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Singapore Management University Report to Stakeholders 2011 - 2012

Singapore Management University

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SMU

ANNUAL REPORT TO STAKEHOLDERS 2011/12

ALL ROUNDER

**Holistic
Education:
It's a
Student's World**

HEART OF THE MATTER

**Excelling in
Research
That's Real**

THE NEXT BIG THING

**Thinking
Leaders,
Leading
Thinkers**



Arnoud's
"Want Something,
Do Something"
Culture

INDUSTRY-LEADING, GAME-CHANGING AND MARKET-CENTRIC. AHH....JUST YOUR TYPICAL 12-YEAR-OLD OVERACHIEVER.

**The University for
the World of Business
and Management.**

This is what happens when you're ambitious, imaginative and highly motivated. You create Asia's most exciting business and management institution. With game-changing, first-of-their-kind programmes and teaching pedagogy, Singapore Management University has redefined teaching excellence. Drawing top faculty and thought leaders from all over the world, we've also enlarged our research base, offering unique perspectives and insights of influence and change. As you can see, we're quite incapable of acting our age.



EDITOR'S NOTE



In true SMU spirit of being bold and different, my team and I took an unconventional approach in presenting this year's annual report. Crafted and designed in a magazine format, we hope it will enhance your reading pleasure.

The contents are easy to follow, with short punchy news stories in "Upfront" and four main editorial sections.

"Student Life" offers exciting updates on undergraduates' achievements; "Academic Review" shares key news about our faculty and programmes; "Global Profile" surveys how SMU is raising its international profile; and "Horizons" reviews how the University is building strong, lasting relationships with our partners. Each story is a single tile and together they form a mosaic which portrays the creativity, colour and dynamism of SMU today.

Three feature articles offer in-depth analysis of the ways SMU is striding towards meeting its strategic goals. The proactive, collaborative efforts of the SMU community are explored in "SMU President's 'Want Something, Do Something' Culture". A second feature, "SMU as an Asian Knowledge Hub", looks at the various relevant research initiatives that are underway at SMU. The third feature, "Thinking Leaders, Leading Thinkers", explains how SMU is becoming a key confluence for innovative ideas in the world of business and management.

Last but not least, "Financial Review" includes information on SMU's corporate governance and a summary of financial statements. A copy of the full financial statements is available on the SMU website.

We hope you find this a refreshing way to keep up to date with SMU's progress in 2011-12.

Alan Goh
Vice President
Corporate Communications & Marketing



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LET'S SHAPE SMU'S FUTURE TOGETHER

says
Prof Arnoud De Meyer



He calls on each and every one in the community to embrace the "want something, do something" culture which will help SMU stay ahead of its global competitors.

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**SMU AS AN
ASIAN
KNOWLEDGE
HUB
FOR THE
WORLD OF
BUSINESS
AND
MANAGEMENT**

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**Thinking
Leaders,**

**Leading
Thinkers**





CHAIRMAN'S MESSAGE

Broader Ambitions to Raise Our Global Reputation

One of the most poignant memories of the past year for me was welcoming Singapore President Dr Tony Tan Keng Yam as SMU's new Patron. It was he who first conceptualised a third university for Singapore following a different model and who offered me a leading role in making it real. Giving him a tour of the campus made me realise just how far we have come in the 12 years since we opened our doors, and how true we remain to our original principles.

We set out to provide a holistic education through a broad-based curriculum, with interactive seminar-style teaching in small class sizes, abundant opportunities for global exposure and an emphasis on developing a sense of social responsibility through community service. These values will stand our students in good stead long after they have left school. All these factors together make an SMU education a transformational experience which shapes graduates who are highly sought after by employers and ready to succeed in the world of business.

We now have broader ambitions to raise our reputation around the world, to expand our postgraduate, professional and executive development programmes and to raise our ante on our efforts as a research-intensive university. Even as we do this, we are determined to make no compromise on maintaining our leadership position in providing a transformational learning experience for all those who pass through our doors.

MR HO KWON PING
Chairman, Board of Trustees, SMU



PRESIDENT'S MESSAGE

Want Something, Do Something

Every year, as I contemplate on my message for the annual report, I am amazed by how much we have achieved. I hear of these astonishing successes of our students and faculty on a daily basis, but to see their stories compiled – even though it is only into a highly selective summary – is an overwhelmingly pleasant experience.

Knowing how much hard work and talent went into these achievements makes reading about them even more meaningful. Increasingly, these successes are the result of cross-functional, multi-disciplinary teamwork and multi-departmental collaboration. They are clear evidence that diversity brings about greater creativity, quality and resilience.

I sense a growing movement among our community – students, faculty, staff – taking on a more proactive, confident and positive approach in confronting issues and challenges. While they don't have all the answers, they have the gumption and the determination to give it a go and help realise plans and initiatives. What I would call the “Want Something, Do Something” mindset.

And as we build even greater co-ordination and collaboration across the University in our key areas of education, research and practice, I hope that this mindset evolves into a culture that will permeate the entire organisation. We want to move from silos and short-term goals to building an attitude of putting SMU first in a shared long-term vision. Each individual in our 8,500 strong campus community is both a stakeholder and an owner of SMU. With more and more of our people taking ownership, our University will thrive and transform itself into a cohesive community that supports one another in our pursuit of excellence.

PROFESSOR ARNOUD DE MEYER
President, SMU

BOARD OF TRUSTEES



(1) Mr Ho Kwon Ping, Chairman. (2) Mr Zulkifli Bin Baharudin (centre) and Mr Sanjiv Misra (right). (3) Mr Robert Michael Tomlin. (4) Mr Chartsiri Sophonpanich. (5) Ms Chua Sock Koong.



(6) Mr Timothy Chia (left) and Professor Antonio Borges. (7) Dr Choong May Ling Mimi (left) and Dr Gan See Khem. (8) Ms Saw Phaik Hwa (left) and Professor Janice Bellace. (9) Dr Loo Choon Yong (left), BG Hugh Lim (centre) and Mr Dilhan Pillay Sandrasegara.



“The incredible momentum which drives SMU forward in its continuous development and expansion derives to a very great extent from the progressive thinking and dynamic energy of the Board of Trustees. I would like to thank each and every one of them for their immeasurable contributions over the past year in helping to ensure robust stability while shaping an even greater future for SMU.”

Mr Ho Kwon Ping, Chairman, SMU

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

Mr Zulkifli Bin Baharudin
Managing Director, Global Business Integrators Pte Ltd

Mr Paul Beh
President, Asia Pacific, Reed Exhibitions

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

Professor Antonio Borges
Professor of Economics, Catolica Lisbon School of Business and Economics

Mr Timothy Chia
Chairman, Hup Soon Global Corporation Limited

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

Ms Chua Sock Koong
Group CEO, Singapore Telecommunications Limited

Dr Gan See Khem
Executive Chairman & Managing Director, Health Management International Ltd

Mr Kuok Khoon Ean
Director, Kuok (Singapore) Limited

BG Hugh Lim
Deputy Secretary (Community, Youth and Sports), Ministry of Culture, Community and Youth (effective 1 November 2012)

Dr Loo Choon Yong
Executive Chairman, Raffles Medical Group Ltd

Mr Sanjiv Misra
President, Phoenix Advisers Pte Ltd

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

Ms Saw Phaik Hwa
Chief Executive Officer, Auric Pacific Group Limited

Mr Chartsiri Sophonpanich
President, Bangkok Bank Public Company Limited

Mr Anil Thadani
Chairman, Symphony Asia Holdings Pte Ltd

Mr Robert Michael Tomlin
Vice Chairman, Lepercq de Neufelize Asia Pte Ltd

Mr Andrew Y. Yan
Founding Managing Partner, SAIF Partners

Mr Jaime Augusto Zobel de Ayala
Chairman/CEO, Ayala Corporation

Homecoming for SMU's Visionary Patron



ABOVE: SMU'S PATRON, PRESIDENT TONY TAN, VISITING SMU.

RIGHT: HE WAS TREATED TO A VARIETY OF PERFORMANCES.



Twelve years after SMU opened its doors, President Tony Tan Keng Yam visited the university he had envisioned as its second Patron. He viewed a variety of dance and martial arts performances, as well as the Time Tunnel exhibition tracing SMU's history, as he toured Campus Green and Concourse. At a formal dinner in honour of the new Patron, SMU Chairman, Mr Ho Kwon Ping, said, "To a very special man who made SMU special, we warmly welcome President Tony Tan to a homecoming to the university he created and inspired, and which I hope he will continue to guide as Patron."

"Behind the scenes, and despite his many responsibilities as Deputy Prime Minister, Minister for Security Affairs, and Minister-in-charge of Higher Education, President Tan always had a keen interest in SMU," added Mr Ho. "I was always aware that he saw us as the catalyst for the radical changes he wanted to make in Singapore's university system."

Excellent Progress Report



The Ministry of Education External Review Panel assessed SMU under the Quality Assurance Framework for Universities (QAFU) to determine the level of resources SMU will be allocated for new projects and innovations. The University was commended for engaging industry experts in university governance and having a strategic plan that is a good fit. It was also commended for efficient resource allocation, SMU's three-track faculty system, its innovative pedagogy, and for actively developing collaborations.



SMU TALENT AT THE STUDENT LIFE AWARDS

In true SMU "A Different U" spirit, President Arnoud De Meyer (centre stage, above) led staff and faculty members in a Bollywood-style dance which received riotous applause. Usually SMU's students perform the entertainment for University events. So for the University Student Life Awards 2012, staff and faculty members decided they would rehearse and stage a Bollywood-themed show for the students. Dressed in colourful traditional Indian attire, Dean of Students Ong Siow Heng and Jimmy Ye (Office of Student Life) presented 77 individual and group awards, including Excellence Awards to Aaron Lum Zhi Hao (Arts), Shaun Toh Yi (Sports) and Urmila Mandapaka (Student Leadership & Community Integration).

SMU's Pioneers Recorded for Posterity



SMU CHAIRMAN MR HO KWON PING AND SMU FOUNDING PRESIDENT PROF JANICE BELLACE AT THE GROUNDBREAKING CEREMONY FOR THE EVANS ROAD CAMPUS, SMU'S FIRST HOLDING SITE IN 2000.

SMU Chairman Mr Ho Kwon Ping proposed it and the staff of the Li Ka Shing Library, Integrated Information Technology Services, and the Corporate Communications team banded together to make it happen. The SMU Oral History Collection, which contains testimonies from the visionaries and pioneers who first shaped the University, was launched by President Tony Tan Keng Yam at SMU's Patron's Day 2012. The vision for SMU to have a different model of university education that would change Singapore's tertiary landscape and how that vision panned out in the first decade, as described by the narrators, provides valuable lessons and raises the international profile of the University. The collection is available online at <http://oralhistory.smu.edu.sg>.

THE SCHOOL OF LAW'S NEW LEADERS



PROF YEO TIONG MIN (LEFT) AND PROF DAVID LLEWELYN (RIGHT).

The School of Law has a new Dean: Professor Yeo Tiong Min. Professor Yeo takes over from Professor Michael Furmston, who continues to teach at SMU and is helping to set up SMU's Centre of Commercial Law.

Professor Yeo was earlier named as Singapore's first Honorary Senior Counsel, a post which recognises those who possess outstanding ability as advocates, an extensive knowledge of the law and the highest professional standing. Professor Yeo was conferred with the honorary title because his papers have been relied on in courts all over the world.

SCHOOL'S FIRST DEPUTY DEAN

Professor David Llewelyn has become the School of Law's first Deputy Dean. Professor Llewelyn has combined private law practice with teaching at the London School of Economics; Queen Mary College, London University; and King's College, London. He has published extensively in the area of intellectual property law.



A Wider Choice of Electives

A distinctive feature of SMU's holistic undergraduate curriculum is that students have unrivalled opportunities to take double degrees or second majors – and about 70% of undergraduates do so. Adding to their options, the School of Social Sciences has launched three new second majors: International and Asian Studies, which takes a multi-disciplinary approach to examining Asia's role in the world; Public Policy and Public Management, Singapore's first undergraduate major in this increasingly prominent field; and Arts and Cultural Management, to prepare SMU students for the opportunities presented by Singapore's emerging Arts and Culture.

Professor James Tang (above), Dean of SOSS commented: "Young Singaporeans need to develop a deeper understanding of the challenges faced by policymakers and the tradeoffs they have to manage in formulating policy responses while rapid political, economic and social changes are taking place both locally and internationally."

These second majors are available to undergraduate students in all six schools of the University.

PM Lee's "Success Story": Mai Le



PM LEE WITH MAI.
(Photo © Ministry of Information, Communications and the Arts)

During the National Day Rally on 26 August, Prime Minister Lee Hsien Loong cited Le Ha Thanh Mai (or "Mai"), a Vietnamese third-year business student at SMU, as a "success story" for actively integrating into Singapore society and helping others to do so.

Mai came to Singapore at the age of 15 on a scholarship and faced culture shock and a language barrier. She attributed her feeling at home at SMU to the founders of SMU Roots, a Singaporean cultural club which celebrates diverse ethnicity and cultures, and also helps international students integrate locally.

Her active engagement in promoting cross-cultural understanding paid off. Today, she feels Singaporean and Vietnamese in equal measure and is so "localised" that even Singaporeans cannot tell she is a foreigner, said PM Lee. She is now leading integration efforts as International Students' Secretary of the SMU Students' Association, Mr Lee noted.

See also "Celebrating Peace" on page 13 for more about Mai.

SMU Teams Top in Accenture Gives 2012



TEAM REDEFINE RECEIVING THE PRIZE FOR THEIR WINNING PROPOSAL.

The challenge was to submit a proposal to make a positive, sustainable difference in partnership with a local charity or non-government organisation. Two inter-school teams from SMU took up the challenge and entered the Accenture Gives 2012 contest. "Both these teams showed great commitment and drive to come up with truly remarkable ideas," said Accenture's Himanshu Chaudhari (CSR champion) on awarding SMU's teams, REdefine and Harks, first and second place respectively.

Team REdefine won with a proposal for collaboration between the Association for Persons with Special Needs and local eco-farm GreenCircle to train special needs individuals in organic soil farming. The winners received a grant of S\$25,000 and mentoring from Accenture consultants to implement their project.

A Growing Global Network of Alumni



With the graduation of SMU's 9th cohort of students, there are now around 10,000 SMU alumni. The alumni network is not only growing but also spreading globally as many graduates' developing careers take them overseas. To keep these alumni connected to their alma mater, there are now seven alumni chapters – in Dubai, Hong Kong, India, Indonesia, the USA and two in the UK. There are also plans to open chapters in Beijing and Shanghai, as an increasing number of SMU graduates head to pursue career opportunities in China.



ALUMNI AT THE ANNUAL SMU PHOTO DAY WHICH WELCOMES THE LATEST COHORT OF GRADUATES.



**"When you come into a different U,
you will be transformed into a
different you."**

ADA CHUA AI LE
President, Student Association, SMU

Convocation 2012: A Big Welcome for 1,951 New Students

"Focus and study hard," said SMU Chairman Ho Kwon Ping, "but also find time to go on overseas exchanges, study missions, internships, and community service programmes so as to broaden your perspectives and learn more about the wider world and how you can play a role in it." Mr Ho's remarks at the opening ceremony of SMU's 13th Commencement made it clear that SMU's expectations of its students go beyond academic excellence. He advised the 1,951 new students, SMU's largest cohort to date, to take a balanced approach to student life and develop a sense of ethical and social responsibility.

LEFT: GUEST OF HONOUR
DR TAN CHI CHIU.

RIGHT: SCHOOL REPRESENTATIVES
IN THE GRAND PROCESSION.

BELOW RIGHT: APPRECIATIVE
FRESHMEN IN THE AUDIENCE.

FAR RIGHT: THE SMU FLARE
CHEERLEADING TEAM.

Superhero Training School

Emcees for the afternoon were three senior students who were dressed as superheroes to perform a light-hearted skit which portrayed SMU as a "Superhero Training School" with transformative education. The freshmen in the audience probably felt this was quite close to the truth, having already experienced team-building camps at Serimbun Scout Camp where senior students had sprung endless surprises on them with challenges and obstacle courses that involved creativity, stamina and resilience.



Wisdom from a real-life hero

The Guest of Honour at Commencement was Dr Tan Chi Chiu whose heroic work in disaster relief with the Singapore Armed Forces won him international recognition and military medals. He is now Managing Director of Gastroenterology & Medicine International, at Gleneagles Hospital, and Chairman of the Lien Centre for Social Innovation at SMU. "Developing values is a life-long process," Dr Tan suggested, "If you do not start it early in life, you may well become a great entrepreneur or social entrepreneur; but you might end up rudderless, hit a rock and sink, which is not a good ending."

SMU leaders lead the chorus

Some 300 members of SMU's CCA clubs including Ardiente, Caderas Latinas, Eurhythmix and InDanCity dance troupes, together with the Chamber Choir, Samba Masala, Voix and Symphonia music groups performed throughout the afternoon. They came together for the Grand Finale to sing "You raise me up... To more than I can be," and the Chairman, Pro-chancellor, President, Deans and Guest of Honour sportingly went up on stage to join in the celebration. They were met with loud applause and a blaze of camera flashes which showed how much the leaders' heart-felt gesture of welcome was appreciated by the audience. ♦



Celebrating Peace

Thirty three national flags were carried down the Concourse by students in variously colourful and elaborate forms of national dress. Once assembled on stage, they then took turns – in alphabetical order, from Argentina to Vietnam – to introduce themselves and call out "May peace prevail on earth" in their national language.



INTERNATIONAL STUDENTS BEARING THEIR NATIONAL FLAGS ON PEACE DAY.

This was part of SMU's annual celebration of Peace Day, a global event established by a United Nations resolution in 1981. SMU is the only local university marking Peace Day and this year the University made the celebration a five-day "Peace Week", during which there was a spot the fancy-dress mascots contest in the Concourse, a debate on integration, the opportunity to write messages of peace on a wall, a cultural festival combining ethnic performances with an international bazaar, and a run around the campus.

Le Ha Thanh Mai, who is President of International Connections and International Students' Secretary for the SMU Students' Association, organised the Peace Cultural Festival, Peace Ceremony and Peace Run. She related how during the Festival, "an exchange student from Lebanon expressed his gratitude that SMU celebrates peace. The student shared that war was real to him, that he saw guns and people being shot, and peace was an ideal close to his heart."

"It was then that the impact of our Peace Day really sank in," she said. "Half way across the globe in Singapore, we think Peace Day is just symbolism. But it matters that we appreciate the peace we enjoy here, do not take it for granted and that we continue to work for peace."

