

A BETTER WORLD

BY DESIGN



Concept

The cover design is a visual abstraction of SUTD's strategic, yet sensitive, approach to sustainability. The layers of increasingly vibrant tones and fine details in blues and greens allude to the systemic planning and phasing of SUTD Sustainability Plan (SSP), while the earthy-looking visual material used is suggestive of the soft nudging and gentle hands-on attitude towards the environment as SUTD leverages technology and design thinking to build a better world by design.

Process

The cover design is generated from state-of-the-art AI model that is capable of translating textual concepts as inputs to visual imagery as outputs, while conditioning it to the curatorial agency of the designer and the specificity of the design task (in this case, the book cover design). This process is thus representative of SUTD's depth in the most advanced technologies and breadth in their creative design applications.

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Vision, Mission and About SUTD

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 interdisciplinary 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 has been accorded IPC (Institution of Public Character) status under the Charities Act, Chapter 37 until 20 July 2027.

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.

SUTD's Design Philosophy

At SUTD, we believe in a Better World by Design

Design is the panacea of problems (Value)

Design transforms lives & communities (Human-centric)

Design is made powerful by digitalisation and big data (Technology)

Design outcomes must be quantifiable and experienceable by everyone (Outcomes)

Design, when powered by technology, is the informed, intentional, intelligent and imaginative force that will drive innovations to improve lives, grow economies and sustain our world.

Chairman's Message

We would be missing an opportunity, if we were simply to resume our lives as before the pandemic. The need arose to live and work differently, and many have embraced new routines and tools to not only work but collaborate with others.

This inspires the possibility to transform our campus and redesign our learning environment by combining cyber and physical interactions between people, and the university is working on a major initiative in this new area. It will also connect with the world of ideas and business outside the university to open new possibilities.

We have planned to continue to support our alumni and the needs of business and industry in design and technology. The establishment of the SUTD Academy is a step towards that goal. We will work even more closely with businesses in identifying opportunities, and we undertake to alumni that we will extend our resources for them to tap on should they need help.

Good design enables both adoption of technology and adaptation of human behaviour. Both are key to tackling the challenge of sustainability. Our research into design will increase support for this, as sustainability is central to a better world.

In the midst of activity, we also recognised two eminent persons. In 2021, SUTD conferred its first Honorary Degrees on two distinguished former members of the SUTD Board of Trustees (BOT).

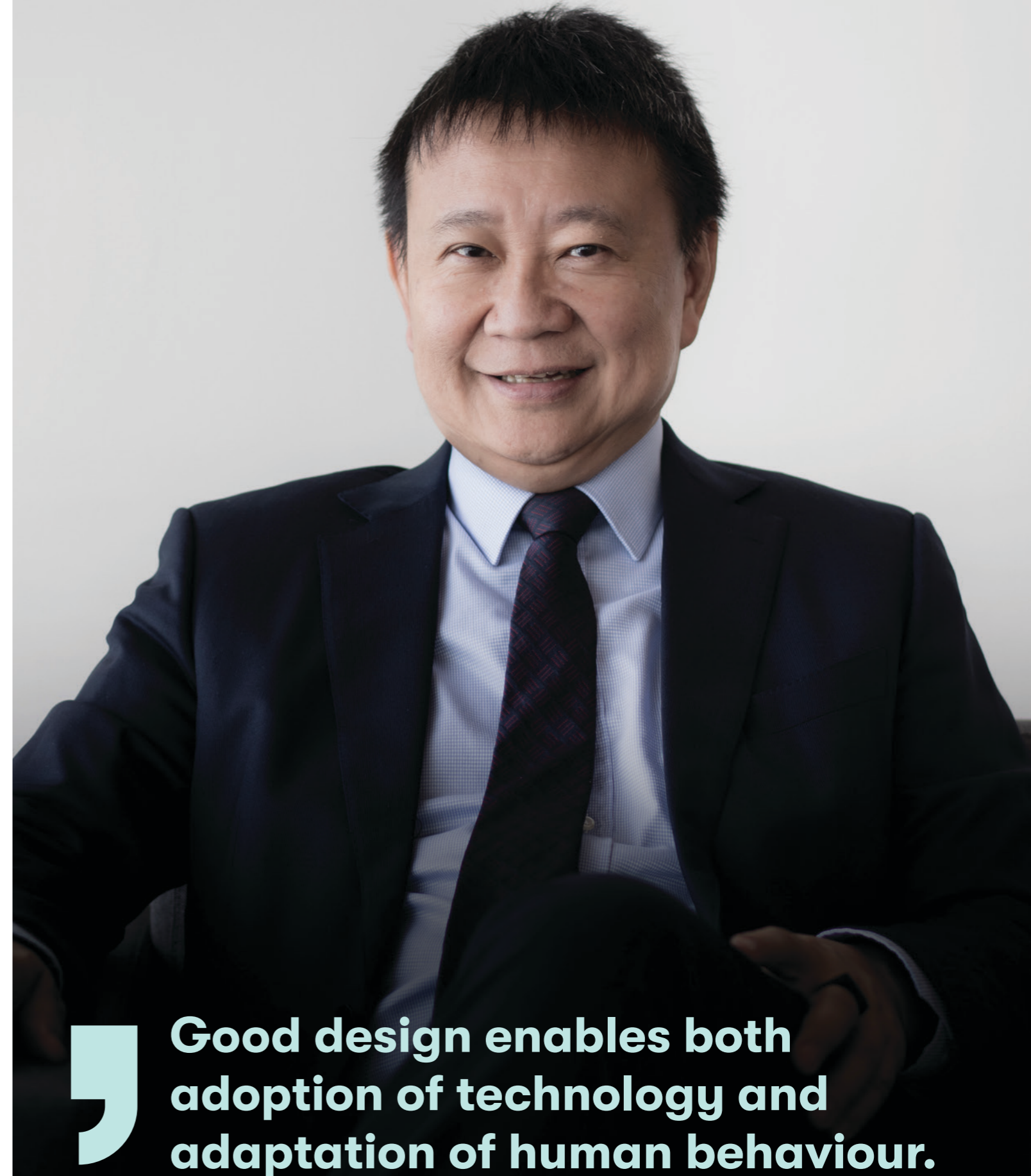
Mr Philip Ng, the founding Chairman of the SUTD BOT and chief executive officer of Far East Organization, and Mr Sam Goi, SUTD's current Patron for Advancement and the founder and chairman of Tee Yih Jia, are leaders who helped establish our university.

