officially opened by Mrs Lim Hwee Hua, Minister in the Prime Minister's Office and Second Minister for Finance and Transport. It was the second of five annual conferences under the Shirin Fozdar Trust Fund. The fund was established to facilitate the advancement of women in Singapore and is under the custodianship of the Wee Kim Wee Centre at SMU. Among the distinguished speakers at the two-day event were celebrated American writer S.J. Rozan, well-known Chinese activist Wu Qing and artist Chung Yee Chong.



"Women in the Community" Conference

Alumni Growth

COMMENCEMENT 2011

The graduation ceremony this year was marked by a series of 'firsts', noted Professor Arnoud De Meyer. It was his first Commencement as SMU President; the first students were graduating from the School of Law; and the first CIRCLE Awards were being bestowed on students who demonstrated all-round excellence in student life, leadership, community service and their studies.

The Guest-of-Honour was the Honourable the Chief Justice Chan Sek Keong. He praised SMU's broad-based, multi-disciplinary education and commended the graduating law students for having already distinguished themselves in international mooted competitions and on exchange. He foresaw a bright future for them as they entered a profession supporting Asia's rapidly expanding economies.

Mr Ho Kwon Ping, SMU Chairman pointed out that more students graduate from

the University each year. This year there were a total of 1,814 graduates – or six times the number that were at SMU's first Commencement seven years ago.

Education Minister, Mr Heng Swee Keat also graced the ceremony with his presence and Dr Vivian Balakrishnan, Minister for Environment and Water Resources attended the graduation of his daughter Natalie.

The proceedings were framed by dazzling performances from singers and dancers who demonstrated the depth of talent at SMU.

CLASS GIFT 2011

The number of graduating students who show their gratitude to the University by offering donations and funding awards or scholarships has continued to grow. The Class Gift is a tradition spearheaded by SMU's pioneer batch of graduates in 2004 and has become a cornerstone of a culture of giving among SMU alumni.

Graduating students in 2010 established the Graduating Class of 2010 Scholarship as their first gift to their alma mater. More than half of the Class of 2010 contributed to establish three scholarships, each valued at S\$10,000, to defray the tuition fees of deserving undergraduates for one year of study. Two alumni – Mervyn Lek and Valedictorian Russell Tan – each contributed S\$1,000 to the Senior Class gift even before they had started work and drawn their very first paycheque.

Said Russell: 'What better way to say thank you than to make it possible for future undergraduates to enjoy the same wonderful experience that we've been through.'

ALUMNI NETWORKING NIGHTS

Monthly Alumni Networking Nights now give SMU alumni a chance to catch up with one another, network with potential business partners and keep abreast of the latest happenings at their alma mater. The spirit at such gatherings is always convivial as attendees enjoy a free flow of drinks and snacks while being entertained by volunteer live bands.

There is also an occasional series of professional networking sessions. At the first, a team of recruitment specialists from Robert Walters met SMU alumni and postgraduate students to discuss careers in accountancy, financial services, banking, information technology, sales and marketing, and human resource management.

WE LOVE SMU CAMPAIGN

An annual campaign was launched to enable alumni to give back to the University through three channels: volunteering, sharing their views, and philanthropic contributions.

As volunteers, alumni can mentor their juniors, sit on interview panels for admissions or scholarship, give talks, or share their expertise with students in CCA projects, for example. By sharing their knowledge and industry experience, alumni can be involved in shaping the curriculum to ensure it remains relevant to today's students. Alumni can also make philanthropic contributions to the 'We Love SMU' fund. The fund channels donations towards the advancement of education: for bursaries, scholarships, CCA equipment for arts and sports and other educational causes.

By participating in this initiative, alumni continue to keep the SMU spirit alive and make a difference to the community.



Top graduates 2011: Joshua Lim Yong En, Russell Low Tzeh Shyian and Joel Ng Zhi Hao



SMU Alumni Networking Night

Business and Academic Partnerships

SMU continues to deepen existing ties and forge new relationships with industries and businesses in order to enhance the learning experience of students, provide new and exciting internship and employment opportunities and also to allow businesses to access the wealth of knowledge, resources and expertise at SMU.

NYSE TECHNOLOGIES

SMU is working with New York Stock Exchange (NYSE) Technologies to develop educational labs for hands-on experiences with trading processes and technologies. Students of SMU's Master of IT in Business (Financial Services) programme will be trained in designing, using and managing the technology infrastructure that powers trading across global financial markets and stock exchanges.

'As a global leader in financial markets technology solutions, we are very pleased to work closely with SMU in its mission of empowering the next generation of financial markets technologists and process innovators,' said Peter Tierney, NYSE Managing Director, Asia Pacific. 'Creating a classroom experience that mirrors real-world trading environments will provide SMU students better understanding of the financial markets and the technology that support them.'

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF SINGAPORE

SMU's School of Accountancy Research and the Institute of Certified Public Accountants of Singapore are collaborating on accounting, business, professional and thought-leadership research and activities that contribute to Singapore's vision of becoming a leading global accountancy hub for the Asia-Pacific region. Initiatives include a poll of CEOs' views and a CEO Forum on issues such as business strategies, corporate governance, risk management and assurance, a study of the audit market

in Singapore and the implications of the European Commission's Green Paper on Audit Policy in the Asia Pacific region, and an eminent speaker series discussing business and professional developments.

INSTITUTE OF INTERNAL AUDITORS

SMU's School of Accountancy (SOA) and the Institute of Internal Auditors (IIA) Singapore are working together to boost competency and groom young talents for the internal audit sector in Asia-Pacific.

Research under the initiative revealed a need for significant professional development in internal audit practices and SOA and IIA Singapore together designed continuing

education programmes for chief audit executives and other senior internal audit professionals. The partners are also raising students' awareness of the internal audit profession, through courses and initiatives to develop internship opportunities for students.

SAS ADVANCED ANALYTICS LAB

SMU forged a strategic partnership with SAS – a leader in business analytics software and services – to increase the skills, resources and competencies in business intelligence and business analytics in Singapore. The Infocomm Development Authority of Singapore, identified business analytics as one of the IT disciplines that are critical to Singapore's economic growth.



“Together, with the global reach of the IIA and the research-focused faculty of SMU SOA, we aim to make Singapore a research and learning hub for internal audit professionals in Asia-Pacific.”

Mr Uantchern Loh,
President of the Institute of Internal Auditors (Singapore)

Among the cutting edge developments arising from the collaboration between SAS and SMU is the SAS Advanced Analytics Lab (SAAL) for students and faculty of the University. The facility provides hands-on experience with SAS solutions and access to SAS experts.

ALEXANDRA HEALTH

Alexandra Health and the School of Information Systems are working together on a three-year joint service innovation programme. SMU students, staff and faculty members will work with professionals from Alexandra Health on a series of information systems solutions to further enhance the customer experience at Khoo Teck Puat Hospital (KTPH). In exchange, senior managers from Alexandra Health will share their expertise by teaching as adjunct practice faculty at SMU.

Among the information systems solutions being developed are a system to track a patient's 'journey' through the hospital to reduce waiting times, streamlining and simplifying the patient discharge process, and creating an information management system for collecting and analysing data from lifestyle habit surveys.

“We see synergies in partnering with SMU. We like their approach to learning, research, projects and industry engagement and their ability to bring together practical aspects with classroom theory.”

Mr Lau Wing Chew,
Chief Transformation Officer,
Alexandra Health

UOB-SMU ENTREPRENEURSHIP ALLIANCE CENTRE

Now in its sixth year, the UOB-SMU Entrepreneurship Alliance (USEA) Centre is extending its focus on small and medium-sized enterprises (SMEs) to include family businesses, as many SMEs in Singapore are family owned and managed. USEA serves the community of SMEs through applied research, case studies and surveys. It has since collaborated with close to 200 SMEs to promote enterprise management and local enterprise consulting.

WILMAR PROJECTS

SMU partnered Wilmar International Ltd to design and organise educational programmes for three primary schools in rural China. Wilmar International has built more than ten schools in China and provides educational assistance and support to empower the local communities. The project worked to improve the children's English, acquaint them with arts and introduce them to enriching sports activities. This collaboration gave SMU students the opportunity to learn from and contribute to Wilmar's corporate social responsibility efforts.

PARTNER UNIVERSITIES

SMU continues to expand its global network of university partners with which it collaborates on research, student exchanges and visiting faculty arrangements. This network enriches students' and faculty members' exposure to global ideas, enhances the University's intellectual development and raises our international reputation. SMU currently has 204 partner agreements with universities in 48 countries across the world. These include agreements with 84 institutions in Europe, 53 in Asia, 44 in North America, and others in South America, the Middle East, Africa, Australia, New Zealand and Central Asia.

One of the partnerships most recently forged is between the Institute of Service Excellence at SMU (ISES) and the Graduate School of Management (GSM) at Kyoto University. ISES and GSM will collaborate in service-related research, jointly develop service-focused executive education programmes, lectures, seminars, conferences and courses at SMU and Kyoto University, and provide opportunities for student exchanges at the postgraduate level.

“We very much appreciate this opportunity to collaborate with ISES, which is a world-class research institute in the service field.”

Professor Kiyoshi Kobayashi,
Dean of the Graduate School of Management, Kyoto University

University Advancement



The late Madam Kwa Geok Choo. Photo courtesy of The Straits Times.

KWA GEOK CHOO LIBRARY, SCHOLARSHIP, AWARD

To honour one of Singapore's most prodigious luminaries, SMU is naming its new law library, a new scholars' programme and an award for a top law graduate after the late Madam Kwa Geok Choo, wife of former Prime Minister Lee Kuan Yew. The tribute is befitting of Madam Kwa's achievements as an esteemed lawyer whose intellect shone through in the law firm she started with Mr Lee and his younger brother.