See also "PM Lee's 'Success Story': Mai Le" on page 10.

A Mission to Study Middle Eastern Promise

When thinking about global business opportunities, most people think of China and India. However, 68 SMU undergraduates selected the Middle East as the destination for their Business Study Mission (BSM) in May 2012. To date, over 800 SMU undergraduates have embarked on BSMs to countries including Argentina, Bahrain, Bangalore, Chile, China, Germany, India, Russia, Saudi Arabia, Scandinavia, South Korea, Spain, the USA and Vietnam.



THE SMU TEAM WITH STUDENTS FROM THE HIGHER COLLEGES OF TECHNOLOGY, ABU DHABI.

Why the Middle East? Sofia Moiz Tyebally, a second year business student explained before setting off, “With the Middle East becoming increasingly significant on the global stage, it is no surprise that my classmates and I relish this opportunity to understand the intricacies of Arabian culture and more significantly, the importance of building relationships through our networking sessions with executives based in the Middle East.”

It is the fifth year that SMU has sent the bi-annual student-run BSMs to the region, and this was the largest cohort of students involved to date. The delegation shuttled between United Arab Emirates, Qatar and Oman to meet with Middle Eastern royalty, learn from Middle Eastern and Singaporean companies, and engage in cultural exchanges in local universities.

Official site visits included trips to institutions such as the Qatar Chamber of Commerce and Industry, Abu Dhabi Council for Economic Development and Dubai Chamber of Commerce and Industry, as well as commercial sites such as Lusail City and Capitala. Beyond the plethora of onsite activities, the SMU students were also given the opportunity to interact with Singaporean entrepreneurs and business executives based in the member-nations of the Gulf Cooperation Council (GCC). At the same time, this BSM also visited universities such as Sultan Qaboos University and Dubai Women’s College to foster ties with their counterparts.

At the close of the 14-day study mission, many of the students embarked on their 11-week internships in Middle Eastern companies as well as Singapore companies with business interests in the GCC countries. To date, BSM Middle East has placed over 60 students in valuable internship positions in 17 GCC companies, and 13 Singapore companies with business interests in the GCC countries. This year, 28 undergraduates secured similar internship opportunities – 10 in the Middle East and 18 in Singapore. ♦



Setting a Fast Pace for Sports

For most sportsmen and sportswomen, competing at the Olympics is an impossible dream. However two SMU undergraduates decided that’s what they wanted to do, and they did, at London 2012. The future looks good too for others at SMU who want to pursue their interest in sports – as a result of the signing of Memorandums of Agreement with two national sporting bodies and the launch of a new sports elective in the undergraduate curriculum.

LEFT: OLYMPIC SPRINTER GARY YEO (PHOTO COURTESY OF SINGAPORE SPORTS COUNCIL).

BELOW LEFT: KEELBOATS BERTHED AT MARINA BAY.

BELOW: PARALYMPIC SWIMMER YIP PIN XIU (RIGHT) WITH TEAMMATE THERESA GOH.

SMU’s 100-metre heroes

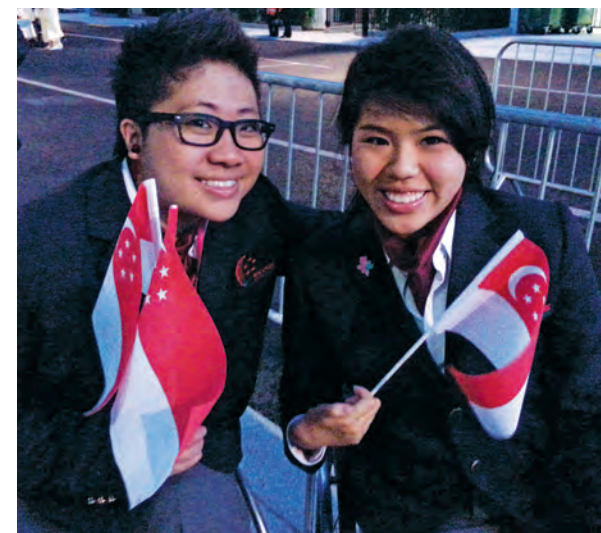
Third-year business student Gary Yeo competed in one of the most fiercely competitive events at the Olympic Games in 2012: the men’s 100 metre sprint. However, he was not intimidated by the pressure, setting a new personal best of 10.62 seconds, finishing second in his heat, and qualifying for Round 1. It was a great achievement in a group that was ultimately won by the world’s second-fastest man, Tyson Gay.

A few weeks later, at the London Paralympics, social sciences freshman Yip Pin Xiu made it to the women’s 100-metre freestyle (S3) finals. An accomplished competitor, Pin Xiu has won several international medals, including a gold and a silver at the 2008 Beijing Paralympics. She achieved an impressive time of 2:09.41 seconds, but in an especially fast race this put her in fourth place and she missed out on a medal.

Teaming up with national sports bodies

SMU’s annual beach fiesta, Waikiki 2012, in February was a fittingly energetic occasion on which to sign a Memorandum of Understanding (MOU) between SMU and the Singapore Sports Council (SSC). SSC’s CEO Mr Lim Teck Yin watched SMU students playing sports such as beach volleyball and ultimate Frisbee on Sentosa’s Siloso Beach before he and SMU President Arnoud De Meyer signed an agreement to explore a variety of collaborations. These included the launch in August of a new sports elective, Principles of Coaching in Sports, which prepares SMU undergraduates for sports-related careers.

Just a month later, in March, Singapore Sailing Federation (SSF) President Ben Tan and Professor De Meyer signed an MOU to work together to promote keelboat sailing among youths and to explore other sailing-related initiatives. They met at Marina Bay, where eight keelboats were berthed for use by students and members of the public under the SMU-SSC joint Sailing in the City programme. Dr Tan said SMU’s sailing team had “injected a dose of freshness and life into the sailing scene”. Among the future initiatives set out was the joint organisation of the Asia Pacific Match Racing Student Cup to be held during Singapore’s glamorous F1 weekend in September. ♦



SMU Challenge 2012 Goes the Distance for Charity

The target was an ambitious S\$35,000, but the annual SMU Challenge to help underprivileged elderly raised over S\$55,000 in cash and kind.

Three months of University-wide fund-raising led by 30 SMU students ended with an inspiring 7.7km walk by 300 students, alumni and staff from the SMU campus. Each walker carried a backpack loaded with 5kg of donated provisions. The provisions were delivered to 140 households under the care of the Lions Befrienders (Mei Ling) Seniors Activity Centre, a voluntary welfare organisation which is committed to befriending and promoting active ageing and community participation in caring for lonely senior citizens. At the end of the walk, the students served lunch to about 80 senior citizens at the centre. In total, about 2,200 senior citizens are expected to benefit from the project.

A community-driven effort

All SMU students are required to complete a minimum of 80 hours of community service before graduation. However many students, motivated by projects such as this, put in a lot more hours than the minimum number required. Third-year business student Eugenia Goh, who is also President of SMU student group Special Interest and Community Service Sodality, explained why. "This project is really meaningful as we succeeded in reaching out to serve the community with the strong support of the University management and about 500 participants who have contributed to the cause," she said. "We are grateful for the active participation and generous donation from members of the public, SMU's faculty and administration staff. Such an event not only allows us to create a greater impact on the people we serve, but also builds upon a stronger and more unified SMU family."



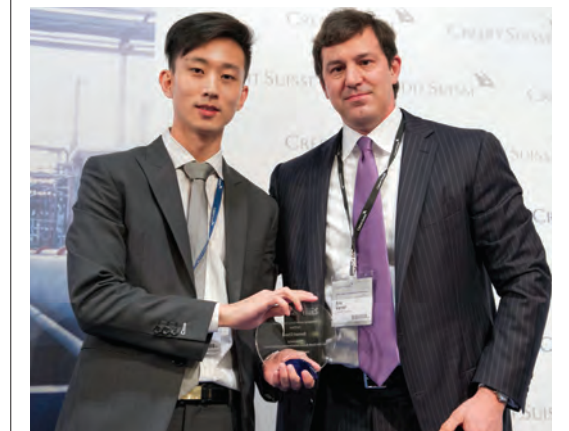
DELIVERING DONATED PROVISIONS TO HOUSEHOLDS.

Hard work and hugs

For several weekends between June and August 2012, SMU students went from door to door in heartland areas offering to do chores in exchange for donations – they cleaned homes, washed cars and even gave tuition. Students also did chores within the University, where faculty members and staff donated generously. Street collection drives were carried out to encourage the public to donate food and other necessities for the project. Volunteers also spent time at Lions Befrienders (Mei Ling) Seniors Activity Centre to bring some warmth and joy to the seniors who are living in one-room and two-room rented units. ♦



Global Essay Competition Win



WINNER SAMUEL CHAO WITH ERIC VARVEL, CEO OF INVESTMENT BANKING, CREDIT SUISSE.

From a selection of four challenging questions, second-year Business undergrad Samuel Chao chose to answer "Is it inevitable that the Renminbi will become the next reserve currency?" and his carefully considered and fluently written answer won him first prize in a global essay competition. Samuel entered Project Firefly's inaugural Emerging Leaders essay competition sponsored by Credit Suisse.

His essay was judged to be the best among over 400 international submissions from 187 tertiary institutions in 43 countries during five weeks of competition. Besides the top three awards, a further 10 students received honourable mentions for their high-quality essays, one of them being SMU fourth-year business student Ni Shengning. SMU students and graduates are already known for their confident verbal articulacy. Now the success of Samuel and Shengning in this competition shows that SMU fosters great writing skills too.

Samuel's prize was 3,500 Swiss Francs (approximately S\$4,700) and a place in the five-day Credit Suisse Asian Investment Conference (AIC) held in Hong Kong.

So what was Samuel's answer to the question? The concluding line to his well-argued essay read, "Until the benefits of full convertibility and flexibility clearly outweigh the costs, at most we can expect the Renminbi to carefully flirt with the boundaries of reserve currency status". ♦



The Transformative Journey of the Class of 2012

"Look far, think big, do right, and serve."

Guest of Honour, Dr Mary Ann Tsao.

The themes that came out at the Opening Ceremony of Commencement 2012 clearly reflected the influences that the School of Social Sciences, hosts for this year's event, have on the University. SMU Chairman Mr Ho Kwon Ping said in his opening remarks that the social sciences were an integral part of SMU's founding concept of being more than a typical business university by placing an emphasis on social awareness and ethical responsibility. "The School and the lively dialogues on social and ethical issues that result from its presence and programmes add a unique dimension to SMU's holistic, multi-disciplinary, and integrated education experience," he said.

SPH Valedictorian Award Winner Alex Lim Xuxiang confirmed this during his speech when he described his journey through SMU as "nothing short of transformational". Guest of Honour Dr Mary Ann Tsao, founding director of the Tsao Foundation, entreated the Class of 2012 to maintain the ideals and perspectives they have learned at SMU throughout their lives: "Look far, think big, do right, and serve," she advised.



LEFT: A CHEER FROM SOCIAL SCIENCES GRADUANDS.

ABOVE: SCHOOL OF ECONOMICS' GUEST OF HONOUR, AJE KUMAR SAIGAL (RIGHT), HUGS HIS DAUGHTER SEEMA, WHO WAS GRADUATING CUM LAUDE. DEAN BRYCE HOOL LOOKS ON.

A virtuous CIRCLE

Pondering on all these ideas were the Social Sciences graduands. It would take eight ceremonies spread over three days to confer degrees on the undergraduates and postgraduates of all six schools. In total, 1,929 scrolls were awarded – the largest cohort for the SMU Commencement to date.

From all these students, 12 outstanding individuals were selected as best representing the CIRCLE Values of SMU: Commitment, Integrity, Responsibility, Collegiality, Leadership and Excellence. Conferring the awards, SMU President Arnoud De Meyer said "The winners have been actively involved in serving and giving back to SMU and the community at large. They have demonstrated leadership abilities, are upright in character, and well-respected by peers, staff, and faculty. They are role models," he announced.

The themes of altruism and transformation that had featured throughout the afternoon were echoed in the captivating finale, before the Grand Recession. A choir of 22 graduating students performed the song "For Good" from the musical "Wicked", and in this touching farewell to their "U", the lines "Because I knew you, I have been changed for good" were sung with a heartfelt passion. ♦

Better Prepared for Greater Success



DATO' KHO HUI MENG (CENTRE) RECEIVING A MEMENTO FROM PRESIDENT DE MEYER (RIGHT) AND FORMER STUDENTS' ASSOCIATION PRESIDENT RYAN TAN YONG DING (LEFT).

Since the participation of the pioneer batch of SMU students in the annual Graduate Employment Survey (GES) in 2004, 1,231 students from its Class of 2011 continued to impress employers in a wide spectrum of industries, ranging from banking and finance, accounting, consulting and research to legal services, business intelligence and analytics, and public administration. Despite an uncertain global economic climate, 95.6% of these economically-active graduates managed to secure jobs either before or within six months of their graduation, amongst whom 62% enjoyed multiple job offers of between two and eight offers each. The average gross monthly salary for this cohort of SMU graduates in full-time permanent employment hit an all-time high of S\$3,388, a year-on-year increase of 3.6% compared with 2010. Significantly, too, was the finding that the top 20% of the 2011 cohort commanded an average gross monthly salary of S\$5,039.

The impressive survey results illustrated that SMU students continued to possess an edge in an increasingly-competitive job market and remained highly sought after by employers. Such qualities were a testament to the interactive pedagogy and broad-based, holistic curriculum championed by SMU. The hard, soft and "heart" skills – including compulsory industry internships, 80 hours of community service work, overseas study missions and a mandatory "Finishing Touch" career preparation skills programme, imparted by the University, had stood them in good stead for their career pursuits after graduation.

SMU's relentless efforts to enhance the competencies of its undergraduates to prepare them for successful careers were given a boost on 18 September 2012 when it launched a fully renovated, state-of-the-art facility for career counselling and services. Named in recognition of a generous S\$3.2 million gift by Dato' Kho Hui Meng, President of Vitol Asia Pte Ltd, the well-appointed, purpose-built Dato' Kho Hui Meng Career Centre would be a centralised space on SMU's campus which provides career planning and development, education and resource support, as well as opportunities for internships, business networking and relevant experiential training for the students. With the establishment of the Centre, future SMU graduates can look forward to becoming versatile, knowledgeable and socially-conscious professionals who will be an asset to any organisation when they enter the corporate world. ♦

Making the Underprivileged the Stars

How does it feel to help others through SMU's community service programmes? That's what Starring SMU has been helping freshmen to experience every year since it was established in 2007.



The project's President, Lee Jin, admits he was worried about living up to the trust put in him. "There were many expectations of me to carry on the legacy of the largest community service project in SMU," he said. However, "Leading a group of enthusiastic and compassionate undergraduates to give back to society through new and innovative ways was one of the most fun parts," he added.

Getting ready to help

A Starring Camp in June prepared the volunteer freshmen for what lay ahead. There were also trips to provide home maintenance services, such as cleaning and painting, for disadvantaged adults and senior citizens at Sunlove Home Neighbourhood Link (Marsiling and Chai Chee), Kembangan-Chai Chee Senior Activity Centre & Morals Neighbourhood Link Senior Activity and Thong Kheng Welfare Services Society.

MEMBERS OF THE "FLASHMOB" AT RAFFLES PLACE PARK.

Cashing in at the car wash

Over 300 students got thoroughly soaked during two soap-filled, fun-fuelled days at Holland Village car park. This was the annual Starring Carwash, which this year raised about S\$20,000 for My Buona Vista Place, a one-stop centre for social welfare programmes reaching out to over 20,000 local residents.

Spreading the message

Around the same time, Starring Giveback delivered provisions worth more than S\$5,000 and, equally importantly, the hand of friendship to over 300 patients in Surya nursing home for the elderly, and 300 children in Kits4Kids Special School and four Salvation Army Childcare Centres.

On 27 July 2012, 200 of these children aged five to six years old and the Starring SMU volunteers boarded buses and headed to Raffles Place Park for the flashmob performance. Singing National Day songs such as "Home", "Singapore Town" and "Together", the 500-strong "mob" attracted an enthusiastic audience from the lunchtime crowd. The children were thrilled by the loud applause they received: "The smile on their faces was the most rewarding moment of Starring SMU 2012," said Lee Jin.

Partying for a cause

The final initiative under the programme was Starring Night, a concert and competition featuring local bands which raised nearly S\$9,000 for My Buona Place. The students partied late into the night to celebrate the end of a fun and rewarding initiative that brought great joy and considerable practical benefits to those they had helped.

What does Lee Jin feel now that it is all over? "Relief, joy and a profound sense of achievement," he says. ♦

Plaudits for SMU's Performing Arts

International recognition and triumphs for three diverse Co-Curricular Activity groups proved that it's easier to succeed when the hard work required is also fun.

A Prague Christmas

"My heart skipped a beat when the stage door opened. The hall was exceptionally quiet and the eager eyes of the audience, judges, fellow competitors, friends, alumni and representatives from the Office of Student Life gazed at us as we walked on stage. This was it, the moment we had been waiting for," said Charles Yap about competing in the 21st International Festival of Advent and Christmas Music.

Then a third-year social sciences undergraduate, he was performing with the SMU Chamber Choir at the annual festival in picturesque Prague, the capital city of the modern Czech Republic, in December 2011. Choirs from Russia, South Africa and other European nations were also there for four days of performances, carols, gigs and competitions.

The SMU Chamber Choir competed in the Youth category with programme of music from around the world. They also entered the Folk category with Delgado's arrangement of Singapura Medley, folk songs from Southeast Asia, and a challenging composition by Singaporean composer Phoon Yew Tian.

How did they do? Charles need not have been so nervous. They delivered a faultless and mesmerising performance, one which won them gold awards – in both categories.

Sizzling success in Italy

When SMU's Caderas Latinas headed to Bologna, Italy, in June 2012 for the four-day 2012 Dance Grand Prix Italia, their goal was quite clear. They wanted to compete and win against the best Latin dancers in the world. The Grand Prix Italia is hailed as Europe's largest and most important amateur dance event and in 2012 drew 30 highly accomplished teams from 22 countries in all five continents.

They gave an effortlessly fluent and sensuous performance that not only won over the audience but also the judges, who unanimously voted them to First place in the Latin Dance category.



CADERAS LATINAS DANCERS SHOW THEIR WINNING MOVES IN BOLOGNA, ITALY.

They had even beaten teams from Latin countries such as Mexico.

