



## A BETTER WORLD BY DESIGN









# **SUTD**

# **ANNUAL REPORT**

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## VISION

**Technology and design always have been and always will be essential for society's prosperity and well-being.**

Embracing this tenet as a call to action, SUTD is a leading research-intensive global university focused on technology and all elements of technology-based design.

It will educate technically-grounded leaders who are steeped in the fundamentals of science, mathematics and technology; are creative and entrepreneurial; have broad perspectives informed by the humanities, arts and social sciences; and are engaged with the world.

It will embrace the best of the East and West and drive knowledge creation and innovation, as well as innovative curriculum and teaching approaches.

Its faculty, students and staff will have

1. far-reaching aspirations to create a better world by design
2. the confidence and courage to try new ideas and approaches
3. a questioning spirit fuelled by the thrill of multi-disciplinary learning and doing, and
4. life-long competencies, especially the ability and appetite to learn and innovate.

By excelling in all these dimensions, SUTD will be viewed as the foremost university in the world for technology and design education and research.

## MISSION

To advance knowledge and nurture technically-grounded leaders and innovators to serve societal needs, with a focus on Design, through an integrated multi-disciplinary curriculum and multi-disciplinary research.

## ABOUT SUTD

SUTD was incorporated on 24 July 2009 as a Company limited by guarantee under the Companies Act, Chapter 50. SUTD has a Memorandum and Articles of Association as its governing instrument. It is an Institution of Public Character under the Charities Act, Chapter 37.

The principal activities of SUTD are in the advancement and dissemination of knowledge, the promotion of research and scholarships, and the conferring and awarding of degrees.







A portrait of Mr. Lee Tzu Yang, a middle-aged man with short dark hair, wearing a dark blue suit, a light blue shirt, and a dark patterned tie. He is smiling slightly and looking towards the camera. The background is a light, textured grey.

MR LEE TZU YANG

# CHAIRMAN'S MESSAGE



**Our Vision: 'to nurture technically grounded leaders and innovators who can better the world by design' is even more relevant today.**

This past year has been filled with tremendous challenges for SUTD and many others. When it began, no one could have anticipated the long drawn-out battle with the COVID-19 pandemic and the consequent global economic slowdown. All countries and organisations have been impacted by the effects of this outbreak. Some sectors have been completely upended and have had to find new ways to go forward. The education sector has had to make major adjustments and is still working to cater to what may become the new normal.

During this period, many of our faculty, graduates and students have contributed their efforts to help deal with urgent needs and ease transition to the new normal. Some of our alumni students helped with the development of GovTech's Trace Together app which supports Singapore's efforts to fight the spread of COVID-19 through community-driven contact tracing. We are working at last count on 19 research projects related to COVID-19.

With the safety restrictions on distancing between individuals put in place, it has been inevitable for organisations, including SUTD, to go digital and online. Technology is playing a crucial role in keeping our society functioning in a time of lockdowns and quarantines, and in the search for a vaccine. We are fortunate that in Singapore, technology has reached the stage where we are able to support this, but we must not forget there are some in our community who are disadvantaged and we must help them gain access. Deploying and adopting such technologies and designing the myriad ways for different people and organisations to use it for common benefit is no small feat. The use of human centred design grounded in technology, which is our passion at SUTD, is now clearly important. Our no-walls culture encourages interdisciplinary learning and creation of solutions. Our mission in education to develop talent to solve current problems and anticipate future challenges is key.

Our vision: 'to nurture technically grounded leaders and innovators who can better the world by design' is even more relevant today. With this goal in mind, the SUTD Academy has worked closely with partners including the Ministry of Education to provide Continuing Education and Training (CET) modules to help fresh graduates and others deepen their skills amidst the uncertain economic outlook. The University has taken the opportunity of the circuit breaker period to change the start of academic term from May to September, arranged a new programme of optional learning for the interim months, and adapted and improved our signature hands-on and design-centric curriculum. The integration of new learning and collaboration online will provide more flexibility and options for students, researchers and faculty, as we turn threats into opportunities.

Research at SUTD is moving steadily ahead. Over the year, our research funding saw an increase of \$85 million. We opened the CAAS-SUTD Aviation Studies Institute and 10 new start-ups were added to our entrepreneurship network. Our relationship with different industries continues to grow and we have added around 200 more partners to our network for research collaborations, projects, internships and employment opportunities for our students and researchers.

At our 10th Anniversary Gala Dinner in 2019, Deputy Prime Minister Heng Swee Keat exhorted SUTD to produce graduates who "dream, dare and define", to use design to improve the nation. The challenges we face, ranging from climate change, ageing of the population, disruption of established industries and supply chains, to the management of pandemics, are multi-faceted and require redesign of solutions at many levels. Learning to think outside-the-box must be an important part of the education we offer.

Looking ahead, there will be more change, and with change comes opportunities that I believe the University can grasp. As a leader of design innovation, SUTD will continue to provide strong direction and support to our partners, students and alumni as we face these challenges of the 21st century.

In conclusion I must thank our partners and donors for believing in and working with us. Our journey has been possible because of your support and sharing, and we look forward to continue working with you for a better world by design.



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Mr Lee Tzu Yang  
*SUTD Chairman*



A portrait of Prof Chong Tow Chong, a middle-aged man with dark hair and glasses, wearing a dark suit jacket over a light-colored shirt. He is smiling and standing outdoors with green foliage and a modern building in the background. The text 'PROF CHONG TOW CHONG' is overlaid in the top left corner.

PROF CHONG TOW CHONG

# PRESIDENT'S MESSAGE



**The challenges facing the world may become increasingly complex and daunting, but I believe that the young talents we nurture at SUTD will be able to rise up and face them.**

2019 was a year that SUTD celebrated its 10th Anniversary, an important milestone for our university. Our faculty, students and staff designed and built a unique time capsule to preserve significant innovations and milestones to ensure the future generations of SUTDians do not forget our roots. We also organised our 10th Anniversary Gala Dinner in October, graced by Deputy Prime Minister Heng Swee Keat and Emeritus Senior Minister Goh Chok Tong, to express our immense appreciation and gratitude to our supporters, donors, faculty and staff, for their efforts in helping to build up the university these past 10 years.

However, 2020 arrived with the onset of the COVID-19 pandemic causing massive upheaval, and leaving long-lasting effects on the entire world and the global economy. Singapore was not spared and the education sector was also greatly affected, with most academic institutions having had to modify the way lessons and other educational activities were conducted.

Many fundamental aspects of the SUTD campus life have had to be adjusted to suit the circumstances we are in this year. There were still many students overseas on either exchange programmes or internships during the period when the pandemic started raising international alarm. To help facilitate the safe return of our students, we established the SUTD Care Fund to provide some financial relief to students for irrecoverable expenses.

One major decision the university had to make was to push back the start of academic term for the 2020 Freshmore cohort from May to September. This was done to ensure that the incoming batch of freshmen will have a higher chance of experiencing first-hand SUTD's signature hands-on, design-centric cohort-based curriculum, rather than via online or remote learning.

SUTD is continually enhancing its education programmes to ensure that our graduates are future-proof. We launched the Design and Artificial Intelligence (DAI) degree programme this year. This is especially timely as the pandemic has sped up digital transformation, paving new ways for businesses to operate. Currently there are many growth opportunities to be seized in the digital and technology space, and the DAI, as well as all other SUTD degree programmes, have been designed to equip students with the relevant skillsets and critical thinking abilities to create innovative technology and design solutions to help improve lives and the world.

This year, we also launched the SUTD Community Grant which allows all existing and incoming Singaporean undergraduates who are not already receiving any form of financial aid or scholarships, to receive a fixed grant of \$1,500 per term (\$3,000 per year) for up to eight academic terms. This grant will allow all students who enrol in SUTD to get some form of subsidy or sponsorship for their tuition fees. Furthermore, we also enhanced the SUTD Education Opportunity Grant which provides financial support for students from lower and middle-income families to offset

their tuition fees. Together with the enhanced Higher Education Community Bursary from the Government, these students will receive a financial package equal to 100% of their tuition fees as well as full coverage of the hostel fees during the Freshmore terms. These grants help ensure that all eligible students who want to pursue an education in technology and design will not miss out on an SUTD education because of financial difficulties. Over 830 SUTD students benefitted from financial support in 2019.

Going forward, I believe that extraordinary times call for extraordinary action. However, as Benjamin Franklin once said, "Out of adversity comes opportunity". I would like to share the story of two of our Class of 2019 graduates, Kendrick Tay and Christopher Michael Wicks. During the circuit breaker period this year, Kendrick saw on Facebook that his batch-mate Christopher had been 3D printing ear guards for his friends working in the healthcare sector. These ear guards brought relief to the ears caused by long-term wearing of surgical masks. The two then banded together with a few other SUTD alumni to set up a Facebook group called SG Makers Against COVID-19, to coordinate with makers who own 3D printers at home and who volunteered to produce ear guards. This is a good example of our graduates seizing opportunities to serve societal needs despite the prevailing circumstances. The challenges facing the world may become increasingly complex and daunting, but I believe that the young talents we nurture at SUTD will be able to rise up and face them.

In closing, I want to thank our donors, benefactors, friends, faculty, staff and students for their belief and strong support in the past decade. We will continue to strengthen our role of nurturing world-class leaders and innovators, with a firm grounding in design and technology, who can serve societal needs.




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Professor Chong Tow Chong  
*SUTD President*



# SUTD AT A GLANCE

## OVERVIEW

The Singapore University of Technology and Design (SUTD) is one of the first universities in the world to incorporate the art and science of design and technology into a transdisciplinary, human-centric curriculum. SUTD seeks to advance knowledge and nurture technically-grounded leaders and innovators to serve societal needs. A research-intensive university, SUTD is distinguished by its unique East and West academic programmes which incorporate elements of innovation, entrepreneurship, design thinking and local and international industry collaborations. SUTD will focus in key areas – Healthcare, Cities and Aviation, supported by capabilities in Artificial Intelligence/Data Science and Digital Manufacturing.

## SUTD FIGURES AT A GLANCE\*

<b>55</b> Partnerships in 22 Countries	<b>41</b> Summer Programmes	
<b>152</b> Exchange Opportunities	<b>87</b> Students gained regional exposure to <b>ASEAN</b>	
<b>103</b> Courses taken over from MIT, SMU and ZJU (94 from MIT, 4 electives from SMU, 5 electives from ZJU)		
SUTD Academy has <b>Trained 578 Adult Learners</b>		
<b>431</b> Undergraduates Graduated	<b>164</b> Masters & PhD Students Graduated	
<b>155</b> Faculty	<b>368</b> Administrative Staff	<b>410</b> Researchers

\*Figures are accurate as of 31 March 2020







## EDUCATION

SUTD undergraduate programmes begins with a three-term Freshmore curriculum that is grounded in the fundamentals of science, mathematics, design and Humanities, Arts and Social Sciences (HASS), followed by a focus in one of five areas for the next five terms.

The five focus areas are:

**Architecture and Sustainable Design**  
**Engineering Product Development**  
**Engineering Systems and Design**  
**Information Systems Technology and Design**  
**Design and Artificial Intelligence**

In addition, students can also select one of seven Minor programmes available to further enhance their education:

Minor in Artificial Intelligence (AI)  
 Minor in Design Innovation, Ventures and Entrepreneurship (DIVE)  
 Minor in Design, Technology and Society (DTS)  
 Minor in Digital Humanities (DH)  
 Minor in Engineering Product Development (EPD)  
 Minor in Engineering Systems (ES)  
 Minor in Information Systems (IS)

SUTD also offers special programmes such as the SUTD Technology Entrepreneurship Programme (STEP) and the SUTD Honours and Research Programme (SHARP), where students can continue on after their undergraduate programmes to either obtain a Master of Science in Technology Entrepreneurship or a postgraduate degree respectively. Other graduate opportunities include the Master of Architecture, the Master of Science in Security by Design (MSSD), the Master of Science in Urban Science, Planning and Policy (USPP), the Master of Innovation by Design (MIbD), as well as other Master and PhD programmes.

## SUTD ACADEMY

The SUTD Academy is the University's adult learning institute, with a mission to up-skill and re-skill our working professionals in emerging areas such as data analytics, cybersecurity, artificial intelligence (AI), to keep them relevant in the fast-evolving working environment brought about by the advent of new technologies. The Academy adopts the same education philosophy of SUTD, whereby its training courses and programmes promote a multi-disciplinary approach, design thinking, an entrepreneurial spirit and active learning, among other things. Currently, the Academy is working with various partners from the private and public sectors, as well as professional bodies under a partnership model, whereby industry partners can co-develop customised programmes for company participants as well as the working adults and public, to help them upskill or reskill themselves to stay relevant in today's knowledge-intensive and technology-driven economy.

## EXPANDING SUTD'S GLOBAL FOOTPRINT

Continuing our mission to nurture global citizens, SUTD now partners 55 institutions in 22 countries to offer a variety of global opportunities for 100% of our students. Through these increased partner networks, our most sought-after Global Exchange Programme saw a seven-time increase since 2016 (20 to 152) in the number of semester exchange opportunities overseas, giving our students the opportunity to expand their classrooms beyond the shores of Singapore.

To encourage international diversity and interaction in our student community, we continue to welcome a diverse community of exceptional students from around the world through exchange partnerships, to create a melting pot of cultures and ideas on campus, bringing the world to SUTD. Since 2016, SUTD has hosted 232 exchange students from 29 partner universities.