The new state-of-the-art Kwa Geok Choo Law Library will be the heart of legal education and scholarship for SMU students, the legal community in Singapore and beyond. The Kwa Geok Choo Scholars Programme for law students and the Kwa Geok Choo Top Law Graduate Award will keep the memory of the late Madam Kwa alive.

SMU Chairman, Mr Ho Kwon Ping said: 'We want our students to follow in her footsteps, striving for excellence with humility and perseverance. Her life, her values, her achievements and her contributions, will be an inspiration to generations of SMU students.' In thanking SMU on behalf of the family, Ms Kwa Kim Li, Managing Partner of Lee & Lee and niece of the late Madam Kwa, said her aunt would have been honoured by the tribute.

MOCHTAR RIADY AUDITORIUM AND SCHOLARSHIP

SMU announced the naming of its auditorium as the Mochtar Riady Auditorium and the establishment of the new Mochtar Riady Scholarships. The auditorium and scholarship have been named after Dr Mochtar Riady, the Founder and Chairman of Lippo Group, in recognition of a generous S\$5 million donation to SMU by the Lippo Group and the Riady family.

The 300-seat Mochtar Riady Auditorium is the largest conference venue in the city campus and has hosted many high profile global conferences, academic symposiums, distinguished lecture series,

official launches, art performances and other public events. The auditorium is equipped with state-of-the-art multimedia facilities and features a spacious adjacent foyer for receptions and networking.

The donation also enables the setting up of the Mochtar Riady Scholarships which will be awarded every year to two international SMU undergraduates from China or Indonesia.

PRIMA ACCOUNTANCY SYMPOSIUM

SMU received a S\$1 million endowed gift from Prima Limited and its well-wishers as part of the Prima Golden Anniversary Education at Prima's Golden 50th Anniversary.

Prima was one of the early supporters of SMU, donating an endowed gift of S\$1.5 million in 2000 to establish the Cheng Tsang Man Professorship in Accountancy, in honour of the Honorary Life President and Founder of Prima Ltd.

SMU will use the latest endowed gift to establish an annual research symposium where School of Accountancy faculty and researchers from top schools around the world can interact and share information through presentations of research papers and discussions.

"We recognise in SMU the distinctive role of a university that is strongly integrated with the world of business and which also stands for global diversity. The institution has distinguished itself as staying relevant and responsive to emerging trends of the global economy through research and teaching."

**Dr Stephen Riady,
President, Lippo Group**

List of Principal Donors

(As of 31 March 2011)

S\$10 MILLION AND ABOVE

Lee Foundation
Li Ka-shing and Hutchison Whampoa Group
Ngee Ann Kongsi
Temasek Holdings (Private) Limited

S\$1 MILLION AND ABOVE

BNP Paribas
Tan Sri Dato Chua Ma Yu
Far East Organization
Fullerton Financial Holdings (International) Pte Ltd
Goh Foundation
Kewalram Chanrai Group
Tommie Goh
Ho Bee Investment Ltd
Johnson & Johnson Pte Ltd
Keppel Corporation Ltd
Patrick Lee Kwok Kie and family
Lienfung Li Ho
Lien Foundation
Laurence Moh
Maritime & Port Authority of Singapore
Neptune Orient Lines Ltd
Prima Ltd
The Shaw Foundation Pte
Singapore Totalisator Board
Tanoto Foundation
Temasek Foundation
United Overseas Bank Group/ Overseas Union Bank Ltd
Victor and William Fung Foundation
Wilmar International Limited
Mr and Mrs Wong Kwok Leong
Yong Shook Lin Trust

S\$500,000 AND ABOVE

Citi
Credit Suisse
Emirates National Oil Company LLC (ENOC)
HSBC
The Hokkien Foundation
The Ian Ferguson Foundation
MobileOne Ltd
PSA International Pte Ltd
SAS
Singapore Chinese Chamber of Commerce & Foundation
Sum Yee Loong
Target Asset Management Pte Ltd



S\$200,000 AND ABOVE

The American Chamber of Commerce in Singapore
Doris and Mick Aw
Capital International
Cerebos Pacific Limited
CVC Asia Pacific (Singapore) Pte Ltd
DBS Bank Ltd
DFS Venture Singapore Pte Ltd
Dou Yee Enterprises (Singapore) Pte Ltd
Ernst & Young Solutions LLP
Isetan Foundation
Jardine Cycle & Carriage Limited
KPMG LLP
Kuok (Singapore) Limited
Kwek Leng Keow
Luxasia Pte Ltd
Permira Advisers LLP
Pontiac Land Group
PT Bank Danamon Indonesia Tbk
Public Utilities Board
Singapore Buddhist Lodge Education Fund
Singapore Press Holdings Ltd
Singapore Shipping Corporation Limited
Standard Chartered Bank
State Street Singapore
Tan Kwang Hwee
Dr Ting Choon Meng
Anil Thadani
TPG Capital (S) Pte Ltd
UBS AG
Villa Foundation
Visa International

Contribution to our Community



SMU Challenge 2010 awareness and fund-raising campaign (above and below)

1 MILLION HOURS OF COMMUNITY SERVICE

In 2010, the number of hours spent by SMU students in service to the community reached a phenomenal one million hours. The commendable achievement was marked as part of the University's 10th anniversary celebrations with a photographic exhibition, Photos of Inspirat10n, which told the story of students' extraordinary experiences.

All SMU students are required to complete a minimum of 80 hours of community service before they graduate. Through this, students gain new perspectives on humanity, society, education and the environment. SMU students have, over the years, worked with more than 200 non-profit organisations,

voluntary welfare organisations, community service agencies and other outreach agencies as part of their community service engagements.

Community service often takes students beyond the shores of Singapore to countries such as China, Thailand, Cambodia, Indonesia, the Philippines, Laos, Vietnam, India, Israel, Madagascar and South Africa. Projects range from teaching English, to recycling and conservation drives, to the construction of homes. Students have also offered consultancy in the areas of management and social enterprise, to support the development of local businesses and establish tenable sources of livelihood.

In Project Wings for instance, a team worked in Dali, China to assist in the revamp of a hearing-impaired community-run café. Students gave the restaurant a makeover with new menus, interior and exterior designs, streamlined its operations and enhanced the customer experience with regular theme-based promotions.

Much has also been done in Singapore, ranging from collecting newspapers for recycling to fundraising. For example, in October 2010, students and faculty members ended a week of fund-raising with a trek from the SMU campus to the Geylang East Home for the Aged. The group far exceeded their S\$50,000 target and raised S\$78,000 in cash and kind for the home of the elderly and the Society of Moral Charities.



iConserve recycling project, July 2011



“We wanted to give our children the best possible tertiary education for a headstart in their careers as well as poise and confidence to interact with people at all levels.”

Ernest and Siew Kin, proud parents of two SMU graduates (and one SMU undergraduate)

SHARON BERZOK STUDENT AWARD

A team of three SMU undergraduates won a top student award from a Californian-based global educational body for their ‘shareURmeal, Singapore!’ food delivery programme. The Sharon Berzok Student Award is the highest student prize given out by the International Association of Business Communicators (IABC) Research Foundation. Entries are judged on overall excellence and creativity.

The winning project raised S\$5,000 through sponsorship from City Development and engaged students in taking photographs of their meals and posting them online.

PROJECT INSPIRAR

Now in its fourth year, this project provides a platform for SMU students to actively engage and befriend the elderly. Various activities are organised to foster interaction between the youth and the elderly and at the same time, promote active ageing and a healthy lifestyle in today’s greying society. For this academic year, the students developed a ‘Sit Exercise’ routine that the elderly can perform while seated, which is both convenient and not too strenuous for them. The team reached out to more than 500 elderly from 9 voluntary welfare organisations.

TRIATHLETES’ CHARITY FUND RAISING

Second-year School of Economics student Ou Yong Xuan Sheng not only fulfilled his dream of participating in an Iron-Distance Triathlon Challenge in Cairns, Australia, he also helped raise over S\$10,000 for charity.

As Xuan Sheng raced through a 3.8km swim, 180km bike ride and a 42.2km run in Australia, ten of his team-mates from the SMU Aquathlon Team made a 180km sponsored cycle ride in Singapore. Together they raised valuable funds for The Haven – a residential home for abandoned, abused and neglected children run by The Salvation Army.

FRIEND OF THE ARTS

For the third year, SMU received the Friend of the Arts Award at the 2010 Patron of the Arts award ceremony for its contributions to the development of Singapore’s art scene. In the previous year, SMU’s active support for the arts had enriched and enlivened the city campus in the form of performances and exhibitions. For example, Campus Green was host to eight bronze sculptures by leading Chinese sculptor Li Chen.



Global Citizens



REPRESENTING CAMBODIAN GENOCIDE SURVIVORS IN COURT

Assistant Professor of Law Mahdev Mohan is leading a team of lawyers seeking justice for a neglected group of survivors of the Cambodian genocide, the Khmer Krom. Senior leaders of the notorious Khmer Rouge regime are appearing before the United Nations-backed Extraordinary Chambers in the Courts of Cambodia (ECCC) and charged under both Cambodian and international law for serious crimes including crimes against humanity, genocide and grave breaches of the Geneva Convention.

Professor Mohan’s legal team includes members of local consultancy Access to Justice Asia LLP and Cambodian non-profit, Legal Aid of Cambodia. Professor Mohan has also brought on board human rights expert and Yale University Clinical Professor, Laurel Fletcher.

A team of students from SMU is also working with Yale University’s Allard K. Lowenstein International Human Rights Clinic to analyse witness evidence, conduct complex research, draft legal submissions and support litigation.