The best was yet to come. From among all 30 teams competing in all categories, the judges chose SMU's Caderas Latinas as the very best performers of the festival.

A big welcome back to Coburg

Samba Masala, SMU's self-styled "Brazilian street percussion group", were a huge success when they appeared in the Coburg Samba Festival 2010. But would these "drummers with face paint and precision", as one German newspaper had dubbed them, be as popular when they returned to the festival in July 2012?

The 70-member band was welcomed back to Coburg with huge interest and enthusiasm. Whether they were busking in parks to practise and warm up their act, or in front of tens of thousands at the samba festival and parade, the reputation of this exotic, charismatic Asian band preceded them. They were front page news on at least two local newspapers and even appeared on TV. ♦

Giving Back to Africa

“Singapore is Africa’s largest investor among the Southeast Asian countries and increasingly we are seeing more Singapore companies venturing into more cities in Africa. With the growth in partnerships and business links between the two countries, it is important and timely to promote greater awareness of CSR and social enterprise models so that businesses – whether African or Singaporean – can be encouraged to give back to the African communities in which they operate.”

So said Professor Arnoud De Meyer, President of SMU, who delivered his welcome address to delegates comprising top policy makers and business leaders in Africa and Singapore. He was speaking at the Africa Singapore Business Forum (ASBF) Connex event, an international conference that SMU hosted on 29 August 2012. A Pre-Forum Workshop of ASBF, a bi-annual conference organised by International Enterprise Singapore (IE Singapore), ASBF Connex featured a diverse line-up of speakers and panellists, including Singaporeans and youth groups who have set up social enterprises or are active in community service in Africa, as well as corporations and non-profit organisations which have corporate social responsibility commitments in Africa.

Noteworthy is the team behind this international conference – SMU Pendeza, which had already led two expeditions to Africa for community service projects during the summer breaks in 2011 and 2012. Their excitement was therefore understandable when they were approached by IE Singapore to co-organise this new feature event to promote a deeper understanding of the impact of social responsibility on the business environments in Singapore and Africa.

Professor De Meyer also shared with the delegates that every student at SMU completes at least 80 hours of community service with a social or civic organisation during the course of his or her study. “We do this because we want our students to understand what the possible career opportunities would be in non-profit



A MEMBER OF SMU PENDEZA
TEACHING THROUGH PLAY AT AN
ORPHANAGE IN KENYA.

organisations. We also hope that we can develop qualities in our students, such as confidence, compassion and, in many cases, self-reliance,” he said.

“For SMU students, the social responsibility attitude and aptitude are nurtured from the time they start their undergraduate education, where each and every one is exposed to the community service ethos that is part of the SMU education. Our hope is to develop them into socially conscious business leaders and responsible global citizens. That this Connex forum, comprising a strong line-up of distinguished speakers and panellists, is entirely organised by students, is testimony that we are indeed making good progress as educators,” he added. ♦

ABOUT SMU PENDEZA

SMU Pendeza has served in Africa since 2011. Their community service work had won them the accolade of being one of the 10 finalists for “Project Inspire: 5 minutes to change the world”, a joint initiative by UN Women Singapore and MasterCard in 2011. They were also awarded the Shirin Fozdar Award by the Shirin Fozdar Trust Fund in 2011.

The group was formed with the purpose of reaching out to 180 girls in an orphanage in Kenya, Africa – Our Lady of Grace Children’s Home and Primary School. During their first expedition to Kenya in 2011, the team conducted lessons, covering topics that ranged from financial literacy and entrepreneurship development, to geography and cultural lessons. They returned to Africa this year to implement an entrepreneurship-financing framework, and encouraged the girls at the Home to develop business ideas and plans. They also arranged for 10 African youth entrepreneurs to help mentor and inspire the girls. A small fund has been established to help develop commercially feasible ideas.

“Our work in Kenya is not a one-off effort; we are committed to return to Kenya for at least another two years and we are focused on ensuring that our efforts at the Home will be sustainable in the long-term,” said Gary Lee, third-year business student, founder of SMU Pendeza and Chairman of the ASBF Connex Organising Committee.

ASEAN Recognises Community Service Efforts

In 2011, of the 4,497 SMU students who were involved in community service endeavours during the year, 67% were involved in local projects and 33% were involved in about 180 overseas projects in 20 countries, including Australia, Bangladesh, Cambodia, China, Hong Kong, India, Indonesia, Japan, Kenya, Korea, Laos, Malaysia, Myanmar, Nepal, Pakistan, Taiwan, Thailand, The Philippines, USA and Vietnam. Of those who were involved in overseas community service work, about 60% served in ASEAN countries.

SMU'S GLOBAL COMMUNITY EFFORTS



SMU students are encouraged to carry out initiatives that incorporate elements of sustainability for the local communities in the four broad areas of:

- Education (building libraries/community centres/ playgrounds, refurbishing classrooms, teaching English, leadership and team building);
- Social Services (building houses, healthcare, life skills/ cottage industry training);
- Environment and Wildlife (conservation, eco tourism)
- Cultural Heritage (preservation of the indigenous culture).

With over 200 partner organisations and more than half of SMU students surpassing the mandatory 80 hours of community service, SMU’s commitment towards the community is clear. In recognition of the University’s efforts, SMU was conferred the 7th Ten Accomplished Youth Organisations in ASEAN (TAYO ASEAN) Award 2012. This award is recognised by the ASEAN Member States and winners are nominated and selected by the National Youth Focal Point from each ASEAN Member State. The National Youth Council (NYC) serves as the national youth focal point for Singapore. All recipients have been selected based on the impact of their projects to the community, innovativeness, sustainability and probability of the project being duplicated. ♦

LET'S SHAPE SMU'S FUTURE TOGETHER

says

Prof Arnoud De Meyer



He calls on each and every one in the community to embrace the **"want something, do something"** culture which will help SMU stay ahead of its global competitors.



PROF DE MEYER'S STATE OF THE UNIVERSITY ADDRESS, 21 SEPTEMBER 2012, MOCHTAR RIADY AUDITORIUM.



AS SMU TRANSITS FROM INSTITUTION-BUILDING TOWARDS REPUTATION-BUILDING, PRESIDENT ARNOUD DE MEYER HAS URGED EACH AND EVERY STAKEHOLDER IN THE UNIVERSITY COMMUNITY TO SEE THEMSELVES AS AN OWNER OF SMU AND TO PLAY A GREATER ROLE IN SHAPING ITS FUTURE.

In his 2012 State of the University Address delivered on 21 September, SMU President Professor Arnoud De Meyer was upbeat when he spoke to a record 480-strong audience in the Mochtar Riady Auditorium and the nearby Executive Media Theatre. His address was also webcast and watched live by many among the University community.

"What a difference a year makes," he said with a big smile, and the audience sensed that he had a song in his heart and a spring in his step.

Indeed, after two addresses made in 2010 and 2011 where he laid the long, mid and short term goals, it was apt for him to give an account of what transpired in the two-and-a half years under his watch.

LEADER IN SINGAPORE'S UNDERGRADUATE EDUCATION

Undergraduate education continues to be a bastion at SMU, increasing its intake from 1,700 in Academic Year 2011/12 to 1,950 in Academic Year 2012/2013, and with a pool of consistently high-quality students and a proud legacy of high graduate employment record.

Its success has given the University the momentum to launch three exciting new majors – International and Asian Studies, which takes a multi-disciplinary approach to examining Asia's role in the world; Public Policy and Public Management, Singapore's first undergraduate public policy major; and Arts and Culture Management, a timely response to the emerging Singapore Arts and Culture sector. In collaboration with the Singapore Sports Council, the University also launched its first sport elective.

SUCCESS IN POSTGRADUATE EDUCATION AND RESEARCH

In addition, the accelerated growth of postgraduate degree programmes that has seen a robust 60% increase in student

intake so far, will by the end of 2012 cross the landmark number of 1,000. Several of the current 18 Masters and PhD programmes were developed ahead of industry needs and launched strategically "to gain a critical first-mover advantage".

Research at SMU is unique because of the University's blend of practice-driven research and research-driven practice, with some 30% of faculty on the practice track. He spoke of the progress made in SMU's three Areas of Excellence – Financial Markets and Institutions; Analytics for Business, Consumer and Social Insight; and Innovation & Entrepreneurship – and gave several sterling examples of successes in research ranking. And as an endorsement of how others regard SMU's research, he cited the University's high research publication and case writing download rates by other top universities and researchers.

SMU'S EXCITING PHENOMENON – "WANT SOMETHING, DO SOMETHING" CULTURE

With a gleam in his eye, he noted that an exciting phenomenon has evolved over the past couple of years – there was a growing movement of colleagues who once they set their minds to doing something, actually went around doing it with great determination, never mind the odds that may be stacked against them. He coins this the "want something, do something" culture, and is optimistic that this culture will pervade the organisation, making its people stand out and make a difference in their respective roles.

Already more teams have begun work in multi-disciplinary research across SMU's six schools, which Professor De Meyer said would uniquely position SMU to contribute significantly to Singapore's aim in developing talent and research in the social sciences and humanities. He referred to the collaboration that could come about among the schools of business, economics, law, information systems and social sciences, and



“Internationalising the SMU brand involves **building global partnerships** to provide more opportunities for students and faculty, and that is exactly what has been achieved in the two powerhouses of China and India, in the United Kingdom and in Singapore.”

urged the faculty to help address social problems such as income disparity, environmental and sustainability issues, and issues related to a growing ageing population.

He also applauded the collaborative efforts of several teams across the University in achieving the largest undergraduate intake number of 1,950. These teams were from the offices of Undergraduate Admissions, Corporate Communications & Marketing (OCCM), Finance, Vice Provost (Undergraduate), Facilities Management, Student Life, and Registrar, as well as the six schools.

Giving another example of the SMU team spirit, he cited the 2012 integrated Undergraduate Admissions Campaign developed by OCCM together with some of the alumni, parents and employer partners to generate a high level of awareness of the SMU value proposition. Not only was the campaign a success in generating high brand awareness and applications, it also won the silver prize in the SPH iink Awards in recognition of its originality, creativity and innovative thinking, and its ability to deploy traditional and new media to impact its audience.

The SMU Shop (a shop selling SMU merchandise) and the NextWeb (a major revamp of the SMU website) were also successfully launched because various departments were working collaboratively as one united team.

THOUGHT LEADERSHIP AND REPUTATION BUILDING

Professor De Meyer spoke of the hive of activity and high momentum at SMU, on which he remarked, “Not a week goes by without me or my colleagues delivering several speeches, sometimes several in just a day, due to the numerous events and conferences held on campus and off-campus when there is insufficient space.”

In hosting key international conferences, SMU was also promoting thought leadership and building its reputation. This was where top academics and industry players were brought together for the exchange and cross-fertilisation of ideas. Similarly, hosting world-renowned speakers such as Professors Dan Breznitz and Ezra Vogel, and the visit by Economics Nobel Laureate Professor Paul Krugman contribute towards SMU’s reputation building. This extends to the contribution made by its faculty commentators on primetime news and prestigious roundtable discussions.

GLOBAL PARTNERSHIPS AND INTERNATIONALISING THE SMU BRAND

“Internationalising the SMU brand involves building global partnerships to provide more opportunities for students and faculty, and that is exactly what has been achieved in the two powerhouses of China and India, in the United Kingdom and in Singapore,” said Professor De Meyer. The collaborations and tie-ups with top universities and industry for joint academic programmes, research and in some collaborations, joint case writing will give SMU the global exposure, and benefit its students and faculty through valuable insights and experience.

Giving kudos to the students for their enthusiasm and success in local and global competitions, he highlighted that students are SMU’s ambassadors in helping to build and internationalise the brand. Whether it was through the arts – Samba Masala receiving a rock star welcome in Coburg, Germany and Cadera Latinas dancing their way to sweep the top prize in the Latin Dance Category of Dance Grand Prix Italia – or through sports or business plan competitions, they were flying the flag for SMU and Singapore.

SUSTAINING GROWTH AND EXTERNAL ENDORSEMENT

Sustaining growth and innovation require funding from donors and supporters of which the University has received firm commitments close to S\$18.5m. Professor De Meyer highlighted two recent initiatives that benefited from such confidence and generosity – the Dato’ Kho Hui Meng Career Centre named after its donor, and the launch of the UOB-SMU Asian Enterprise Institute with a donation from UOB and its SME customers. He also credited the support for SMU from its stewardship of more than 600 donors who are behind the University in many different ways.

That SMU did very well in the latest report by the External Review Panel of the Singapore Ministry of Education’s Quality Assurance Framework underscores the fact that the University is heading in the right direction. The engaging of industry experts in University governance and guidance; having a strategic plan with focused areas that are a good fit for University; efficient and effective resource allocation; three track systems for faculty; innovative pedagogy; and active development of collaborations – all received commendation from the Panel.

MAKING A GREATER IMPACT IN THE FUTURE

“So how should SMU work towards making a greater impact in the future?” was a question posed by Professor De Meyer. He offered the view of how impact occurs when there is foresight and a gap is filled even before it is identified. He went on to explain about the virtuous cycle connecting research, teaching and practice: that they are interconnected, iterative and feed one another to generate new knowledge and ideas. In turn, this knowledge contributes to the holistic, relevant and future-ready education at SMU.

He revealed that the University will continue “making adjustments and refreshing” the modules and electives so as not to compromise the quality of the University’s offerings and for them to address market needs. Integrating and recognising learning beyond the classroom is one area that was being explored.

The future also requires infusing organisational vitality and foundational strength, making SMU an organisation that is built to last. This will involve investing in faculty development through the Centre for Management Practice, and implementing three key drivers of operations excellence. These drivers include the Business Process Improvement that enhances high-quality work processes, stimulates productivity improvement and fiscal gains; Responsibility Centre Accounting for the efficient use of resources and budgets in achieving the University’s goals; and the Management Development Programme that recognises and develops the talent of SMU staff.

Expanding beyond bilateral partnerships, SMU is building strategic global alliances or consortia with like-minded reputable universities with complementary strengths. SMU’s THEMIS Undergraduate Law Consortium with ESADE (Spain), Freie Universitat (Germany), Universite Paris Est Creteil Val De Marne (France) and Maastricht Law School (The Netherlands) is an excellent example of such an alliance.

All these strident developments together with the flow of initiatives and ideas, and a passionate team of SMU faculty and staff raring to go, bode well for the future. Professor De Meyer concluded his address with much optimism, “If we adopt the “want something, do something” culture, there are no obstacles and challenges that we cannot surmount. Let’s shape our future together!” ♦

Former Singapore President S R Nathan Appointed Distinguished Senior Fellow

After stepping down as President of the Republic of Singapore and as Patron of SMU in August 2011, Mr S R Nathan accepted the invitation to become a Distinguished Senior Fellow at SMU's School of Social Sciences (SOSS). Since then, he has been visiting SMU three times a week to engage with undergraduates.

FORMER PRESIDENT S R NATHAN WAS THE GUEST OF HONOUR AT SMU'S INAUGURAL SOCIAL SCIENCES CONFERENCE IN MARCH 2012.



In one of the tea sessions, SOSS students quizzed him on his diplomatic career, his two terms of presidency, Singapore in the 60s and how it has changed over the years. Students found his anecdotes of his careers and life to be interesting and intriguing.

Said Mr Nathan, "We have a good exchange. It's good listening to them because they are looking at things from a different perspective".

Mr Nathan was the Guest of Honour at SMU's inaugural Social Sciences Conference, held on 17 March 2012, where he also joined a lively discussion forum with 250 students.

Mr Nathan also lent his expertise at the inaugural Singapore Mediation Lecture held on 29 August 2012. Over 400 participants including members of the legal industry, mediators, civil servants, entrepreneurs and students attended the lecture which was jointly presented by Harry Elias Partnership LLP (HEP) and the Singapore Mediation Centre (SMC) in collaboration with SMU.

Drawing on his experiences as a Seamen's Welfare Officer in the Marine Department in the 1950s and later in NTUC's Labour Research Unit on the 1960s, Mr Nathan recollected how he acted as an intermediary between workers and employers in disputes ranging from working conditions to disciplinary issues. Mr Nathan, who called himself an "accidental mediator", also played a key role in negotiating the release of a hijacked crew in the LAJU incident when he was Director of the Security and Intelligence Division in late 1974. He shared lessons about how understanding people, and having an awareness of cultural sensitivities, among other strategies, could contribute to the success of resolving international commercial disputes.

The Singapore Mediation Lecture series will be held annually with the aim to enhance the understanding and use of mediation in resolving cross-border commercial disputes.

Mr Nathan was SMU's inaugural Patron. He graced every Patron's Day celebration from the very first, at SMU's Evans Road campus in 2001, to his last in 2011. ♦

Singapore's First Financial Literacy Programme for Young Adults

A national survey in 2005 showed that young adults were among the least financially literate among various sectors of society. With this in mind, SMU and Citi Singapore jointly launched the structured financial literacy programme to help educate this group.



MR MICHAEL ZINK, HEAD OF ASEAN AND CITI COUNTRY OFFICER, SINGAPORE, PRESENTING THE CHEQUE TO PROF ARNOUD DE MEYER, SMU PRESIDENT, DURING THE OFFICIAL LAUNCH CEREMONY ON 9 APRIL 2012.

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Designed by SMU Sim Kee Boon Institute for Financial Economics (SKBI), the Citi-SMU Financial Literacy Programme for young adults sets out to equip young adults between 17 and 30 years of age with essential personal financial knowledge and skills to give them a firm foundation in managing their money and a financial head start early in their working lives.

Under the programme, which was launched on 9 April 2012, 30 SMU students have been selected and trained by SMU faculty members to teach youths from the wider community in Singapore about personal finance. Developed jointly by SMU and Citi's in-house experts, the curriculum boasts a practical bent. Additionally, SMU students can also opt for an in-depth Personal Finance elective module as part of their undergraduate curriculum.

In the first year, Citi has pledged S\$278,000 towards the planning and development of the financial literacy programme. Pilot sessions have begun and the programme will be fully rolled out starting 2013.

At the official launch of the programme, prominent guest speakers from New Zealand and Singapore shared their views on how to leverage the power of partnerships to achieve financial literacy for all Singaporeans.

Professor De Meyer remarked, "SMU is well-regarded for generating research with strong relevance to the industry. SMU, through SKBI, is therefore keen to partner private and public institutions to help promote financial literacy in Singapore. Although there are already some financial literacy programmes in place for other age groups in Singapore, we are pleased to have this opportunity to partner Citi and Citi Foundation to promote financial literacy for young adults, an area that is currently lacking. This is a common vision shared between the two institutions and we see a strong synergy for both parties to join hands to help the community in need."