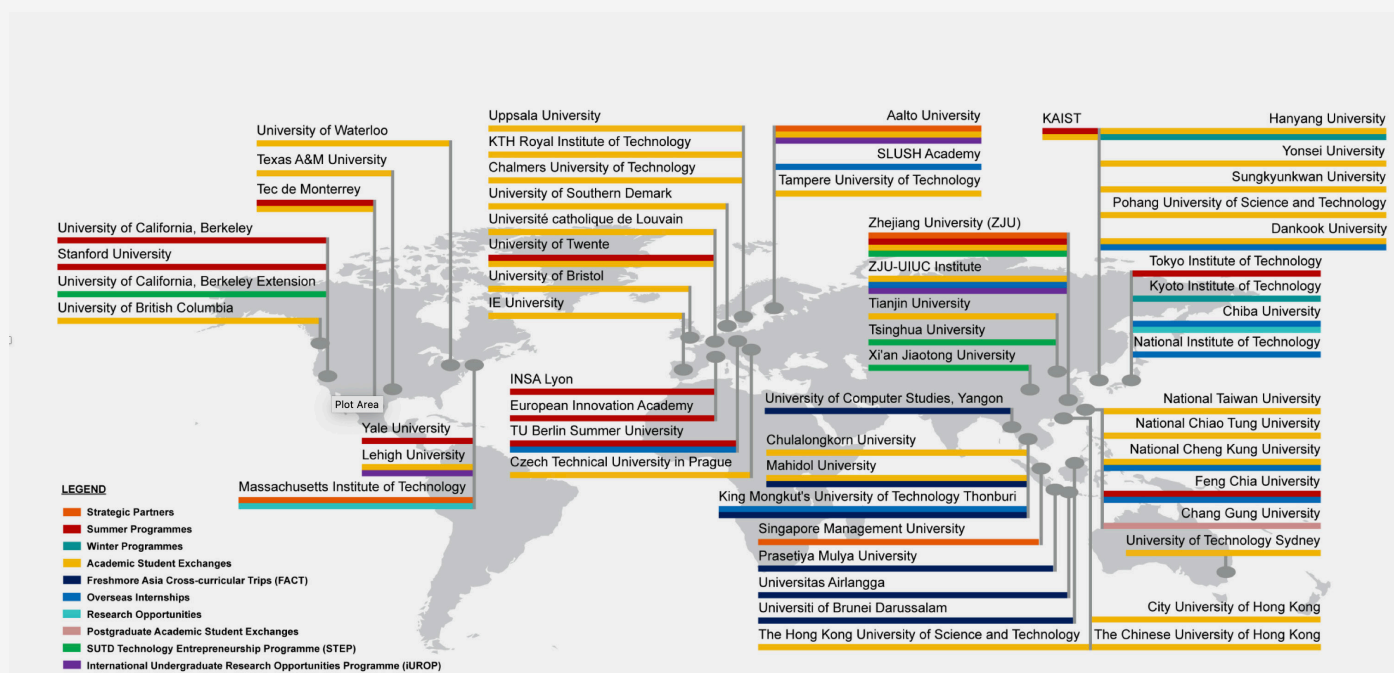
SUTD's Summer Opportunities continue to provide diverse experiences by bringing on board more partners offering different types of programmes to students. Today, SUTD has more than 41 programmes in 14 countries. SUTD students can also choose from a wide range of options available which include short-term overseas exchanges, internships and immersion opportunities.

Currently, students already participate in programmes at the following universities:

- Aalto University, Finland
- TU Berlin University, Germany
- Cardiff University, United Kingdom
- Stanford University, USA
- The University of California, Berkeley, USA
- The University of California, Los Angeles, USA
- The University of British Columbia, Canada
- Zhejiang University, China
- Tsing Hua University, China
- Tokyo Institute of Technology, Japan
- KAIST University, South Korea
- Hanyang University, South Korea

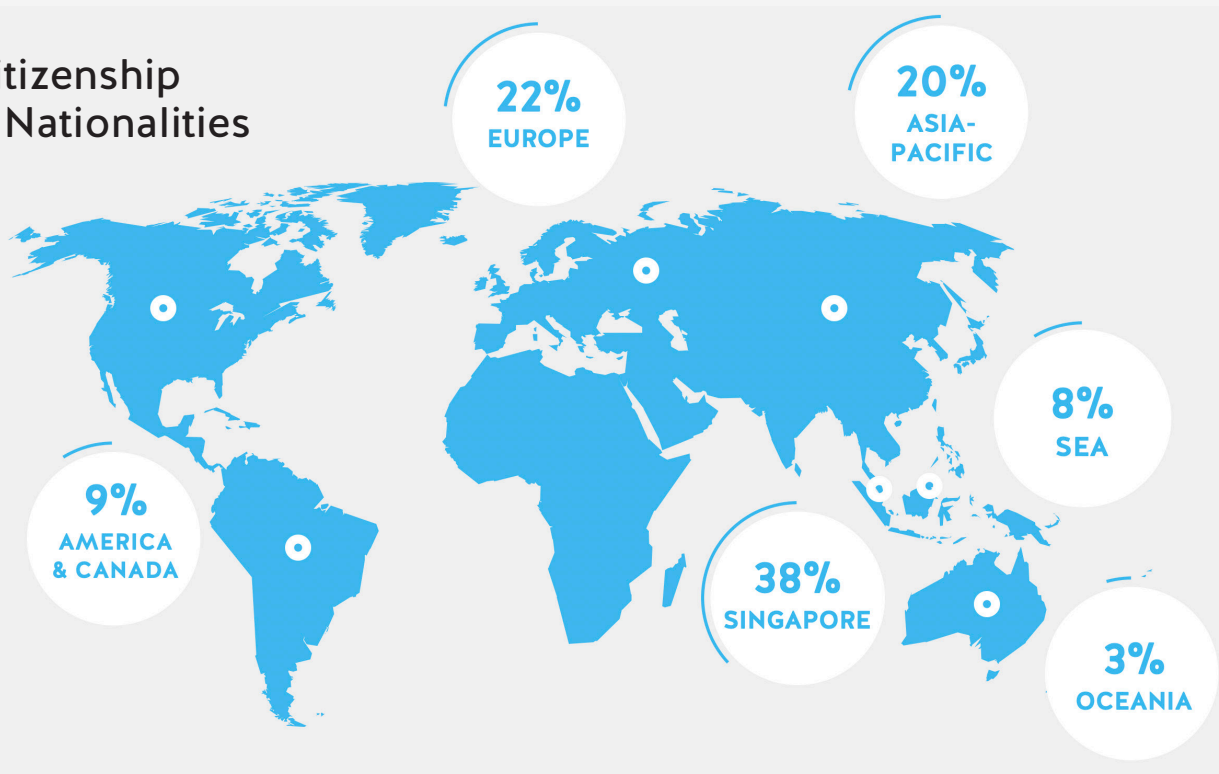
In 2019, SUTD launched a new initiative called the SUTD Freshmore Asian Cross-curricular Trips (FACT). FACT offers Freshmore (first-year) students the opportunity to expand their learning beyond the academic mastery gained in SUTD through broadening their horizons overseas. These short (one week) immersion trips are incorporated into specific Freshmore courses to enhance students' academic learning in these subjects. SUTD students will also have the exciting opportunity of learning together with students from our partner universities, thereby understanding their way of learning and gaining insights into their local culture. FACT has offered five trips for the AY2019 cohort Freshmores with a total of 87 sign-ups by students.

## EXPANDING SUTD'S GLOBAL FOOTPRINT



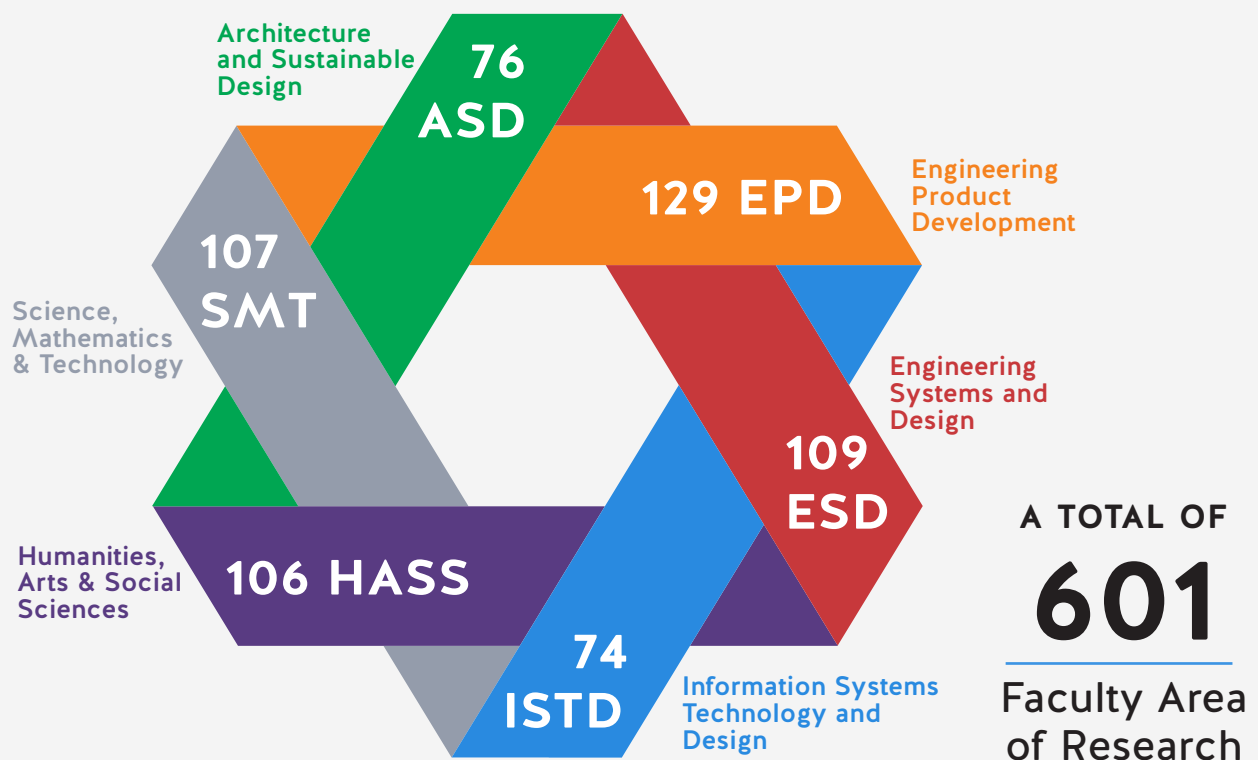
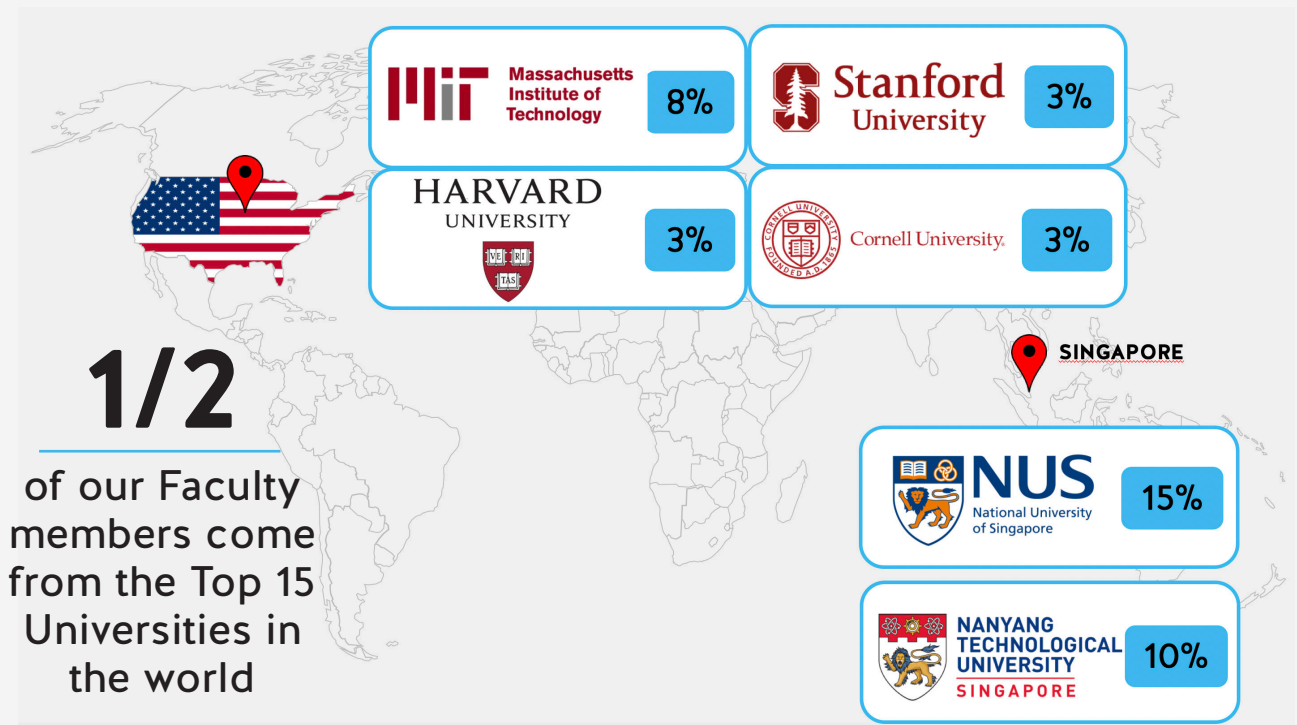
## FACULTY PROFILES