SUMMER INSTITUTE HUMAN RIGHTS WORKSHOP

The prestigious Summer Institute in International Humanitarian Law and Human Rights was held at the SMU School of Law in 2011. Designed and co-organised by the War Crimes Studies Centre at the University of California at Berkeley and the East-West Centre at the University of Hawaii, the workshop encompasses a week of intensive training in Singapore, followed by a four-day field trip to Phnom Penh, Cambodia.

The Centre for International Law at the National University of Singapore, the International Institute for Child Rights and Development, and the Human Rights Resource Centre for ASEAN also co-organised the event. The event was graced by local luminaries, including Mr Richard Magnus, former Senior District Judge and Singapore’s current representative to the ASEAN inter-governmental commission on human rights. This year’s focus was the vulnerability of women and children to human rights violations during times of conflict and peace. It is hoped the Summer

Institute will be an annual event at SMU, focusing next year on corporate governance and responsibility to respect human rights.

IAVE YOUTH VOLUNTEER CONFERENCE

SMU was the event co-organiser of the International Association for Volunteer Effort (IAVE) Youth Volunteer Conference 2011. An affiliated event, the Youth Volunteer Conference 2011 was held at SMU and involved some 350 youth volunteer leaders from various continents including Africa, Asia, Europe, Middle East and North America. Fourth-year business management undergraduate Oliver Loke Jia Wen was the Chairman of the Youth Conference Organising Committee, which comprised representatives from SMU, YMCA, IAVE and other youth agencies.



SERVING COMMUNITIES OVERSEAS

In 2010 alone, SMU students were engaged in 176 overseas community service projects in over 20 countries, including Bangladesh, Cambodia, China, Hong Kong, India, Indonesia, Kenya, Korea, Laos, Malaysia, Nepal, Philippines, Taiwan, Thailand and Vietnam.

In Project Light, for example, students helped villagers in Pulau Air Raja, Indonesia to replace their costly, hazardous kerosene lamps with safer, cleaner and cheaper solar-powered lights. They even made a return trip to the village to empower local villagers to set up and manage their own solar-powered lamp business.

Project SMU Pendeza worked with an orphanage in Kenya to develop educational programmes for orphaned and abandoned girls. The project helped to provide the orphanage's primary school with desks, a blackboard and a notice board; to furnish and stock the school's library; to develop an IT literacy curriculum; and to build a computer lab to host the IT lessons. The project was selected as one of ten international finalists for 'Project Inspire: 5 Minutes to Change the World', a joint initiative by UN Women Singapore and MasterCard to help empower disadvantaged women and girls, through education, skills training, financial inclusion, social entrepreneurship.

Project SMU Pendeza, Kenya

To prepare for Project Sheba, a community project in Bangladesh, SMU students organised activities for Bangladeshi migrant workers in Singapore to gain a better understanding of the Bangladeshi culture, and the educational situation in rural Bangladesh. They then headed off to a village in Bangladesh to upgrade a community school with a library and IT centre, and to help the teachers learn how to teach IT. The team also provided scholarships to ten needy students to help them continue their education.

Two projects sent teams to China to help rural communities protect their culture and heritage from being eroded by globalisation and modernisation. Both set up cultural centres to record and preserve the customs and traditions of the respective communities. Project Kashgar worked with the Uighur people and Project Agape with the Kyrgyz people in Kashgar, China. The cultural centres also serve to increase awareness of the communities and provide alternative sources of income for the villagers through tourism.

AROUND THE WORLD ON A BAMBOO BIKE

Chuah Sun Soon, a third-year business management undergraduate, made a journey of discovery through the Silk Route on a bamboo bike. Calling it The Circle of Life, he rode a

self-assembled bike made of bamboo to retrace the part of the ancient Silk Route, covering some 3,400km across Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan. The region, once the epicentre of trade, is today war-torn and mired in poverty. Sun Soon wanted to understand and create awareness of the needs of the people through a blog that will draw tourists and businesses.

It was Sun Soon's second intrepid expedition. After completing an internship project in a prison in Delhi, India in 2009, he rode 12,000km on a motorbike through the Middle East and Central Asia, before arriving in Russia for his student exchange programme. Along the way, he stayed with locals in various countries and 'learnt to live simply and enjoy the simple things in life'.



Financial Review

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Corporate Governance

The University is committed to developing and maintaining high standards of corporate governance and has put in place the appropriate governance structures consistent with such objectives. The University's governance evaluation checklist can be viewed at the website (www.smu.edu.sg) or at the charity portal website (www.charities.gov.sg).

Governance Framework

1. Statutory and Corporate Governance Framework

The governance of the University takes place within a specific statutory framework – the Singapore Management University Act (Cap. 302A) (“SMU Act”) – and Section 3 of the SMU Act which provides that “The function of the university company is to pursue, within the limits of the financial resources available to it, the objects provided by its constituent documents and, in particular, the university company may confer and award degrees, diplomas and certificates, including honorary degrees and other distinctions.”

Section 9(1) of the SMU Act further states that “Any provision of the constituent documents, or any regulation of the university company made in pursuance thereof, that is inconsistent with provision of this Act shall, to the extent of the inconsistency, be void.”

Apart from the SMU Act, the other key document relevant to the University is its Memorandum and Articles of Association (“M&A”) which is regarded as a key constitutive document because it contains important provisions relating to, inter alia, the objects of the University, its powers, the role, powers and duties of the Board of Trustees, the role of the Chancellor, President and Provost. The M&A provides that “The objects of the Company are to establish, operate, maintain and promote the Singapore Management University (hereinafter called the “University”) which will provide courses of study or instruction pertaining to management, human resource development and any other fields of knowledge.”

The importance of the M&A in the University's governance framework is clearly stated in Article 1(1) of the M&A which states :

“These Articles are principles of fundamental and continuing significance to the governance of the Company. The Board of Trustees may from time to time set forth or revise policies and procedures consistent with these Articles and with the law for the furtherance of the Company's objectives and for the good government of the Company. The said policies and procedures shall be filed in the office of the Secretary.”

2. Board of Trustees

The University's SMU's Board of Trustees (“Board”) is the highest governing organ within the University's governance framework and Article 36(1) to (3) of the M&A defines the role of the Board to be as follows :

“(1) There shall be a Board of Trustees of the Company, which responsibilities are to ensure that the Company acts in furtherance of its objectives in education and research and to ensure that the funds and assets of the Company are properly accounted for and safeguarded.

(2) The Trustees shall be eminent persons of good repute and sound judgment, with considerable experience in public service, the private sector or in academia.

(3) A Trustee shall stand in a fiduciary relation to the Company and shall perform his duties as a trustee in good faith in the best interests of the Company and with care, skill and diligence. A Trustee may, in considering the best interests of the Company, consider the effects of any action upon employees, upon suppliers and students and other constituents of the University and upon the community in which the University is located. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Trustee of the Company or any failure to take any action shall be presumed to be in the best interests of the Company.”

The M&A states that the number of Trustees shall be up to twenty, or such other number as the Minister for Education shall from time to time in his discretion determine, and all of whom shall be appointed by the Minister for Education. The M&A further provides that the Chairman of the Board shall be appointed by the Minister for Education from amongst the Trustees and in addition, the M&A states that no person who is an officer, Faculty member or full-time employee of the Company shall be eligible for election as Chairman or Deputy Chairman. On the issue of the President's participation at Board meetings, Article 36(10) expressly states that “The President shall attend Board meeting as ex-officio and shall not be entitled to vote thereat.”

SMU's Board is currently comprised of twenty Trustees, and is chaired by Mr Ho Kwon Ping. The Board's key roles are in the areas of (i) strategy formulation; (ii) policy making; (iii) external promotion of the University; and (iv) accountability. This essentially means that the Board has a role in setting and approving the University's strategic direction and appointing the strategic leadership by appointing the University's President and Provost. In this regard, the Board is in charge of providing the strategic planning oversight for the University by setting the broad strategic framework within which the President and senior university administrators can operate so as to implement the Board's strategic direction for the University. The Board also ensures that the University has in place appropriate policies, including governance policies, which are in line with best practice, and in addition, the Board also has the role to promote and being an advocate of the University to the wider community. In the area of accountability, the Board's role includes being accountable for the financial well being of the University delegating authority appropriately and ensuring that a rigorous governance framework is established for the University.

3. Committees

The Board has the power to delegate its powers and has established various Committees to assist the Board in its duties. The Committees which have been established, include the following :-

*Academic Affairs Committee,
Audit Committee,
Enterprise Risk Management Committee,
Finance and Remuneration Committee,
Investment Committee,
Nominations Committee,
Committee for Institutional Advancement,
Enterprise Board and
Campus Development Advisory Committee*

The Committees operate based on the principle of delegated authority from the Board and are required to observe their respective Terms of Reference as set by the Board. The Terms of Reference of each of these Committees set out the role, powers and rules applicable to these Committees.

4. President

The President of the University is appointed by the Board and Article 35(2) of the M&A describes the role and powers of the President to be as follows :

“The President shall be the chief executive officer of the Company and the University’s academic and administrative head. He is responsible to the Board of Trustees for the conduct, co-ordination and quality of the University’s programmes and for its future development. The President shall have the authority to perform all acts which are necessary to make effective the policies, procedures and actions of the Board of Trustees. As a liaison between the Board and the Faculty, the President shall inform each of the views and concerns of the other relating to the programmes and administration of the University. The President shall arrange for the Company’s annual budget and forward estimates to be presented annually to the Board of Trustees for approval, or to a committee so appointed by the Board of Trustees for that purpose.”

5. Provost

The Provost of the University is appointed by the Board of Trustees pursuant to Article 35(4) of the M&A and the role of the Provost, as defined by Article 35(5) of the M&A, is defined as follows:

“The Provost shall be the educational officer normally responsible for the conduct, coordination and quality of the University’s academic programmes and for their future development. The Provost shall report to the President with regard to these responsibilities and in the discharge thereof shall consult the Faculty.”