Expanding the Boundaries of an SMU Education

As SMU embarks on a university-wide growth plan for postgraduate professional programmes, executive development and professional studies, it has established three new offices to help build a distinctive brand. Over the past year, good progress has been made in several key areas.

The **Postgraduate Professional Programmes** office developed and launched a comprehensive suite of 18 masters and PhD programmes covering various facets of industry. Several of these programmes are “firsts”:

- **FIRST IN ASIA:**
Master of Science in Innovation, Master of Science in Wealth Management, Master of IT in Business – Financial Services, and Master of IT in Business – Service Sector Analytics tracks
- **FIRST AND ONLY IN SOUTHEAST ASIA:**
Master of Science in Communications
- **FIRST AND ONLY IN SINGAPORE:**
Juris Doctor
- **FIRST IN SINGAPORE:**
Master of Professional Accounting

Other programmes launched in 2012 include Masters in Quantitative Finance, in Financial Economics, in Information Systems, and PhD in General Management.

Professor Philip Zerrillo, Executive Director of SMU’s Postgraduate Professional Programmes was beaming when he revealed, “We are absolutely delighted with our annual enrolment increasing to over 600. Within this year itself, we shall be seeing on campus our postgraduate student population growing beyond 1,000 students. We are ready to meet the growing demand for practice and industry relevant programmes. As we grow, we will increasingly be

looking to impact the world of business beyond the borders of Singapore. To do that we need to attract the best and the brightest students from around the region and the world. This year we made great strides in enhancing our geographic diversity.”

“What is unique for our students is the practice-driven theory and theory-driven practice across our postgraduate curriculum with almost all of our programmes being co-designed with accomplished industry practitioners. Industry professionals are also brought in as working professors to conduct classes. Apart from addressing global issues in our curriculum, we also bring in the Asian perspective across all of our programmes. This approach is highly relevant and applicable in the workplace, and strongly endorsed by employers,” Professor Zerrillo added.

In addition, the University has a broad network of over 700 business connections with ongoing plans to expand and forge deeper relations. To complete the whole educational experience, there are also dedicated career guidance services to provide critical insight to future career choices and helpful advice on placements for graduates.

SMU Executive Development (SMU-ExD)

meets the human capital and talent development needs of forward-looking multinational corporations and management executives in the current Asian context. Blending Asian and Western practice and theory, the programmes deliver an outstanding return on investments for organisations and individuals, through being designed to directly address identified business challenges.

Emphasising “Learning by Doing”, SMU-ExD’s approach is highly interactive: combining classroom with in-company activities and in-person with digital interfaces. SMU-ExD places a high emphasis on proprietary, custom-made case discussions and simulations and has developed complementary tools promoting peer interaction and feedback as well as the leadership capabilities of individuals.

Executive Director of SMU Executive Development, Affiliate Professor Steve Wyatt, comments, “We are delighted that our pedagogy of ‘Knowledge–Application–Empowerment’ is exciting clients and participants and helping to deliver on-target behavioural change and business performance improvement results; this is the objective of Executive Development. SMU is



uniquely equipped to provide this support; the breadth and depth of having both a business school plus five other schools all focused on the issues of business and management in Asia, and SMU-ExD that combines academic faculty plus business consultants and leadership coaches.”

The **Centre for Professional Studies (CPS)** aims to create and capture a new market segment for SMU. Focusing largely on local and regional government-funded training initiatives, CPS aspires to play the role of a valuable learning partner in developing strong competencies of working professionals through structured learning pathways (diplomas and certificate programmes) made possible by the unique combination of practical industry knowledge integrated with general management skills.

New Institutes

The **Business Families Institute (BFI)** is an initiative to develop successful family businesses

by advancing the study of business families in Asia through research, teaching and outreach. A collaboration between SMU, enterprising business families and strategic partners, BFI seeks to develop a sustainable network to strengthen the influence of these families and their enterprises across generations. The Institute adopts a multi-disciplinary, interactive pedagogy that addresses the needs of business families, as well as promotes the foundation of family enterprises in Asia.

The **Asia Private Equity Institute (APEI)** is the first Asia-focused academic research centre on private equity and venture capital. APEI is an integrated platform that conducts high-quality academic and applied research on private equity and venture capital, as well as educates practitioners and disseminates new ideas to raise the level of professionalism in the industry. The Institute sets out to raise the profile of the private equity and venture capital industry in Singapore and Asia. ♦

SMU’S HIGH-QUALITY POSTGRADUATE PROFESSIONAL AND EXECUTIVE PROGRAMMES APPEAL TO A WIDE VARIETY OF INDIVIDUALS, MANY OF WHOM ARE INDUSTRY PROFESSIONALS.

SMU Faculty Awards

Excellence in teaching and in research are the cornerstones of SMU’s academic offering. Since it was established in 2000, SMU’s mission has been to generate cutting-edge research with global impact and to produce broad-based, creative and entrepreneurial leaders for the knowledge-based economy. It pioneered interactive and technologically enabled pedagogy in Singapore with seminar-style teaching in small class sizes and has already become internationally recognised for its world-class research. SMU’s teaching and research awards celebrate those who continue to push the boundaries in these areas and set ever-higher standards of expectation and achievement.

Teaching Excellence Awards

“I take every teaching term as a challenge and as a learning opportunity to be a better teacher. I aspire to be a more reflective teacher and to be able to lead by example,” says Assistant Professor Hoon Chang Yau, School of Social Sciences, who was one of seven nominees and the eventual winner of the Most Promising Teacher category in SMU’s annual Teaching Excellence Awards. The comments of one of the students cited in his award nomination reveal that his teaching is effective and his dedication is appreciated: “I think he has to be one of the best instructors I’ve been taught by. He certainly deserves credit for his teaching and I really learnt a lot from him. He pushes me to think like I have never done before”.

It’s the students’ future careers which motivate Tom Estad: “I know that they need to be as well-prepared as possible for the careers ahead of them, and I want to contribute as tangibly as I can to their preparedness.” Tom, who is Associate Dean (Undergraduate Student Matters) at the Lee Kong Chian School of Business (LKCSB), was one of the two winners of the Excellent Teacher Award. “I have so many high-calibre colleagues,” he said, “So it’s genuinely a surprise to me to be this year’s winner. I am very humbled when I think of the great people I get to work with and teach with here at SMU.”

SMU is renowned for its innovative technologically enabled pedagogy of seminar-



PROF PANG YANG HOONG (LEFT), VICE PROVOST (UNDERGRADUATE) AND DEAN (SCHOOL OF ACCOUNTANCY), PRESENTS THE INNOVATIVE TEACHER AWARD TO ASSISTANT PROFESSOR NICHOLAS HARRIGAN OF THE SCHOOL OF SOCIAL SCIENCES.

EXCELLENT TEACHER AWARD

- **Tom Estad**
(Lee Kong Chian School of Business)
- **Tracey Zhang**
(School of Accountancy)

INNOVATIVE TEACHER

- **Nicholas Harrigan**
(School of Social Sciences)

MOST PROMISING TEACHER

- **Hoon Chang Yau**
(School of Social Sciences)

OUTSTANDING ADJUNCT

- **Chow Wai Fong**
(Lee Kong Chian School of Business)



JOINT WINNERS OF THE LEE KUAN YEW FELLOWSHIP FOR RESEARCH EXCELLENCE: PROF MARK J. FINDLAY (ABOVE) AND PROF ROBERT J. KAUFFMAN (ABOVE RIGHT).



style teaching in small class sizes and the Teaching Excellence Awards recognise those individuals who help the University to maintain leadership in this area. The award ceremony this year ended a Teaching Innovation Week, organised by the Centre for Teaching Excellence, which included talks and presentations on the latest theory, technology and practice of teaching each day.

After being nominated by their respective deans, the faculty members submitted their applications. These applications were then reviewed by the Faculty Advisory Committee for Teaching and Learning in order to select the award winners.

Lee Kuan Yew Fellowship for Research Excellence

Originality of research, importance of research findings, attracting world-class collaborators, taking a multi-disciplinary approach and featuring in top-tier publications – the judging criteria for research awards at SMU are extremely rigorous. One of the most prestigious awards for research at the University is the Lee Kuan Yew Fellowship for Research Excellence. There were two worthy recipients in 2012: Professor Mark J. Findlay, School of Law; and Professor Robert J. Kauffman, School of Information Systems (SIS). Professor Findlay has been at SMU since 2009; his research output

is prolific and his most recent book, *Beyond Punishment: Achieving International Criminal Justice*, was published in 2012.

Professor Kauffman has made his mark in just a few short months since joining SMU. Vice Provost (Research) and Dean, SIS, Professor Steven Miller, said in nominating Professor Kauffman, “His taste in research has always been to try to solve important problems, real problems, and next stage problems, and he’s been very creative with getting data and making connections with faculty and industry colleagues. He has often been ‘first to market’ with new ideas in research too”.

Sing Lun Fellowship

The same demanding criteria were applied when awarding the Sing Lun Fellowship, which is given annually specifically to junior faculty members conducting academic and industry-relevant research with a focus on Asian business issues. The emphasis is on the practical relevance of research with a strong preference for topics in the area of family businesses, wealth management, inter-generational wealth transfer and succession planning. The award was won by Assistant Professors Michael Ramsay Bashshur and Roger K. Loh of LKCSB, and Assistant Professor Goh Beng Wee of the School of Accountancy. ♦

Namaste – Building Relationships in India

In recent years, the rapid rise of many Asian countries, with India and China as front runners, has resulted in the robust growth of the region and significantly transformed the global economic landscape. SMU has been quick to seize arising opportunities by formalising partnerships in education, research, as well as training for the industry with a number of reputable institutions in India.



DEPUTY PRIME MINISTER THARMAN SHANMUGARATNAM (LEFT) LIGHTING A TRADITIONAL INDIAN LAMP AT THE INAUGURAL SINGAPORE-INDIA BUSINESS DIALOGUE, WATCHED BY INDIA'S HIGH COMMISSIONER TO SINGAPORE, HIS EXCELLENCY DR T. C. A. RAGHAVAN (CENTRE) AND FORMER PRESIDENT OF SINGAPORE, MR S. R. NATHAN (RIGHT).



SMU PROVOST AND DEPUTY PRESIDENT (ACADEMIC AFFAIRS), PROF. RAJENDRA K. SRIVASTAVA (LEFT) AND DIRECTOR OF IIFT, MR K. T. CHACKO (RIGHT) EXCHANGING A WARM HANDSHAKE WATCHED BY SMU PRESIDENT, PROF. ARNOUD DE MEYER (SECOND FROM LEFT) AND PROFESSOR AND CHAIRPERSON OF IIFT, DR SATINDER BHATIA (SECOND FROM RIGHT).

On 24 May 2012, SMU inked a Memorandum of Understanding (MOU) with one of India's leading business schools – the Indian Institute of Foreign Trade (IIFT) to jointly design and launch Management Development Programmes (MDPs) and to offer postgraduate certificate programmes in areas relating to international trade, business and management. In addition, both parties also agreed to conduct joint research and

undertake case writing in international trade and business issues of relevance to Asia.

Within a week of forging a tie-up with IIFT, SMU concluded another collaborative agreement with the Indian Institute of Management Bangalore (IIMB) on 28 May 2012. Under the partnership, SMU and IIMB will facilitate joint research and publication by their respective faculty members, organise research seminars and workshops, as well as provide support for projects in areas of mutual interest undertaken by the research centres of both institutions. Doctoral students and junior faculty of both institutions will be invited to take part in summer and winter institutes hosted or co-hosted by SMU and IIMB. Additionally, possibilities for faculty exchanges, joint executive education and graduate student mobility will be explored.

The signing of MOUs with BSE Institute Ltd, a wholly owned subsidiary of BSE (Bombay Stock Exchange) Ltd, and the Indian Institute of Technology (IIT) Kanpur underscored SMU's effort to tap the immense potential of India's market. Under the agreement with the former, both parties will join hands in training Asia's future financial market specialists and carrying out research into Asia's capital markets. SMU and BSEI will offer postgraduate certificate programmes in specialised areas such as risk management, management of SMEs and family-owned businesses, and executive leadership. The scope of SMU's collaboration with IIT Kanpur covered joint academic programmes and research.

In October 2012, SMU organised the Inaugural Singapore-India Business Dialogue as the first major activity under its India Initiative. Deputy Prime Minister and Minister for Finance, Mr Tharman Shanmugaratnam graced the event as the Guest of Honour and delivered a keynote on the theme, "Leveraging on Untapped Opportunities and Growth" to some 350 invited guests comprising academics, business leaders and public-sector officials. His Excellency Dr T.C.A. Raghavan, India's High Commissioner to Singapore, delivered the closing remarks at the dialogue. ♦

Strengthening Ties with China

In tandem with its push to gain a foothold in India, SMU also made great strides in fostering partnerships with prestigious academic institutions in China during the year.



VICE PRESIDENT, BUSINESS DEVELOPMENT AND EXTERNAL RELATIONS, ASSOCIATE PROF ANNIE KOH (FRONT, LEFT) SHARING SMU'S MILESTONES WITH UIBE PRESIDENT PROF SHI JIANJUN (FRONT, RIGHT) ON A TOUR OF THE SMU CAMPUS.

On 7 May 2012, SMU entered into a collaborative agreement with the University of International Business & Economics (UIBE), China, which affirmed the commitment and vision of both institutions to build peaks of excellence in education and research. UIBE is a top-notch university in Beijing specialising in economics, finance, management and law. The Memorandum of Understanding covered the full range of undergraduate and postgraduate programmes, as well as executive education. A similar instrument of co-operation was also signed between SMU and China's Southwestern University of Finance & Economics (SWUFE) for the full range of programmes offered by both universities.

The above successes followed earlier partnerships which SMU established with the Xiamen University (XMU) and the Huazhong University of Science & Technology (HZUST). An area of collaboration with XMU is the launch of a specially designed Master of Science in Applied Finance (China) programme to meet the needs of Chinese postgraduate students and finance industry professionals pursuing a Chartered Financial Analyst qualification. With HZUST, a Master of Science in Financial Economics programme was the key feature of the collaboration.



Double Accreditation for LKCSB

The SMU Lee Kong Chian School of Business (LKCSB), fresh from the accolade of having earned accreditation in April 2011 from the Association to Advance Collegiate Schools of Business, or AACSB International, for its undergraduate and postgraduate programmes, added another feather to its cap within a year when it was conferred the prestigious EQUIS accreditation for a period of five years by the European Foundation for Management Development (EFMD) in December 2011.

In the process, it has become one of the youngest institutions in the world to be awarded the EQUIS accreditation, ranking itself among some elite company, including the London Business School (UK), IE Business School (Spain) and INSEAD (France). Notably, LKCSB was one of only five business schools in Asia that attained a five-year accreditation, from a total of 21 EQUIS-accredited institutions. Both accreditations are testimony of the superior quality of its programmes – from the undergraduate degree up to the PhD level, its pedagogy and faculty. ♦

RIGHT: PROF HOWARD THOMAS, DEAN OF THE SMU LEE KONG CHIAN SCHOOL OF BUSINESS (LEFT) AND PROF STEVEN HABERMAN, DIRECTOR AND DEPUTY DEAN OF CASS BUSINESS SCHOOL, CITY UNIVERSITY LONDON.



Asia's Masterclass in Excellence

Relentless in its effort to expand new programme offerings that command industry relevance and are ever responsive to the changing needs of the economy, SMU and the City University London inked a partnership agreement to launch the first joint-master's degree programme – Master of Science in Quantitative Finance (MQF) on 26 June 2012.

The year-long, full-time MQF would lead to a master's degree jointly awarded by SMU and City University London. Through this collaboration, SMU became the first partner university in the world for City University London, UK's fourth-ranked university and 15th-placed among business schools in Europe in 2011, in offering a joint master's degree.

A unique discipline straddling banking and finance, statistics, computer science, and financial mathematics, the MQF is one of three new Specialised Masters to be launched in Academic Year 2012/2013; the other two being Master of Science in Innovation and Master of Applied Information Systems. Under the arrangement, students can study four core and five elective courses at the SMU Lee Kong Chian School of Business and spend approximately four months at London's Cass Business School for five core courses. The inaugural batch of 31 high-calibre students from different Asian countries started on the MQF programme in early September 2012. ♦



ABOVE: PROF FRANCIS KOH, DEPUTY DEAN OF THE SMU LEE KONG CHIAN SCHOOL OF BUSINESS (LEFT) AND MR ROLAND SCHWINN, HEAD OF BUSINESS DEVELOPMENT ASIA & MIDDLE EAST, EUREX.

Knowledge Exchange

SMU scored another first in forging collaborative relationships with the industry when it signed a co-operation agreement with the international derivatives market place, Eurex Exchange (Eurex) on 27 September 2012 in the area of financial market education and research to increase the understanding and knowledge of the financial markets in Asia and Europe.

Through this initiative, Eurex will support the simulated trading laboratory of SMU's Quantitative Finance Group with market data for teaching and research. Its experts will also conduct lectures as guest speakers, while its products and real-time market data will be offered for teaching purposes. Additionally, both parties will jointly issue research papers on industry-related topics in due course. SMU became Eurex's first university partner in Southeast Asia through this co-operation, with the latter having established links with other reputable Asian universities like the National Taiwan University, Chinese University of Hong Kong and Shanghai Advanced Institute of Finance. ♦

SMU AS AN ASIAN KNOWLEDGE HUB FOR THE WORLD OF BUSINESS AND MANAGEMENT



VICE PROVOST (RESEARCH) AND DEAN, SCHOOL OF INFORMATION SYSTEMS PROF STEVEN MILLER (SECOND FROM LEFT) IN A LIVELY DISCUSSION OF RESEARCH WITH ASSISTANT PROF RICHARD C. DAVIS (LEFT) AND TWO STUDENTS OF THE SCHOOL OF INFORMATION SYSTEMS.

In August 2011, SMU President Professor Arnoud De Meyer spoke of how the University will be creating a stimulating and dynamic culture for both focused as well as multi-disciplinary research. Multi-disciplinary perspectives are essential for a leading research-intensive university like SMU where its efforts and initiatives are targeted towards helping to solve the challenges and problems of the world today. These issues are multi-faceted and complex, and call for solutions that go beyond traditional business and management disciplines. They require taking a fresh look through a wide range of disciplines, many of which are found within SMU's six schools and 19 research institutes and centres. SMU's broad knowledge and deep expertise in these disciplines – which include accountancy, business, economics, information systems, law, and social sciences – when combined can offer high quality ideas, perspectives and solutions. In tandem, focused disciplinary research will continue to be built up to provide the strong base from which relevant knowledge can be drawn for multi-disciplinary discussions and collaborations.