### Citizenship & Nationalities





## FACULTY PROFILES



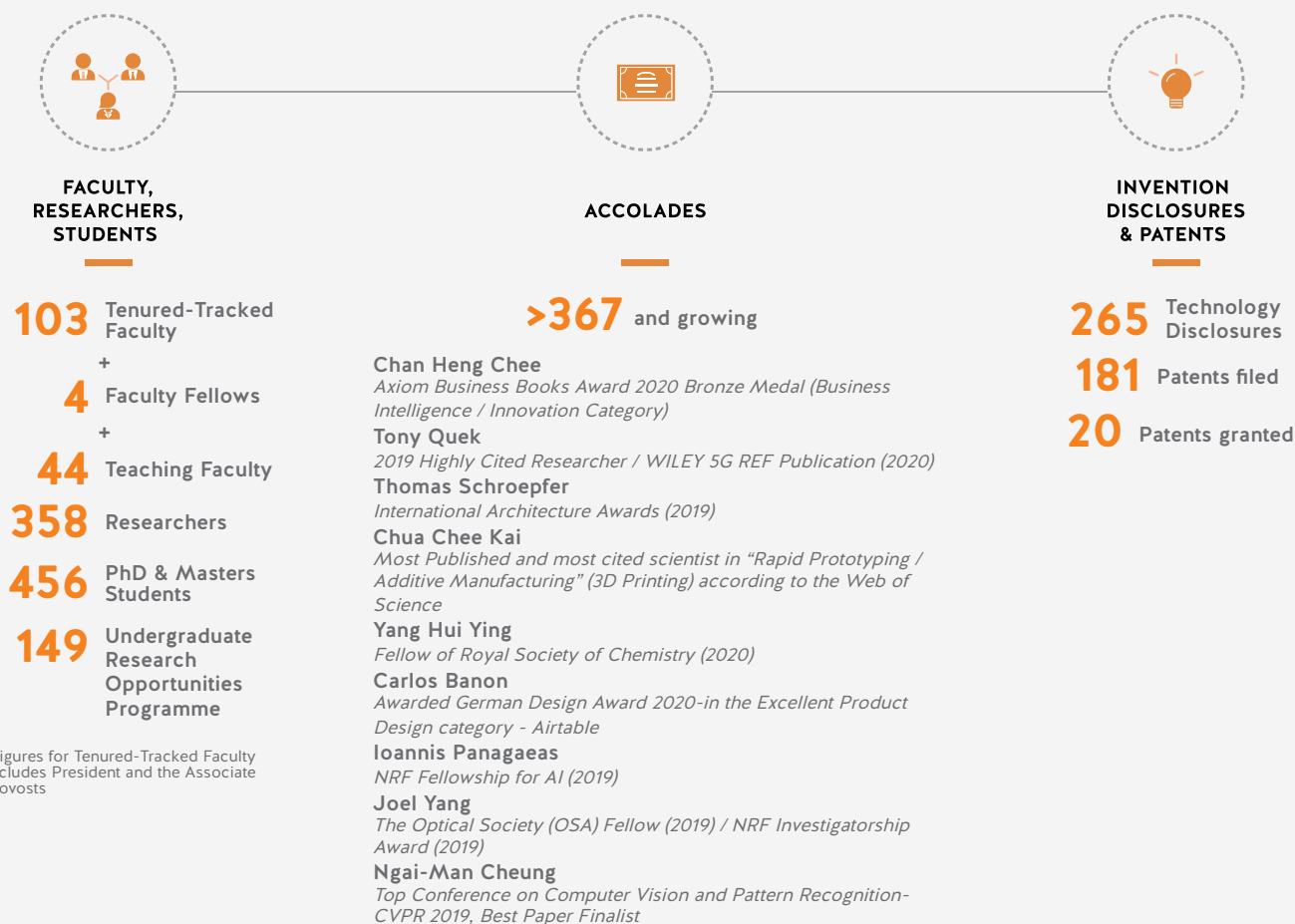
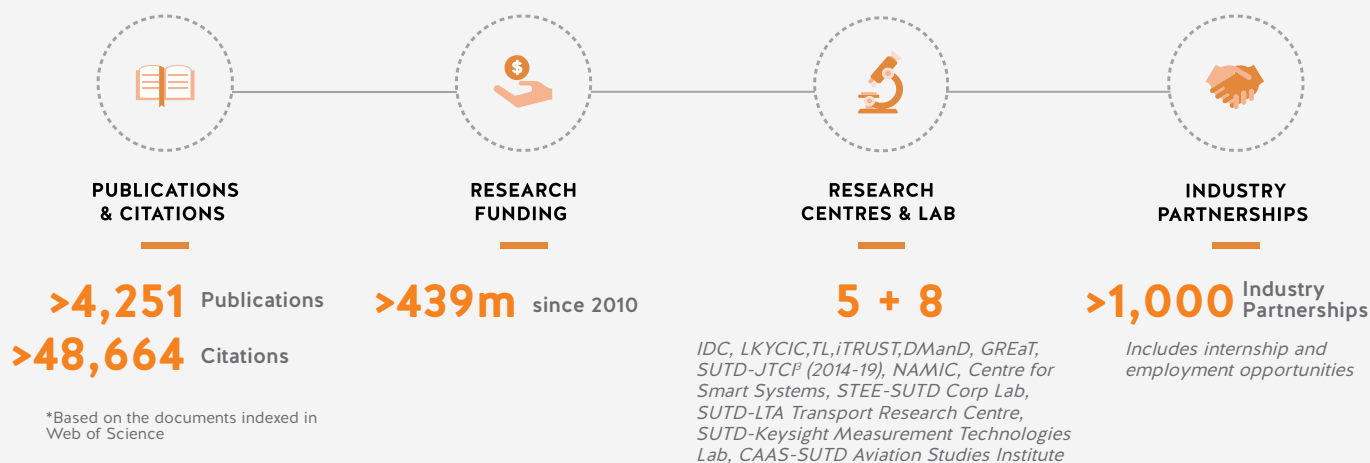




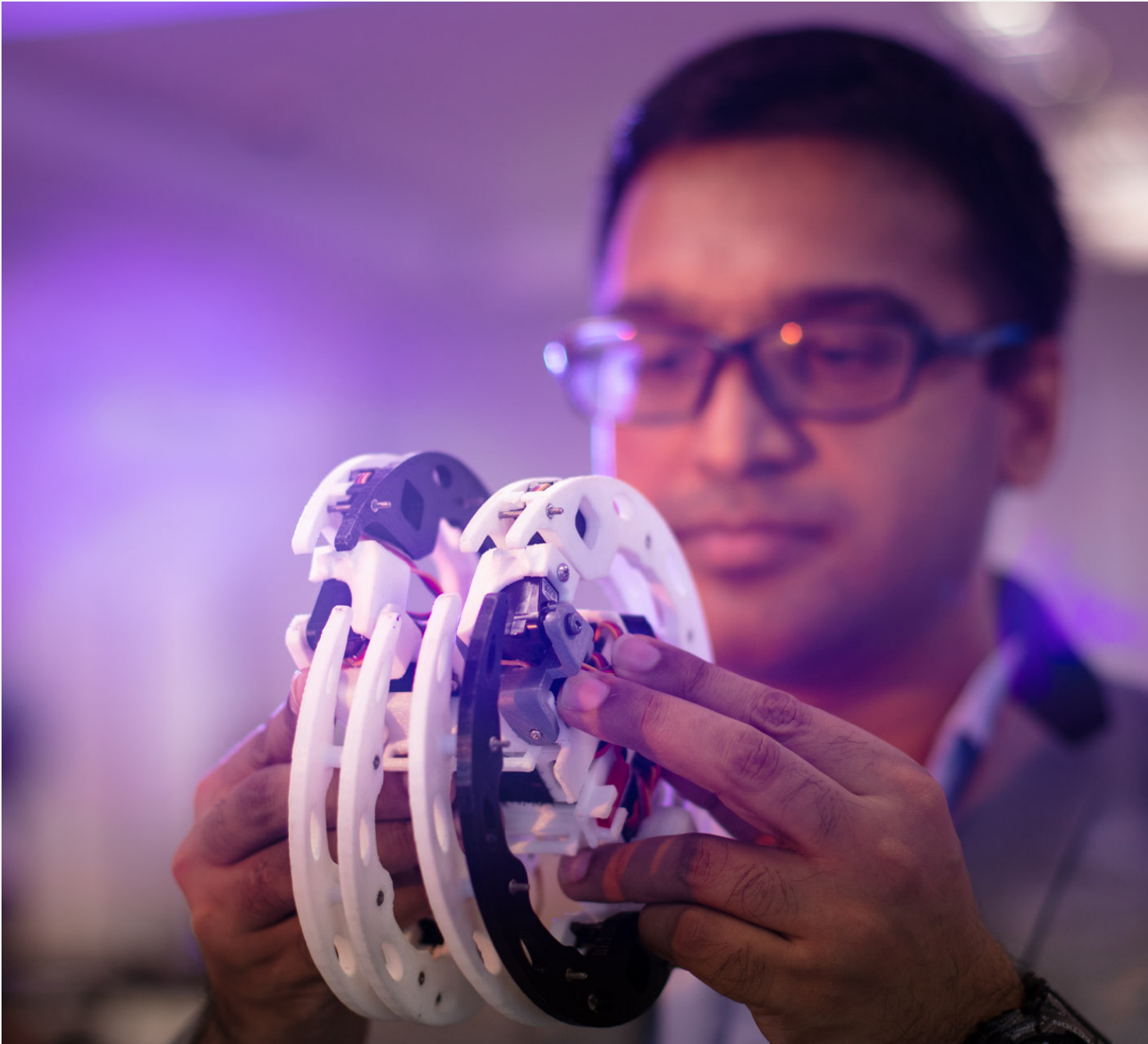


## RESEARCH

SUTD has established 13 research centres and labs. To date, SUTD has published more than 4,000 papers in peer-reviewed journals, conference papers, books and secured more than \$439 million in research funding from NRF, MOE, A\*STAR, MINDEF, MOH and industry. We have filed over 260 technology disclosures, 180 patent applications and spun-off more than 50 start-up companies. We have also fostered more than 1,000 industry partnerships, which provide our students with research, internship and employment opportunities.



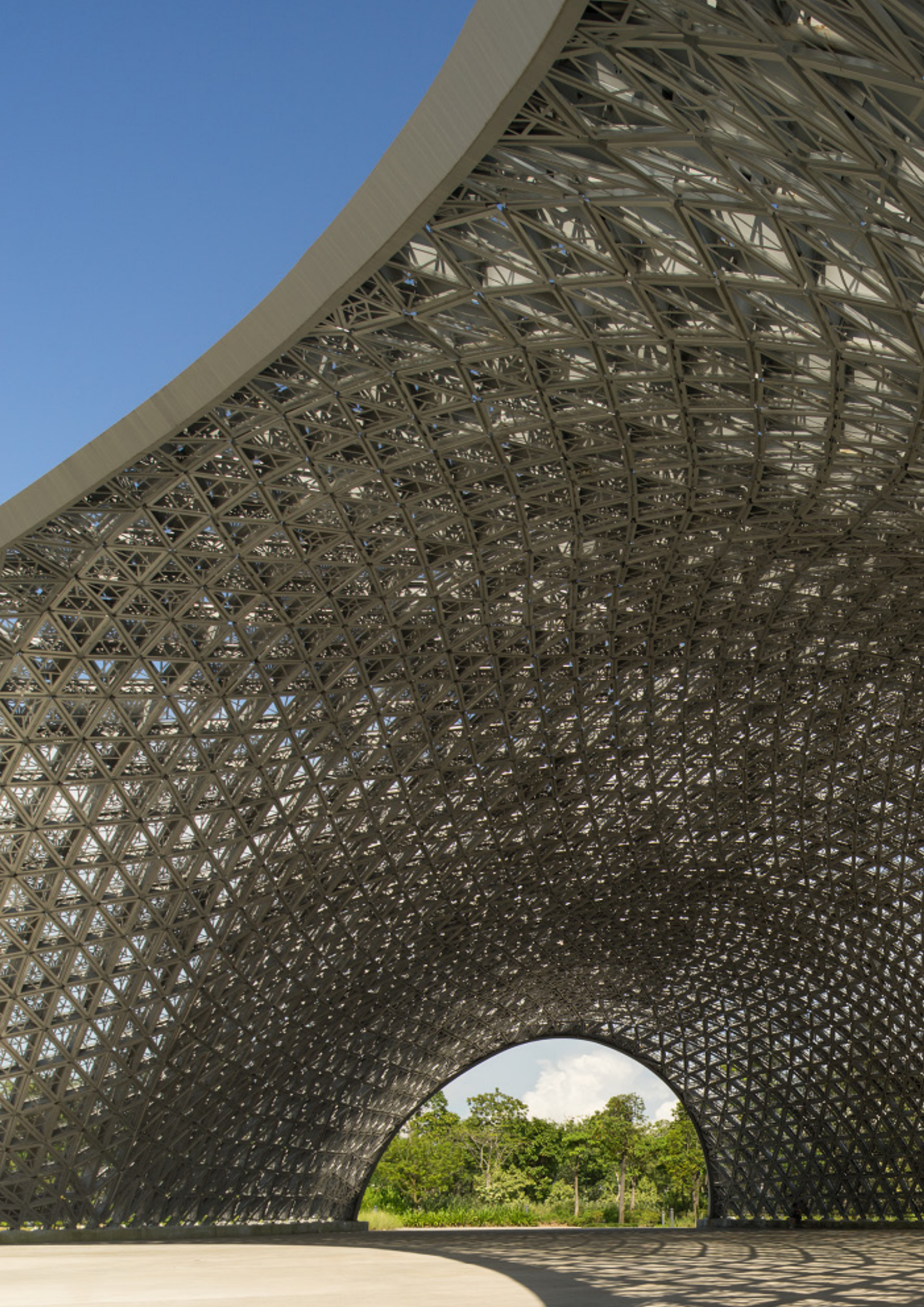




## ENTREPRENEURSHIP

SUTD set up the Entrepreneurship Centre with the aim of creating an entrepreneurial ecosystem that is fully integrated within the fabric of SUTD. The Centre aims to promote the entrepreneurial spirit and passion in SUTD, and provides support for faculty and students to turn their ideas into reality. The Centre's activities include entrepreneurship education, experiential programmes, overseas entrepreneurship exposures, entrepreneurship capstone, incubation, mentoring and entrepreneurship-related events. The SUTD eco-system consists of a growing Start-up Network of 44 Student Start-ups, 12 Faculty/Researcher Start-ups and another eight teams in incubation.