In recognition of their exceptional contributions, the university recognised both founding board members with Honorary Degrees of Doctor of Letters. The conferment in person at SUTD's Class of 2020 graduation ceremony was presided over by SUTD Chancellor Dr Tony Tan Keng Yam.

I would like to thank all those who have supported the university, our business and university partners, our staff, students and alumni, and our board and committee members. I look forward to continue working with you to achieve SUTD's mission to build a better world by design.



Mr Lee Tzu Yang
SUTD Chairman



Good design enables both adoption of technology and adaptation of human behaviour.

President's Message

Even as Singapore continues its transition into a post-pandemic era, so too is the university. It is important for us to adjust to the new normal and we have brought back more in-person activities, large-scale events, overseas exchanges and more, for the benefit of the SUTD community.

Aligning with this next phase for the University, we are now embarking on a series of new initiatives to help chart our way forward. In December last year, we made a major announcement about a new and inclusive SUTD Sustainability Plan (SSP) that will leverage on technology and design thinking to build a more sustainable and happier world by design. S\$10 million will be committed over the next three to five years to help us bring the SSP initiatives to fruition.

Under this multi-faceted plan, we aim to transform our campus into a green experimental ground for the test-bedding of new sustainable technologies; launch a new research initiative on Circular Economy to generate sustainable products and software solutions; and provide hands-on sustainability education for students.

To this end, we have set up a new design research centre, DesignZ, to lead the University's sustainability efforts. It will further reinforce Design as a core offering of SUTD through four main areas – *Research, Innovation, Services and Education*. The Centre will also work to establish integrated partnerships with public and private sectors by offering support and leadership in Design and focusing on sustainability and circularity approaches to solve challenges and bring about transformations of recognisable value to the industry and society at large.

Thus far, we have begun collaborating with some like-minded partners to amplify the impact of the SSP. Two of our earliest partners are SingHealth and North West Community Development Council (CDC). With SingHealth, we are studying the design of low carbon campuses at Changi General Hospital and an integrated health campus at Bedok North. This includes supporting a Future Health Living Laboratory



as well as a shared effort for Continuous Education and Training. With North West CDC, our faculty and students are working with them to design a Green Library that will allow residents to develop a community-level sharing economy as well as reusable furniture.

Our students have also played their part in contributing to our sustainability efforts. The environmental Fifth Row club, Greenprint, organised the inaugural SUTD Sustainable Design Hack - a sustainability themed ideation competition - to raise awareness of environmental issues and sustainability among Singaporean youths. 150 pre-tertiary and tertiary students from 19 institutions participated in the competition.

Another major initiative for the University is the transformation of the campus into a cyber-physical learning environment. This aims to seamlessly connect ideas, people, business and technology, enabling students to have a totally new and stimulating learning environment. This Cyber-physical campus will also breakdown the "one-size fits all" approach, allowing students to have more personalised learning to develop their full human potential. Our intention is to help students develop the joy of learning, leading to life-long learning, because today's graduates will need to learn new things multiple times in their career.

The third new initiative that SUTD will be focusing on is to create a vibrant research and development and innovation ecosystem in the greater Changi Business Park region that brings together education, research, industry, and entrepreneurship. Hence, collaborative partners can have access to SUTD talents and on-campus research and development facilities, to facilitate research and test-bedding projects in the areas of Health & Wellness, Connectivity, AI & Design, Sustainability and Smart Cities. For example, the SUTD's AI Megacentre is one of the research and development facilities that we have set up under this initiative. A research commercialisation program was established to facilitate researchers in bringing their technology to the market. A wholly owned subsidiary, SUTD Venture Holdings Pte Ltd, was also set up to support SUTD-related startups and spinoffs.

So this is a very eventful time for SUTD with all these new initiatives lined up.

On the education front, we have signed a memorandum of understanding (MOU) with the National University of Singapore (NUS) to collaborate in the areas of innovation and enterprise. The MOU underscores collaboration between the two universities in entrepreneurship education, research and innovation, venture creation and facility and expertise sharing. This is the first such partnership entered by both universities to collectively groom the next generation of talents to further build momentum in innovation and enterprise.

The research front has also been exciting for us. The Infocomm Media Development Authority and National Research Foundation Singapore have invested S\$70 million to launch a new national Future Communications Research and Development Programme (FCP). The four-year FCP will strengthen Singapore's 5G ecosystem and accelerate the research and translation of future communication technologies, and is headed by our Information Systems Technology and Design head of pillar, Professor Tony Quek. As the host of the programme, Prof Quek will also lead and collaborate with Agency for Science, Technology and Research, Nanyang Technological University, Singapore, National University of Singapore, and Singapore Institute of Technology. Under this programme, a 5G research and development testbed@SUTD will be constructed.

In addition, as part of the FCP, 6G Flagship, the world's first and leading 6G research, development and innovation programme has partnered with us to launch research and development collaboration on 6G technology. This brings SUTD right to the frontier of telecommunications research and development.

To close, I would like to reiterate that these are indeed exciting times for SUTD. As our nation and the world rebounds from the pandemic, there may be many challenges, but I also see plenty of opportunities for us to seize. We could not have tide through the challenging times without the generous support from our donors and benefactors. Theirs are the unseen hands that enable all deserving students who have a strong interest in our science, technology, engineering and mathematics programmes to pursue education, without financial constraints. I thank you once again for your generosity in allowing us to groom the next generation of leaders and innovators who can help serve societal needs and improve the world.

Professor Chong Tow Chong
SUTD President

SUTD at a Glance

Overview



All figures are accurate as of 31 March 2022.

SUTD Sustainability Plan (SSP)

In December 2021, SUTD announced a multi-faceted sustainability plan that will leverage technology and design thinking to build a more sustainable and happier world by design. The SSP builds on SUTD's international leadership in design and engineering innovation by framing three key commitments as leverage points for creating new sustainable technologies:

1. To transform SUTD campus into a green experimental ground for test-bedding of new sustainable technologies (OASIS – Open Arena for Sustainability Innovation and Solutions)
2. To launch a new research initiative on Circular Economy to generate sustainable products and software solutions
3. To provide hands-on sustainability education for students

Education

SUTD undergraduate programmes begin 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 specialisation in one of five areas for the next five terms.

The five areas of specialisation are:

- Architecture and Sustainable Design
- Computer Science and Design
- Design and Artificial Intelligence
- Engineering Product Development
- Engineering Systems and Design

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

- Minor in Artificial Intelligence (AI)
- Minor in Computer Science (CS)
- Minor in Design Innovation, Ventures and Entrepreneurship (DIVE)
- Minor in Design, Technology and Society (DTS)
- Minor in Digital Humanities (DH)
- Minor in Engineering Product (EP)
- Minor in Engineering Systems (ES)
- Minor in Healthcare Informatics (HI)

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, the Master of Science in Urban Science, Planning and Policy as well as other master's and PhD programmes.