SMU has also built up strengths in research, supported by postgraduate research programmes that include PhD programmes in the areas of Finance, Organisational Behaviour & Human Resources, Economics, Information Systems and Psychology. To date, the postgraduate research programmes have produced 129 graduates, and 89 students are still pursuing their postgraduate studies. Graduates of these programmes have gone on to careers in academia and industry.

Leveraging on SMU's many research strengths, Professor De Meyer had asked for the University to create peaks of excellence by focusing on and developing three strategic integrated Areas of Excellence: Financial Markets & Institutions; Analytics for Business, Consumer & Social Insight; and Innovation and Entrepreneurship. The Areas of Excellence will capitalise on synergies between the University's research units (institutes, centres and labs), postgraduate professional and research programmes as well as undergraduate and executive education.

He had also posed a challenge for SMU to become an Asian knowledge hub for research, centred around the world of business and management.

BECOMING AN ASIAN KNOWLEDGE HUB

SMU's three Areas of Excellence have made an impact. The University has also received global recognition for the quality of its research.

- SMU is ranked 25th worldwide and 2nd in Asia in Arizona State University's 2011 Top 100 Finance Rankings.
- Its Lee Kong Chian School of Business is ranked 52nd worldwide and 3rd in Asia by University of Texas, Dallas. This is based on the number of publications in 24 leading journals of major management disciplines from 2007–2011.
- SMU's School of Economics is ranked 66th in the world and 3rd in Asia by the Tilburg University Top 100 Worldwide Economics Schools Research 2012. This new ranking represents a leap of 18 places from 84th position in 2011, and is based on research contributions published in leading world economic journals between 2007 and 2011.
- Internationally, SMU is ranked in the top 10 for Econometrics.

The Sim Kee Boon Institute for Financial Economics has, through its research, produced an early detection system for asset price bubbles and created two indices for Singapore, namely, the inflation expectations index in collaboration with MasterCard and the corporate governance index for the

Securities Investors Association (Singapore). With asset bubbles and inflation being important issues, the research will be a valuable resource to Central Banks around the world in their policy-setting.

In the discipline of Information Technology and Systems, SMU is widely recognised as home to a leading Asian research group in information security, especially in areas related to data security and privacy. SMU Living Analytics Research Centre (LARC), which is a joint collaboration with Carnegie Mellon University, and the newly launched LiveLabs Urban Lifestyle Innovation Platform will help to strengthen Singapore's capabilities in Interactive Digital Media Research and Development.

The highest citation count of research by SMU faculty was registered, with some 9,600 research publications in the University's Institutionary Repository being accessed more than 87,000 times worldwide over a period of just one-and-a-half years. This is indeed testimony to the quality of SMU's research.

Case writing of Asian businesses is another integral component of SMU's prowess as an Asian knowledge hub. To date, 28 cases offering Asian insights and perspectives including those for company training and executive development have been completed. These cases have been widely referred to with some 235 case downloads through SMU Publishing and purchases made by top business schools including Columbia University (US), ESSEC Business School (France) and ESADE (Spain).

There were also 339 downloads of SMU's case studies through the European Case Clearing House, the world's largest repository of business management case studies and articles. The case study inventory of the Clearing House includes cases from the Harvard Business School, INSEAD, and Stanford Graduate School of Business.

RECOGNITION FOR OUR TOP AND PROMISING RESEARCHERS

The Lee Kuan Yew Fellowships for Research Excellence have been awarded to Professor Mark J. Findlay of the School of Law and Professor Robert J. Kauffman of the School of Information Systems, both top SMU researchers whose work is of high global impact.

The Sing Lun Fellowships are awarded to promising junior faculty members for the purpose of conducting academic and industry relevant research with focus on Asian business needs. These Fellowships have been awarded to Assistant Professors Michael Ramsay Bashshur of Lee Kong Chian School of Business, Goh Beng Wee of the School of Accountancy and Roger K. Loh, Lee Kong Chian School of Business.

HIGH HONOURS CONFERRED ON SMU ACADEMICS



SMU President **Professor Arnoud De Meyer** was conferred an honorary doctorate by the University of Ghent for his significant contributions to Science. University of Ghent, in their citation, spoke very highly of Professor De Meyer's work, and the progress of his research, from innovation, management in the 1970s to his focus today on accelerating the commercialisation of Science. His passion for research and academic work over the years has taken him to leading universities in Belgium, Germany, India, Japan, United Kingdom, United States of America and Singapore.

Professor De Meyer's numerous achievements were highlighted including his work on global R&D management which made him an early observer of the emerging Asia becoming a significant source of ideas for innovation. He was also one of the first to publish on how to manage innovation in Asia. His work is still highly relevant today, especially in innovation in emerging markets, including China and India.



Professor Francis Koh, Deputy Dean (Undergraduate & Administration) of the Lee Kong Chian School of Business, Professor of Finance (Practice) and Director of the Master of Science in Wealth Management, received the University of St Gallen honorary doctorate for his outstanding contributions in corporate finance and for bridging the disciplines of finance, accounting and management. He is the first Singaporean to receive this recognition from the University.

Professor Koh shared that SMU's close connection with the financial community, combined with the close proximity and the frontier research done by faculty, has given the University the lead in the area of wealth management. Wealth management is a growth area in Asia, especially following the global economic crises which had great impact on the assets of high-net-worth individuals.

RESEARCH TO FUEL THE FUTURE FOR SMU

In his State of University Address 2012, Professor De Meyer reiterated the importance of research to the University when he said, "Besides education, research is the other bread-and-butter business of SMU." He elaborated on how research will help to fuel the future for the University through the virtuous cycle of teaching, research and practice, which are interconnected. "Practice delivers questions, research answers those questions, good research will lead to better teaching, and better teaching will challenge students to ask more difficult questions. Thus, teaching, research and practice are interconnected, iterative and feed one another to generate new knowledge and ideas," Professor De Meyer added.

Just as SMU values practice-relevant research, it is important that it can further develop industry engagement and collaborations, and build a faculty of distinction. In this connection, the University is investing in its faculty through the newly-formed Centre for Management Practice. The Centre focuses on faculty development and coaching management. It also provides opportunities for faculty to present their research as case studies and opinion editorial pieces for media publications.

SMU's expansion into multi-disciplinary research and its efforts in faculty development are indeed timely given that the Ministry of Education's International Academic Advisory Panel had, in July 2012, recommended for Singapore to invest in the development of talent and research in social sciences and humanities so as to serve Singapore's future social and economic development. The Panel had also recommended the establishment of a Research Council for this purpose.

Through the talent, expertise and collaborative efforts of its business, economics, law, information systems and social sciences schools, SMU is well poised to attract the national funding to create niches of research excellence in areas such as Asian societies and markets; management of multi-ethnic social compacts; challenges and opportunities facing global cities; and comparative studies of governance models and practices.

The building of global partnerships and alliances with like-minded reputable universities is also critical as it provides great potential for SMU to work on joint research collaborations that transcend disciplinary and geographical boundaries.

In sum, the accrued knowledge and expertise will attract more talented faculty and students, and provide the fuel for SMU as it positions itself to be recognised internationally as a knowledge hub for distinctive Asian perspectives on global business and management issues. ♦

Thinking Leaders,

Leading Thinkers



ADRIAN BRIGGS

DAN BREZNITZ

HO KWON PING

EZRA VOGEL

Thought leadership is a strategy that many top companies in the world, regardless of sectors, strive to attain. If a company gets its thought leadership strategy right, not only does it become a market leader, its customers will see it as the go-to source of expertise and it will be able to attract talent more easily. Thought leadership also gives an organisation's customers as well as the public-at-large, greater confidence in its products and services, and generates greater brand confidence and visibility in the crowded marketplace.

Zooming in on Singapore's university sector, SMU – which aspires to become the leading university in Asia for ground-breaking research and pedagogical excellence – is seen growing its role as a centre of intellectual thought and a forum for discussing innovative ideas in diverse fields. Judging from the extent, scope and level of engagement over the year, the University is certainly making good progress. Going forward, thought leadership will enable SMU to further enhance its reputation and standing as the business management university of the world, forge more and deeper partnerships with corporate and university partners globally, as well as develop a strong alumni base that will continue to contribute back to the University.

During the year, distinguished scholars, eminent politicians, diplomats and business leaders from around the world have used SMU as a platform to share their knowledge and perspectives through lectures, forums and dialogues. Contributing to this intellectual exchange are SMU's very own senior management and faculty, who also frequently share their perspectives on public and media platforms with their academic and corporate counterparts.

DISTINGUISHED SCHOLARS VISIT SMU

The ninth luminary who graced the SMU Presidential Distinguished Lecturer Series, Associate Professor Dan Breznitz generated an engaging discussion at SMU on 7 March 2012 with his lecture which was based on his second book – *Run of the Red Queen: Government, Innovation, Globalisation and Economic Growth in China*.

Breznitz, with a PhD from MIT, was visiting from the Georgia Institute of Technology, USA, where he is Associate Professor of International Affairs and Strategic Management.

He concluded that the growth of China's IT sector in this era of highly fragmented global manufacturing would

largely be driven by local entrepreneurship instead of a state-led, top-down innovative system.

Through the Lecturer Series, which was established in 2005, SMU invites internationally eminent and outstanding academics, scholars and business leaders who have achieved distinction in their respective fields to share their perspectives on contemporary issues of interest and importance, with the purpose of stimulating discussions among students, faculty and staff.

Also drawing a huge following was the eminent Sinologist Professor Ezra Vogel, who spoke at SMU on 23 May 2012. It is no wonder that diplomats, civil servants, academic and business leaders, representatives from non-governmental organisations and students from various universities and junior colleges packed the Mochtar Riady Auditorium to listen to him – the Henry Ford II Professor of the Social Sciences Emeritus at Harvard University and highly regarded author on Japan, China and Asia. He visited SMU on the prestigious Ho Bee Professorship in Chinese Economy and Business, which provides a platform for a distinguished visiting professor to advance education and research in the area of Chinese entrepreneurship and business.

Based on his most recent book, *Deng Xiaoping and the Transformation of China*, published by Harvard University Press in September 2011, Professor Vogel's lecture provided fascinating insights and analyses, drawing on an academic career spanning five decades in Harvard and Yale, and his experience as a US National Intelligence Office for East Asia in the 1990s. He explained how China, under Deng's leadership, became a predominantly urban society, the second largest economy in the world, and established itself as a global power for the first time in the modern era.

Come 2013, students, SMU students and faculty, as well as the law fraternity will also benefit from a lecture on Commercial Law, to be delivered by Professor Adrian Briggs,

who has been appointed as the first Jones Day Professor of Commercial Law at SMU. Professor Briggs will also oversee the development of Commercial Law concepts at SMU. The Jones Day Professorship of Commercial Law (for a term of seven years) is made possible by a US\$500,000 donation from the global law firm Jones Day through its non-profit foundation funded by donations from attorneys and staff. The largest gift received by SMU from a law firm, the donation will facilitate increased focus on the development of Commercial Law in Singapore, a market which is in continuous development and which increasingly plays a global role as a hub for legal services to both regional and international clients in Asia.

ROUNDTABLE FOR EXPERTS AND SCHOLARS

On 2 April 2012, SMU's Behavioural Science Institute organised the inaugural BSI Conference which drew over 200 participants from the public service, institutes of higher learning and private sector. The conference brought together researchers, practitioners, organisational leaders and senior civil servants to share their thoughts and perspectives on the theme, "Adapting Effectively to Rapid Changes: Much More Than Cognitive Abilities". The keynote address was delivered by Professor Neal Schmitt, Emeritus Distinguished University Professor of Psychology and Management, from Michigan State University.

Said SMU President Professor Arnoud De Meyer, "As the President of SMU, I have always emphasised that our research needs to have an impact and should encompass the four Rs – rigorous, revealing, relevant and reaching out to the society. With such impactful research, the practice will be an "informed" one, which in turn will stimulate further research."

In late June, the eighth AAPBS Academic Conference 2012 brought together 80 deans, professors and school administrators drawn from international universities and institutions in 19 countries across the Asia-Pacific and Europe, as well as business representatives to engage in an active discourse. Co-hosted by SMU and the Association of Asia-Pacific Business Schools (AAPBS), the conference was themed "Asian Business Leaders with a Global Mindset" and focused on leadership in Asia, both in terms of challenging the status quo and discussing the future outlook.

A forum for both academics and business leaders to gain a deeper understanding of how business schools can respond to talent and leadership development in the Asia-Pacific region, the conference saw well-accomplished Asian thought leaders offer their insights on Asian leadership, which encouraged business schools to respond to the unique management ways and leadership styles inherent to this region.

SMU Chairman Mr Ho Kwon Ping urged Asia's business leaders to keep traditional family and community values intact when running their companies. "The mission of business and the purpose of growth is to build a better society for all." He also highlighted the importance of a more holistic and not just business-specific undergraduate education for the next generation of business leaders. "We must not teach them just the (business) skills. We must also teach them history, politics... so that they'll really feel confident to speak out about the issues of the world," he said.

In line with SMU's pursuit to be at the forefront of business innovation, SMU's Wee Kim Wee Centre, which is the headquarters for the American Creativity Association International (ACAInt), was the main organiser of the ACAInt Conference 2012. *Creating the future: Innovation and the Global Challenge* held in late August saw a diverse line-up of speakers who examined the many facets surrounding "innovation". Examples include "how to innovate in a university context", "how to create the future through innovative branding", "the science and logic of creativity", and even "emerging trends in medical innovation".

SMU – BRIDGING WITH BUSINESSES AND YOUTHS IN SINGAPORE

Impressed by the reputation and status as a "global centre of excellence in business education" developed in a relatively short period of 12 years, US Trade Representative Ambassador Ron Kirk picked SMU when he wanted to address the thought leaders as well as decisions makers in Singapore's business community on the future development of Asia-Pacific trade.

On 26 April 2012, Ambassador Ron Kirk, who is also a member of President Obama's Cabinet and the President's principal trade advisor, negotiator and spokesperson on trade issues, received a warm welcome from Professor Bryce Hool, SMU's Dean of the School of Economics. An enthusiastic

Said SMU President Professor Arnoud De Meyer, "As the President of SMU, I have always emphasised that our research needs to have an impact and should encompass the four Rs – rigorous, revealing, relevant and reaching out to the society. With such impactful research, the practice will be an 'informed' one, which in turn will stimulate further research."

audience of over 300 people gathered at the University for Ambassador Kirk's address, which focused not only on the Trans-Pacific Partnership, but also on opportunities to promote and elevate Asia-Pacific economic forums as platforms for regional integration, and ways that Asia-Pacific models may foster multilateral trade successes.

Besides being an effective bridge with the Singapore business community, the University is also seen by Singapore's Education Minister Heng Swee Keat as the platform to reach out to the leaders of tomorrow. On 14 February, Minister Heng engaged in a dialogue with some 300 students from SMU and other local universities where issues ranging from social inequality to how graduates could best present themselves and enhance their value to potential employers were discussed. At the dialogue, he advised students that in order to achieve a meaningful career, it was important for them to develop an ability to adapt in a rapidly changing world and also to collaborate across cultures.

THINKERS IN THE NEWS

Complementing SMU's engagement with the corporate sector, SMU's senior management and faculty, many of whom are industry practitioners who have developed strong partnerships with corporations, regularly share their intellectual knowledge and thought leadership through other platforms, such as the media. This is facilitated by the Office of Corporate Communications & Marketing through partnership with prominent business dailies and TV stations.

To complement this effort in profiling SMU's academic experts in the print and broadcast media, the Office regularly organises media training for its senior management and faculty to sharpen their media liaison and interview skills.

Since January 2012, SMU professors have been offering their expert advice to Singapore's small and medium enterprises on a wide range of pressing issues that matter to local companies. SMU professors from the fields of accountancy, business, economics, information systems, law and social sciences provide tips that benefit business owners and managers of SMEs. These are published fortnightly in *The Business Times* and bi-monthly in the *SME Magazine*, a publication by *The Business Times*. Similarly in Singapore's Chinese flagship paper, *Lianhe Zaobao*, SMU academics also offer their expert advice for the benefit of SME owners and managers. Furthermore, these knowledge pieces are complemented by regular commentary editorial by SMU's professors on a diverse range of subjects.

Beyond the print media, SMU's faculty are also regularly invited to the television studios to share their views and insights on current trends and global issues. Two such programmes include *Think Tank* and *Perspectives* by Channel NewsAsia, which reaches out to more than 34 million households across Asia and Australia. SMU President Professor Arnoud De Meyer was one of the prominent business thought leaders who discussed modern leadership in an episode of *Perspectives* on 4 June 2012. On the programme, Professor De Meyer explained the distinction between management and leadership, saying that management is about coping with complexity, while leadership is about change.

Professor De Meyer also opined that leadership can be taught. "It's like teaching someone to play the piano. You have to have talent, it doesn't work without talent; but then it requires thousands of hours of practice. We need to give our student, political leaders and business leaders the opportunity to practise leadership," he commented.

Professor De Meyer was invited to return to the programme on 2 September 2012 to share his views on Nuclear Power. He commented that for Singapore to keep up its standard of living, it will require serious investment in energy conservation, the development of alternative, non-carbon-based energy sources and a careful and informed evaluation of whether nuclear energy might be the way forward. ♦

SMU's Spirit of Entrepreneurship

Entrepreneurship is part of SMU's DNA. When the University was first set up in 2000, it set out to groom outstanding business leaders and creative entrepreneurs capable of excelling in a dynamic world. They would be leaders who are ethical and socially responsible, bold and articulate, and capable of making a difference in their respective fields. Today, nine cohorts of students have graduated and many took the plunge to pursue their dreams and run their own businesses in fields ranging from food and beverage to business consultancy.

Going their own way

Something these SMU entrepreneurs all share in common is a passion for an idea. Many have passed up opportunities for a comfortable career to build that idea into a business. "To be honest," says Daryl Low (Business graduate, Class of 2009), "you can find a job any time. While we're still young, the opportunity cost is lower. It's easier to forfeit a S\$6k income now than to give up a S\$60k income in 10 years' time." So he chose to set up recruitment portal Quantine with fellow SMU graduate Kenneth Yap (Information Systems graduate, Class of 2009).

Jeslyn Ang (Business graduate, Class of 2008) even gave up a full-time salaried career in marketing and consumer research to become a self-employed financial planner. "It wasn't enough. I really wanted to be doing more," she says. The freedom she gained has also allowed her to set up her Wedding Tweets wedding planning portal.