## GIVING FOR A BETTER WORLD BY DESIGN



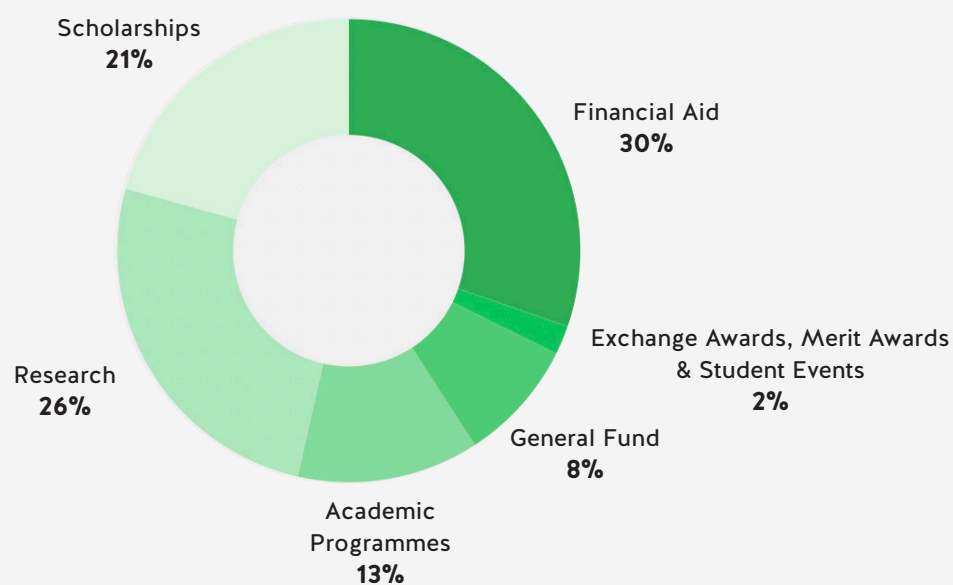
(From left) President Professor Chong Tow Chong, Patron for Advancement Mr Sam Goi, Deputy Prime Minister and Minister for Finance Mr Heng Swee Keat, Founding Patron for Advancement Emeritus Senior Minister Mr Goh Chok Tong, Chairman Mr Lee Tzu Yang and Advancement Chairman Mr Robert Chew at the SUTD 10th Anniversary Gala Dinner 2019.

SUTD sincerely thank the individuals, corporations, foundations and organisations for their generous gifts in Financial Year 2019. We maintain a 100% fundraising efficiency ratio – every dollar we raise goes towards endowed or expendable programmes as designated by the donor.



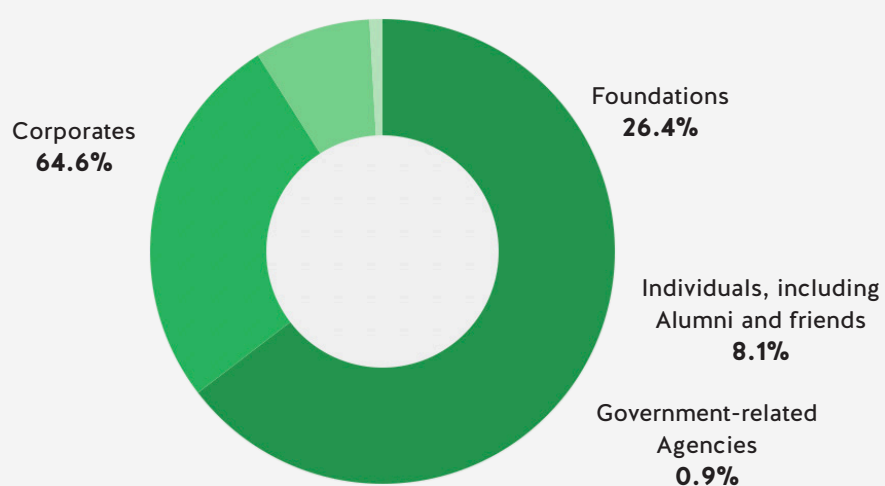
## GIFTS BY DONOR INTENT IN FY2019

(Based on receipts)



## OUR COMMUNITY OF DONORS IN FY2019

(Based on receipts)



IN FINANCIAL YEAR 2019,

**185** DONORS GAVE  
**\$11,837,317**  
(BASED ON GIFT RECEIPTS)

**838** STUDENTS RECEIVED  
FINANCIAL SUPPORT

(54 MORE RECIPIENTS THAN FY2018)

CONSTITUTING OF:

**621** SCHOLARSHIPS  
&  
**217** FINANCIAL AID AWARDS

Donor-supported scholarships and financial aid awards for our students are supported through the non-endowed and endowed funds, based on donor intent. In Financial Year 2019, we awarded a total of 838 donor-funded scholarship and financial aid awards. Your generous giving to SUTD has empowered 54 more students to pursue a holistic STEM education with us this Financial Year than in Financial Year 2018.







Recipients of donor-supported awards at the SUTD Scholarship Ceremony 2019.

Once again, we would like to thank our esteemed donors. You are the reason our young university is able to make such impact. The University is truly grateful for your support which enables our mission to be a leader in architectural and engineering education, and inspires our students and faculty to create a better world by design.



Celebrating the Lunar New Year with our donors at the SUTD Donor Appreciation 2020



## CORPORATE GOVERNANCE

SUTD is committed to a high standard of corporate governance and has put in place the appropriate governance structures which are critical to the effective performance and operation of the University.



### GOVERNANCE EVALUATION CHECKLIST

The University's governance evaluation checklist can be viewed at the charity portal website [www.charities.gov.sg](http://www.charities.gov.sg).

### BOARD OF TRUSTEES

The SUTD Board of Trustees comprises 17 trustees (as at 31 March 2020) appointed by the Minister of Education. The Board of Trustees is responsible for ensuring that the University acts in accordance with its objects and to ensure that the funds and assets of the University are properly accounted for and safeguarded.

The objects of the University are to:-

- a. establish, operate, maintain and promote the University as a going concern;
- b. promote and undertake the advancement of education by providing educational facilities and course of study or instruction; and
- c. advance and disseminate knowledge and to promote and engage in research and scholarship.

The trustees are not paid any remuneration for services rendered by them as trustees of the University. The Board of Trustees held five (5) meetings during the financial year.



## CORPORATE GOVERNANCE

### BOARD OF TRUSTEES

Name	Designation	Date of Appointment	Attendance Percentage
Mr Lee Tzu Yang Chairman <i>Public Service Commission</i>	Chairman	1 April 2016	100
Dr Fidah Alsagoff Joint Head, Enterprise Development Group / Head, Life Sciences <i>Temasek International Pte Ltd</i>	Member	11 August 2012	40
Mr Ramlee Bin Buang Chairman <i>1FSS Pte Ltd</i>	Member	11 August 2019	66.67
Mr Robert Chew Managing Partner <i>iGlobe Partners</i>	Member	11 August 2018	100
*Mr Choo Chiau Beng Chairman <i>NRF Holdings Pte Ltd</i>	Member	11 August 2009	80
Ms Cordelia Chung Chairman <i>Clarksdale Investment Limited</i>	Member	1 June 2011	80
<sup>1</sup> Mr Patrick Daniel Director <i>Sembcorp Marine Ltd</i>	Member	11 August 2009	100
<sup>1</sup> Mrs Fang Ai Lian Advisor <i>Far East Organization</i>	Member	24 July 2009	0
<sup>2</sup> Ms Goh Swee Chen Former Chairman <i>Shell Companies in Singapore</i>	Member	11 August 2015	50
<sup>1</sup> Mr Sam Goi Seng Hui Executive Chairman <i>Tee Yih Jia Group</i>	Member	11 August 2009	50
Ms Lai Wei Lin 2nd Permanent Secretary <i>Ministry of Education</i>	Member	1 January 2017	80
Mr Lim Kang Song Director <i>All Gifted LLC</i>	Member	11 August 2018	60

## BOARD OF TRUSTEES (CONT'D)

Name	Designation	Date of Appointment	Attendance Percentage
Mr Lim Siong Guan Professor <i>Lee Kuan Yew School of Public Policy</i>	Member	11 August 2017	100
Ms Low Sin Leng Chairman of the Board <i>Nanyang Academy of Fine Arts</i>	Member	1 June 2011	80
*Prof Lui Pao Chuen Adviser <i>National Research Foundation</i>	Member	11 August 2009	100
*Mr Ong Peng Tsin Managing Partner <i>Monk's Hill Ventures</i>	Member	24 July 2009	60
*Mr Charles Marshall Ormiston Partner <i>Bain &amp; Company SE Asia Inc</i>	Member	11 August 2009	60
Mr Quek Gim Pew Chief Defence Scientist <i>Ministry of Defence</i>	Member	11 August 2018	80
*Mr Tai Lee Siang Executive Director <i>BuildSG Building and Construction Authority</i>	Member	11 August 2009	80
Ms Tan Min Lan Group Managing Director, Head Chief Investment Office APAC <i>UBS Global Wealth Management</i>	Member	11 August 2018	80
*Mr Ronny Tan Chong Tee Board Member <i>Lombard Odier Asia</i>	Member	11 August 2009	100

\*As at 31 March 2020, there are 6 trustees who had served on the Board for more than 10 consecutive years. Of these 6 trustees, the term of appointment of 4 trustees will end on 11 August 2020. For the other 2 trustees, the term of appointment of 1 trustee will end on 11 August 2021 and the term of appointment of the other trustee will end on 11 August 2022. SUTD has taken steps for the renewal of the Board members. However, it is necessary to extend the term of some trustees beyond 10 years for continuity.

1 Term of appointment ended on 10 August 2019

2 Term of appointment ended on 31 July 2019



**BOARD OF TRUSTEES SUBCOMMITTEES (AS AT 31 MARCH 2020)****Academic and Research Committee**

Prof Lui Pao Chuen	Chairman
Mr Quek Gim Pew	Member
Mr Lim Kang Song	Member

**Advancement Committee**

Mr Robert Chew	Chairman
Ms Tan Min Lan	Member

**Audit Committee**

Mr Ramlee Bin Buang	Chairman
Ms Cordelia Chung	Member
Mr Tai Lee Siang	Member

**Campus Infrastructure and Facilities Committee**

Mr Tai Lee Siang	Chairman
Mr Ronny Tan Chong Tee	Member
Mr Tan Siong Leng*	Member
Mr Fong Kok Wai*	Member
Mr Hoong Bee Lok*	Member

**Executive Committee**

Mr Lee Tzu Yang	Chairman
Mr Choo Chiau Beng	Member
Ms Lai Wei Lin	Member
Mr Lim Siong Guan	Member
Dr Fidah Alsagoff	Member

\*Non Board of Trustee member

**BOARD OF TRUSTEES SUBCOMMITTEES (AS AT 31 MARCH 2020)****Finance Committee**

Ms Low Sin Leng	Chairman
Mr Ronny Tan Chong Tee	Member
Mr Robert Chew	Member
Mr Nels Friet*	Member
Mr Tan Bien Kiat*	Member
Ms Karen Loon*	Member

**Investment Committee**

Mr Ong Peng Tsin	Chairman
Mr Charles Marshall Ormiston	Member
Dr Fidah Alsagoff	Member
Mr Bill Chua*	Member
Ms Celestine Khoo*	Member
Mr Young Lok Kuan*	Member

**Promotion and Development Committee**

Ms Cordelia Chung	Chairman
Mr Lim Kang Song	Member

\*Non Board of Trustee member

**BOARD COMMITTEES**

The Board has established the following board subcommittees to assist the Board to fulfil its fiduciary duties and to oversee key issues of pertinence to the strategic development of the University:

- Academic and Research Committee provides oversight and policy guidance for the academic concerns of the University.
- Advancement Committee oversees fundraising as well as stakeholder and Alumni relations.
- Audit Committee ensures an effective accountability framework for examining and reviewing all systems and methods of control.
- Infrastructure and Facilities Committee oversees and guides the campus planning of the University and the management, leasing and maintenance of facilities in the University.
- Executive Committee ensures effective Board of Trustees and Board of Trustees Committees as well as to provide oversight and policy guidance on human resource, information technology and enterprise risk management matters.
- Finance Committee provides oversight and policy guidance on the financial affairs of the University.
- Investment Committee provides oversight and policy guidance on the management of investments to the University.
- Promotion and Development Committee oversees marketing and communications plans of the University.



## KEY MANAGEMENT

The day to day operations of the University are led by the Senior Management team, headed by President, Professor Chong Tow Chong (since 1 January 2018). The President is appointed by the Board and is the University's Chief Executive Officer. The members of the Senior Management of the University are:

Name	Designation
Prof Chong Tow Chong	President
Prof Chan Heng Chee	Chairman, Lee Kuan Yew Centre for Innovative Cities
Prof Lim Seh Chun	Interim Provost and Associate Provost, Student Affairs
Ms Giselia Giam	Vice President, Administration and Chief Financial Officer
Prof Pey Kin Leong	Associate Provost for Undergraduate Studies and SUTD Academy
Prof Yeo Kiat Seng	Associate Provost, Research & International Relations
Prof Erwin Viray	Head of Pillar, Architecture and Sustainable Design
Prof Peter Jackson	Head of Pillar, Engineering Systems and Design
Prof Chua Chee Kai	Head of Pillar, Engineering Product Development
Prof Tony Quek	Head of Pillar, Information Systems Technology and Design
Prof Ricky Ang	Head, Science, Mathematics & Technology
Prof Lim Sun Sun	Head, Humanities, Arts and Social Sciences
Dr Jaclyn Lee	Chief Human Resources Officer
Ms Neo Chin	Chief Investment Officer
Ms Corinna Choong	Senior Director, Marketing & Communications
Mr Poon King Wang	Senior Director, Strategic Planning

SUTD has one paid staff who is a close member of the family of the Chief Executive Officer or a member of the Board of Trustee and who has received remuneration exceeding \$50,000 during the financial year. The staff is related to Mr Quek Gim Pew and received remuneration between \$50,000 - \$150,000.

## **POLICY ON MANAGING CONFLICTS OF INTEREST**

SUTD employees and members of the SUTD Board of Trustees and its subcommittees are required to act in the best interest of the University at all times. They have the obligation to avoid ethical, legal, financial or other conflicts of interest to ensure that their activities do not conflict with their obligations to the University or its welfare. Clear policies and procedures have been established with measures to be taken to declare, prevent and address conflict of interest. Procedures are put in place for SUTD employees and members of the Board of Trustees and its subcommittees to disclose to SUTD the details of any situation where they may find themselves in a position of potential or actual conflict.