SUTD Academy

The SUTD Academy is the University's adult learning institute, with a mission to up-skill and re-skill working professionals in emerging areas such as data analytics, cybersecurity and artificial intelligence (AI), to keep them relevant in the fast-evolving working environment. The Academy adopts the same education philosophy of SUTD, where its training courses and programmes promote a multi-disciplinary approach, design thinking, an entrepreneurial spirit and active learning, among other things.

The advent of digitalisation and Covid-19 have hastened disruption to the workplace. SUTD Academy supported and participated in the SGUnited Skills (SGUS) Programme, a national initiative by SkillsFuture Singapore, to support our locals in these difficult times to train and facilitate placement to new job roles of demand. SUTD Academy has enrolled over 200 participants who are at various stages of training in the area of Data Science, Digital Marketing and Digital HR.

Beyond the SGUS Programme, SUTD Academy continues to partner industry and other institutions to roll out micro-credential certification programmes to provide more skills-based learning to participants. In the past year, SUTD Academy has trained over 2,000 participants in design innovation, data science, cybersecurity, AI and other new digital skills.

Expanding SUTD's Global Footprint across the Globe

Persevering with our mission to nurture global citizens, SUTD now partners 69 institutions in 24 countries to offer a variety of global opportunities for all our students.

Through these increased partner networks, our most sought-after Global Exchange Programme (GEXP) now offers 228 overseas semester exchange opportunities in 38 destinations over 17 countries, thereby allowing our students to expand their classrooms beyond the shores of Singapore.

These international partnerships also enabled SUTD to offer more than 40 summer programmes in 12 countries with experiences ranging from summer school to research projects and immersion opportunities.

Since 2019, SUTD expanded our partner networks to ASEAN and China, through working with partners in these regions to mutually offer SUTD and partner university students the opportunity to learn together, experience a different pedagogy, enrich their cultural and socio-political insights, as well as network and build new friendships. The Freshmore Asian Cross-curricular Trips (FACT) programme, available exclusively for SUTD



Freshmore students, offers the opportunity for students to gain regional exposure, as early as their first year with SUTD. The one-week joint immersion programmes are co-created with our partner universities and hosted at their campuses, and aim to bring students from both institutions together in a multinational and multicultural setting, to jointly accomplish an academic learning objective. By tying the trips with specific learning goals and outcomes of corresponding Freshmore courses, SUTD students gain academic mastery of the subject and awareness of the regions' local context and cultural differences through their interaction with the local students and community.

As the travel climate remained volatile and uncertain in 2021, we channelled our efforts to organise five virtual FACT programmes to offer our Freshmores different opportunities to network with our partner universities' students.

Stepping into 2022, with the progressive resumption of overseas travel, we target to organise physical FACT programmes and cyber-physical programmes with our partner universities.

Following the continued suspension of all outbound mobility in 2021, extensive effort was undertaken to offer alternative options to students whose travel plans and learning experiences were impacted by global travel restrictions, with priority given to students whose last window of opportunity for international travel was in 2021. These students were offered partner universities' virtual summer programmes or options to embark on other learning experiences locally through remote local or overseas internships and/or local summer schools. In 2021, SUTD offered 30 online summer programmes from our partner universities so that students could continue to expand their knowledge and enhance their learning experiences virtually. Students who had other windows for overseas travel in their later years of study were allowed to defer

their overseas learning opportunities to the subsequent years when the pandemic situation improves and global travel resumes. Students who were bound for overseas academic exchanges under the GEXP, were assisted to continue their Term 6 studies in SUTD.

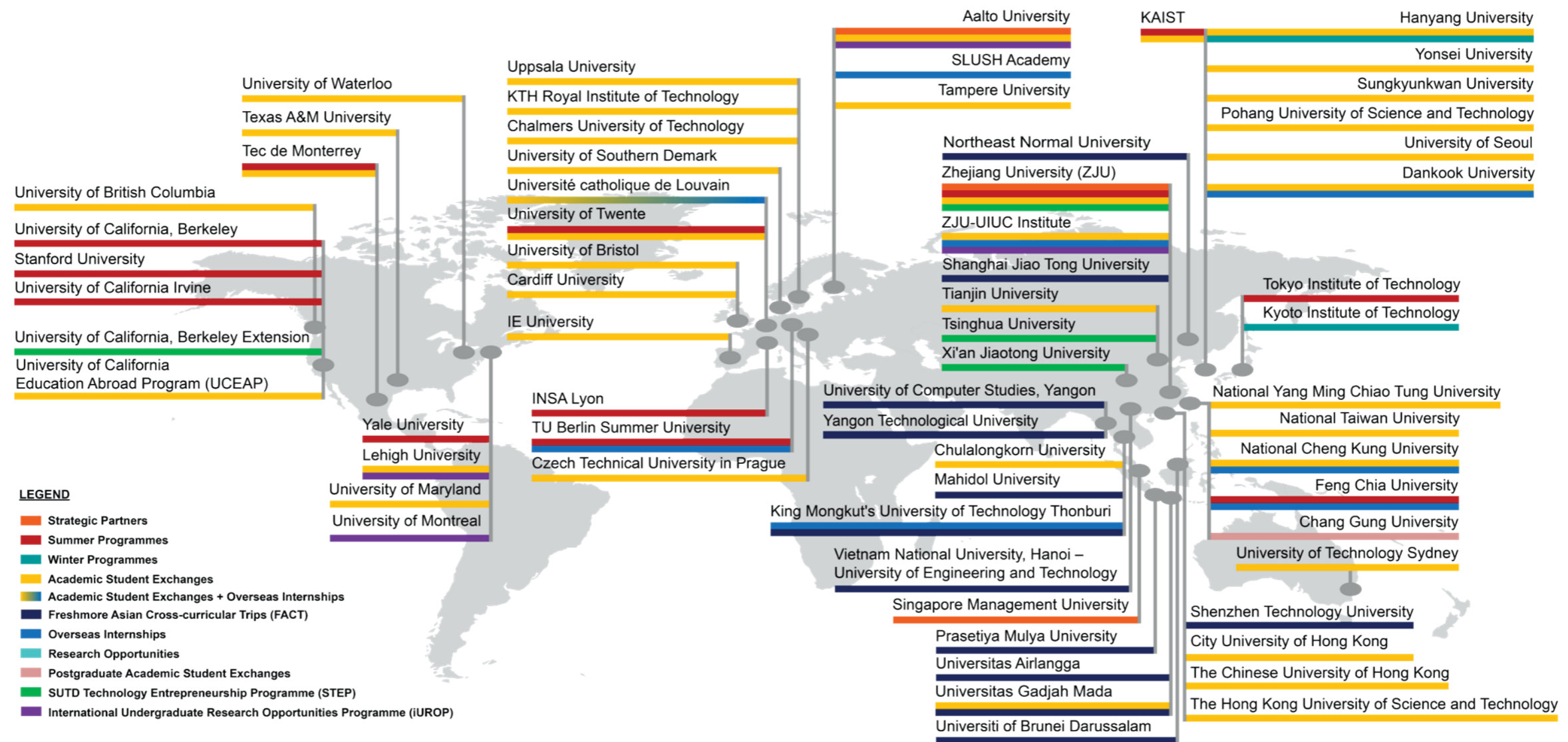
SUTD also undertook the difficult decision to suspend inbound mobility in 2021 due to the volatility of the Covid-19 situation in Singapore, in a move to protect the interest, safety and well-being of our partner universities and their students. In Spring 2022 (January – April 2022), SUTD resumed its inbound exchange programme with partner universities as Singapore gradually reopened its borders. SUTD hosted five students from The Chinese University of Hong Kong, University of Brunei Darussalam and The Hong Kong University of Science and Technology for the Spring Term 2022 Inbound Exchange.