6. Policy on Managing Conflicts of Interest

Our board members and staff are required in their respective capacities to act at all times in the best interest of the University. Policies and procedures are designed to prevent and address potential conflict-of-interest situations while promoting ethical business conduct of faculty and staff.

In this regard, an extract of Article 42(1) of SMU’s M&A specifically mentions that “no Trustee shall vote as a Trustee in respect of any contract or arrangement in which he is interested”.

There are equivalent provisions in the SMU policies and procedures applicable to its staff which state that “all staff should avoid any conduct in both their business and personal activities that involve or appear to involve a conflict of interest” and the relevant policies further provide that “the staff involved in any stages of the procurement process shall declare and disqualify themselves from handling procurement in which conflict of interest situations arise”.

7. Accumulated Reserve Policy

Usage from Accumulated Reserve

No spending is allowed directly from the Accumulated Reserve account. Any need to draw from the Accumulated Reserve account must be approved by the Board of Trustees as an allocation of funds to cover the operating budget for the year. The need to draw on the Accumulated Reserve must be justified in the financial plan for the year. Where the need to draw is due to unforeseen circumstances beyond Management’s ability to cope by expense reductions or use of other available funds, then proper justifications to the Board must also be provided and their approval obtained.

Usage of Income from Investment of Accumulated Reserve

To further enhance the value of the Accumulated Reserve, management and the Board seeks to invest unutilized portions of the Reserve to generate income. The income will further add value to the Accumulated Reserve and could be drawn down to support the University’s operating budget or development. Any utilization of income from the investment of the Accumulated Reserve will be subject to the Board’s approval.

SMU’s Investment Committee has been entrusted by the Board to provide oversight on the investment of the University’s Accumulated Reserve.

Financial Statements

prepared from the Audited Financial Statements for the Financial Year ended 31 March 2011

Report of the Trustees

The Board of Trustees are pleased to present their report to the members together with the audited financial statements of Singapore Management University (the "University Company") for the financial year ended 31 March 2011.

Trustees

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

Mr Ho Kwon Ping - Chairman	BG Lim U Yang Hugh - Reginald
Professor John Rodney Niland - Deputy Chairman	Dr Loo Choon Yong
Mr Zulkifli Bin Baharudin	Mr Sanjiv Misra
Mr Beh Jit Han	Mr Dilhan Pillay Sandrasegara
Professor Janice R Bellace	Ms Saw Phaik Hwa
Mr Chia Chee Ming Timothy	Mr Chartsiri Sophonpanich
Ms Chua Sock Koong	Mr Anil Thadani
Dr Choong May Ling	Mr Robert Michael Tomlin
Dr Gan See Khem	Mr Andrew Y. Yan (Appointed on 12 January 2011)
Mr Kuok Khoon Ean	Mr Jaime Augusto Miranda Zobel de Ayala

Arrangements to enable Trustees to acquire shares and debentures

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

Trustees' interests in shares or debentures

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

Trustees' contractual benefits

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

On behalf of the Trustees



Mr Ho Kwon Ping
Trustee



Ms Saw Phaik Hwa
Trustee

18 August 2011

Statement by Trustees

In the opinion of the Trustees,

- the accompanying balance sheet, statement of comprehensive income, statement of changes in funds and reserves and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the University Company at 31 March 2011 and of the results of the business, changes in funds and reserves and cash flows of the University Company for the financial year then ended; and
- at the date of this statement, there are reasonable grounds to believe that the University Company will be able to pay its debts as and when they fall due.

On behalf of the Trustees



Mr Ho Kwon Ping
Trustee



Ms Saw Phaik Hwa
Trustee

18 August 2011

Independent Auditors' Report to the Members of Singapore Management University

Report on the financial statements

We have audited the financial statements of Singapore Management University, which comprise the balance sheet as at 31 March 2011, the statement of comprehensive income, statement of changes in funds and reserves and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory 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 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 judgement, 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 of the University Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the University Company as at 31 March 2011, and the results, changes in funds and reserves and cash flows of the University Company for the financial 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 the University Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore

18 August 2011

Statement of Comprehensive Income

for the financial year ended 31 March 2011

Notes	Operating funds						Endowment fund		Term funds		Total		
	General fund		Other funds		Total general and other funds		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000							
Revenue	4	63,885	55,658	17,469	15,620	81,354	71,278	-	-	-	-	81,354	71,278
Investment gains	4	14,539	48,888	1	1	14,540	48,889	25,708	83,490	1,298	3,539	41,546	135,918
Other miscellaneous gains	4	10,506	8,465	268	306	10,774	8,771	-	-	5,875	5,481	16,649	14,252
Expenses													
- Employee benefits	5	(120,478)	(111,005)	(2,791)	(2,786)	(123,269)	(113,791)	-	-	-	-	(123,269)	(113,791)
- Depreciation and amortisation	14,15	(23,432)	(37,686)	(59)	(54)	(23,491)	(37,740)	-	-	-	-	(23,491)	(37,740)
- Finance - bank borrowings		(3,754)	(4,555)	-	-	(3,754)	(4,555)	-	-	-	-	(3,754)	(4,555)
- Other expenses	6	(53,996)	(46,062)	(6,864)	(5,814)	(60,860)	(51,876)	(1,872)	(1,563)	(5,388)	(4,522)	(68,120)	(57,961)
Total expenses		(201,660)	(199,308)	(9,714)	(8,654)	(211,374)	(207,962)	(1,872)	(1,563)	(5,388)	(4,522)	(218,634)	(214,047)
(Deficit)/surplus before government grants		(112,730)	(86,297)	8,024	7,273	(104,706)	(79,024)	23,836	81,927	1,785	4,498	(79,085)	7,401
Government grants	7	132,140	134,793	110	171	132,250	134,964	-	-	-	-	132,250	134,964
Transfer to Operating funds		3,253	2,882	272	535	3,525	3,417	-	-	-	-	3,525	3,417
Transfer from Term funds		-	-	-	-	-	-	-	-	(3,525)	(3,417)	(3,525)	(3,417)
Net surplus/(deficit)		22,663	51,378	8,406	7,979	31,069	59,357	23,836	81,927	(1,740)	1,081	53,165	142,365
Other comprehensive Income, net of tax		-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive Income for the year		22,663	51,378	8,406	7,979	31,069	59,357	23,836	81,927	(1,740)	1,081	53,165	142,365

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

Balance Sheet

as at 31 March 2011

	Note	2011 \$'000	2010 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	274,735	180,865
Grants and other receivables	10	56,227	81,685
Student loans	11	6,562	3,483
Financial assets at fair value through profit or loss	12	688,530	678,340
Derivative financial instruments	13	9,728	5,381
		1,035,782	949,754
Non-current assets			
Grants receivable	10	56,372	80,071
Student loans	11	56,724	51,976
Property, plant and equipment	14	344,904	365,017
Intangible assets	15	325	273
		458,325	497,337
Total assets		1,494,107	1,447,091
LIABILITIES			
Current liabilities			
Development grants received in advance	16	6,963	9,494
Research grants received in advance	17	7,579	8,518
Other grants received in advance		2,282	2,889
Other payables	18	39,706	29,888
Derivative financial instruments	13	5,282	1,572
Borrowings	19	20,949	21,349
Advances for student loans	20	6,357	3,365
		89,118	77,075
NET CURRENT ASSETS		946,664	872,679
Non-current liabilities			
Borrowings	19	69,495	90,446
Advances for student loans	20	54,646	51,885
Deferred capital grants	21	344,803	367,278
Sinking fund	22	21,512	16,987
		490,456	526,596
Total liabilities		579,574	603,671
NET ASSETS		914,533	843,420
FUNDS AND RESERVES			
Accumulated surplus			
- General fund		285,360	262,697
- Other funds		33,789	25,383
		319,149	288,080
Endowment fund	23	541,094	499,310
Term funds	24	54,290	56,030
		914,533	843,420

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

Statement of Changes in Funds and Reserves

for the year ended 31 March 2011

	Accumulated surplus			Endowment Fund \$'000	Term funds \$'000	Total \$'000
	General fund \$'000	Other funds \$'000	Total \$'000			
2011						
Beginning of financial year	262,697	25,383	288,080	499,310	56,030	843,420
Total comprehensive income for the year	22,663	8,406	31,069	23,836	(1,740)	53,165
Government grants	-	-	-	10,318	-	10,318
Donations	-	-	-	7,630	-	7,630
End of financial year	285,360	33,789	319,149	541,094	54,290	914,533
2010						
Beginning of financial year	211,319	17,404	228,723	393,732	54,949	677,404
Total comprehensive income for the year	51,378	7,979	59,357	81,927	1,081	142,365
Government grants	-	-	-	16,762	-	16,762
Donations	-	-	-	6,889	-	6,889
End of financial year	262,697	25,383	288,080	499,310	56,030	843,420

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

Cash Flow Statement

for the year ended 31 March 2011

	2011 \$'000	2010 \$'000
Cash flows from operating activities		
(Deficit)/Surplus before government grants	(79,085)	7,401
Adjustments for:		
- Depreciation and amortization	23,491	37,740
- Dividend income	(2,098)	(1,383)
- Fair value gains	(32,384)	(126,795)
- Interest expense	3,754	4,555
- Interest income	(7,064)	(7,740)
- (Gain)/loss from disposal of property, plant and equipment	(16)	19
Operating cash flow before working capital change	(93,402)	(86,203)
Change in operating assets and liabilities:		
- Other payables	4,994	(1,615)
- Other receivables	(1,356)	(413)
- Student loans	(7,827)	(16,044)
Cash used in operations	(97,591)	(104,275)
Interest paid	(3,754)	(4,555)
Net cash flows used in operating activities	(101,345)	(108,830)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,134)	(6,155)
Purchase of intangible assets	(357)	-
Proceeds from disposals of property, plant and equipment	26	6
Proceeds/(purchase) of financial assets at fair value through profit or loss	29,032	(66,154)
Interest received	7,064	7,740
Dividends received	2,098	1,383
Net cash flows from/(used in) investing activities	33,729	(63,180)
Cash flows from financing activities		
Repayment of borrowings	(21,348)	(21,348)
Grants received for advances for student loans	10,023	22,675
Government grants and donations received for Endowment fund	7,630	43,836
Research grants received	5,049	5,778
Operating grants received	159,393	131,154
Development grants received	739	687
Net cash flows from financing activities	161,486	182,782
Net increase in cash and cash equivalents	93,870	10,772
Cash and cash equivalents at beginning of financial year (Note 9)	180,865	170,093
Cash and cash equivalent at end of financial year (Note 9)	274,735	180,865

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

Notes to the Financial Statements

for the year ended 31 March 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Singapore Management University (the "University Company") is incorporated and domiciled in Singapore as a company limited by guarantee under the provisions of the Companies Act, Cap 50. The address of its registered office is 81 Victoria Street Singapore 188065.