## **POLICY ON WHISTLE-BLOWING**

A culture of good governance, integrity, responsibility and accountability is important to SUTD. The SUTD Whistleblowing Policy provides a formalised, secure and confidential avenue for both employees and external parties to raise concerns about actual or suspected improprieties on the part of Management or fellow employees and in so doing deter wrongdoing and promote standards of ethical behaviour and integrity in the work environment and in our dealings with external parties. The policy can be found on SUTD's website.

## **RESERVE POLICY**

In general, the use of reserves is subject to the approval of the Board of Trustees except for funds which are governed by terms and conditions. Any need to draw down from funds which require the Trustees' approval should be justified in the plan for the new financial year. Where the need to draw down is due to unforeseen circumstances beyond Management's ability to cope by expenses reduction or use of other available funds, proper justification to the Trustee must be provided and approval obtained.



# FINANCIAL STATEMENTS

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## TRUSTEES' STATEMENT

The Board of Trustees present their statement to the members together with the audited financial statements of Singapore University of Technology and Design (the "University") for the financial year ended 31 March 2020.

In the opinion of the Trustees:

- (a) the financial statements of the University as set out on pages 34 to 62 are drawn up so as to give a true and fair view of the financial position of the University as at 31 March 2020, and the financial performance, changes in funds and reserves and cash flows of the University for the financial year then ended;
- (b) the University has complied with Regulation 15 of the Charities (Institutions of Public Character) Regulations;
- (c) the use of donation monies are in accordance with the objectives of the University as required under Regulation 11 of the Charities (Institutions of Public Character) Regulations; and
- (d) at the date of this statement, there are reasonable grounds to believe that the University will be able to pay its debts when they fall due.

### Trustees

The Trustees of the University in office at the date of this statement are:

Mr Lee Tzu Yang (Chairman)  
 Dr Syed Fidah Bin Ismail Alsagoff  
 Mr Ramlee Bin Buang (Appointed on 11 August 2019)  
 Mr Robert Chew  
 Mr Choo Chiau Beng  
 Ms Cordelia Chung  
 Ms Lai Wei Lin  
 Mr Lim Kang Song  
 Mr Lim Siong Guan  
 Ms Low Sin Leng  
 Professor Lui Pao Chuen  
 Mr Ong Peng Tsin  
 Mr Charles Marshall Ormiston  
 Mr Quek Gim Pew  
 Mr Tai Lee Siang  
 Ms Tan Min Lan  
 Mr Ronny Tan Chong Tee

### Arrangements to Enable Trustees to Acquire Shares and Debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Trustees of the University to acquire benefits by means of the acquisition of shares or debentures in the University or any other body corporate.

### Trustees' Interests in Shares and Debentures

The University is limited by guarantee and does not have a share capital.

The Trustees of the University at the end of the financial year have no financial interest in the share capital (including any share options) and debentures of the University's related corporations as recorded in the register of the directors' shareholdings kept by the University's related corporations under Section 164 of the Singapore Companies Act.

### Auditors

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

### ON BEHALF OF THE BOARD OF TRUSTEES



Mr Lee Tzu Yang  
 Chairman, Trustee



Mr Ramlee Bin Buang  
 Trustee

23 July 2020



# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SINGAPORE UNIVERSITY OF TECHNOLOGY AND DESIGN

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Singapore University of Technology and Design (the "University") which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in funds and reserves and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 62.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the University as at 31 March 2020 and of the financial performance, changes in funds and reserves and cash flows of the University for the year ended on that date.

### Basis for Opinion

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

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Trustees' Statement set out on page 31.

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

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

## Responsibilities of Management and Trustees for the Financial Statements

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

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

The Trustees' responsibilities include overseeing the University's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SINGAPORE UNIVERSITY OF TECHNOLOGY AND DESIGN

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

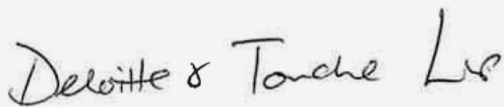
We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

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

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

- (a) the University has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The University has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.




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Public Accountants and Chartered Accountants  
Singapore

23 July 2020



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2020

		General Fund		Non-Endowment Fund		Endowment Fund		Total	
Note		2020	2019	2020	2019	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>									
Tuition and Other Fees	3a	36,812	37,141	-	-	-	-	36,812	37,141
Less: Scholarship Expenses		(11,494)	(11,872)	(1,556)	(1,375)	(7,040)	(6,186)	(20,090)	(19,433)
Tuition and Other Fees, Net		25,318	25,269	(1,556)	(1,375)	(7,040)	(6,186)	16,722	17,708
Donations and Sponsorships		78	529	3,599	4,171	-	-	3,677	4,700
Other Income	3b	11,483	10,951	8	14	13	23	11,504	10,988
Total Income		36,879	36,749	2,051	2,810	(7,027)	(6,163)	31,903	33,396
<b>Expenses</b>									
Employee Compensation	4	(92,761)	(93,412)	(150)	(782)	(2,434)	(2,708)	(95,345)	(96,902)
Programme-Related Expenses		(2,459)	(3,219)	-	-	-	-	(2,459)	(3,219)
Research-Related Expenses		(14,867)	(18,843)	-	-	-	-	(14,867)	(18,843)
Depreciation	13	(36,996)	(36,915)	(5)	(5)	-	(1)	(37,001)	(36,921)
Amortisation	14	(1,187)	(1,280)	-	-	-	-	(1,187)	(1,280)
Interest Expense		(8,538)	(8,891)	-	-	-	(162)	(8,538)	(9,053)
Other Operating Expenses	5	(45,783)	(45,041)	(1,873)	(1,899)	(3,036)	(2,767)	(50,692)	(49,707)
Total Expenses		(202,591)	(207,601)	(2,028)	(2,686)	(5,470)	(5,638)	(210,089)	(215,925)
(Deficit) / Surplus Before Investment Income and Government Grants		(165,712)	(170,852)	23	124	(12,497)	(11,801)	(178,186)	(182,529)
Net Investment Income / (Loss)	6	2,243	928	233	207	(70,260)	24,272	(67,784)	25,407
(Deficit) / Surplus Before Government Grants		(163,469)	(169,924)	256	331	(82,757)	12,471	(245,970)	(157,122)
Government and Other Grants	7	188,420	207,183	-	-	-	-	188,420	207,183
<b>Net Surplus / (Deficit) and Total Comprehensive Income / (Loss)</b>		<b>24,951</b>	<b>37,259</b>	<b>256</b>	<b>331</b>	<b>(82,757)</b>	<b>12,471</b>	<b>(57,550)</b>	<b>50,061</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

31 March 2020

	Note	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	9	248,875	192,068
Grants and Other Receivables	10	74,627	99,682
Financial Assets at Fair Value Through Profit or Loss	11	1,032,640	1,068,694
Other Current Assets	12	5,727	7,231
		<b>1,361,869</b>	1,367,675
<b>Non-Current Assets</b>			
Grants and Other Receivables	10	332,829	358,199
Property, Plant and Equipment	13	671,727	707,157
Intangible Assets	14	3,208	2,968
		<b>1,007,764</b>	1,068,324
<b>Total Assets</b>		<b>2,369,633</b>	2,435,999
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Grants Received in Advance	15	43,467	42,073
Contract Liabilities	16	3,943	4,319
Other Payables	17	29,738	39,288
Borrowings	18	15,741	16,222
		<b>92,889</b>	101,902
<b>Non-Current Liabilities</b>			
Borrowings	18	349,718	361,399
Deferred Capital Grants	19	669,803	703,628
Grants Received in Advance	15	23,200	-
		<b>1,042,721</b>	1,065,027
<b>Total Liabilities</b>		<b>1,135,610</b>	1,166,929
<b>NET ASSETS</b>		<b>1,234,023</b>	1,269,070
<b>FUNDS AND RESERVES</b>			
Endowment Fund	21	977,145	954,642
Accumulated Surplus			
– General Fund		159,798	134,847
– Non-Endowment Fund	20	12,954	12,698
– Endowment Fund	21	84,126	166,883
		<b>1,234,023</b>	1,269,070
<b>Funds' Net Assets Managed on Behalf of Ministry of Education ("MOE")</b>	22	<b>12,538</b>	11,558

The accompanying notes form an integral part of these financial statements.



## STATEMENT OF CHANGES IN FUNDS AND RESERVES

Year ended 31 March 2020

	Note	Accumulated Surplus				Total
		Endowment Fund	General Fund	Non-Endowment Fund	Endowment Fund	
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 April 2019</b>		954,642	134,847	12,698	166,883	1,269,070
Total Comprehensive Income / (Loss) for the Year		-	24,951	256	(82,757)	(57,550)
Government Grants	21	14,264	-	-	-	14,264
Donations Received	21	8,239	-	-	-	8,239
<b>Balance as at 31 March 2020</b>		<b>977,145</b>	<b>159,798</b>	<b>12,954</b>	<b>84,126</b>	<b>1,234,023</b>
<b>Balance as at 1 April 2018</b>		898,755	97,588	12,367	154,412	1,163,122
Total Comprehensive Income for the Year		-	37,259	331	12,471	50,061
Government Grants	21	39,940	-	-	-	39,940
Donations Received	21	15,947	-	-	-	15,947
<b>Balance as at 31 March 2019</b>		<b>954,642</b>	<b>134,847</b>	<b>12,698</b>	<b>166,883</b>	<b>1,269,070</b>

The accompanying notes form an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

Year ended 31 March 2020

	Note	2020 \$'000	2019 \$'000
<b>Cash Flows from Operating Activities</b>			
Deficit Before Government Grants		(245,970)	(157,122)
Adjustments for:			
– Depreciation		37,001	36,921
– Amortisation		1,187	1,280
– Loss Allowance		8	61
– Interest Expense		8,538	9,053
– Loss on Disposal of Property, Plant and Equipment and Intangible Assets		23	25
– Interest Income		(6,801)	(5,410)
– Fair Value Losses (Gains) on Financial Assets at Fair Value Through Profit or Loss		74,585	(19,997)
– Donation in Kind	13	(78)	(529)
Operating Cash Flow Before Working Capital Change		(131,507)	(135,718)
Change in Working Capital:			
– Other Receivables		2,401	(6,538)
– Other Current Assets		1,504	2,291
– Contract Liabilities		(376)	460
– Other Payables		894	4,078
<b>Net Cash Used in Operating Activities</b>		<b>(127,084)</b>	<b>(135,427)</b>
<b>Cash Flows from Investing Activities</b>			
Additions to Property, Plant and Equipment (Note A)		(11,712)	(11,972)
Additions to Intangible Assets		(1,250)	(1,730)
Investments in Financial Assets at Fair Value Through Profit or Loss		(35,995)	(66,062)
Interest Received (Note B)		3,927	2,830
<b>Net Cash Used in Investing Activities</b>		<b>(45,030)</b>	<b>(76,934)</b>
<b>Cash Flows from Financing Activities</b>			
Operating Grants Received		110,787	78,116
Research Grants Received		64,856	71,348
Debt Grants Received		37,155	29,147
Other Grants Received		3,576	2,309
Proceeds from Borrowings		4,464	9,004
Repayment of Borrowings		(16,626)	(15,363)
Interest Paid		(8,963)	(8,954)
Government Grants and Donations Received for Endowment Fund		33,672	50,721
<b>Net Cash from Financing Activities</b>		<b>228,921</b>	<b>216,328</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>56,807</b>	<b>3,967</b>
Cash and Cash Equivalents at Beginning of Financial Year		192,068	188,101
<b>Cash and Cash Equivalents at End of Financial Year</b>	9	<b>248,875</b>	<b>192,068</b>

## STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 March 2020

### Notes to Statement of Cash Flows:

#### Note A

During the year, the University accrued for the acquisition of property, plant and equipment with an aggregate cost of \$3,125,000 (2019 : \$9,401,000). The cash outflow on acquisition of property, plant and equipment, net of donated assets (Note 13), amounted to \$11,712,000 (2019 : \$11,972,000).

#### Note B

During the year, total interest income amounted to \$6,801,000 (2019 : \$5,410,000) of which \$338,000 (2019 : \$105,000) was unpaid at the end of the reporting period and presented under other receivables. During the year, an amount of \$2,536,000 (2019 : \$2,475,000), which relates to interest income earned but not received, was reinvested into existing investments (Note 11).

Total cash inflows from interest income amounted to \$3,927,000 (2019 : \$2,830,000).



# NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

## 1. GENERAL

Singapore University of Technology and Design (the “University”) is incorporated and domiciled in Singapore as a University limited by guarantee under the provisions of the Companies Act, Chapter 50. The address of its registered office and place of business is located at 8 Somapah Road Singapore 487372.

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

Under Clause 9 of the Memorandum of Association of the University, each member of the University undertakes to contribute a sum not exceeding \$1 (2019 : \$1) to the assets of the University in the event of it being wound up. The number of members at the balance sheet date is 4 (2019 : 4).

These financial statements were authorised for issue in accordance with a resolution of the Board of Trustees of Singapore University of Technology and Design on 23 July 2020.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

#### (a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis except otherwise disclosed below, and are drawn up in accordance with the provisions of the Singapore Companies Act, the Charities Act and Financial Reporting Standards in Singapore (“FRSs”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the University takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### (b) Functional and presentation currency

The financial statements of the University are measured and presented in Singapore dollars which is the currency of the primary economic environment in which the University operates (its functional currency).

All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

#### (c) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.1 BASIS OF PREPARATION (CONTINUED)

##### (c) Use of estimates and judgements (continued)

###### (a) Fair value estimation on other investments

The University holds other investments that are not traded in an active market. The University has used the net asset values provided by fund managers and fund administrators. The carrying amount of these other investments at the end of the reporting period was \$227,526,000 (2019 : \$222,909,000) (Note 11).

###### (b) Property, plant and equipment

The University reviews the residual values and useful lives of property, plant and equipment at each reporting date in accordance with the accounting policy in Note 2.8. The estimation of the residual values and useful lives involves significant judgement. The net book value of property, plant and equipment at 31 March 2020 is \$671,727,000 (2019 : \$707,157,000) (Note 13) and the annual depreciation charge for the financial year ended 31 March 2020 is \$37,001,000 (2019 : \$36,921,000) (Note 13). If the actual useful lives of the property, plant and equipment are longer or shorter than the management's estimate, the University annual depreciation charge will be decreased or increased accordingly.