Many people would shy away from making such bold career decisions because they fear making the wrong choice. However, Andy Soh

(Information Systems graduate, Class of 2010) says, quoting one of his lecturers at SMU, "Life is not about making the right or wrong decisions. It's about righting your decisions". Andy is a co-founder of Tocco Studios which provides touch-screen technology software to a growing list of clients in Singapore and the Middle East.

The SMU advantage

Professional photographer Hong Huazheng (Business graduate, Class of 2010) runs his business according to what he learned at SMU. He started Flagship Creatives as a final year project with two fellow students. Now running his own agency, he still plots his goals, strategies and tactics using the "Y-Tree" model. "School taught me that it's not enough to prepare and set goals, we've got to measure and track," he says.

George Chen, Bryanmaguire Chia (both Information Systems graduates) and Lee Pei Zhi (Business graduate) from the Class of 2012, say the encouragement and help they received from the SMU Institute of Innovation &



Entrepreneurship's Business Innovators Generator Incubator was invaluable. The trio founded Sageby, a technology start-up providing an innovative platform for data collection and market research.

Kent Hoie (Business graduate, Class of 2011) of Team Galaktikos feels the same. The online marketing platform that his team has created allows companies to propagate branding through the viral effect of social networks. He appreciated the abundant opportunities and the competitive advantage that the University offered. "Here, we get to mix with people who are our potential clients or customers," said Kent. And according to Gay Zheng Cai (Business undergraduate, year 3) and his business partner at Hello Stranger, a social photo booth company, the advice they received from the University helped to put their company on the right track to success.

BACK ROW: (L-R) DARYL LOW (QUANTINE), JOSEPH CHAN (SAL HAPPY SALADS), ANDY SOH (TOCCO STUDIOS).

CENTRE ROW: (L-R) KENT HOIE (TEAM GALAKTIKOS), JESLYN ANG (WEDDING TWEETS), GAY ZHENGCAI (HELLO STRANGER), JOCELYN CHAN (SAL HAPPY SALADS).

FRONT ROW: (L-R) HONG HUAZHENG (FLAGSHIP CREATIVES), ADELINE TAN (LINS SMOODEES), GEORGE CHEN, BRYANMAGUIRE CHIA AND LEE PEI ZHI (ALL THREE FROM SAGEBY).

Being free to succeed

Jocelyn Chan (Business graduate, Class of 2011), founder of Sal Happy Salads, shared that she was faced with a dilemma at one point, feeling "very torn between finding a job and setting this up". But the self-proclaimed "health foodie" believed in her product and took the leap anyway, when she was granted the lease for two shoplots in the SMU campus.

Fellow "health foodie" Adeline Tan (Business graduate, Class of 2004) is a serial entrepreneur. She is a graduate of SMU's pioneer cohort, set up businesses in fields ranging from desserts to education and even worked in SMU's business incubation development programme. When she discovered the health benefits of organic smoothies, she established LINS Smoodees to create and deliver them. She explains, "This was a product I had the drive and passion to create every day". ♦

SMU and SUTD Build on Complementary Strengths

It is a “landmark agreement, the first of its kind between two autonomous universities in Singapore” declared SMU President Arnoud De Meyer during the signing of a memorandum of understanding (MOU) with the Singapore University of Technology and Design (SUTD).

Minister of State for Defence and Education, Mr Lawrence Wong, who witnessed the signing on 17 October 2011, hailed the collaboration as an important milestone for the tertiary education sector. “This institutional collaboration between SUTD and SMU shows that our universities not only compete to spur one another towards excellence, but also work together to complement each other’s strengths. Initiatives such as this ultimately benefit Singaporean students by widening the range and quality of offerings in our university system,” he said.

The MOU creates a framework for collaboration in education, research, and student and faculty exchanges. It brings together the latest thinking in technology, design and management to offer students opportunities to innovate and to address some of the world’s most significant research challenges. The areas of co-operation include course development, collaborative teaching and research, student exchanges, and joint participation in co-curricular activities.

SUTD offers degrees in architecture, engineering and information technology and an introduction to management and entrepreneurship. The agreement will facilitate the co-development between SMU and SUTD of five elective courses in management as well as allow students from both universities to attend elective courses at the partner university. High-achieving SUTD students will have the opportunity to be considered for advanced placement in the Master in Management (MIM) and Master of Science in Innovation (MI) programmes at SMU. Both programmes are specifically designed for students with minimal business backgrounds in their undergraduate education.

The MOU also allows faculty members from both universities to teach – and for students



(L-R) SUTD PRESIDENT, PROF THOMAS MAGNANTI; MINISTER OF STATE FOR DEFENCE AND EDUCATION, MR LAWRENCE WONG; AND SMU PRESIDENT, PROF ARNOUD DE MEYER. (PHOTO COURTESY OF SUTD.)

from both universities to attend – workshops and seminars on topics of joint interest. The universities will be sharing pedagogy and exploring curriculum spin-offs that may lead to new collaborative research projects. Postgraduate students will also enjoy collaboration and research mentorship of professors at the other university.

“We are delighted to partner with SMU to not only offer SUTD students the opportunity to take elective courses and pursue postgraduate programmes but also for student and faculty exchanges from both universities for research

and education, including co-curricular activities”, SUTD President Professor Thomas L. Magnanti said.

Professor Arnoud De Meyer added, “The rapid growth of Asia gives rise to several critical issues and opportunities. With SMU’s strengths in information security, behavioural sciences, and innovation in urban environments, we can play an important role together with SUTD in research to find viable solutions to address the issues and to seize new opportunities for knowledge creation.” ♦

Pioneer EMBA Graduates Set a High Benchmark

It is designed by more than 100 senior leaders across Asia. It has the most senior class profile in the world with the current intake consisting of 68% C-Suite executives. And it takes students to study at leading universities in four dynamic cities in an accelerated programme of nine, intense week-long sessions spread over 12 months. It is the SMU Executive MBA, or “EMBA”.



SMU’S PIONEER COHORT OF EMBA STUDENTS AT THE WHARTON SCHOOL IN THE US.

Now, the first cohort of SMU EMBA students has graduated, and they have set a high benchmark. “SMU’s pioneer EMBA class must be one of the best ever assembled in the world,” said EMBA graduate Terence Tan, who is also SMU’s Vice President of Human Resources and Faculty Administration. The class comprised 29 senior executives from 10 countries, with an average age of 43 and 19 years of working experience. They included chief executive officers, a chief operating officer, managing directors, general managers and business directors, experts in finance, banking and insurance, human resource management, information technology, negotiation, the health industry and successful entrepreneurs.

The graduates were full of praise for the quality and content of the course. “The EMBA experience is not so much about what we have learned as it is about how we learned it – the academic as well as the cultural – and the richness of the experience we have shared,” said Mr Darren O’Brien, MD of Grocery, Kraft Foods Australia. The class had studied together under the guidance of eminent academics and business leaders, with study periods at The Wharton School of the University of Pennsylvania (USA), Indian School of Business in Hyderabad (India), Peking University in Beijing (China) and, of course, the Lee Kong Chian School of Business at SMU (Singapore). ♦



Reaching Out to the Acting Manpower Minister

SMU students had a taste of their own “national conversation” when they engaged Acting Manpower Minister Tan Chuan-Jin at a REACH dialogue.

Acting Minister for Manpower Mr Tan Chuan-Jin, who is also the Senior Minister of State for National Development came to SMU on 28 August 2012, for a post-National Day Rally “Kopi Talk” session with SMU students, co-organised by the government feedback unit, REACH and SMU student club, Apolitical. “Kopi” is the local vernacular for coffee.

Questions raised by students included: “Does Singapore’s quest to stay ahead of the pack influence its leaders to stick to what works, instead of adopting radical solutions?” and “In conducting a national conversation, would Singaporeans be given the necessary tools and space to participate?”

In the three-hour dialogue, about 150 students from SMU volleyed their questions at Acting Minister Tan and discussed issues ranging from how Singaporeans can help shape the nation’s future to issues on the divide between locals and foreigners.

Mr Tan said that while the Singapore government was not averse to change and would consult the public, there were “some



ABOVE: DATIN PADUKA MARINA MAHATHIR (LEFT) AND MS CLAIRE CHIANG AT THE SHIRIN FOZDAR LECTURE.

LEFT: ACTING MANPOWER MINISTER AND SENIOR MINISTER OF STATE FOR NATIONAL DEVELOPMENT, MR TAN CHUAN-JIN.

things which you would not want to rock the boat unnecessarily for change’s sake.” The key is to strike the right balance when making decisions.

He said that while it would be silly not to tap the collective awareness when making decisions, it would not be easy to consult everyone on every major decision. He noted that social media could help in engaging Singaporeans and in sharing information.

In replying to the issue on foreigners not being able to find jobs in Singapore after they had graduated mostly due to a tightening in manpower policy, Mr Tan said that while the Government could manage manpower policies, only Singaporeans could decide how they would react as individuals on issues pertaining to foreigners.

He said that workplace discrimination is often the result of isolated incidents being magnified and that it would not be possible for the Government to impose specific values on the people. Individuals would have to be responsible for their own words and actions.

“The collective character and values cannot be decided by the Government... Eventually, all our individual choices make up who we are as a community,” remarked Mr Tan. ♦

Advancing Women

Shirin Fozdar, born in 1905 in Bombay, India, is best remembered as a fearless and outspoken advocate and pioneer of women’s rights. Even in her early years when she was still in school, she had already started making public speeches on social and women’s issues. Today, her passion to enhance, empower and support the causes of women in Singapore and the region lives on through the Shirin Fozdar Trust Fund, established at SMU under the custodian of the Wee Kim Wee Centre since 2003.

In early March 2012, the Wee Kim Wee Centre proudly hosted for the third time *Women in the Community* – an annual international women’s conference designed to enhance understanding and awareness of issues and challenges (and prospects) facing women in Singapore and the region.

The third annual Shirin Fozdar Lecture was delivered by Datin Paduka Marina Mahathir from Malaysia, internationally renowned for her ceaseless efforts to bring about a more just, caring and forward-looking society. There were also several other distinguished speakers coming from such countries as Australia, Cambodia, India, Pakistan, Philippines, Thailand, UK, USA, Vietnam who shared their perspectives on Participative Leadership, the theme for this year’s conference.

Exactly six months later on 1 September 2012, the *Women on the Move* conference under the Shirin Fozdar Programme examined the issues faced by women as they take on various roles in the community, and play their part to contribute – whether as a home-maker, office worker or business leader.

Ms Claire Chiang, Chairperson of the Shirin Fozdar Programme, puts it best, “Women on the move are both ‘threats’ as well as ‘opportunities’ in society. ‘Threats’ because women do compete with men – women are able to set up their own terms, shape the rules of the corporate games, as well as the dynamics of the global and cyber marketplace; ‘opportunities’ because their talents will drive the progress of society in all aspects and at all levels.” She advised the enthused audience that it was important for women to regularly review and evaluate their lives at different stages in order to compose and recompose themselves, take control and make informed choices. That way, they will be able to then step out and overcome the challenges that women face in their lives, at the workplace and in society.

Following the keynote speech by Ms Chiang, participants also benefitted from a panel discussion and workshops where they picked up cognitive, emotional, entrepreneurial, practical and creative tools which served to help women create more opportunities in their lives.

On the topic of female equality and inclusivity in the corporate world, SMU was also a platform for conversation and discourse at an event held on 6 March 2012 to commemorate International Women’s Day. At the forum, which was jointly organised by SMU and Procter & Gamble and themed The Business Case for Diversity and Inclusion, four distinguished lady speakers representing the corporate and NGO sectors drove home the message that diversity and inclusion can provide endless potential for business growth. ♦

Building the SMU Brand

SMU has a distinctive identity built on the reputation of its graduates among employers, their remarkable achievements and contributions to society, and the quality of the research and thinking of world-class faculty members. Several creative and dynamic advertising campaigns have highlighted these strengths and the many other features. The Office of Corporate Communications & Marketing (OCCM) has now extended brand-building beyond advertising, with the launch of The SMU Shop and a major overhaul of the University website.

Own the brand at The SMU Shop

Enthusiastic students used to produce short runs of SMU “hoodies” and the schools and offices produced SMU-branded items on an ad hoc basis. There was a demand for SMU branded goods, but these were in short supply – until The SMU Shop celebrated its grand opening in August 2012. As Ms Shirley Goh, Manager at the Office of Undergraduate Admissions, said, “The SMU Shop is something we have been waiting for. I’m delighted that it is finally here!”

Alan Goh, Vice President, Corporate Communications & Marketing, led his corporate marketing team in developing a refreshing, innovative and trendy store that fosters a greater sense of identity, spirit and pride within the University community.

During the official opening, President Arnaud De Meyer explained OCCM’s strategy, “We gave our undergraduates the opportunity to participate in the setting up of this enterprise. They were involved in designing the ‘look and feel’ of the shop, negotiations with vendors and in designing, sourcing and pricing the merchandise. Some of them are now helping to run the shop”.

TOP RIGHT: ALAN GOH, VP FOR CORPORATE COMMUNICATIONS & MARKETING (BACK ROW, RIGHT), BENNY TOH, HEAD OF CORPORATE MARKETING (FRONT ROW, THIRD FROM RIGHT) TOGETHER WITH STUDENTS AND MEMBERS OF THE CORPORATE MARKETING TEAM.

ABOVE RIGHT: SMU PRESIDENT PROF ARNOUD DE MEYER (CENTRE), SENIOR VP FOR FINANCE SIM TEOW HONG (RIGHT), AND ALAN GOH (LEFT).



Changing how the world sees SMU online

A complete reworking of the SMU website was a landmark achievement when it was launched on 1 September 2012. It was the result of the close collaboration between OCCM and Integrated Information Technology Services (IITS) which conducted research and then managed the design and development of the site. Personnel from the School of Information Systems, Institute of Service Excellence at SMU, and the Provost’s Office were also involved in the various stages to provide feedback from their own unique perspectives.

Dubbed NextWeb, it was designed to reach out to a global audience which includes the SMU community as well as prospective students, faculty and staff, alumni, donors and employers. It enhances SMU’s positioning as the University for the World of Business and Management with

a contemporary look and feel that is infused with vibrant images and has rich-media applications such as video and podcast capability to enrich the browsing experience.

An entirely new system that catalogues SMU’s research articles and its suite of postgraduate programmes is also more accessible. An advanced feature is the site’s responsive design, which ensures a consistent user experience across a range of mobile and desktop devices.

Despite all the additional features, NextWeb simplifies website management, to enhance operational efficiency.

Benny Toh, Head of Corporate Marketing in OCCM, said that the new format has been very well-received. “People were mainly impressed with the modern and professional outlook, and the responsive capability pleasantly surprised many,” he remarked. ♦

Singapore Service Excellence Medallion

On 28 November 2011, the inaugural Singapore Service Excellence Medallion ceremony was held at the Capella Singapore Hotel on Sentosa.



MEMBERS OF THE 2012 MEDALLION GOVERNING COUNCIL AND COMMITTEE, INCLUDING PROF RAJENDRA K. SRIVASTAVA, PROVOST AND DEPUTY PRESIDENT (ACADEMIC AFFAIRS) SMU (BACK ROW, FAR LEFT), TOGETHER WITH SINGAPORE PRESIDENT TONY TAN KENG YAM (FRONT ROW, THIRD FROM LEFT).

Organised by the Institute of Service Excellence at SMU (ISES) and supported by four agencies, namely the National Trades Union Congress, Spring Singapore, Singapore Tourism Board and the Singapore Workforce Development Agency, the Medallion is the nation’s highest accolade presented by the GEMS (Go the Extra Mile for Service) Up movement. This award is to recognise eminent achievements of organisations and individuals who have inspired a culture of service excellence. ISES’ role in GEMS Up has been in the area of research and thought leadership for service by developing and administering the Customer Satisfaction Index of Singapore (CSISG), a national barometer of customer satisfaction with various sectors of the Singapore economy.

Singapore President Tony Tan Keng Yam, who graced the awards ceremony as the Guest of Honour, conferred the Organisation and Individual Medallions on the deserving recipients. Changi Airport Group, the manager and operator of the internationally lauded Changi Airport, beat other public and private sector organisations to emerge tops in the Organisation category. A sales advocate of audio-visual retailer, Atlas Sound & Vision, clinched the Individual Medallion for his “empathy for customers” by going to great lengths to serve his customers even when he was on leave or off-duty.

The Gift of Knowledge from Two New Scholarships

It is SMU's policy that no deserving student will be denied an SMU education because of fees. On average, one in six undergraduate students applies for financial assistance and they receive help as long as they meet the criteria. Furthermore, one in twelve undergraduates receives a scholarship, and most scholarships offered at SMU are bond-free.

There is also a comprehensive range of study awards to enable students to participate in exchange programmes, community service projects and even work-study grants so that students in need can work part-time on campus.

This financial support can, to a large extent, be attributed to the generosity of various donors. They range from fellow students, alumni and professors, to corporations and philanthropists, such as those below, who share SMU's vision.

Charlie Chia Cheng Guan Scholarship

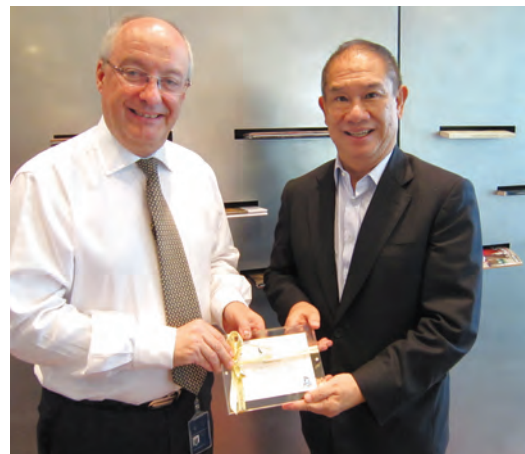
The two inaugural Charlie Chia Cheng Guan scholars received their awards at a celebratory lunch with Mr Timothy Chia and his family. "My friends were thrilled that I had the opportunity to meet Mr Timothy Chia, especially since he sits on SMU's Board of Trustees and has vast experience in the finance industry," said scholarship recipient Heng Xiangle, a third-year Business and Economics double degree student.