The principal activities of the University Company are the advancement and dissemination of knowledge, the promotion of research and scholarships and the conferring and awarding of degrees, diplomas and certificates.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000) as indicated.

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 University Company has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 January 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the University Company.

2.3 Standards issued but not yet effective

The University Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Revised FRS 24 Related Party Disclosures	1 January 2011
Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 115 Agreements for the Construction of Real Estate	1 January 2011
Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
Amendments to FRS 12 Deferred Tax – Recovery of Underlying Assets	1 January 2012
Improvements to FRSs 2010	1 January 2011, unless otherwise stated

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

Notes to the Financial Statements

for the year ended 31 March 2011

2.3 Standards issued but not yet effective (continued)

Except for the revised FRS 24, the University Company expects that the adoption of the other standards and interpretations 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 the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The University Company is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the University Company when implemented in 2011.

2.4 Foreign currency

(1) *Functional and presentation currency*

Items included in the financial statements of the University Company are measured using the currency of the primary economic environment in which the University Company operates ("the functional currency"). The financial statements are presented in Singapore Dollar, which is the University Company's functional currency.

(2) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the statement of comprehensive income.

2.5 Funds

(1) *General fund and Other funds*

Income and expenditure are accounted for under the General fund in statement of comprehensive income unless they relate to funds separately accounted under specific self-financing activities.

(2) *Endowment fund*

Donations and government grants, which are kept intact as capital, are directly taken to the fund in the year in which such donations and government grants are granted.

Income and expenditure arising from the management of the Endowment fund are accounted for under Endowment fund in the statement of comprehensive income.

(3) *Term funds*

Donations received which can be put to immediate use for specific programmes, capital projects or other purposes as specified by the donors for the advancement of education are taken to Term funds in the statement of comprehensive income.

Income and expenditure relating to Term funds are accounted for under Term funds in the statement of comprehensive income.

Investment income and expenses are apportioned to the above funds based on the respective number of investment units held at the end of each quarter.

Notes to the Financial Statements

for the year ended 31 March 2011

2.6 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax and discounts. Revenue is recognised as follows:

(1) *Rendering of services*

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

(2) *Sponsorships and donations*

Sponsorships and donations are recognised in the financial year they are received.

(3) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method.

(4) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(5) *Rental income*

Rental income from operating leases on property, plant and equipment is recognised on a straight-line basis over the lease term.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions.

2.8 Grants

Government grants received/receivable from for the purchase of property, plant and equipment and computer software or to finance capital projects are taken immediately to the development grants received in advance account. Upon the utilisation of the grants for the purchase of assets, they are taken to the deferred capital grants account for the assets which are capitalised, or to the statement of comprehensive income for the assets which are written off.

Outright government grants received by the University Company for its discretion to spend on future redevelopment and improvement projects as well as future asset replacements are taken immediately to sinking fund, and are subsequently transferred to utilised deferred capital grants upon the purchase of assets.

Deferred capital grants are recognised in the statement of comprehensive income over the periods necessary to match the depreciation/amortisation of the related assets purchased with the grants. Upon the disposal of the assets, the balance of the related deferred capital grants is recognised in the statement of comprehensive income to match the net book value of the assets written off.

Government grants to meet the current year's operating expenses are recognised as income in the same financial year and are on an accrual basis.

2.9 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the University Company becomes a party to the contractual provisions of the financial instrument.

(1) *Classification*

The University Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The designation of financial assets at fair value through profit or loss is irrevocable.

Notes to the Financial Statements

for the year ended 31 March 2011

2.9 Financial assets (continued)

(1) Classification (continued)

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

The University Company's financial assets at fair value through profit or loss comprise of "financial assets held for trading". A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or part of a portfolio of identified financial instruments that are managed together and for short term profit-taking. Derivatives are categorised as "held for trading".

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) Loans and receivables

Loans and receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing more than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in grant and other receivables and student loans on the balance sheet.

(2) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date - the date on which the University Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the University Company has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the statement of comprehensive income.

(3) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised in the statement of comprehensive income.

(4) Subsequent measurement

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of "financial assets at fair value through profit or loss", including interest and dividend income, are included in the statement of comprehensive income in the financial year in which the changes in fair values arise.

2.10 Impairment of financial assets

The University Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

Assets carried at amortised cost

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 the statement of comprehensive income.

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

Notes to the Financial Statements

for the year ended 31 March 2011

2.10 Impairment of financial assets (continued)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the University Company 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 the statement of comprehensive income.

2.11 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The University Company does not apply hedge accounting. Changes in the fair value of derivative instruments are recognised in the statement of comprehensive income in the financial year in which the changes arise.

2.12 Property, plant and equipment

(1) Measurement

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the University Company and the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment costing less than \$1,000 each and library books are taken to the statement of comprehensive income when purchased.

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses.

(2) Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Leasehold land and buildings	Over lease term
Leasehold improvement	3 years
Renovations	5 years
Plant and machinery	5 years
Computer equipment	3 years
Furniture and office equipment	5 years
Motor vehicles	10 years
Other equipment	5 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the statement of comprehensive income for the financial year in which the changes arise.

No depreciation is provided for assets under construction-in-progress until construction is completed and the asset is transferred to its appropriate category.

Notes to the Financial Statements

for the year ended 31 March 2011

2.11 Property, plant and equipment (continued)

(3) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the University Company and the cost can be reliably measured. Other subsequent expenditure is recognised as repair and maintenance expense during the financial year in which it is incurred.

(4) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income.

2.13 Intangible assets

Computer software licences costs

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and any other directly attributed cost of preparing the asset for its intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Capitalised computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the statement of comprehensive income using the straight-line method over their estimated useful lives of 3 years.

The amortisation period and amortisation method are reviewed at least at each balance sheet date. The effects of any revision of the amortisation period or amortisation method are included in the statement of comprehensive income for the financial year in which the changes arise.

2.14 Impairment of non-financial assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of comprehensive income.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

Notes to the Financial Statements

for the year ended 31 March 2011

2.15 Financial liabilities

Non – derivative financial liabilities comprise other payables.

Financial liabilities are recognised on the balance sheet when, and only when, the University Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the statement of comprehensive income. Net gains or losses on derivatives include exchange differences.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to statement of comprehensive income over the period of the borrowings using effective interest method.

Borrowings which are due to be settled within 12 months after the balance sheet date are presented as current borrowings. Other borrowings due to be settled more than 12 months after the balance sheet date are presented as non-current borrowings in the balance sheet.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 Advances for student loans

Government grants received for the purpose of providing loans to students are taken to advances for student loans. Advances for student loans are initially measured at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.18 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) A present obligation that arises from past events but is not recognised because
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the University Company.

Notes to the Financial Statements

for the year ended 31 March 2011

2.19 Leases

(1) When the University Company is the lessee:

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as expenditure in the financial year in which termination takes place.

(2) When the University Company is the lessor:

Operating leases

Assets leased out under operating leases are included in property, plant and equipment. Rental income from operating leases (net of any incentives given to lessees) is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

2.20 Employee compensation

Defined contribution plans

The University Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the University Company make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

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

2.21 Income taxes

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.22 Related parties

A party is considered to be related to the University Company if:

- (a) The party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the University Company;
 - (ii) has an interest in the University Company that gives it significant influence over the University Company or
 - (iii) has joint control over the University Company;

Notes to the Financial Statements

for the year ended 31 March 2011

2.22 Related parties (continued)

(b) *The party is an associate;*

(c) *The party is a jointly-controlled entity;*

(d) *The party is a member of the key management personnel of the University Company or its parent;*

(e) *The party is a close member of the family of any individual referred to in (a) or (d); or*

(f) *The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or*

(g) *The party is a post-employment benefit plan for the benefit of the employees of the University Company, or of any entity that is a related party of the University Company.*

3 Significant accounting judgements and estimates

The preparation of the University Company'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 reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the University Company's accounting policies which is disclosed above, the management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements.

Useful lives of plant and equipment

The cost of plant and equipment for the University Company is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 30 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the University Company's property, plant and equipment at the balance sheet date was \$344,904,000 (2010: \$365,017,000).