“Academically, SUTD has been a real exciting experience for me as I got to learn about subjects that are not focused on in my home country. I learnt about the wide variety of thoughts and opinions of the people in dynastic China through literature of the time period and I also got to learn and flex my creativity in Computer Science through the university's project-based curriculum. The opportunity to immerse myself in the cultural diversity and modernity of Singapore was quite mesmerising for me.”

– LIM BENG LEI,
UNIVERSITI BRUNEI DARUSSALAM,
SUTD Inbound Exchange Spring 2022



Expanding SUTD's Global Footprint across the Globe



To ensure our students remain connected to the outside world amid the global pandemic, various online activities and programmes organised by external institutions were shared with them for their participation. In FY2021, SUTD students had the opportunity to participate in multiple online webinars and events hosted by various embassies in Singapore. SUTD students also had the chance to participate in an online hackathon organised by SUTD's strategic

partner, Zhejiang University, together with students from other overseas universities.

In 2021, SUTD piloted the inaugural Singapore Universities Student Exchange Programme (SUSEP) with National University of Singapore, Nanyang Technological University and Singapore Management University. 11 SUTD students participated in the programme and SUTD hosted 15 students in return.

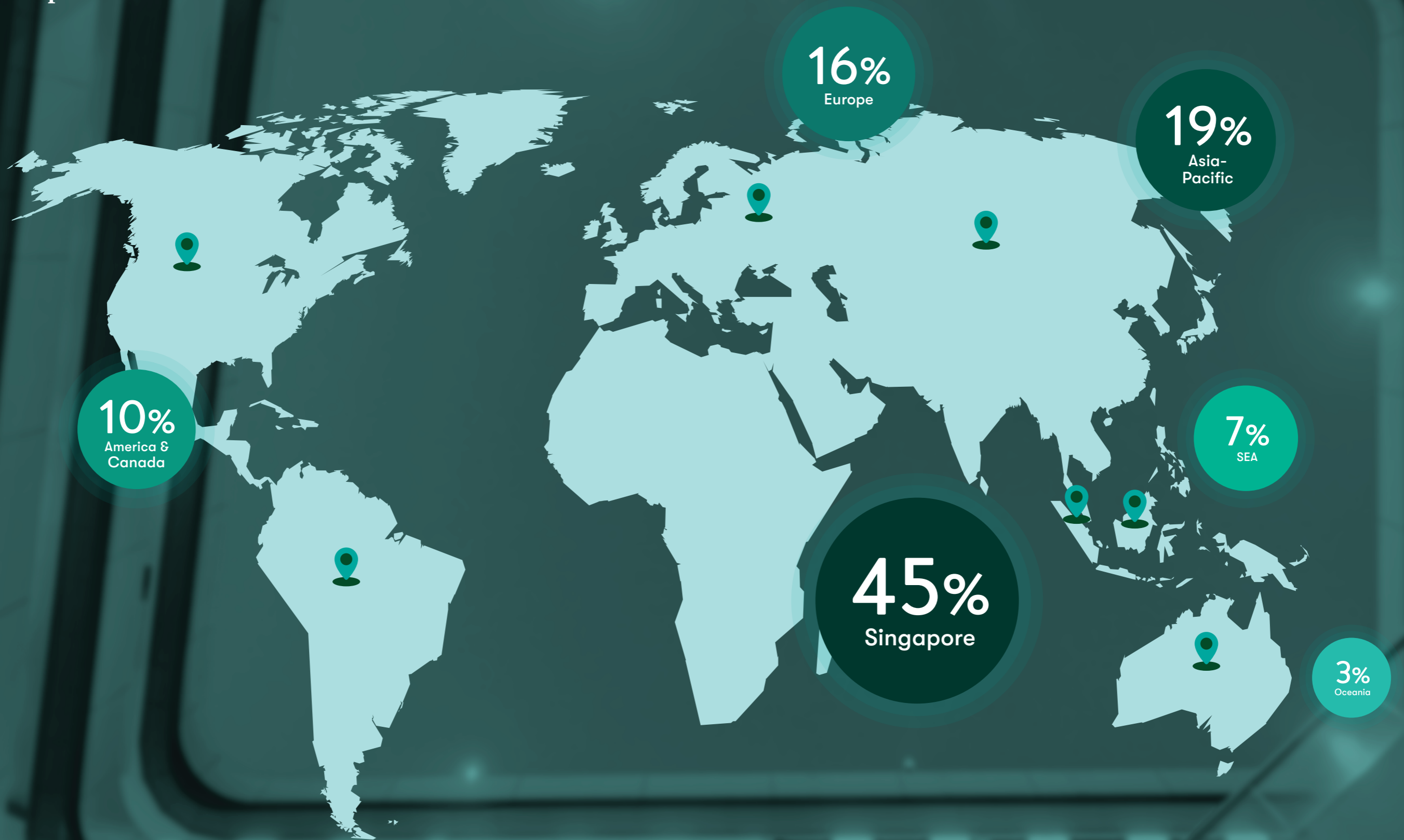
“Overall, going on SUSEP has allowed me to enjoy learning again, and I have more time to focus on things that I love, such as spending time with my friends and pursuing an internship with a company I love. I also learned to manage my time more efficiently. I think having to manage my increased commitment allowed me

to become more detail-oriented so that I do not need to compromise on any of my commitments, and I surprised myself with the work that I delivered by producing some of the coolest works I have achieved on my own.”