#### 2.2 FUNDS

##### (a) General fund

General fund comprise surpluses from operational activities, commitments, planned expenditure and self-financing activities. It also includes funds set aside for specific purposes such as staff and student housing. The use of the reserves generated from surpluses from operational activities and those funds set aside for specific purposes is subject to the approval of the Board of Trustees.

Income and expenses related to the general fund are accounted for under the general fund in profit or loss.

##### (b) Non-endowment fund

Donations and sponsorships from individuals and external bodies which are to be put to use for specific purposes specified by the donors are taken to non-endowment fund in profit or loss.

Income and expenses relating to the fund are accounted for under non-endowment fund in profit or loss.

##### (c) Endowment fund

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

Income and expenses relating to the endowment fund are accounted for under endowment fund in profit or loss.

#### 2.3 REVENUE RECOGNITION

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The University recognises income when it transfers control of a product or when services is rendered to a customer.

##### (a) Tuition and other fees

Revenue from tuition and other fees comes from the provision of tuition services to undergraduate and postgraduate students over the academic period. It includes the provision of course and compulsory miscellaneous fee. Tuition and other fees are recognised as the courses are rendered as the performance obligation is satisfied over time. Payments received from students, for tuition and other fees which have not been rendered, is deferred and recognised as a contract liability until the courses have been rendered to the students.

Scholarship expenses are accounted for as a discount against the tuition fees and set off against the fees to reflect the net consideration received from the students.

##### (b) Donations and sponsorships

Donations (in cash or in-kind) and sponsorships are recognised at the point in time when they are received/receivable.

##### (c) Housing income

Housing income is recognised on a straight-line basis over the housing lease period.

##### (d) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

##### (e) Interest income

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

##### (f) Events and facilities income

Revenue from the usage of facilities, utilities, carpark and events management are recognised over the usage period.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 GRANTS

Government grants in respect of the current year's operating expenses are recognised as income in the same year.

Other government grants are recognised as income over the period necessary to match the intended costs. Such grants which are received but not utilised are included in the grants received in advance account.

Debt grant receivable is recognised for the purchase of property, plant and equipment when there is reasonable assurance that the University will comply with the government's debt grant framework conditions and that the grants will be received.

Government grants (including sinking fund) received or receivable for the purchase of property, plant and equipment and intangible assets are taken to the grants received in advance account. Upon 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 profit or loss for the assets which are written off.

Deferred capital grants are recognised in profit or loss over the periods necessary to match the depreciation or 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 profit or loss to match the net book value of the assets written off.

#### 2.5 GRANTS DISBURSED TO MASSACHUSETTS INSTITUTE OF TECHNOLOGY ("MIT")

Grants disbursed in advance to MIT are initially taken to the prepayment account. Upon the utilisation of the grants, they are taken to profit or loss as programme-related or research-related expenses.

Grants disbursed for the MIT endowment fund are taken to the prepayment account and subsequently to profit or loss as programme-related expenses on a straight-line basis over the endowment period.

Interest income earned from the MIT endowment fund are taken to the prepayment account and subsequently charged to profit or loss over the periods necessary to match them with the intended costs.

### 2.6 EMPLOYEE COMPENSATION

#### (a) Defined contribution plans

The University's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

#### (b) Employee leave entitlement

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

### 2.7 LEASES

#### (Before 1 April 2019)

##### Lessee

Rental payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

##### Lessor

Leases of properties where the University retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

#### (After 1 April 2019)

##### Lessee

The University assesses whether a contract is or contains a lease, at inception of the contract. Where applicable, the University will recognise a right-of-use asset and a corresponding lease liability with respect to all leases arrangements in which it is the lessee, exception for leases that qualify for exemption under FRS 116.

The University enters into lease agreements as a lessee with respect to photocopiers and other equipment. For these short-term leases (lease term of 12 months or less) and leases of low-value assets, the University adopted the recognition exemptions under FRS 116 and recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.7 LEASES (CONTINUED)

##### Lessor

Leases for which the University is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### 2.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses. Donated assets are recognised at the valuation determined by valuers at the time of receipt of the assets. 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 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.

The construction-in-progress consists of construction costs and related expenses incurred during the period of construction.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Except for construction-in-progress which is not depreciated, depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Estimated useful lives
Leasehold land	99 years
Buildings	30 years
Plant and machinery	10 years
Computer systems, communications and laboratory equipment	5 to 6 years
Personal computers and equipment	3 years
Furniture and fittings	7 years
Audio visual and office equipment	5 to 8 years
Motor vehicle	10 years

Property, plant and equipment costing less than \$2,000 (2019 : \$2,000) each are taken to profit or loss when purchased.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is included in profit or loss.

#### 2.9 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 expensed off.

Capitalised computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three to five years.

The amortisation period and amortisation method are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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 difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this 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 accumulated depreciation and amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

### 2.11 FINANCIAL ASSETS

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### (a) Classification of financial assets

Debt instruments mainly comprise cash and bank balances and trade and other receivables that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the University may make the following irrevocable election/designation at initial recognition of a financial asset:

- the University may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the University may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.11 FINANCIAL ASSETS (CONTINUED)

##### (a) Classification of financial assets (continued)

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the “net investment income” line item.

##### Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the University designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The University has designated their quoted debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “net investment income” line item (Note 6). Fair value is determined in the manner described in Note 2.17.

##### (b) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other operating expenses” line item; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss as part of the “net investment income” line item.

##### (c) Impairment of financial assets

The University recognises a loss allowance for expected credit losses (“ECL”) on grants and other receivables and deposits. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The University always recognises lifetime ECL for grants and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the University's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the University recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the University measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.11 FINANCIAL ASSETS (CONTINUED)

##### (c) Impairment of financial assets (continued)

###### Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the University compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the University considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The University presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the University has reasonable and supportable information that demonstrates otherwise.

The University assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The University regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

###### Definition of default

The University considers that default has occurred when a financial asset is more than 90 days past due unless the University has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

###### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

###### Write-off policy

The University writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the University's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

###### Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the University in accordance with the contract and all the cash flows that the University expects to receive, discounted at the original effective interest rate.

If the University has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the University measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

##### (d) Derecognition of financial assets

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

#### 2.12 CONTRACT LIABILITIES

Contract liabilities represents tuition and housing fees received in advance for the next financial year (See Note 16). Payments received from students for tuition and housing fees in which the tuition and housing services have not been rendered are recognised as contract liabilities until the courses and housing services have been rendered to the students.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.13 OTHER PAYABLES

Other payables represent liabilities for goods and services provided to the University prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

The University derecognises other payables when its contractual obligations are discharged or cancelled or expired.

#### 2.14 BORROWINGS

Borrowings are presented as current liabilities unless the University has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

#### 2.15 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

#### 2.16 BORROWING COSTS

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to assets under construction. This includes those costs on borrowings acquired specifically for assets under construction, as well as those in relation to general borrowings used to assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit are capitalised in the cost of the assets under construction.

### 2.17 FAIR VALUE ESTIMATION OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices.

The fair values of financial instruments that are not traded in an active market are determined with reference to the net asset value statements provided by the custodian/fund managers at each balance sheet date.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 2.18 PROVISION

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 3a. INCOME

	2020	2019
	\$'000	\$'000
<b>Tuition and Other Fees</b>		
Tuition Fees	36,107	36,429
Other Student Related Fees	705	712
	<b>36,812</b>	37,141
Less: Scholarship Expenses	(20,090)	(19,433)
	<b>16,722</b>	17,708
<b>Timing of Revenue Recognition</b>		
Over Time	<b>16,722</b>	17,708

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for services as at the end of the reporting period is \$3,943,000 (2019 : \$4,319,000). Management expects that full amount will be recognised as revenue during the next reporting period.

### 3b. OTHER INCOME

	2020	2019
	\$'000	\$'000
Housing Income	6,108	6,251
Rental Income	699	630
Conference and Short Courses	1,357	842
Wage Credit	210	228
Events and Facilities	1,665	1,524
Others	1,465	1,513
	<b>11,504</b>	10,988
<b>Timing of Revenue Recognition</b>		
At Point in Time	618	582
Over Time	<b>10,886</b>	10,406

### 4. EMPLOYEE COMPENSATION

	2020	2019
	\$'000	\$'000
Wages and Salaries	87,042	88,681
Employer's Contribution to Central Provident Fund	7,635	7,738
Other Benefits	668	483
	<b>95,345</b>	96,902

Key management personnel compensation is as follows:

	2020	2019
	\$'000	\$'000
Wages and Salaries	7,655	7,014
Employer's Contribution to Central Provident Fund	206	182
	<b>7,861</b>	7,196

Key management personnel comprises the President, Provost, Vice President, Administration, Associate Provosts, Head of Pillars and key administrative Directors.

### 5. OTHER OPERATING EXPENSES

	2020	2019
	\$'000	\$'000
Rental Expenses on Operating Leases	112	111
Utilities and Facility Management	15,001	14,618
Marketing and Advertising Expenses	3,908	3,335
Information Technology Expenses	4,892	6,197
Travelling Expenses	2,172	2,404
Library Books, Periodicals and Databases	2,081	2,301
Scholarships and Awards	15,176	13,024
Loss on Disposal of Property, Plant and Equipment and Intangible Assets	23	25
Others	7,327	7,692
	<b>50,692</b>	49,707



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 6. NET INVESTMENT (LOSS)/INCOME

	2020	2019
	\$'000	\$'000
Interest Income	6,801	5,410
Fair Value (Losses) / Gains on Financial Assets at Fair Value Through Profit or Loss	(74,585)	19,997
	<b>(67,784)</b>	<b>25,407</b>

### 7. GOVERNMENT AND OTHER GRANTS

	2020	2019
	\$'000	\$'000
Operating Grants (Note 10(ii))	68,746	84,604
Research Grants Utilised (Note 10(iii))	66,242	69,566
Debt Grants Utilised (Note 10(iv))	12,583	13,909
Deferred Capital Grants Amortised (Note 19)	36,731	36,795
Other Grants	4,118	2,309
	<b>188,420</b>	<b>207,183</b>

### 8. INCOME TAXES

The University obtained Charity and Institution of Public Character ("IPC") status on 21 July 2009 under the Charities Act and Charities (Institutions of a Public Character) Regulations 2008. With effect from the Year of Assessment 2009, all registered charities will enjoy automatic income tax exemption. The University is exempted from filing income tax returns. The University's IPC status will expire on 20 July 2022.

### 9. CASH AND CASH EQUIVALENTS

	2020	2019
	\$'000	\$'000
Cash at Bank and On Hand	46,992	54,397
Short-Term Bank Deposits	201,883	137,671
	<b>248,875</b>	<b>192,068</b>

The short-term bank deposits at balance sheet date have a weighted average effective interest rate of 1.47% (2019 : 1.91%) per annum.

### 10. GRANTS AND OTHER RECEIVABLES

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Fee and Other Receivables (Note (i))	1,512	1,376
Loss Allowance (Note (i))	(69)	(61)
	<b>1,443</b>	<b>1,315</b>
Operating Grants Receivable (Note (ii))	3,087	16,650
Research Grants Receivable (Note (iii))	30,178	25,733
Debt Grant Receivable (Note (iv))	23,006	21,893
Matching Endowment Grant Receivable	9,532	24,527
Other Receivables from Government	3,477	9,388
Job Support Scheme Receivable (Note 17)	3,390	-
Interest Receivable	514	176
	<b>74,627</b>	<b>99,682</b>
<b>Non-Current</b>		
Debt Grant Receivable (Note (iv))	332,829	358,199
Total Grants and Other Receivables	<b>407,456</b>	<b>457,881</b>

#### (i) Fee and other receivables

The average credit period of fee and other receivables is 30 days (2019 : 30 days). No interest is charged on the outstanding balance.

Loss allowance for fee and other receivables has been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on fee and other receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate. The University has recognised a loss allowance of \$8,000 (2019 : \$61,000) which is due to specific credit-impaired factors arising on the debtor. The University has assessed and noted immaterial loss allowance required for the remaining balances as historical experience has indicated that these receivables are generally recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

## 10. GRANTS AND OTHER RECEIVABLES (CONTINUED)

### (i) Fee and other receivables (continued)

The table below is an analysis of fee and other receivables as at 31 March

	2020	2019
	\$'000	\$'000
Not Past Due and Not Impaired	690	355
Past Due and Not Impaired	753	960
	<b>1,443</b>	<b>1,315</b>

The movement in the credit loss allowance in respect of fee and other receivables is as follows:

	2020	2019
	\$'000	\$'000
Balance as at 1 April	61	-
Loss Allowance Recognised in Profit or Loss During the Year Due to Changes in Credit Risk	8	61
Balance as at 31 March	<b>69</b>	<b>61</b>

### (ii) Movement in operating grants (received in advance)/receivable

	2020	2019
	\$'000	\$'000
Balance as at 1 April	12,205	5,431
Operating Grants Received During the Year	(110,787)	(78,116)
Transferred to Deferred Capital Grants (Note 19)	258	286
Transferred to Profit or Loss (Note 7)	68,746	84,604
Balance as at 31 March	<b>(29,578)</b>	<b>12,205</b>

Comprising:

Operating Grants Receivable (as above)	3,087	16,650
Operating Grants Received in Advance from Government - MIT Education Component (Note 15)	(1,278)	(1,278)
Other Operating Grant Received in Advance - Government (Note 15)	(8,187)	(3,167)
Sinking Funds Received in Advance (Note 15)	(23,200)	-
	<b>(29,578)</b>	<b>12,205</b>

### (iii) Movement in research grants received in advance

	2020	2019
	\$'000	\$'000
Balance as at 1 April	(7,199)	(8,786)
Research Grants Received During the Year	(64,856)	(71,348)
Transferred to Deferred Capital Grants (Note 19)	2,312	3,369
Transferred to Profit or Loss (Note 7)	66,242	69,566
Balance as at 31 March	<b>(3,501)</b>	<b>(7,199)</b>
Comprising:		
Research Grants Receivable (as above)	30,178	25,733
Research Grants Received in Advance from Government - MIT Research Component (Note 15)	(1,655)	(3,684)
Other Research Grants Received in Advance - Government (Note 15)	(22,814)	(20,129)
Research Grants Received in Advance - Government Agencies and Others (Note 15)	(9,210)	(9,119)
	<b>(3,501)</b>	<b>(7,199)</b>

### (iv) Movement in debt grant receivable

	2020	2019
	\$'000	\$'000
Balance as at 1 April	380,092	387,040
Debt Grant Received During the Year	(37,155)	(29,147)
Transferred to Deferred Capital Grants (Note 19)	315	8,290
Transferred to Profit or Loss (Note 7)	12,583	13,909
Balance as at 31 March	<b>355,835</b>	<b>380,092</b>
Current	23,006	21,893
Non-Current	332,829	358,199
	<b>355,835</b>	<b>380,092</b>

The debt grant receivable relates to funding from the Government to finance the bank loans utilised for land premium, construction cost of the East Coast Campus and the purchase of furniture and equipment, information technology equipment and systems that falls under the debt-grant framework initiated by the Government. The debt grant receivable earns additional grants at variable rates determined by Ministry of Education based on Ministry of Finance's preferential rate, and the carrying value approximates to its fair value at the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	\$'000	\$'000
<b>Designated at Fair Value on Initial Recognition:</b>		
Quoted Debt Securities	<b>306,875</b>	274,909
Quoted Unit Trusts	<b>463,196</b>	533,532
Quoted Equity Securities	<b>35,043</b>	37,344
Other Investments	<b>227,526</b>	222,909
	<b>1,032,640</b>	1,068,694

The Board of Trustees has an Investment Committee to assist in the oversight of the University's investments. The Investment Committee approves the asset allocation, selection of fund managers and all other investment activities. The selected fund managers and internal investment office have to manage the investment portfolio within the prescribed individual mandates and investment guidelines.