Notes to the Financial Statements

for the year ended 31 March 2011

4. Revenue and other miscellaneous gains

	Operating funds						Endowment fund		Term funds		Total	
	General fund		Other funds		Total general and other funds		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000						
Tuition and other student-related fees	62,798	54,875	8,515	8,022	71,313	62,897	-	-	-	-	71,313	62,897
Conference fees	1,087	783	8,954	7,598	10,041	8,381	-	-	-	-	10,041	8,381
Total revenue	63,885	55,658	17,469	15,620	81,354	71,278	-	-	-	-	81,354	71,278
Interest income	2,503	2,754	1	1	2,504	2,755	4,299	4,708	261	277	7,064	7,740
Dividend income	732	496	-	-	732	496	1,303	849	63	38	2,098	1,383
Fair value gains on financial assets at fair value through profit or loss	8,439	42,603	-	-	8,439	42,603	15,011	72,536	727	2,963	24,177	118,102
Fair value gains on derivatives	2,865	3,035	-	-	2,865	3,035	5,095	5,397	247	261	8,207	8,693
Investment gains	14,539	48,888	1	1	14,540	48,889	25,708	83,490	1,298	3,539	41,546	135,918
Donations	-	-	-	-	-	-	-	-	5,875	5,481	5,875	5,481
Sponsorships	1,817	1,125	-	28	1,817	1,153	-	-	-	-	1,817	1,153
Rental income	5,801	5,247	-	-	5,801	5,247	-	-	-	-	5,801	5,247
Currency exchange gains/(losses)	254	81	(2)	1	252	82	-	-	-	-	252	82
Gain(loss) on disposal of property, plant and equipment	17	(19)	(1)	-	16	(19)	-	-	-	-	16	(19)
Others	2617	2,031	271	277	2,888	2,308	-	-	-	-	2,888	2,308
Other miscellaneous gains	10,506	8,465	268	306	10,774	8,771	-	-	5,875	5,481	16,649	14,252
	88,930	113,011	17,738	15,927	106,668	128,938	25,708	83,490	7,173	9,020	139,549	221,448

5. Employee benefits

	Operating funds					
	General fund		Other funds		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Wages and salaries	108,361	100,038	2,461	2,494	110,822	102,532
Employer's contribution to Central Provident Fund	5,691	4,949	246	220	5,937	5,169
Other employee benefits	6,426	6,018	84	72	6,510	6,090
	120,478	111,005	2,791	2,786	123,269	113,791

Notes to the Financial Statements

for the year ended 31 March 2011

6. Other expenses

	Operating funds						Endowment fund		Term funds		Total	
	General fund		Other funds		Total general and other funds		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000						
Administrative expenses	26,585	22,046	2,469	1,761	29,081	23,807	-	-	1,310	757	30,391	24,564
Scholarships and awards	5,731	5,609	77	6	5,808	5,615	-	-	4,078	3,765	9,886	9,380
Investment management expenses	1,052	915	-	-	1,052	915	1,872	1,563	-	-	2,924	2,478
Library books, periodicals and database	4,008	3,897	75	65	4,083	3,962	-	-	-	-	4,083	3,962
Professional and instructor fees	5,666	4,648	4,200	3,964	9,866	8,612	-	-	-	-	9,866	8,612
Utilities and facility management	10,954	8,947	16	18	10,970	8,965	-	-	-	-	10,970	8,965
	53,996	46,062	6,864	5,814	60,860	51,876	1,872	1,563	5,388	4,522	68,120	57,961

7. Government grants

	2011 \$'000	2010 \$'000
Operating grants received/receivable	111,057	100,959
Operating grants received for interest charges incurred on bank borrowings	3,384	4,234
Transfer from research grants received in advance (Note 17)	1,471	1,929
Transfer to deferred capital grants (Note 21)	(3,479)	(3,752)
Less: Goods and services tax payable for tuition fee grant	(13,930)	(12,716)
Operating grants – net	98,503	90,654
Development grants utilised (Note 16)	2,934	1,964
Research grants utilised (Note 17)	4,475	4,583
Deferred capital grants amortised (Note 21)	26,338	37,763
	132,250	134,964

8. Income tax

With effect from the Year of Assessment 2008, the requirement for charities to spend at least 80% at their annual receipts on charitable objects in Singapore within 2 years in order to enjoy income tax exemption has been removed. There is, hence, no income tax payable by the University Company for the current financial year.

Notes to the Financial Statements

for the year ended 31 March 2011

9. Cash and cash equivalents

	2011 \$'000	2010 \$'000
Cash at bank and on hand	40,346	16,768
Short-term bank deposits	171,517	136,166
Amounts under fund management (Note 31(b))	62,872	27,931
	274,735	180,865

The short-term bank deposits at balance sheet date have an average maturity of 62 days (2010: 59 days) from the end of the financial year with the following weighted average effective interest rates:

	2011 %	2010 %
Singapore Dollar	0.33	0.28

10. Grants and other receivables

(a) Grants and other receivables	2011 \$'000	2010 \$'000
<u>Current</u>		
Other receivables	9,567	9,812
Grants receivable	46,660	71,873
	56,227	81,685
<u>Non-current</u>		
Grants receivable	56,372	80,071
Total grants and other receivables	112,599	161,756
(b) Other receivables	2011 \$'000	2010 \$'000
Deposits	254	252
Fees and rental receivable (Note 31(a))	3,475	2,063
Goods and services tax receivable	329	404
Interest and dividend receivables	81	27
Prepayments (Note 32)	2,988	3,001
Receivables from brokers (Note 31(b))	2,397	3,998
Staff loans	43	67
Other receivables	9,567	9,812
(c) Grants receivable		
<u>Current</u>		
Non-current		
- Later than one year and not later than five years	56,372	75,159
- Later than five years	-	4,912
	56,372	80,071
Total grants receivable	103,032	151,944

Included in grants receivable is an amount of \$71,923,873 (2010: \$100,069,699) relating to funding from Ministry of Education ("MOE") for development projects under the debt-grant framework which earns additional grants to match the interest charges incurred on bank borrowings.

Notes to the Financial Statements

for the year ended 31 March 2011

11. Student loans

	2011 \$'000	2010 \$'000
Current	6,562	3,483
Non-current	56,724	51,976
Student loans	63,286	55,459

Student loans comprise of principally student tuition fee, study loans and overseas studies program loans.

Student tuition fee and study loans are unsecured, interest-free during the course of study and are repayable by monthly instalments over periods of up to 20 years after the borrowers' graduation. Interest is charged based on the average of the prevailing prime rates of the 3 local banks. The interest rate for these loans as at balance sheet date is 4.75% (2010: 4.75%) per annum.

12. Financial assets at fair value through profit or loss

	2011 \$'000	2010 \$'000
<u>Held for trading</u>		
Quoted:		
-Equity	99,120	94,280
-Government bonds	13,559	9,773
-Other bonds	104,187	123,799
-Unit trust funds	293,388	278,110
	510,254	505,962
Unquoted:		
-Securities	135,368	124,475
-Unit trust funds	42,908	47,903
	178,276	172,378
Financial assets at fair value through profit or loss (Note 31(b))	688,530	678,340

The weighted average effective interest rate for government and other bonds at the balance sheet date was 4.23% (2010: 4.08%). The University's financial assets are managed by professional managers (Note 31(b)).

13. Derivative financial instruments

	Contract/ notional amount \$'000	Assets \$'000	Liabilities \$'000
2011			
Currency forwards	980,213	8,866	(5,144)
Currency options	140,359	862	-
Others	95	-	(138)
Derivative financial assets / (liabilities) (Note 31(b))	1,120,667	9,728	(5,282)
2010			
Currency forwards	525,303	4,491	(1,561)
Currency options	87,447	635	-
Others	4,458	255	(11)
Derivative financial assets / (liabilities) (Note 31(b))	617,208	5,381	(1,572)

The currency derivatives are used in the currency hedging programs which aim to reduce the foreign currency risks of the investment portfolio.

Notes to the Financial Statements

for the year ended 31 March 2011

14. Property, plant and equipment

	Leasehold land \$'000	Leasehold buildings \$'000	Leasehold improvement \$'000	Renovations \$'000	Plant and machinery \$'000	Computer equipment \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Other equipment \$'000	Construction-in-progress \$'000	Total \$'000
2011											
<i>Cost</i>											
Beginning of financial year	102,685	336,320	234	7,238	75,188	19,940	10,277	176	8,132	844	561,034
Additions	-	-	-	597	334	2,522	299	5	398	5	4,160
Adjustments	(27)	(231)	-	-	-	-	-	-	-	(819)	(1,077)
Disposals	-	-	-	-	-	(220)	(170)	-	(9)	-	(399)
End of financial year	102,658	336,089	234	7,835	75,522	22,242	10,406	181	8,521	30	563,718
<i>Accumulated depreciation</i>											
Beginning of financial year	26,542	60,841	233	2,902	72,497	18,430	7,580	63	6,929	-	196,017
Depreciation charge	3,462	12,482	1	1,686	2,205	1,347	1,316	18	669	-	23,186
Disposals	-	-	-	-	-	(218)	(166)	-	(5)	-	(389)
End of financial year	30,004	73,323	234	4,588	74,702	19,559	8,730	81	7,593	-	218,814
<i>Net carrying amount</i>											
End of financial year	72,654	262,766	-	3,247	820	2,683	1,676	100	928	30	344,904

The amounts represent adjustments resulting from over-accrual at the University Company's hostel project.