Mr Timothy Chia Chee Ming and his family established the Charlie Chia Cheng Guan Scholarships to honour the memory of his late father, who founded the United Motor Works (UMW) Group in Malaysia in 1917. The



ABOVE: MRS CECILIA WEE CHONG JIN WITH LAW UNDERGRADUATE EUGENE NEO ZHI WEI, ONE OF THE INAUGURAL WEE CHONG JIN SCHOLARSHIP IN LAW RECIPIENTS.

LEFT: SMU TRUSTEE MR TIMOTHY CHUA WITH PRESIDENT DE MEYER.



two bond-free scholarships give preference to Singaporean accountancy, business, economics or law undergraduates with financial needs in their second, third or final year.

"My late father was deprived of the opportunity to further his studies when he was young. It is my hope that this scholarship will enable more deserving students to benefit from the quality undergraduate programmes that SMU offers," said Mr Timothy Chia.

Tan Yan Zhen, a second-year undergraduate in the School of Accountancy, who also received the Charlie Chia Cheng Guan Scholarship said, "Mr Charlie Chia was a humble individual though he was such a successful businessman. This inspires me to emulate his success, and I hope to be able to give back to society, just as the Chia family has done."

Wee Chong Jin Scholarship in Law

Naming the Wee Chong Jin Scholarship in Law in honour of the first Asian to be appointed Singapore's Chief Justice sends a clear signal of the highest expectations of its recipients. Mr Wee Chong Jin (1917–2005) was appointed head of Singapore's Supreme Court Judiciary in 1963, ending the century-old tradition of appointing British Chief Justices. He was a man of many achievements, and was conferred the honorary Doctorate in Civil Law from Oxford University in 1987. When he retired in 1990, he held the record for being the longest serving Chief Justice in the Commonwealth.

One scholarship will be awarded annually and in perpetuity. In the spirit of Mr Wee's own achievements it is available to a local Bachelor of Laws undergraduate who has good academic results, is active in community or charity work and displays a spirit of sportsmanship and collegiality. The bond-free scholarship provides financial support towards annual tuition fees and study-related expenses for one year, subject to maintaining good academic performance and meeting other necessary conditions.

This Scholarship is made possible by Mrs Cecilia Wee Chong Jin, wife of the late Mr Wee, and family. They hope that present and future students will be inspired by the qualities of integrity, passion and hard work which marked Mr Wee's life-time achievements and legal career. ♦

Alumni Giving Back



THE CLASS OF 2012 ARE CONTINUING THE TRADITION OF GIVING BACK TO THEIR ALMA MATER.

Senior Class Gift

It all started as a simple gesture of appreciation to their alma mater. Today, it is rooted as one of the traditions of graduation from SMU. Upholding the custom, the graduating class of 2012 made a collective Senior Class Gift to SMU to celebrate their transition from students to alumni. The practice was started by SMU's pioneer cohort when they graduated in 2004. The funds raised this year will be channelled to a Graduating Class Scholarship of 2012, for the benefit of their juniors in financial need.

Over 40% of the 1,929-strong graduating cohort contributed to this year's Senior Class Gift. Funds raised through pledges total more than S\$24,000 to date.

Mentoring their juniors

In addition to donations, SMU alumni are continuing to give back to their alma mater in other ways. The alumni mentoring programme, for example, has just completed its fourth run. Under the programme, undergraduates are taken under the wings of their graduate seniors to learn the ins and outs of the working world, and gain first-hand knowledge and insights into different industries. The programme has attracted over 60 alumni and 112 students in the short two years since it was first conceptualised. ♦

UOB and SMU Launch Asia’s First Institute for SMEs

According to a survey conducted by the United Overseas Bank (UOB) in December 2011, more than a third of businesses plan to expand into other Asian countries in 2012. It was thus timely that, on 20 September 2012, the UOB-SMU Asian Enterprise Institute was launched. Aside from providing consulting services, the Institute will focus on equipping SMEs with the information they need to venture abroad.



SMU PRESIDENT PROF ARNOUD DE MEYER (LEFT) AND MR WEE EE CHEONG, DEPUTY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER, UOB GROUP.

The new Institute was made possible by a generous donation of S\$3 million by UOB and an additional amount of S\$2 million pledged by its customers. A matching grant from the Ministry of Education brings the total donation to S\$10 million.

In the last five years, under the UOB-SMU Entrepreneurship Alliance, the forerunner of the Institute, more than 560 senior-year SMU students provided consulting services to over 170 companies. They worked on more than 220 SME business consulting projects in various sectors including retail, lifestyle, education, construction, agriculture, manufacturing and waste management. The projects focuses were also varied – from finance, management skills, marketing and branding to business expansion.

The SME Consulting Programme clearly presents a win-win for both SMU students and the SMEs. SMU President Professor Arnaud De Meyer said, “The SMEs receive professional service at a highly subsidised rate, while our students gain new perspectives about local businesses, and also get the exceptional opportunity of applying theoretical knowledge to real-world issues. This hands-on experience is unique and it definitely gives our SMU students a competitive edge in the job market. This ‘early exposure’ also serves to encourage some of our students to consider a career with the SMEs after graduation and make their contribution in this vibrant sector.” ♦

INTERNATIONAL TRADING CENTRE’S S\$5 MILLION ENDOWMENT



The International Trading Institute (ITI) has made important contributions towards promoting Singapore as a commodities hub. SMU students that have gone through the International Trading Track have established themselves in international trading firms such as Shell, Louis Dreyfus and Stemcor amongst many others. In 2012, ITI achieved self-sustainability through a S\$5 million endowment fund made possible through the support of SMU, industry partners, International Enterprise Singapore and the Ministry of Education, highlighting their firm belief in the programme. ITI will also be renamed as the International Trading Centre@SMU (ITC@SMU) to better reflect its efforts to focus on the development of undergraduate talent for the trading sector.

LIST OF PRINCIPAL DONORS

(Gifts accumulated as of 31 March 2012)

OUR VISIONARIES (S\$10 million and above)

Kuok Khoon Hong/Wilmar International Limited
Lee Foundation
Dr Li Ka-shing & Hutchison Whampoa Group
Ngee Ann Kongsi
Temasek Holdings (Private) Limited

OUR CHAMPIONS (S\$3 million & above)

Ho Bee Investment Ltd
Keppel Corporation Ltd
Lien Foundation
Maritime & Port Authority of Singapore
Mochtar Riady
United Overseas Bank Group / Overseas Union Bank Ltd
Yong Shook Lin Trust

OUR LEADERS (S\$1 million & above)

BNP Paribas
Tan Sri Dato Chua Ma Yu
DBS Bank Ltd
Far East Organization
Fullerton Financial Holdings (International) Pte Ltd
Goh Foundation
Johnson & Johnson Pte Ltd
Kewalram Chanrai Group
Dato’ Kho Hui Meng
Kuok (Singapore) Limited
Laurence Moh
Lienfung Li Ho
Neptune Orient Lines Ltd
Patrick Lee Kwok Kie and family
Prima Limited
SAS
The Shaw Foundation Pte
Singapore Totalisator Board
Tanoto Foundation
Temasek Foundation
Tommie Goh
Victor and William Fung Foundation
Mr & Mrs Wong Kwok Leong

OUR PARTNERS (S\$500,000 & above)

Bangkok Bank Public Company Limited (Singapore Branch)
Citi Singapore
Credit Suisse
Emirates National Oil Company LLC (ENOC)
The Hokkien Foundation
HSBC
The Ian Ferguson Foundation
Family of Keng Soon Group
MobileOne Ltd
Oversea-Chinese Banking Corporation Limited
PSA International Pte Ltd
Singapore Chinese Chamber of Commerce & Foundation
Sum Yee Loong
Target Asset Management Pte Ltd
Timothy Chia Chee Ming
Villa Foundation
Vitol Asia Pte Ltd

OUR BENEFACTORS (S\$250,000 & above)

The American Chamber of Commerce in Singapore
Anil Thadani
Capital International
Mrs Cecilia Wee Chong Jin and family
Char Yong (Dabu) Foundation Limited
Chua Ek Kay
CVC Asia Pacific (Singapore) Pte Ltd
DFS Venture Singapore Pte Ltd
Doris and Mick Aw
Dou Yee Enterprises (Singapore) Pte Ltd
Ernst & Young Solutions LLP
InterChem Pte Ltd
Isetan Foundation
Jardine Cycle & Carriage Limited
K H Tan
KPMG LLP
Kwek Leng Keow
Olam International Ltd
Permira Advisers LLP
Pontiac Land Group
Stemcor (S.E.A.) Pte Ltd
Dr Ting Choon Meng
Toh Kian Chui Foundation
TPG Capital (S) Pte Ltd

THE YOUNGEST UNIVERSITY TO BE AWARDED BOTH THE AACSB AND EQUIS ACCREDITATION. **WE MEAN BUSINESS.**

**The University for
the World of Business
and Management.**

Earning one prestigious professional accreditation for a university is remarkable enough. Winning two within the same year, well, simply means we have to work doubly hard to live up to our reputation as one of Asia's premier universities for business and management. Already well known for our pioneering multi-disciplinary interactive pedagogy, Singapore Management University will continue to push the boundaries of higher education with the advantage of youth on our side.

ANNUAL FINANCIAL STATEMENTS **31 March 2012**

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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 2012.

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
Mr Zulkifli Bin Baharudin	Dr Loo Choon Yong
Mr Beh Jit Han	Mr Sanjiv Misra
Professor Janice R Bellace	Mr Dilhan Pillay Sandrasegara
Professor Antonio Borges (Appointed on 12 January 2012)	Ms Saw Phaik Hwa
Mr Chia Chee Ming Timothy	Mr Chartsiri Sophonpanich
Dr Choong May Ling	Mr Anil Thadani
Ms Chua Sock Koong	Mr Robert Michael Tomlin
Dr Gan See Khem	Mr Andrew Y. Yan
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

17 August 2012



Ms Saw Phaik Hwa
Trustee

Statement by Trustees

In the opinion of the Trustees,

- (a) 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 2012 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
- (b) 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

17 August 2012



Ms Saw Phaik Hwa
Trustee

Independent Auditor’s 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 2012, 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, Chapter 50 (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 account and balance sheet and to maintain accountability of assets.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 2012, 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

17 August 2012

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

		OPERATING FUNDS						ENDOWMENT FUND		TERM FUNDS		TOTAL	
		General fund		Other funds		Total general and other funds							
Note		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Revenue	4	68,289	63,885	18,650	17,469	86,939	81,354	–	–	–	–	86,939	81,354
Investment (losses)/gains	4	(224)	14,539	2	1	(222)	14,540	(635)	25,708	17	1,298	(840)	41,546
Other miscellaneous gains	4	12,639	10,506	207	268	12,846	10,774	–	–	7,649	5,875	20,495	16,649
Expenses													
· Employee benefits	5	(127,749)	(120,478)	(4,534)	(2,791)	(132,283)	(123,269)	–	–	–	–	(132,283)	(123,269)
· Depreciation and amortisation	14, 15	(21,444)	(23,432)	(85)	(59)	(21,529)	(23,491)	–	–	–	–	(21,529)	(23,491)
· Finance – bank borrowings		(2,969)	(3,754)	–	–	(2,969)	(3,754)	–	–	–	–	(2,969)	(3,754)
· Other expenses	6	(57,717)	(53,996)	(8,322)	(6,864)	(66,039)	(60,860)	(1,704)	(1,872)	(4,875)	(5,388)	(72,618)	(68,120)
Total expenses		(209,879)	(201,660)	(12,941)	(9,714)	(222,820)	(211,374)	(1,704)	(1,872)	(4,875)	(5,388)	(229,399)	(218,634)
(Deficit)/surplus before government grants		(129,175)	(112,730)	5,918	8,024	(123,257)	(104,706)	(2,339)	23,836	2,791	1,785	(122,805)	(79,085)
Government grants	7	133,767	132,140	298	110	134,065	132,250	–	–	–	–	134,065	132,250
Transfer to Operating funds from Term funds		4,219	3,253	246	272	4,465	3,525	–	–	(4,465)	(3,525)	–	–
Net surplus/(deficit)		8,811	22,663	6,462	8,406	15,273	31,069	(2,339)	23,836	(1,674)	(1,740)	11,260	53,165
Other comprehensive Income, net of tax		–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive Income for the year		8,811	22,663	6,462	8,406	15,273	31,069	(2,339)	23,836	(1,674)	(1,740)	11,260	53,165

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

Balance Sheet

AS AT 31 MARCH 2012

	Note	2012 \$'000	2011 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	330,846	274,735
Grants and other receivables	10	107,382	56,227
Student loans	11	11,162	6,562
Financial assets at fair value through profit or loss	12	629,161	688,530
Derivative financial instruments	13	5,595	9,728
		1,084,146	1,035,782
Non-current assets			
Grants receivable	10	37,328	56,372
Student loans	11	60,725	56,724
Property, plant and equipment	14	328,548	344,904
Intangible assets	15	441	325
		427,042	458,325
Total assets		1,511,188	1,494,107
LIABILITIES			
Current liabilities			
Development grants received in advance	16	5,368	6,963
Research grants received in advance	17	8,017	7,579
Other grants received in advance		3,748	2,282
Other payables	18	38,767	39,706
Derivative financial instruments	13	1,830	5,282
Borrowings	19	18,954	20,949
Advances for student loans	20	10,980	6,357
		87,664	89,118
NET CURRENT ASSETS		996,482	946,664
Non-current liabilities			
Borrowings	19	50,543	69,495
Advances for student loans	20	57,706	54,646
Deferred capital grants	21	328,604	344,803
Sinking fund	22	25,794	21,512
		462,647	490,456
Total liabilities		550,311	579,574
NET ASSETS		960,877	914,533
FUNDS AND RESERVES			
Accumulated surplus			
· General fund		294,171	285,360
· Other funds		40,251	33,789
		334,422	319,149
Endowment fund	23	573,839	541,094
Term funds	24	52,616	54,290
		960,877	914,533

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 2012

	ACCUMULATED SURPLUS			ENDOWMENT FUND	TERM FUNDS	TOTAL
	General fund \$'000	Other funds \$'000	Total \$'000	\$'000	\$'000	\$'000
2012						
Beginning of financial year	285,360	33,789	319,149	541,094	54,290	914,533
Total comprehensive income for the year	8,811	6,462	15,273	(2,339)	(1,674)	11,260
Government grants	–	–	–	23,055	–	23,055
Donations	–	–	–	12,029	–	12,029
End of financial year	294,171	40,251	334,422	573,839	52,616	960,877
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

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

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2012

	2012 \$'000	2011 \$'000
Cash flows from operating activities		
Deficit before government grants	(122,805)	(79,085)
Adjustments for:		
· Depreciation and amortisation	21,529	23,491
· Dividend income	(2,229)	(2,098)
· Fair value loss/(gains)	8,992	(32,384)
· Interest expense	2,969	3,754
· Interest income	(5,923)	(7,064)
· Loss/(gain) from disposal of property, plant and equipment	10	(16)
Operating cash flow before working capital change	(97,457)	(93,402)
Change in operating assets and liabilities:		
· Other payables	4,896	4,994
· Other receivables	(56,437)	(1,356)
· Student loans	(8,601)	(7,827)
Cash used in operations	(157,599)	(97,591)
Interest paid	(2,969)	(3,754)
Net cash flows used in operating activities	(160,568)	(101,345)
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,302)	(4,134)
Purchase of intangible assets	(287)	(357)
Proceeds from disposals of property, plant and equipment	11	26
Proceeds from financial assets at fair value through profit or loss	43,639	29,032
Interest received	5,923	7,064
Dividends received	2,229	2,098
Net cash flows from investing activities	46,213	33,729
Cash flows from financing activities		
Repayment of borrowings	(20,947)	(21,348)
Grants received for advances for student loans	7,683	10,023
Government grants and donations received for Endowment fund	39,110	7,630
Research grants received	4,916	5,049
Operating grants received	137,479	159,393
Development grants received	2,225	739
Net cash flows from financing activities	170,466	161,486
Net increase in cash and cash equivalents	56,111	93,870
Cash and cash equivalents at beginning of financial year (Note 9)	274,735	180,865
Cash and cash equivalent at end of financial year (Note 9)	330,846	274,735

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 2012

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 April 2011. 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 period beginning on or after
Amendments to FRS 107 <i>Disclosures – Transfers of Financial Assets</i>	1 July 2011
Amendments to FRS 12 <i>Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012
Amendments to FRS 1 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Revised FRS 19 <i>Employee Benefits</i>	1 January 2013
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2013
Revised FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2013
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2013
FRS 111 <i>Joint Arrangements</i>	1 January 2013
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
FRS 113 <i>Fair Value Measurements</i>	1 January 2013
INT FRS 120 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014

Except for the Amendments to FRS 1, revised FRS 28 and FRS 112, the University Company expect 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 Amendments to FRS 1, revised FRS 28 and FRS 112 are described below.

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income (“OCI”) is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the University Company does not expect any impact on its financial position or performance upon adoption of this standard.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is effective for financial periods beginning on or after 1 January 2013.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. The University Company is currently determining the impact of the disclosure requirements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the University Company when implemented in 2013.

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.

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 that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

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.

(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 receivables 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.

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 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.

(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.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset 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.

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.

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 related party is defined as follows:

- (a) A person or a close member of that person’s family is related to the University Company if that person:
 - (i) Has control or joint control over the University Company;
 - (ii) Has significant influence over the University Company; or
 - (iii) Is a member of the key management personnel of the University Company or of a parent of the University Company.
- (b) An entity is related to the University Company if any of the following conditions applies :
 - (i) The entity and the University Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the University Company or an entity related to the University Company. If the University Company is itself such a plan, the sponsoring employers are also related to the University Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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 \$328,548,000 (2011: \$344,904,000).