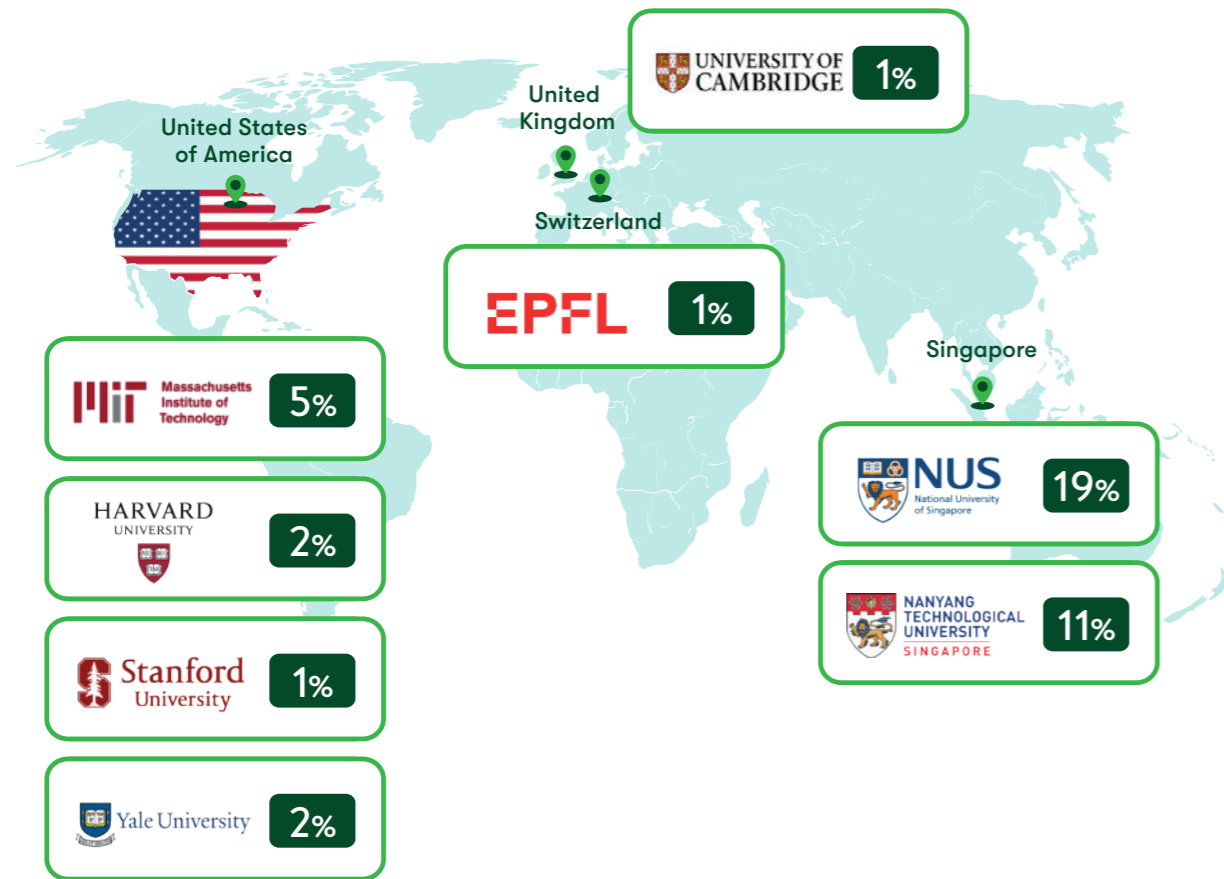
- **KONG VEGA NAOMI LEAKENA,**
ISTD Student to NUS.

Faculty Profiles

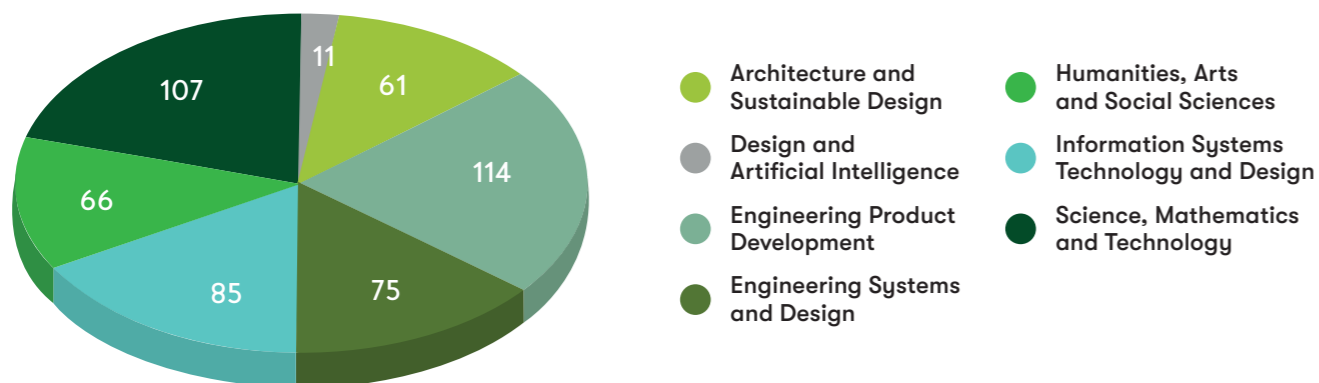
Citizenship & Nationalities



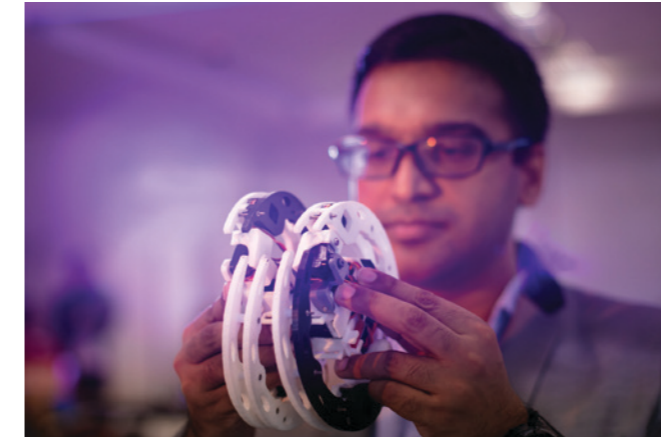
1/2 of our faculty members come from the Top 15 universities in the world



A total of 519 Faculty Research Interests



Research



bring about transformations of recognisable value to the industry and society at large. DesignZ will offer design education and research to equip students with design fundamentals, strategies, and solutions through Design-focused programmes in Design and Artificial Intelligence, Master of Innovation by Design and the SUTD-Zhejiang University collaboration.