Notes to the Financial Statements

for the year ended 31 March 2011

14. Property, plant and equipment (continued)

	Leasehold land \$'000	Leasehold buildings \$'000	Leasehold improvement \$'000	Renovations \$'000	Plant and machinery \$'000	Computer equipment \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Other equipment \$'000	Construction-in-progress \$'000	Total \$'000
2010											
<i>Cost</i>											
Beginning of financial year	102,566	336,320	234	6,284	74,776	19,114	9,587	176	7,838	47	556,942
Additions	119	-	-	1,397	412	840	354	-	294	797	4,213
Reclassification	-	-	-	(443)	-	-	443	-	-	-	-
Disposals	-	-	-	-	-	(14)	(107)	-	-	-	(121)
End of financial year	102,685	336,320	234	7,238	75,188	19,940	10,277	176	8,132	844	561,034
<i>Accumulated depreciation</i>											
Beginning of financial year	23,085	48,308	185	1,509	56,523	17,397	6,121	45	5,758	-	158,931
Depreciation charge	3,457	12,533	48	1,508	15,974	1,043	1,430	18	1,171	-	37,182
Reclassification	-	-	-	(115)	-	-	115	-	-	-	-
Disposals	-	-	-	-	-	(10)	(86)	-	-	-	(96)
End of financial year	26,542	60,841	233	2,902	72,497	18,430	7,580	63	6,929	-	196,017
<i>Net carrying amount</i>											
End of financial year	76,143	275,479	1	4,336	2,691	1,510	2,697	113	1,203	844	365,017

Notes to the Financial Statements

for the year ended 31 March 2011

15. Intangible assets

	2011 \$'000	2010 \$'000
<u>Computer software licenses costs</u>		
<i>Cost</i>		
Beginning of financial year	10,501	10,501
Additions	357	-
End of financial year	<u>10,858</u>	<u>10,501</u>
<i>Accumulated amortisation</i>		
Beginning of financial year	10,228	9,670
Amortisation	305	558
End of financial year	<u>10,533</u>	<u>10,228</u>
Net carrying amount at end of financial year	<u>325</u>	<u>273</u>

16. Development grants received in advance

	2011 \$'000	2010 \$'000
<u>Government</u>		
Beginning of financial year	9,494	13,833
Grants received/receivable	739	-
Interest income	6	4
Transfer to deferred capital grants (Note 21)	(342)	(2,379)
Transfer to statement of comprehensive income (Note 7)		
- Development grants utilised	(2,934)	(1,964)
End of financial year	<u>6,963</u>	<u>9,494</u>

These are grants received from the Government for financing development projects. The balance in this account represents grants received but not utilised at the end of the financial year.

17. Research grants received in advance

	2011 \$'000	2010 \$'000
<u>Government</u>		
Beginning of financial year	8,161	9,221
Grants received	3,489	4,658
Transfer to deferred capital grants (Note 21)	(2)	(2)
Transfer to statement of comprehensive income (Note 7)		
- Transfer to operating grants	(1,471)	(1,929)
- Research grants utilised	(3,278)	(3,787)
End of financial year	<u>6,899</u>	<u>8,161</u>

Notes to the Financial Statements

for the year ended 31 March 2011

17. Research grants received in advance (continued)

	2011 \$'000	2010 \$'000
<u>Government agencies</u>		
Beginning of financial year	357	61
Grants received	1,725	1,219
Less: Disbursements	(165)	(99)
Transfer to deferred capital grants (Note 21)	(40)	(28)
Transfer to statement of comprehensive income (Note 7)		
- Research grants utilised	(1,197)	(796)
End of financial year	<u>680</u>	<u>357</u>
Total	<u>7,579</u>	<u>8,518</u>

These are grants from the Government and government agencies for research activities. The balance in this account represents grants received for approved on-going projects but not utilised at the end of the financial year.

18. Other payables

	2011 \$'000	2010 \$'000
<u>Current</u>		
Tuition fees received in advance (Note 32)	8,755	7,427
Payables relating to property, plant and equipment	-	1,051
Refundable deposits	1,339	1,007
Payables to brokers (Note 31 (b))	8,185	2,310
Gratuity payable	-	96
Other accrual for operating expenses	21,427	17,997
	<u>39,706</u>	<u>29,888</u>

19. Borrowings

	2011 \$'000	2010 \$'000
- Current	20,949	21,349
- Non-current	69,495	90,446
Borrowings	<u>90,444</u>	<u>111,795</u>
The current borrowings are repayable by monthly instalments over the next 12 months from the end of the financial year. The non-current borrowings have the following maturity:		
Later than one year and not later than five years	69,495	77,810
Later than five years	-	12,636
	<u>69,495</u>	<u>90,446</u>

Borrowings are unsecured, bear interest at 3.75% to 3.84% (2010: 3.75% to 3.84%) per annum.

Notes to the Financial Statements

for the year ended 31 March 2011

20. Advances for student loans

	2011 \$'000	2010 \$'000
Beginning of financial year	55,250	38,295
Grants received/receivable	5,753	16,955
Interest income	200	36
Interest refunded to the Government	(200)	(36)
End of financial year	<u>61,003</u>	<u>55,250</u>
Current	6,357	3,365
Non-current	54,646	51,885
	<u>61,003</u>	<u>55,250</u>
<u>Represented by:</u>		
Cash and cash equivalents	-	1,660
Other payables	(353)	-
Student loans	61,356	53,590
Advances for student loans	<u>61,003</u>	<u>55,250</u>

The advances for student loans are from the Government for purpose of providing loans to students to assist them in paying their tuition fees.

21. Deferred capital grants

	2011 \$'000	2010 \$'000
Beginning of financial year	367,278	398,880
Transfer from development grants received in advance (Note 16)	342	2,379
Transfer from research grants received in advance (Note 17)	42	30
Transfer from operating grants (Note 7)	3,479	3,752
Amortisation of deferred capital grants (Note 7)	26,338	(37,763)
End of financial year	<u>344,803</u>	<u>367,278</u>

22. Sinking fund

	2011 \$'000	2010 \$'000
Beginning of financial year	16,987	11,891
Grants received / receivable	4,268	4,268
Investment gains	257	828
End of financial year	<u>21,512</u>	<u>16,987</u>
<u>Represented by:</u>		
Cash and cash equivalents	17,493	12,277
Grants receivable	-	711
Interest and other receivables	14	23
Other payables	(48)	(14)
Financial assets at fair value through profit or loss	4,027	3,968
Derivative financial instruments	26	22
	<u>21,512</u>	<u>16,987</u>

Notes to the Financial Statements

for the year ended 31 March 2011

22. Sinking fund (continued)

Sinking fund is outright government grants received by the University Company for spending at its discretion on future redevelopment, improvement projects and asset replacement.

The portion of the sinking fund that is not required for immediate asset replacement is invested to ensure that the real value of the fund is preserved in the long run. The investment gains include interest and dividend earned on investments and gains in net asset value of the investment portfolio less relevant expenses and transaction costs arising from the management of the investment portfolio.

23. Endowment fund

	2011 \$'000	2010 \$'000
Endowment fund		
-Capital	464,469	446,521
-Accumulated surplus	76,625	52,789
	<u>541,094</u>	<u>499,310</u>
<u>Represented by:</u>		
Cash and cash equivalents	106,614	60,472
Grants receivable	10,318	16,762
Interest and other receivables	1,507	2,478
Other payables	(5,052)	(1,426)
Financial assets at fair value through profit or loss	424,963	418,673
Derivative financial instruments	2,744	2,351
	<u>541,094</u>	<u>499,310</u>

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

Accumulated surplus includes interest and dividend earned on investments and gains/(losses) in net asset value of the investment portfolio less relevant expenses and transaction costs arising from the management of the investment portfolio.

24. Term funds

	2011 \$'000	2010 \$'000
Beginning of financial year	56,030	54,949
Donation received	5,875	5,481
Donation utilised	(8,822)	(7,871)
Investment gains	1,207	3,471
End of financial year	<u>54,290</u>	<u>56,030</u>
<u>Represented by:</u>		
Cash and cash equivalents	33,728	35,567
Other receivables	73	131
Other student loans	19	10
Other payables	(245)	(69)
Financial assets at fair value through profit or loss	20,582	20,277
Derivative financial instruments	133	114
	<u>54,290</u>	<u>56,030</u>

Term funds comprise donations for the purpose of awarding scholarships, academic awards for students, research and other programmes for the advancement of education.

Investment gains include interest and dividend earned on investments and gains in net asset value of the investment portfolio less relevant expenses and transaction costs arising from the management of the investment portfolio.

Notes to the Financial Statements

for the year ended 31 March 2011

25. Contingencies

Guarantee

The University Company has contingent liabilities in respect of corporate guarantee (unsecured) given to a financial institution for loans granted to students. The Trustees are of the view that no material liabilities will arise from the corporate guarantee at the date of these financial statements. The estimated maximum amount of contingent liabilities is as follows:

	2011 \$'000	2010 \$'000
Corporate guarantee (unsecured) given to a financial institution for student loans granted	2,000	2,000

26. Commitments

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	2011 \$'000	2010 \$'000
Property, plant and equipment	2,329	1,200

(b) Operating lease commitments

Where the University Company is a lessee

The University Company leases various properties, plant and machinery under non-cancellable operating lease agreements. These leases have varying terms, escalation rights and renewal rights. The lease expenditure charged to the statement of comprehensive income during the financial year are as follow:

	2011 \$'000	2010 \$'000
Facilities rental under operating lease	2,210	2,034

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are analysed as follows:

	2011 \$'000	2010 \$'000
Not later than one year	1,467	347
Later than one year but not later than five years	594	89
	2,061	436

Where the University Company is a lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are analysed as follows:

	2011 \$'000	2010 \$'000
Not later than one year	987	1,380
Later than one year but not later than five years	188	751
	1,175	2,131

Notes to the Financial Statements

for the year ended 31 March 2011

27. Related parties transactions

The following significant transactions took place between the University Company and related parties during the financial year:

(a) Services rendered	2011 \$'000	2010 \$'000
Consultancy fees paid to two Trustees	278	266

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	2011 \$'000	2010 \$'000
Salaries and bonus	5,573	5,660
Central Provident Fund contributions	99	334
Other short-term benefits	1,767	1,348
Total	7,439	7,342

The key management includes the President, Provost, Deans and key Administrative Directors.