4. Revenue and other miscellaneous gains

	OPERATING FUNDS						ENDOWMENT FUND		TERM FUNDS		TOTAL	
	General fund		Other funds		Total general and other funds							
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Tuition and other student-related fees	65,785	62,798	11,742	8,515	77,527	71,313	–	–	–	–	77,527	71,313
Conference fees	2,504	1,087	6,908	8,954	9,412	10,041	–	–	–	–	9,412	10,041
Total revenue	68,289	63,885	18,650	17,469	86,939	81,354	–	–	–	–	86,939	81,354
Interest income	2,137	2,503	2	1	2,139	2,504	3,562	4,299	222	261	5,923	7,064
Dividend income	778	732	–	–	778	732	1,384	1,303	67	63	2,229	2,098
Fair value (losses)/gains on financial assets at fair value through profit or loss	(3,139)	8,439	–	–	(3,139)	8,439	(10,650)	15,011	(516)	727	(14,305)	24,177
Fair value gains on derivatives	–	2,865	–	–	–	2,865	5,069	5,095	244	247	5,313	8,207
Investment (losses)/gains	(224)	14,539	2	1	(222)	14,540	(635)	25,708	17	1,298	(840)	41,546
Donations	–	–	–	–	–	–	–	–	7,649	5,875	7,649	5,875
Sponsorships	2,966	1,817	–	–	2,966	1,817	–	–	–	–	2,966	1,817
Rental income	6,059	5,801	–	–	6,059	5,801	–	–	–	–	6,059	5,801
Currency exchange gains/(losses)	119	254	10	(2)	129	252	–	–	–	–	129	252
Gain/(loss) on disposal of property, plant and equipment	(10)	17	–	(1)	(10)	16	–	–	–	–	(10)	16
Others	3,505	2,617	197	271	3,702	2,888	–	–	–	–	3,702	2,888
Other miscellaneous gains	12,639	10,506	207	268	12,846	10,774	–	–	7,649	5,875	20,495	16,649
	80,704	88,930	18,859	17,738	99,563	106,668	(635)	25,708	7,666	7,173	106,594	139,549

5. Employee benefits

	OPERATING FUNDS					
	General fund		Other funds		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Wages and salaries	114,246	108,361	3,982	2,461	118,228	110,822
Employer's contribution to Central Provident Fund	6,515	5,691	400	246	6,915	5,937
Other employee benefits	6,988	6,426	152	84	7,140	6,510
	127,749	120,478	4,534	2,791	132,283	123,269

6. Other expenses

	OPERATING FUNDS						ENDOWMENT FUND		TERM FUNDS		TOTAL	
	General fund		Other funds		Total general and other funds							
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Administrative expenses	27,660	26,585	3,994	2,496	31,654	29,081	–	–	600	1,220	32,254	30,301
Scholarships and awards	5,514	5,731	12	77	5,526	5,808	–	–	4,192	4,078	9,718	9,886
Investment management expenses	958	1,052	–	–	958	1,052	1,704	1,872	83	90	2,745	3,014
Library books, Periodicals and database	3,853	4,008	115	75	3,968	4,083	–	–	–	–	3,968	4,083
Professional and instructor fees	7,542	5,666	4,187	4,200	11,729	9,866	–	–	–	–	11,729	9,866
Utilities and facility management	12,190	10,954	14	16	12,204	10,970	–	–	–	–	12,204	10,970
	57,717	53,996	8,322	6,864	66,039	60,860	1,704	1,872	4,875	5,388	72,618	68,120

7. Government grants

	2012 \$'000	2011 \$'000
Operating grants received/receivable	121,633	111,057
Operating grants received for interest charges incurred on bank borrowings	2,512	3,384
Transfer from research grants received in advance (Note 17)	1,061	1,471
Transfer to deferred capital grants (Note 21)	(3,413)	(3,479)
Less: Goods and services tax payable for tuition fee Grant	(14,577)	(13,930)
Operating grants – net	107,216	98,503
Development grants utilised (Note 16)	1,946	2,934
Research grants utilised (Note 17)	3,354	4,475
Deferred capital grants amortised (Note 21)	21,549	26,338
	134,065	132,250

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.

9. Cash and cash equivalents

	2012 \$'000	2011 \$'000
Cash at bank and on hand	15,623	40,346
Short-term bank deposits	256,848	171,517
Amounts under fund management (Note 31(b))	58,375	62,872
	330,846	274,735

The short-term bank deposits at balance sheet date have an average maturity of 50 days (2011: 62 days) from the end of the financial year with the following weighted average effective interest rates:

	2012 %	2011 %
Singapore Dollar	0.28	0.33

10. Grants and other receivables**(a) Grants and other receivables**

	2012 \$'000	2011 \$'000
Current		
Other receivables	67,866	9,567
Grants receivable	39,516	46,660
	107,382	56,227
Non-current		
Grants receivable	37,328	56,372
Total grants and other receivables	144,710	112,599

(b) Other receivables

	2012 \$'000	2011 \$'000
Deposits	150	254
Fees and rental receivable (Note 31(a))	4,646	3,475
Goods and services tax receivable	357	329
Interest and dividend receivables	112	81
Prepayments (Note 32)	3,894	2,988
Receivables from brokers (Note 31(b))	3,981	2,397
Staff loans	60	43
Payment for investments (Note 31(b))	52,809	–
Receivable from a related party	1,857	–
Other receivables	67,866	9,567

Included in other receivables is an amount of \$1,857,293 (2011: Nil) due from a related party which is non-trade in nature, interest-free and is repayable on demand.

Payment for investments of \$52,808,700 (2011: Nil) refers to payment made but pending allocations and issuance of share units.

(c) Grants receivable

	2012 \$'000	2011 \$'000
Current	39,516	46,660
Non-current		
· Later than one year and not later than five years	37,328	56,372
· Later than five years	–	–
	37,328	56,372
Total grants receivable	76,844	103,032

Included in grants receivable is an amount of \$50,203,035 (2011: \$71,923,873) 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.

11. Student loans

	2012 \$'000	2011 \$'000
Current	11,162	6,562
Non-current	60,725	56,724
Student loans	71,887	63,286

Student loans comprise of principally student tuition fee, study loans and overseas studies programme 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% (2011: 4.75%) per annum.

12. Financial assets at fair value through profit or loss

	2012 \$'000	2011 \$'000
Held for trading		
Quoted:		
· Equity securities	79,856	99,120
· Government bonds	7,206	13,559
· Other bonds	68,620	104,187
· Unit trust funds	228,579	293,388
	384,261	510,254
Unquoted:		
· Securities	219,646	135,368
· Unit trust funds	25,254	42,908
	244,900	178,276
Financial assets at fair value through profit or loss (Note 31(b))	629,161	688,530

The weighted average effective interest rate for government and other bonds at the balance sheet date was 3.50% (2011: 4.23%).

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
2012			
Currency forwards	774,232	5,102	(1,828)
Currency options	142,398	493	–
Others	24	–	(2)
Derivative financial assets/(liabilities) (Note 31(b))	916,654	5,595	(1,830)
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)

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

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
2012											
<i>Cost</i>											
Beginning of financial year	102,658	336,089	234	7,835	75,522	22,242	10,406	181	8,521	30	563,718
Additions	–	–	–	261	20	3,341	738	91	851	–	5,302
Disposals	–	–	–	(269)	–	(2,431)	(368)	–	(448)	–	(3,516)
End of financial year	102,658	336,089	234	7,827	75,542	23,152	10,776	272	8,924	30	565,504
<i>Accumulated depreciation</i>											
Beginning of financial year	30,004	73,323	234	4,588	74,702	19,559	8,730	81	7,593	–	218,814
Depreciation charge	3,461	12,525	–	1,739	403	1,785	1,034	20	391	–	21,358
Disposals	–	–	–	(91)	–	(2,396)	(298)	–	(431)	–	(3,216)
End of financial year	33,465	85,848	234	6,236	75,105	18,948	9,466	101	7,553	–	236,956
<i>Net carrying amount</i>											
End of financial year	69,193	250,241	–	1,591	437	4,204	1,310	171	1,371	30	328,548
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
Reclassification/Adjustment	(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.

15. Intangible assets

	2012 \$'000	2011 \$'000
Computer software licenses costs		
<i>Cost</i>		
Beginning of financial year	10,858	10,501
Additions	287	357
End of financial year	11,145	10,858
<i>Accumulated amortisation</i>		
Beginning of financial year	10,533	10,228
Amortisation	171	305
End of financial year	10,704	10,533
Net carrying amount at end of financial year	441	325

16. Development grants received in advance

	2012 \$'000	2011 \$'000
Government		
Beginning of financial year	6,963	9,494
Grants received/receivable	2,225	739
Interest income	–	6
Transfer to deferred capital grants (Note 21)	(1,874)	(342)
Transfer to statement of comprehensive income (Note 7)		
· Development grants utilised	(1,946)	(2,934)
End of financial year	5,368	6,963

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

	2012 \$'000	2011 \$'000
Government		
Beginning of financial year	6,899	8,161
Grants received	3,876	3,489
Transfer to deferred capital grants (Note 21)	(36)	(2)
Transfer to statement of comprehensive income (Note 7)		
· Transfer to operating grants	(1,061)	(1,471)
· Research grants utilised	(2,403)	(3,278)
End of financial year	7,275	6,899
Government agencies		
Beginning of financial year	680	357
Grants received	1,096	1,725
Less: Disbursements	(56)	(165)
Transfer to deferred capital grants (Note 21)	(27)	(40)
Transfer to statement of comprehensive income (Note 7)		
· Research grants utilised	(951)	(1,197)
End of financial year	742	680
Total	8,017	7,579

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

	2012 \$'000	2011 \$'000
Current		
Tuition fees received in advance (Note 32)	11,824	8,755
Refundable deposits	994	1,339
Payables to brokers (Note 31(b))	2,350	8,185
Other accrual for operating expenses	23,599	21,427
	38,767	39,706

19. Borrowings

	2012 \$'000	2011 \$'000
· Current	18,954	20,949
· Non-current	50,543	69,495
Borrowings	69,497	90,444
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	50,543	69,495
Later than five years	–	–
	50,543	69,495

Borrowings are unsecured, bear interest at 3.74% to 3.84% (2011: 3.74% to 3.84%) per annum.

20. Advances for student loans

	2012 \$'000	2011 \$'000
Beginning of financial year	61,003	55,250
Grants received/receivable	7,683	5,753
Interest income	968	200
Interest refunded to the Government	(968)	(200)
End of financial year	68,686	61,003
Current	10,980	6,357
Non-current	57,706	54,646
	68,686	61,003
Represented by:		
Other payables	(1,214)	(353)
Student loans	69,900	61,356
Advances for student loans	68,686	61,003

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

	2012 \$'000	2011 \$'000
Beginning of financial year	344,803	367,278
Transfer from development grants received in advance (Note 16)	1,874	342
Transfer from research grants received in advance (Note 17)	63	42
Transfer from operating grants (Note 7)	3,413	3,479
Amortisation of deferred capital grants (Note 7)	(21,549)	(26,338)
End of financial year	328,604	344,803

22. Sinking fund

	2012 \$'000	2011 \$'000
Beginning of financial year	21,512	16,987
Grants received/receivable	4,268	4,268
Investment gains	14	257
End of financial year	25,794	21,512
Represented by:		
Cash and cash equivalents	21,774	17,493
Interest and other receivables	332	14
Other payables	(14)	(48)
Financial assets at fair value through profit or loss	3,680	4,027
Derivative financial instruments	22	26
	25,794	21,512

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

	2012 \$'000	2011 \$'000
Endowment fund		
· Capital	499,553	464,469
· Accumulated surplus	74,286	76,625
	573,839	541,094
Represented by:		
Cash and cash equivalents	126,509	106,614
Grants receivable	23,055	10,318
Interest and other receivables	35,083	1,507
Other payables	(1,451)	(5,052)
Financial assets at fair value through profit or loss	388,319	424,963
Derivative financial instruments	2,324	2,744
	573,839	541,094

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

	2012 \$'000	2011 \$'000
Beginning of financial year	54,290	56,030
Donation received	7,649	5,875
Donation utilised	(9,257)	(8,823)
Investment (losses)/gains	(66)	1,208
End of financial year	52,616	54,290
Represented by:		
Cash and cash equivalents	32,035	33,728
Other receivables	1,701	73
Other student loans	30	19
Other payables	(70)	(245)
Financial assets at fair value through profit or loss	18,807	20,582
Derivative financial instruments	113	133
	52,616	54,290

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.

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:

	2012 \$'000	2011 \$'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:

	2012 \$'000	2011 \$'000
Property, plant and equipment	1,209	2,329

(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:

	2012 \$'000	2011 \$'000
Facilities rental under operating lease	2,115	2,210

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:

	2012 \$'000	2011 \$'000
Not later than one year	2,010	1,467
Later than one year but not later than five years	1,888	594
	3,898	2,061

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:

	2012 \$'000	2011 \$'000
Not later than one year	1,302	987
Later than one year but not later than five years	1,174	188
	2,476	1,175

27. Related parties transactions

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

	2012 \$'000	2011 \$'000
(a) Service fee income from a related party	125	–
(b) Consultancy fees paid to two Trustees	(225)	(278)
(c) Key management personnel compensation		
Key management personnel compensation is analysed as follows:		
Salaries and bonus	5,570	5,573
Central Provident Fund contributions	68	99
Other short-term benefits	2,088	1,767
Total	7,726	7,439

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

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

	2012	2011
\$100,001 – \$150,000	1	1
\$150,001 – \$200,000	–	–
\$200,001 – \$250,000	–	–
\$250,001 – \$300,000	1	1
\$301,000 – \$350,000	1	4
\$350,001 – \$400,000	2	2
\$400,001 – \$450,000	2	3
\$450,001 – \$500,000	3	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	–	–
\$1,100,001 – \$1,150,000	1	1
\$1,150,001 – \$1,200,000	–	–
\$1,200,001 – \$1,250,000	1	–
	14	16

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

28. Investment in Subsidiary

Name of subsidiary	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2012 %	2011 %
SMU Ventures Pte Ltd	Singapore	Investment holding	100	100

The financial statements of SMU Ventures Pte Ltd with a paid up capital of \$1 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 \$17,604,000 (2011: \$13,147,000) 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
2012				
Financial assets:				
Held for trading investments (Note 12)				
· Equity securities (quoted)	79,856	–	–	79,856
· Government bonds (quoted)	7,206	–	–	7,206
· Other bonds (quoted)	68,620	–	–	68,620
· Unit trust funds (quoted)	228,579	–	–	228,579
· Securities (unquoted)	–	219,646	–	219,646
· Unit trust funds (unquoted)	–	25,254	–	25,254
Derivative financial instruments (Note 13)				
· Currency forwards	–	5,102	–	5,102
· Currency options	–	493	–	493
At 31 March 2012	384,261	250,495	–	634,756
Financial liabilities:				
Derivative financial instruments (Note 13)				
· Currency forwards	–	1,828	–	1,828
· Others	2	–	–	2
At 31 March 2012	2	1,828	–	1,830
2011				
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

30. Fair value of financial instruments (continued)

(a) **Fair value of financial instruments that are carried at fair value** (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, Grants 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 receivables and borrowings are funded by the Government via advances for student loan funds and grants respectively. Thus, the net difference between the carrying amount and the fair value are not material.

(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, interest rate risk, credit risk and liquidity 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.

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 \$9,648,700 (2011: \$3,270,700) gain/loss respectively.

To manage the foreign currency exposure, the University Company implemented a currency hedging programme 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 \$30,844,500 (2011: \$38,020,000) 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. 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. However, these interests will be returned to the government as such loans are funded by the government.

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 \$4,167,000 (2011: \$6,104,500) decrease/increase in the fair value of financial assets at fair value through profit or loss.

31. Financial risk management (continued)

(a) Financial risk factors (continued)

(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.

Financial assets that are past due but not impaired

The University Company has fees and rental receivables amounting to \$3,070,000 (2011: \$1,497,000) 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:

	2012 \$'000	2011 \$'000
Current	1,576	1,978
1 to 30 days	1,018	419
31 to 60 days	502	85
61 to 90 days	549	389
91 to 120 days	122	189
More than 120 days	879	415
	4,646	3,475

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.

31. Financial risk management (continued)

(a) Financial risk factors (continued)

(v) Liquidity risk

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.

	2012 \$'000				2011 \$'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	629,161	–	–	629,161	688,530	–	–	688,530
Grants and other receivables (exclude prepayments)	103,488	37,328	–	140,816	53,239	56,372	–	109,611
Student loans	11,162	46,628	14,097	71,887	6,562	28,280	28,444	63,286
Cash and cash equivalents	330,846	–	–	330,846	274,735	–	–	274,735
Derivative financial instruments	5,595	–	–	5,595	9,728	–	–	9,728
Total undiscounted financial assets	1,080,252	83,956	14,097	1,178,305	1,032,794	84,652	28,444	1,145,890
Financial liabilities:								
Borrowings	21,003	53,151	–	74,154	23,690	74,383	–	98,073
Advances for student loans	10,980	44,786	12,920	68,686	6,357	26,631	28,015	61,003
Other payables less tuition fees received in advance	26,943	–	–	26,943	30,951	–	–	30,951
Derivative financial instruments	1,830	–	–	1,830	5,282	–	–	5,282
Total undiscounted financial liabilities	60,756	97,937	12,920	171,613	66,280	101,014	28,015	195,309
Total net undiscounted financial assets/(liabilities)	1,019,496	(13,981)	1,177	1,006,692	966,514	(16,362)	429	950,581

31. Financial risk management (continued)

(b) Amounts under fund management

The carrying amounts of funds under fund management by professional managers and held in trust by a custodian can be analysed as follows:

	2012 \$'000	2011 \$'000
Cash and cash equivalents (Note 9)	58,375	62,872
Financial assets at fair value through profit or loss (Note 12)	629,161	688,530
Derivative financial assets (Note 13)	5,595	9,728
Derivative financial liabilities (Note 13)	(1,830)	(5,282)
Receivables from brokers (Note 10)	3,981	2,397
Payment for investments (Note 10)	52,809	–
Payables to brokers (Note 18)	(2,350)	(8,185)
	745,741	750,060

32. Loans and receivables and financial liabilities at amortised cost

	2012 \$'000	2011 \$'000
Loans and receivables		
Cash and cash equivalents (Note 9)	330,846	274,735
Grants and other receivables (Note 10)	144,710	112,599
Less: prepayments (Note 10)	(3,894)	(2,988)
Student loans (Note 11)	71,887	63,286
	543,549	447,632
Financial liabilities at amortised cost		
Other payables (Note 18)	38,767	39,706
Less: tuition fees received in advance (Note 18)	(11,824)	(8,755)
Borrowings (Note 19)	69,497	90,444
Advances for student loans (Note 20)	68,686	61,003
	165,126	182,398

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. 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 17 August 2012.

FRONT COVER: SMU President, Professor Arnoud De Meyer leads four individuals characterising some of the many stakeholders whose "want something, do something" mindset, dynamism and collaborative efforts ensure the inexorable progress of SMU. Representing staff, faculty members, postgraduates and undergraduates, respectively, they are (L-R) Asha Choolani, Senior Manager of Postgraduate Research Programmes in the Office of Research; Nicholas Harrigan, Assistant Professor of Sociology in the School of Social Sciences; Wirashery Fangiono, MSc in Innovation; and Abbas Ali Mohamed Irshad, third-year undergraduate in the Lee Kong Chian School of Business.

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