To date, SUTD has published more than 6,300 papers in peer-reviewed journals, conference papers and books, and these papers were cited over 106,000 times. The University has also secured more than \$565 million in research funding from NRF, MOE, A*STAR, MINDEF, MOH and industry. We have fostered more than 1,200 industry partnerships, which provide our students with research, internship and employment opportunities. We have also filed over 400 technology disclosures, 230 patent applications and granted 28 patents. 13 startups and one spin-off company were also incorporated over the financial year.

SUTD has established 15 research centres and labs, with the two new centres being the AI Mega Research Centre and DesignZ.

The AI Mega Research Centre will serve as a one-stop hub for research, teaching and collaboration for all things AI-related. The mega-centre will have clusters specialising on everything from future communications and robotics to human-AI interaction and future computing. It will house both high-powered computing infrastructure for education and research, an open 5G radio access network, as well as common testbeds to foster collaboration between AI researchers and practitioners from other fields.

DesignZ is the next generation Design Centre set up to further reinforce Design as a core offering of SUTD through four main areas: Research, Innovation, Services and Education (RISE). The main objective is to establish an integrated partnership with the public and private sectors by offering advocacy and leadership in Design through RISE, focusing on sustainability and circularity approaches to solve challenges and



Research

Publications*

6,393

Citations*

106,927

*Based on the documents indexed in Web of Science

Faculty, Researchers, Students

97 TT Faculty* + 2 Faculty Fellows
 371 Researchers
 471 PhD & Masters students
 164 UROPs
 46 Teaching faculty

*Tenured and Tenure-track members
 *Excludes Practice-track faculty & Non tenure-track faculty

Research Funding

> 565M

since 2010

Curriculum

103

Courses taken over from MIT, SMU and ZJU (94 from MIT, 4 electives from SMU, 5 electives from ZJU)

Research Centres and Labs

15

IDC (2010-21), TL@SUTD, LKYCIC, SUTD Game Lab, iTRUST, SUTD-JTC I³ (2014 -19), DManD, Centre for Smart Systems, STEE-SUTD Corp Lab (2016-21), NAMIC, SUTD-LTA Transport Research Centre, SUTD-Keysight Measurement Technologies Lab, Aviation Studies Institute, DesignZ and AI Mega Research Centre

Accolades

> 541

and growing

- **Chong Tow Chong** - Awarded Public Administration Medal (Gold) 2021
- **Cheong Koon Hean** - Advance Awards 2021 Finalist
- **Ricky Ang** - Elected as IEEE Fellow, Class of 2022
- **Cai Kui, Dawn Tan, Dorien Herremans** - Singapore 100 Women in Tech (SG100WIT) List (2021)
- **Thomas Schroeffer** - Iconic Award: Innovative Architecture (2021), iF Design Award (2021) for Future of Us Pavilion
- **Georgios Piliouras & Stefanos Leonardos** - Received Spotlight Award at NeurIPS (2021)
- **Soujanya Poria** - Received Best Paper Award – Honourable Mention at the ACM ICMI (2021)
- **Yow Wei Quin** - Elected Chair, Open Science Sub-committee, SRCD from 2021-25
- **Ngai-Man (Man) Cheung** - Published at the IEEE Computer Vision and Pattern Recognition (2021)
- **Stefano Galelli** - Published in Nature Communications (2021)
- **Yeo Kang Shua** - Appointed the Jury Chair of this year's UNESCO Asia-Pacific Awards for Cultural Heritage Conservation (2021)

Invention Disclosures & Patents

402 TDs
 232 Patents filed
 28 Patents granted

Growing Start up Network

80

Startups

(57 Student/Alumni Start-ups, 6 external Start-ups, 17 Faculty/Researcher Start-ups) includes 30 in Incubation Space @ SUTD

Industry Partnerships

> 1200

Includes internship and employment opportunities

Venture, Innovation & Entrepreneurship



SUTD set up the Venture, Innovation & Entrepreneurship (VIE) Office with the aim of creating an innovative and entrepreneurial ecosystem that is integrated within the fabric of SUTD. The Office aims to foster an entrepreneurial mindset amongst the SUTD community. It provides support for alumni, students, researchers and mid-career aspiring entrepreneurs to turn their ideas into reality.

Over the last year, VIE has sharpened the focus on innovation and venture building by collaborating more closely with strategic partners, re-designing a social venture building programme and providing

more holistic support for research commercialisation. With SUTD's appointment as an accredited mentor partner of Enterprise SG, VIE has been supporting and recommending numerous startup teams for the Startup Founder's Grant. VIE re-designed the Create4Good Innovation Fund with the central theme of UNSDG #10 of addressing inequalities. This has been very well received by the SUTD community and beyond with the increasing proactiveness of alumni and students to address various societal issues. VIE has also enhanced support for researchers in their journey of commercialising technology. This will undoubtedly lead to more spin-offs from SUTD.

Giving for a Better World by Design

SUTD thanks the individuals, corporations, foundations and organisations for their generosity and utmost support for the university's mission to nurture future-ready engineering and architecture talents in Financial Year 2021. In the wake of the pandemic, as the world struggles to chart a new course, each gift is undoubtedly ever more meaningful to our students.

Our donors' generous giving has empowered SUTD in multiple areas, including research, scholarships, financial aid for students, and various projects and awards. Specifically on scholarships and financial aid, this support has directly impacted over 470 students. Donor-supported scholarships and financial aid awards for our students are supported through the non-endowed and endowed funds, based on donor intent.