The fair values of quoted debt securities, quoted unit trusts and quoted equity securities are based on quoted market prices at the balance sheet date. The other investments represent investments in hedge funds, multi-asset fund and limited partnership. The fair values of these unquoted investments are based on net asset values provided by fund managers and fund administrators.

### 12. OTHER CURRENT ASSETS

	2020	2019
	\$'000	\$'000
Prepayments		
- Education Component	<b>497</b>	497
- Research Component	<b>3,238</b>	3,694
- Others	<b>1,924</b>	2,879
Deposits	<b>68</b>	161
	<b>5,727</b>	7,231

Prepayments comprise primarily of advance payments made to the Massachusetts Institute of Technology ("MIT") in accordance with the SUTD-MIT Collaboration Agreement for education and research purposes (Note 23(c)).



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 13. PROPERTY, PLANT AND EQUIPMENT

	Construction- In-Progress	Leasehold Land	Buildings and Plant & Machinery	Computer Systems, Communications & Lab Equipment	Personal Computers & Equipment	Furniture & Fittings	Audio Visual & Office Equipment	Motor Vehicle	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>									
Balance as at 1 April 2019	549	209,718	570,234	65,100	4,459	7,773	10,132	195	868,160
Adjustment <sup>(i)</sup>	-	-	(3,654)	-	-	(89)	-	-	(3,743)
Additions	534	-	133	3,746	524	11	566	-	5,514
Reclassified to Intangible Assets (Note 14)	(196)	-	-	-	-	-	-	-	(196)
Disposals	-	-	-	(667)	(62)	-	(820)	-	(1,549)
Balance as at 31 March 2020	887	209,718	566,713	68,179	4,921	7,695	9,878	195	868,186
<b>Accumulated Depreciation</b>									
Balance as at 1 April 2019	-	15,711	93,174	35,654	3,538	4,890	8,010	26	161,003
Adjustment <sup>(i)</sup>	-	-	(257)	-	-	(103)	-	-	(360)
Depreciation Charge	-	2,118	22,175	10,349	553	987	1,160	19	37,361
Disposals	-	-	-	(665)	(61)	-	(819)	-	(1,545)
Balance as at 31 March 2020	-	17,829	115,092	45,338	4,030	5,774	8,351	45	196,459
<b>Net Book Value Balance as at 31 March 2020</b>	<b>887</b>	<b>191,889</b>	<b>451,621</b>	<b>22,841</b>	<b>891</b>	<b>1,921</b>	<b>1,527</b>	<b>150</b>	<b>671,727</b>
<b>Cost</b>									
Balance as at 1 April 2018	911	209,718	563,844	61,755	4,076	7,544	9,774	195	857,817
Additions	427	-	6,325	3,020	449	230	356	-	10,807
Transfer	(431)	-	65	356	-	-	10	-	-
Reclassified to Intangible Assets (Note 14)	(358)	-	-	-	-	-	-	-	(358)
Disposals	-	-	-	(31)	(66)	(1)	(8)	-	(106)
Balance as at 31 March 2019	549	209,718	570,234	65,100	4,459	7,773	10,132	195	868,160
<b>Accumulated Depreciation</b>									
Balance as at 1 April 2018	-	13,593	71,462	25,665	2,859	3,846	6,740	7	124,172
Depreciation Charge	-	2,118	21,712	10,006	745	1,045	1,276	19	36,921
Disposals	-	-	-	(17)	(66)	(1)	(6)	-	(90)
Balance as at 31 March 2019	-	15,711	93,174	35,654	3,538	4,890	8,010	26	161,003
<b>Net Book Value Balance as at 31 March 2019</b>	<b>549</b>	<b>194,007</b>	<b>477,060</b>	<b>29,446</b>	<b>921</b>	<b>2,883</b>	<b>2,122</b>	<b>169</b>	<b>707,157</b>

(i) Adjustment are made to certain construction cost for the East Coast Campus Buildings upon receipt of the final account from the respective vendors.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year, the University received donated assets included as part of computer systems, communications and laboratory equipment amounting to \$78,000 (2019 : \$529,000). These assets are not eligible for the deferred capital grant.

As at 31 March 2020, the right-of-use asset relating to the University's leasehold land has a carrying amount of \$191,889,000 (2019 : \$194,007,000).

### 14. INTANGIBLE ASSETS

	2020 \$'000	2019 \$'000
<b>Computer Software Licenses Costs</b>		
Cost		
Balance as at 1 April	10,622	9,064
Additions	1,250	1,730
Reclassified from Property, Plant and Equipment (Note 13)	196	358
Disposals	(167)	(530)
Balance as at 31 March	11,901	10,622
Accumulated Amortisation		
Balance as at 1 April	7,654	6,895
Amortisation	1,187	1,280
Disposals	(148)	(521)
Balance as at 31 March	8,693	7,654
<b>Net Book Value</b>	<b>3,208</b>	<b>2,968</b>

### 15. GRANTS RECEIVED IN ADVANCE

	2020 \$'000	2019 \$'000
Operating Grants Received in Advance from Government - MIT Education Component (Note 10(ii))	1,278	1,278
Other Operating Grants Received in Advance Government (Note 10(ii))	8,187	3,167
Sinking Fund Received in Advance (Note 10(ii))	23,200	-
Research Grants Received in Advance from Government - MIT Research Component (Note 10(iii))	1,655	3,684
Other Research Grants Received in Advance - Government (Note 10(ii))	22,814	20,129
Research Grants Received in Advance - Government agencies and others (Note 10(iii))	9,210	9,119
Matching Grants Payable	-	3,826
Other Grants Received in Advance	323	870
	<b>66,667</b>	<b>42,073</b>
Current	43,467	42,073
Non-Current	23,200	-
	<b>66,667</b>	<b>42,073</b>

The balances in these accounts represent grants received but not utilised at the end of the financial year.

### 16. CONTRACT LIABILITIES

This relates to the consideration received in advance for tuition and housing services.

Services are paid upfront as part of the initial sales transaction whereas revenue is recognised over the period when services are provided to the customer. A contract liability is recognised for revenue relating to tuition and housing services at the time of the initial sales transaction and is released over the service period.

There were no significant changes in the contract liability balances during the reporting period.

The amount of revenue recognised in the current reporting period which relates to brought forward contract liabilities is \$4,319,000 (2019 : \$3,859,000).

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 17. OTHER PAYABLES

	2020	2019
	\$'000	\$'000
Other Payables	6,791	7,252
Payables for Capital Expenditure	298	315
Deferred Grant Income	3,390	-
Accruals for:		
- Operating Expenses	16,134	22,320
- Capital Expenditure	3,125	9,401
	<b>29,738</b>	<b>39,288</b>

Deferred grant income relates to the amounts granted to the University under the Jobs Support Scheme initiative by the Singapore government which is intended to defray certain manpower costs between the periods from April to December 2020. These amounts were received in April 2020 and recognised in the profit or loss subsequent to year end.

### 18. BORROWINGS

	2020	2019
	\$'000	\$'000
<b>Bank Borrowings</b>		
Current	15,741	16,222
Non-Current	349,718	361,399
	<b>365,459</b>	<b>377,621</b>

The profile of the bank borrowings at the balance sheet date are as follows:

	2020	2019
	\$'000	\$'000
Fixed Rate - Unsecured	365,279	376,526
Variable Rate - Unsecured	180	1,095
	<b>365,459</b>	<b>377,621</b>

Under the debt-grant framework initiated by the Government, the University has drawn down bank loans to finance the land premium, construction of the East Coast Campus and the purchase of furniture and equipment, information technology equipment and systems.

As at 31 March 2020, the fair value of the non-current borrowings is \$342,502,000 (2019 : \$351,524,000). The fair value is determined from the cash flow analysis, discounted at market borrowing rates of 2.19% (2019 : 2.45%) per annum, which management expects to be available to the University at the balance sheet date.

### 19. DEFERRED CAPITAL GRANTS

	2020	2019
	\$'000	\$'000
Balance as at 1 April	703,628	728,478
Transferred from:		
- Operating Grants (Note 10(ii))	258	286
- Research Grants (Note 10(iii))	2,312	3,369
- Debt Grant (Note 10(iv))	315	8,290
- Skills Future Set up Grant	21	-
Amortisation of Deferred Capital Grants (Note 7)	(36,731)	(36,795)
Balance as at 31 March	<b>669,803</b>	<b>703,628</b>

### 20. NON-ENDOWMENT FUND

	2020	2019
	\$'000	\$'000
<b>Non-Endowment Fund</b>		
Accumulated Surplus	12,954	12,698
Represented by:		
Cash and Cash Equivalents	13,108	14,334
Grants and Other Receivables	42	210
Property, Plant and Equipment	28	33
Other Payables	(224)	(1,879)
	<b>12,954</b>	<b>12,698</b>



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 21. ENDOWMENT FUND

	2020 \$'000	2019 \$'000
<b>Endowment Fund</b>		
Capital:		
- Government Grants	801,463	787,199
- Donations	175,682	167,443
	977,145	954,642
Accumulated Surplus	84,126	166,883
	1,061,271	1,121,525
Represented by:		
Cash and Cash Equivalents	19,487	32,184
Grants and Other Receivables	9,534	25,072
Property, Plant and Equipment	24	24
Financial Assets at Fair Value Through Profit or Loss	1,032,640	1,068,694
Other Payables	(414)	(623)
Grants Received in Advance	-	(3,826)
	1,061,271	1,121,525

The objectives of this fund include the advancement and dissemination of knowledge, the promotion of research and awarding of scholarships.

Donations from external parties and government matching grants which are to be kept intact as capital of \$8,239,000 (2019 : \$15,947,000) and \$14,264,000 (2019 : \$39,940,000) respectively, are taken directly to endowment fund - capital during the current financial year.

### 22. FUNDS' NET ASSETS MANAGED ON BEHALF OF MINISTRY OF EDUCATION ("MOE")

Pursuant to the MOE Tuition Fee Loan ("TFL") and Study Loan ("SL") schemes, the University acts as agent for these loans schemes and the MOE is the financier providing the advances.

	2020 \$'000	2019 \$'000
Balance as at 1 April	11,558	10,172
Student Loan Granted to Students	3,829	3,668
Repayments Received from Students	(2,849)	(2,282)
Balance as at 31 March	12,538	11,558
Represented by:		
TFL Receivables	11,233	10,249
SL Receivables	1,305	1,309
Net Assets	12,538	11,558

Student tuition fee and study loans are unsecured, interest-free during the course of study and are repayable by monthly instalments over period of up to 20 years after the students' graduation. Interest is charged based on the average of the prevailing prime rates of the 3 local banks. The interest rate as at the end of reporting period is 4.75% (2019 : 4.75%) per annum.

### 23. COMMITMENTS

#### (a) Lessee - Operating lease commitments

The University leases plant and machinery under a non-cancellable operating lease agreement.

#### Disclosure required by FRS 116

The lease expenditure during the financial year is as follows:

	2020 \$'000
Expense Relating to Short-Term Leases	59
Expense Relating to Leases of Low Value Assets, excluding Short-Term Leases of Low Value Assets	53
	112

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 23. COMMITMENTS (CONTINUED)

#### (a) Lessee - Operating lease commitments (continued)

##### Disclosure required by FRS 17

The lease expenditure during the financial year is as follows:

	2019
	\$'000
Minimum Lease Payments under Operating Leases	111

The future minimum lease payable under a non-cancellable operating lease contracted for in 2019 but not recognised as liabilities is as follows:

	2019
	\$'000
Within One Year	120
Within 2 to 5 years	277
	397

#### (b) Lessor - Operating lease commitments

The University leases campus space to non-related parties under non-cancellable operating lease agreements.

##### Disclosure required by FRS 116

Operating leases, in which the University, is the lessor, relate to premises owned by the University with lease terms of 1 to 3 years. For leases with extension options, the extension option is 1 to 3 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the premises at the expiry of the lease period.