Number of key management in remuneration (including benefits) bands:

	2011	2010
\$100,001 - \$150,000	1	-
\$150,001 - \$200,000	-	-
\$200,001 - \$250,000	-	1
\$250,001 - \$300,000	1	3
\$301,000 - \$350,000	4	1
\$350,001 - \$400,000	2	3
\$400,001 - \$450,000	3	3
\$450,001 - \$500,000	2	2
\$500,001 - \$550,000	-	1
\$550,001 - \$600,000	-	-
\$600,001 - \$650,000	1	-
\$650,001 - \$700,000	-	-
\$700,001 - \$750,000	-	-
\$750,001 - \$800,000	-	-
\$800,001 - \$850,000	-	-
\$850,001 - \$900,000	-	-
\$900,001 - \$950,000	-	-
\$950,001 - \$1,000,000	-	-
\$1,000,001 - \$1,050,000	1	1
\$1,050,001 - \$1,100,000	-	1
\$1,100,001 - \$1,150,000	1	1
	16	16

The disclosure on banding of key management's remuneration is made in accordance to governance requirements of the Charity Council, effective 2008.

Notes to the Financial Statements

for the year ended 31 March 2011

28. Investment in Subsidiary

In 2008, the University Company incorporated a wholly-owned subsidiary in Singapore (SMU Ventures Pte. Ltd) with a paid up capital of \$1. The financial statements of the subsidiary have not been consolidated with the University Company's financial statements as the University Company is of the view that the subsidiary is not material to the University Company. The balances and transactions of the University Company are not affected by the non-consolidation.

29. Charity Act and Regulation

As required for disclosure under Section 17(1) of the Charities (Institutions of a Public Character) Regulations 2008, the University Company has received total tax deductible donations of \$13,701,000 (2010: \$11,493,000) in the current financial year. The expenses relating to fund raising activities are funded by operating grants.

30 Fair value of financial instruments

(a) Fair value of financial instruments that are carried at fair value

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

	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Financial assets:				
Held for trading investments (Note 12)				
- Equity securities (quoted)	99,120	-	-	99,120
- Government bonds (quoted)	13,559	-	-	13,559
- Other bonds (quoted)	104,187	-	-	104,187
- Unit trust funds (quoted)	293,388	-	-	293,388
- Securities (unquoted)	-	135,368	-	135,368
- Unit trust funds (unquoted)	-	42,908	-	42,908
Derivative financial instruments (Note 13)				
- Currency forwards	-	8,866	-	8,866
- Currency options	-	862	-	862
- Others	-	-	-	-
At 31 March 2011	510,254	188,004	-	698,258
Financial liabilities:				
Derivative financial instruments (Note 13)				
- Currency forwards	-	5,144	-	5,144
- Others	138	-	-	138
At 31 March 2011	138	5,144	-	5,282

Notes to the Financial Statements

for the year ended 31 March 2011

30. Fair value of financial instruments (continued)

Fair value hierarchy

The University Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Determination of fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair values of quoted securities are based on quoted market rates at the balance sheet date. The fair values of unquoted securities, if traded in active markets such as over-the-counter securities, are based on quoted market prices at balance sheet date. The fair values of other unquoted securities that are not traded in active markets are determined by valuation from independent sources. Derivative financial instruments are valued using widely accepted pricing models, with market observable inputs including volatilities, yield curves, foreign exchange spot and forward rates.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Other receivables less prepayments, Grant receivable and Other payables less Tuition fees received in advance

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near balance sheet date.

Student loans and Borrowings

The difference between the financial asset and liabilities are not material because the student loans and borrowings are funded by the Government.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

There are no financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

31. Financial risk management

The University Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include currency risk, market price risk and interest rate risk.

The Board of Trustees has an Investment Committee to assist the Board in the oversight of the University Company's investments. The Investment Committee approved the asset allocation of a globally diversified portfolio and selection of fund managers. The fund managers selected have to manage the individual mandates within the prescribed investment guidelines.

Notes to the Financial Statements

for the year ended 31 March 2011

31. Financial risk management (continued)

The following sections provide details regarding the University Company's exposure to the above-mentioned financial risks and management of these risks.

(a) Financial risk factors

(i) Currency risk

The University Company's operation is not exposed to significant currency risk as most of its transactions are transacted in Singapore Dollar. The University Company may invest in instruments denominated in foreign currencies, such as USD, EUR and JPY. The main foreign currency for these investments is the USD. With all other variables held constant, strengthening / weakening of 5% of the USD against SGD will result in \$3,270,700 (2010: \$7,897,000) gain / loss respectively.

To manage the foreign currency exposure, the University Company implemented a currency hedging program to reduce the foreign currency risks (Note 13).

(ii) Market price risk

The University Company's investments are exposed to equity securities market price risk. To manage this risk, the University Company diversifies its investments across different markets and industries whenever appropriate. With all other variables held constant, 10% increase / decrease of market values of all equities will result in \$38,020,000 (2010: \$34,773,000) increase / decrease in the fair value of financial assets at fair value through profit or loss.

(iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The University Company has interest-bearing assets mainly in cash and cash equivalents, grants receivables and student loans. These financial assets are short-term in nature, therefore, any future variations in interest rates will not have a material impact on the results of the University Company. Interest based on the average prevailing prime rates of three local banks is levied on the student loans after the borrower's graduation. The University Company's bank borrowings are at fixed interest rates.

The University Company's investments include interest-bearing instruments which are exposed to interest rate risk. Changes in interest rates will have impact on the fair values of the instruments. To mitigate this risk, the University Company diversifies these investments across different debt securities with varying maturity and interest rate terms. With all other variables held constant, 1% increase / decrease in interest rates will result in \$6,104,500 (2010: \$6,160,000) decrease / increase in the fair value of financial assets at fair value through profit or loss.

(iv) Credit risk

The University Company places its cash and deposits with reputable financial institutions. Investment portfolios are managed by professional fund managers.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations in relation to each class of recognised financial asset is the carrying amount of those assets as stated in the balance sheet.

The credit risk of the University Company is diversified over a range of institutions.

Notes to the Financial Statements

for the year ended 31 March 2011

31. Financial risk management (continued)

Financial risk factors (continued)

(iv) Credit risk (continued)

Financial assets that are past due but not impaired

The University Company has fees and rental receivables amounting to \$1,497,000 (2010: \$1,340,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their ageing at the balance sheet date is as follows:

	2011 \$'000	2010 \$'000
Current	1,978	723
1 to 30 days	419	757
31 to 60 days	85	124
61 to 90 days	389	276
91 to 120 days	189	47
More than 120 days	415	136
	3,475	2,063

(v) Liquidity risk

Liquidity risk is the risk that the University Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The University Company maintain an adequate level of highly liquid assets in the form of cash and short-term bank deposits.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the University Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	2011 \$'000				2010 \$'000			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
Financial assets:								
Financial assets at fair value through profit and loss	688,530	-	-	688,530	678,340	-	-	678,340
Grants and other receivables (exclude prepayments)	53,239	56,372	-	109,611	78,684	75,159	4,912	158,755
Student loans	6,562	28,280	28,444	63,286	3,483	16,207	35,769	55,459
Cash and cash equivalents	274,735	-	-	274,735	180,865	-	-	180,865
Derivative financial instruments	9,728	-	-	9,728	5,381	-	-	5,381
Total undiscounted financial assets	1,032,794	84,652	28,444	1,145,890	946,753	91,366	40,681	1,078,800

Notes to the Financial Statements

for the year ended 31 March 2011

(v) Liquidity risk (continued)

	2011 \$'000				2010 \$'000			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
Financial liabilities:								
Borrowings	20,949	69,495	-	90,444	21,349	77,810	12,636	111,795
Advances for student loans	6,357	26,631	28,015	61,003	3,365	15,564	36,321	55,250
Other payables less tuition fees received in advance	30,951	-	-	30,951	22,461	-	-	22,461
Derivative financial instruments	5,282	-	-	5,282	1,572	-	-	1,572
Total undiscounted financial assets	63,539	96,126	28,015	187,680	48,747	93,374	48,957	191,078
Total net undiscounted financial assets/ (liabilities)	969,255	(11,474)	429	958,210	898,006	(2,008)	(8,276)	887,722

Notes to the Financial Statements

for the year ended 31 March 2011

32. Loans and receivables and financial liabilities at amortised cost

	2011 \$'000	2010 \$'000
<u>Loans and receivables</u>		
Cash and cash equivalents (Note 9)	274,735	180,865
Grants and other receivables (Note 10)	112,599	161,756
Less: prepayments (Note 10)	(2,988)	(3,001)
Student loans (Note 11)	63,286	55,459
	<u>447,632</u>	<u>395,079</u>
<u>Financial liabilities at amortised cost</u>		
Other payables (Note 18)	39,706	29,888
Less: tuition fees received in advance (Note 18)	(8,755)	(7,427)
Borrowings (Note 19)	90,444	111,795
Advances for student loans (Note 20)	61,003	55,250
	<u>182,398</u>	<u>189,506</u>

33. Capital management

The primary objective of the University's Company capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its operations.

The University's Company is partially funded by the grants received from MOE and the remainder are to be derived from the revenues. In addition, the accumulated reserve is invested so as to further enhance the value of the accumulated reserve. This investment income could be drawn down to support the University's Company operating budget or development.

34. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

	After reclassi-fication \$'000	As previously stated \$'000
<u>Statement of comprehensive income</u>		
Other miscellaneous gains	8,771	12,188
Transfer from term funds to operating funds	3,417	-

35. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Trustees of Singapore Management University on 18th August 2011.