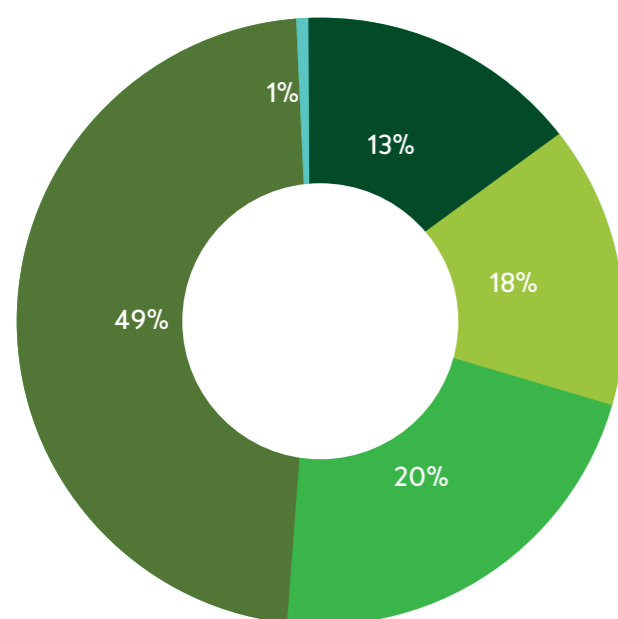
The generous gifts we have received benefit not only our undergraduates. The **Chan Heng Chee Research Fellowship**, named after Lee Kuan Yew Centre for Innovative Cities (LKYCIC)'s founding Chair, Professor Chan Heng Chee, in recognition of her years of dedicated service and contribution to Singapore and SUTD, was launched with **S\$4 million** to be awarded to outstanding postdoctoral candidates in research towards building innovative, resilient and sustainable cities.



Also of note is the signing of the Memorandum of Understanding between SUTD and the James Dyson Foundation, in part to support the partnership for an engineering innovation studio, which will greatly benefit all SUTD students as they get to experience first-hand how design, innovation and engineering take place in a real-world commercial environment. Their donation will also support **nation-wide STEM outreach engagements** and **curriculum involvement engagements**.

Both Cheng Hong Siang Tng's establishment of the **Cheng Hong Siang Tng-SUTD Education Opportunities Grant** with a **S\$1 million** donation, and the **Singapore Pawnbrokers' Association-SUTD Bursary Award** by the Singapore Pawnbrokers' Association to commemorate its 100th anniversary with a gift of S\$537,500, will go a long way towards supporting our financially needy students in pursuing their dreams.

Gifts by Donor Intent in FY2021 (Based on Receipts)

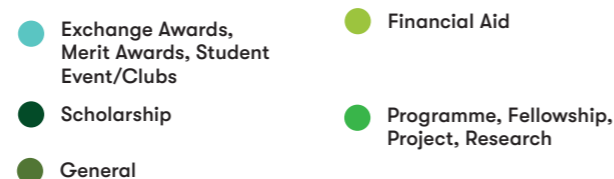


Every gift we receive makes a difference in our students' lives.

SUTD maintains a 100% fundraising efficiency ratio – every dollar raised goes towards endowed or expendable programmes as designated by the donor.



Once again, we sincerely thank our esteemed donors. SUTD truly appreciates the strong and consistent support as we develop strategies to move forward amidst unforeseen challenges and uncertainties. You have enabled us to continue providing opportunities to deserving students and faculty, and made it possible for us to deliver a world-class holistic STEM education for the aspiring youths in Singapore and the region. Thank you for bringing us closer to a Better World by Design.



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.

Board of Trustees

The SUTD Board of Trustees comprises 15 trustees (as at 31 March 2022) 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 four (4) meetings during the financial year.

Name	Designation	Date of Appointment	Board Meeting Attendance (Percentage)
Mr Lee Tzu Yang Chairman Public Service Commission	Chairman	1 April 2016	100
Dr Fidah Alsagoff Joint Head, Enterprise Development Group / Head, Life Sciences Temasek International Pte Ltd	Member	11 August 2012	50
Mr Ramlee Bin Buang Chairman 1FSS Pte Ltd	Member	11 August 2019	75
Mr Robert Chew Managing Partner iGlobe Partners	Member	11 August 2018	100
Mr Chng Kai Fong 2nd Permanent Secretary Smart Nation and Digital Government Office (SNDGO)	Member	11 August 2020	75

Name	Designation	Date of Appointment	Board Meeting Attendance (Percentage)
**Ms Cordelia Chung Chairman Clarksdale Investment Limited	Member	1 June 2011	100
***Ms Lai Wei Lin 2nd Permanent Secretary Ministry of Education	Member	1 January 2017	100
Mr Lim Kang Song Director All Gifted LLC	Member	11 August 2018	75
Ms Lim Wan Yong 2nd Permanent Secretary Ministry of Education	Member	4 October 2021	100
Ms May Loh Bee Bee Director Lucidity Advisors Pte Ltd	Member	11 August 2020	100
#Ms Low Sin Leng Chairman of the Board Nanyang Academy of Fine Arts	Member	1 June 2011	100
Mr Amit Midha President, Asia Pacific & Japan and Global Digital Cities Dell Technologies	Member	1 March 2022	100
Mr Quek Gim Pew Senior Research & Development Consultant Ministry of Defence	Member	11 August 2018	75
*Mr Tai Lee Siang Executive Director BuildSG Building and Construction Authority	Member	11 August 2009	100
Ms Tan Ing Hwee Vice President, Global Government Relations and Public Policy P&G Asia Pacific, Middle East & Africa	Member	11 August 2020	100
Ms Tan Min Lan Group Managing Director, Head Chief Investment Office APAC UBS Global Wealth Management	Member	11 August 2018	100

Name	Designation	Date of Appointment	Board Meeting Attendance (Percentage)
Mr Tan Peng Yam Chief Defence Scientist Ministry of Defence	Member	11 August 2021	100
**Mr Ronny Tan Chong Tee Board Member Lombard Odier Asia	Member	11 August 2009	100

#As at 31 March 2022, there is 1 trustee who has served on the Board for more than 10 consecutive years. 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.

*Term of Appointment ended on 31 July 2021.

** Term of Appointment ended on 10 August 2021.

***Term of Appointment ended on 3 October 2021.

Board of Trustees Subcommittees (as at 31 March 2022)

Academic and Research Committee

Mr Quek Gim Pew	Chairman
Mr Lim Kang Song	Member
Mr Amit Midha	Member
Mr Scott Maguire*	Member

Advancement Committee

Mr Robert Chew	Chairman
Ms Tan Min Lan	Member

Audit and Risk Committee

Mr Ramlee Bin Buang	Chairman
Ms May Loh Bee Bee	Member
Ms Jenny Tan*	Member

Executive Committee

Mr Lee Tzu Yang	Chairman
Ms Lim Wan Yong	Member
Dr Fidah Alsagoff	Member
Mr Robert Chew	Member

Finance Committee

Ms Low Sin Leng	Chairman
Mr Chng Kai Fong	Member
Mr Tan Peng Yam	Member
Mr Nels Friet*	Member
Ms Karen Loon*	Member

Investment Committee

Dr Fidah Alsagoff	Chairman
Ms Tan Min Lan	Member
Ms May Loh Bee Bee	Member
Mr Bill Chua*	Member
Mr Young Lok Kuan*	Member