Maturity analysis of operating lease payments:

	2020
	\$'000
Year 1	674
Year 2	437
Year 3	99
	1,210

##### Disclosure required by FRS 17

The future minimum lease receivables under non-cancellable operating leases contracted in 2019 but not recognised as receivables are as follows:

	2019
	\$'000
Within One Year	415
Within 2 to 5 years	221
	636

#### (c) Collaboration agreement with Massachusetts Institute of Technology

The University has entered into a collaboration agreement with the Massachusetts Institute of Technology ("MIT") on 25 January 2010 to establish a deep and extensive relationship between MIT and the University for the furtherance of the highest international standards and innovation in education and research. The SUTD-MIT Collaboration Agreement comprises two components, an Education Component and a Research Component.

Under the Education Component, MIT will provide its assistance, advice and sharing of its academic and administrative expertise to help shape the University into a world class educational institution. In addition, MIT will establish an endowment fund for which income generated will be used for the furtherance of the objective of the education component. The Education collaboration has been successfully completed on 30 June 2017.

The Research Component involves a collaborative effort between MIT and the University to establish and develop the SUTD-MIT International Design Centre, which will be a Centre comprising one primary physical location sited within the University campus and one secondary physical location sited within MIT's campus, for the MIT and University faculties to conduct research and other research related activities in furtherance of the educational and research objectives of the University.

Under the SUTD-MIT Collaboration Agreement, the University is required to make payments relating to the Education Undergraduate and Graduate Component up to 30 June 2017 and 28 February 2018 respectively. For Research Component, payment will be made up to 30 June 2020.

During the year, the research expenses incurred and taken up by SUTD is \$4,297,000 (2019 : \$4,814,000) respectively.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 23. COMMITMENTS (CONTINUED)

#### (d) Collaboration agreement with Zhejiang University

The University has entered into a collaboration agreement with Zhejiang University ("ZJU") since 26 August 2010 with the intention to develop and offer courses at the University and to jointly undertake research activities and other collaborative activities.

Under the SUTD-ZJU Collaboration Agreement, the University is required to contribute to the collaboration up to December 2023.

As at 31 March 2020, SUTD's outstanding commitment under the collaboration is estimated at \$Nil (2019 : \$368,000).

During the year, the operating expenses incurred and taken up by SUTD are \$368,000 (2019 : \$489,000).

#### (e) Capital commitments

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

	2020 \$'000	2019 \$'000
Property, Plant and Equipment	<b>3,963</b>	21,842

### 24. RELATED PARTIES TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

The University receives grants from the Ministry of Education ("MOE") to fund its operations and is subject to certain controls set by MOE and considers MOE a related party. Hence, other government-controlled entities are considered related parties of the University. The University has applied the exemption from disclosure requirements of FRS 24 in relation to related party transactions and outstanding balances (including commitments) with MOE and other government-controlled entities.

The University has significant transactions with MOE and other government-controlled entities in the form of purchase of goods and services and rendering of services. Such purchases and sales are collectively approximate to \$24,000 (2019 : \$240,000) and \$89,000 (2019 : \$83,000).

### 25. FINANCIAL RISK MANAGEMENT

#### Financial risk factors

The University's activities expose it to market risk (including currency risk, interest rate risk and price risk), liquidity risk and credit risk.

The Board of Trustees has the Finance and Investment Committees to assist the Board in setting the objectives and underlying principles of financial risk management for the University. Financial risk is reviewed by the Finance and Investment Committees. The Investment Office assists in the implementation and management of the investment portfolio within the prescribed investment guidelines and mandates. The information presented below is based on information received by the Finance and Investment Committees.

#### (a) Market risk

##### (i) Currency risk

The University's operations are not exposed to significant currency risk as most of its transactions are transacted or invested in Singapore Dollar ("SGD") except for its investment portfolio. The currency risk related to the United States Dollar payments to MIT under the SUTD-MIT Collaboration Agreement is borne by MOE.

The University's currency profile from its investment portfolio is as follows:

	2020 \$'000	2019 \$'000
Financial Assets at Fair Value Through Profit or Loss		
- SGD	<b>585,482</b>	572,587
- Non-SGD	<b>447,158</b>	496,107
Total	<b>1,032,640</b>	1,068,694

Currency derivatives are entered into by the fund manager to manage the foreign currency risk exposure of the University's investment portfolio. The currency profile above has taken into consideration the effects of currency forwards.

At 31 March 2020, if foreign currencies (i.e. currencies other than those denominated in SGD) had strengthened/weakened by 3% (2019 : 3%) against the SGD with all other variables being held constant, it will result in a \$13,415,000 decrease/increase in the net surplus (2019 : \$14,883,000 decrease/increase in the net surplus).

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (a) Market risk (continued)

##### (ii) Interest rate risk

The University has interest-bearing assets 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 income of the University.

The University's borrowings as at 31 March 2020 include variable rate loan amounting to \$180,000 (2019 : \$1,095,000), which is exposed to interest rate risk. If interest rate had increased/decreased by 50 basis points, it will result in a \$900 decrease/increase in the net surplus (2019 : \$5,472 decrease/increase in the net surplus).

The University's investments in financial assets at fair value through profit or loss as at 31 March 2020 include interest-bearing debt instruments amounting to \$396,446,000 (2019 : \$351,287,000) which are exposed to interest rate risk. Changes in interest rates will have an impact on the fair values of these investments. With all other variables held constant, 50 (2019 : 50) basis points increase/decrease in interest rates will result in approximately \$10,471,000 (2019 : \$8,487,000) decrease/increase in the fair value of financial assets at fair value through profit or loss and the net surplus.

##### (iii) Price risk

The University is exposed to price risk arising from the investments, invested either directly or through externally managed funds. To manage this risk, the University diversifies its investment portfolio across different markets in accordance with the investment guidelines set by the Investment Committee.

The University is exposed to price risk arising from the financial assets at fair value through profit or loss. The geographical information of the investment portfolio comprising quoted debt securities, quoted unit trusts (based on geographical area of underlying securities), quoted equity securities and other investments provided to key management is as follows:

	Financial Assets at Fair Value Through Profit Or Loss	
	2020	2019
	%	%
<b>By Geographical Area:</b>		
Singapore	44	43
Asia Pacific (excluding Singapore)	20	19
Europe	9	10
United States and Latin America	26	27
Middle East and Africa	1	1
Total	100	100

If prices for quoted unit trusts, quoted equity securities and other investments had increased/decreased by 5% (2019 : 5%), with all other variables held constant, it will result in a \$25,490,000 increase/decrease (2019 : \$29,133,000) in the fair value of financial assets at fair value through profit or loss and the net surplus.

##### (b) Liquidity risk

There is minimal liquidity risk as the University maintains an adequate level of highly liquid assets in the form of cash and short-term bank deposits.

The table below analyses non-derivative financial liabilities of the University into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	< 1 year	1-2 years	2-5 years
	\$'000	\$'000	\$'000
<b>At 31 March 2020</b>			
Other Payables	26,348	-	-
Borrowings	23,747	105,260	260,009
<b>At 31 March 2019</b>			
Other Payables	39,288	-	-
Borrowings	25,124	22,721	362,718



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Credit risk

Credit risk refers to the risk that a counterparty will default on its obligations resulting in financial loss to the University. The University places its cash and short-term bank deposits with reputable financial institutions. The investment portfolio is managed by a professional fund manager and in-house investment team.

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 University's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the University has no realistic prospect of recovery.	Amount is written off

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Credit risk (continued)

The table below details the credit quality of the University's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				\$'000	\$'000	\$'000
<b>2020</b>						
Fees and Other Receivables	10	(i)	Lifetime ECL (simplified approach)	1,512	(69)	1,443
Grants and Other Receivables (excluding Fees and Other Receivables)	10	(ii)	Lifetime ECL (simplified approach)	406,013	-	406,013
Deposits	12	Performing	12-month ECL	68	-	68
					(69)	
	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				\$'000	\$'000	\$'000
<b>2019</b>						
Fees and Other Receivables	10	(i)	Lifetime ECL (simplified approach)	1,376	(61)	1,315
Grants and Other Receivables (excluding Fees and Other Receivables)	10	(ii)	Lifetime ECL (simplified approach)	456,566	-	456,566
Deposits	12	Performing	12-month ECL	161	-	161
					(61)	

(i) The University determines the expected credit losses on these items by estimating based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

(ii) Grant and other receivables (excluding fees and other receivables) are mainly due from the Singapore Government and other Singapore Government agencies which are of good credit rating standing. Therefore, the credit risk exposure of these grants and other receivables (excluding fee and other receivables) is insignificant and is subject to immaterial credit loss.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and is subject to immaterial credit loss.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) Capital risk

The University is limited by guarantee with no share capital and is funded mainly by grants received from the Ministry of Education. The University is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2020 and 2019.

#### (e) Fair value measurement

The University classifies fair value measurements 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:

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

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

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2020</b>				
<b>Assets</b>				
Financial Assets at Fair Value Through Profit or Loss				
- Quoted Debt Securities	306,875	-	-	306,875
- Quoted Unit Trusts	66,894	396,302	-	463,196
- Quoted Equity Securities	35,043	-	-	35,043
- Other Investments	-	160,399	67,127	227,526
<b>Total Assets</b>	<b>408,812</b>	<b>556,701</b>	<b>67,127</b>	<b>1,032,640</b>

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2019</b>				
<b>Assets</b>				
Financial Assets at Fair Value Through Profit or Loss				
- Quoted Debt Securities	274,909	-	-	274,909
- Quoted Unit Trusts	91,434	442,098	-	533,532
- Quoted Equity Securities	37,344	-	-	37,344
- Other Investments	-	164,242	58,667	222,909
<b>Total Assets</b>	<b>403,687</b>	<b>606,340</b>	<b>58,667</b>	<b>1,068,694</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (e) Fair value measurement (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the University is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (unlisted unit trusts and other investments) is based on price quotes by the brokers. These instruments are classified as Level 2. Under certain circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the period.

The following table presents the changes in Level 3 instruments:

	2020	2019
	\$'000	\$'000
<b>Financial Assets at Fair Value Through Profit or Loss</b>		
Balance as at 1 April	58,667	65,298
Purchases	7,761	7,113
Redemptions	(981)	(15,359)
Fair Value Gains Recognised in Profit or Loss	1,680	1,615
Balance as at 31 March	67,127	58,667
Total Gains Recognised in Profit or Loss for Assets Held at the end of Financial Year	1,680	1,615

The carrying amount of current grants and other receivables, deposits and other payables approximate their fair value. The fair values of non-current grant receivable and borrowings are disclosed in Notes 10(iv) and 18 respectively.

### (f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	2020	2019
	\$'000	\$'000
Financial Assets at Amortised Cost	656,399	650,110
Financial Assets at Fair Value Through Profit or Loss	1,032,640	1,068,694
Financial Liabilities at Amortised Cost	391,807	416,909

## 26. CHARITY ACT AND REGULATIONS

As required for disclosure under Regulation 17 of the Charities (Institutions of a Public Character) Regulations, the University has received total tax deductible donations of \$10,797,142 (2019 : \$19,401,473) in the current financial year.

## 27. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, material subsequent events impacting the University are as follows:

### 1) Impact of COVID-19 on the University

The outbreak of the Coronavirus Disease 2019 ("COVID-19") in early 2020 has caused disruptions to many industries globally. Despite the challenges, governments and international organisations have implemented a series of measures to contain the pandemic.

The COVID-19 outbreak is an event that occurred during the University's financial reporting period and the impact of the COVID-19 outbreak on the University's assets and liabilities have been assessed and recognised in the financial statements as at 31 March 2020. Specifically, the University has accounted for the Jobs Support Scheme meant to provide wage support for local employees as disclosed in Note 10.

Subsequent to the end of the reporting period and as at the date the financial statements were authorised for issue (the "authorisation date"), management has also assessed the reasonably expected impact of COVID-19 as well as the volatility of the bonds and stock markets and the resultant impact on the financial assets at fair value through profit or loss. Management considers this impact to be a non-adjusting event.

Management will continue to closely monitor the development of the pandemic and assess its impact on the University's operations. Notwithstanding this, management has assessed that the University will be able to maintain sufficient liquidity to enable it to continue as a going concern for at least the next 12 months from the authorisation date of this financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

### 27. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

#### 2) Change of commencement date for academic year

The start of the undergraduate academic year for the University will be deferred from May 2020 to September 2020 starting from this calendar year. Students in the 2020 cohort will continue to take the required eight study terms of undergraduate coursework, and will graduate in May 2024 instead of September 2023. The change in academic calendar was in light of the uncertainty of the restrictions to on-campus activities and lessons from the evolving COVID-19 situation.

This change will be permanent, which means that subsequent cohorts will also begin their academic year in August/September. The University's calendar will now be aligned with those of the other autonomous universities. Students from the 2019 academic year and earlier will continue with their current schedule to minimise disruption to their studies.

### 28. ADOPTION OF NEW AND REVISED STANDARDS

On 1 April 2019, the University has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the University's accounting policies and has no material effects on the amounts reported for the current or prior years except as disclosed below.

#### FRS 116 Leases

FRS 116 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the University has applied the relevant practical expedients and opted to recognise a lease expense on a straight-line basis as permitted by FRS 116. This expense is presented within other operating expenses in the statement of profit or loss and other comprehensive income.

The adoption of FRS 116 had no material effect on the amounts reported for the current or prior years except for more extensive disclosures required, in particular as a lessee, the lease expense on short-term leases and low-value assets. As a lessor, more disclosures were made regarding how the University managed the risk arising from its residual interest in leased assets.

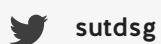
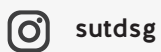
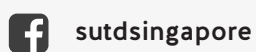
At the date of authorisation of these financial statements, the following new/revised FRSs and amendments to FRSs that are relevant to the University were issued but not effective:

- Amendments to FRS 1: *Presentation of Financial Statements* and FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*<sup>(1)</sup>
- Amendments to References to the Conceptual Framework in FRS Standards <sup>(1)</sup>

<sup>(1)</sup> Effective for annual periods beginning on or after 1 January 2020.

Based on preliminary assessment, the University anticipates that the adoption of the above FRSs and amendments to FRSs in future periods will not have a material impact on the financial statements of the University in the period of their initial adoption.





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