Promotion and Development Committee

Ms Tan Ing Hwee	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:

- 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.
- 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 and Risk Committee ensures an effective accountability framework for examining and reviewing all systems and methods of control.
- 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 (as at 31 March 2022) are:

Prof Chong Tow Chong	President
Prof Phoon Kok Kwang	Provost
Ms Giselia Giam	Vice President, Administration and Chief Financial Officer
Prof Cheong Koon Hean	Chairman, Lee Kuan Yew Centre for Innovative Cities
Prof Ashraf Kassim	Associate Provost, Education
Prof Pey Kin Leong	Associate Provost, Digital Learning
Prof Yeo Kiat Seng	Associate Provost, Research & International Relations
Prof Lim Seh Chun	Associate Provost, Student Affairs
Prof Tai Lee Siang	Head of Pillar, Architecture and Sustainable Design and Director, Design & Artificial Intelligence (DAI) Programme
Prof Peter Jackson	Head of Pillar, Engineering Systems and Design
Prof Chua Chee Kai	Head of Pillar, Engineering Product Development
Prof Ricky Ang	Head, Science, Mathematics & Science

Prof Tony Quek	Head of Pillar, Information Systems Technology and Design
Prof Lim Sun Sun	Head, Humanities, Arts and Social Sciences
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
Ms Celestine Khoo	Senior Director, Venture, Innovation and Entrepreneurship
Mr Lim King Boon	General Manager, Partnership, Innovation and Enterprise

There are no paid staff who are close members of the family of the Chief Executive Officer or a member of the Board of Trustees who receives more than \$50,000 during the financial year.

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.

Trustees' Statements

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 2022.

In the opinion of the Trustees:

- the financial statements of the University as set out on pages 30 to 68 are drawn up so as to give a true and fair view of the financial position of the University as at 31 March 2022, and the financial performance, changes in funds and reserves and cash flows of the University for the financial year then ended;
- the University has complied with Regulation 15 of the Charities (Institutions of Public Character) Regulations;
- 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
- 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
 Mr Robert Chew
 Ms Deborah Lee (Appointed on 1 April 2022)
 Ms Lim Wan Yong (Appointed on 4 October 2021)
 Mr Lim Kang Song
 Ms Low Sin Leng
 Mr Quek Gim Pew
 Ms Tan Min Lan
 Mr Chng Kai Fong
 Ms May Loh

Ms Cecilia Tan
 Mr Tan Peng Yam (Appointed on 11 August 2021)
 Mr Amit Midha (Appointed on 1 March 2022)

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 1967.

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
 28 July 2022

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 financial statements of Singapore University of Technology and Design (the "University") which comprise the statement of financial position as at 31 March 2022, 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 30 to 68.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (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 2022 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 30.

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.

Independent Auditor's Report to the Board of Trustees of Singapore University of Technology and Design

Responsibilities of Management and Trustees for the Financial Statements (continued)

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.

(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.

Independent Auditor's Report to the Board of Trustees of Singapore University of Technology and Design

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.

Deloitte & Touche LLP.

Public Accountants and
Chartered Accountants
Singapore

28 July 2022

Statement of Profit or Loss and other Comprehensive Income

Year Ended 31 March 2022

	Note	General Fund		Non-endowment Fund		Endowment Fund		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income									
Tuition and other fees	3a	35,417	35,499	–	–	–	–	35,417	35,499
Less: Scholarship expenses	3a	(9,555)	(11,274)	(844)	(1,353)	(8,138)	(7,430)	(18,537)	(20,057)
Tuition and other fees, net		25,862	24,225	(844)	(1,353)	(8,138)	(7,430)	16,880	15,442
Donations and sponsorships		–	–	2,274	2,645	–	–	2,274	2,645
Other income	3b	12,161	9,208	–	1	50	72	12,211	9,281
Total income		38,023	33,433	1,430	1,293	(8,088)	(7,358)	31,365	27,368
Expenses									
Employee compensation	4	(96,530)	(94,258)	(362)	(483)	(3,184)	(2,827)	(100,076)	(97,568)
Programme-related expenses		(1,637)	(1,715)	–	–	–	–	(1,637)	(1,715)
Research-related expenses		(9,791)	(9,973)	–	–	–	–	(9,791)	(9,973)
Depreciation	13	(35,214)	(35,253)	(7)	(5)	–	–	(35,221)	(35,258)
Amortisation	14	(1,122)	(1,312)	–	–	–	–	(1,122)	(1,312)
Interest expense		(6,724)	(7,510)	–	–	–	–	(6,724)	(7,510)
Other operating expenses	5	(45,763)	(43,126)	(1,053)	(1,461)	(3,220)	(2,451)	(50,036)	(47,038)
Total expenses		(196,781)	(193,147)	(1,422)	(1,949)	(6,404)	(5,278)	(204,607)	(200,374)
(Deficit)/Surplus before investment income and government grants		(158,758)	(159,714)	8	(656)	(14,492)	(12,636)	(173,242)	(173,006)
Net investment income	6	577	909	74	132	39,013	266,563	39,664	267,604
(Deficit)/Surplus before government grants		(158,181)	(158,805)	82	(524)	24,521	253,927	(133,578)	94,598
Government and other grants	7	184,442	185,258	15	90	25	139	184,482	185,487
Net Surplus/(Deficit) and Total Comprehensive Income/(Loss)		26,261	26,453	97	(434)	24,546	254,066	50,904	280,085

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

Statement of Financial Position

31 March 2022

	Note	2022	2021
		\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	9	334,884	282,633
Grants and other receivables	10	74,111	81,893
Financial assets at fair value through profit or loss	11	1,357,715	1,311,971
Other current assets	12	5,420	4,511
		1,772,130	1,681,008
Non-Current Assets			
Grants and other receivables	10	297,868	313,432
Property, plant and equipment	13	617,367	642,894
Intangible assets	14	2,108	2,743
		917,343	959,069
Total Assets		2,689,473	2,640,077
LIABILITIES			
Current Liabilities			
Grants received in advance	15	63,361	48,192
Contract liabilities	16	4,191	4,233
Other payables	17	25,881	34,946
Borrowings	18	15,828	97,671
		109,261	185,042
Non-Current Liabilities			
Borrowings	18	320,681	253,994
Deferred capital grants	19	616,718	641,871
Grants received in advance	15	23,378	23,320
		960,777	919,185
Total Liabilities		1,070,038	1,104,227
NET ASSETS		1,619,435	1,535,850
FUNDS AND RESERVES			
Endowment fund	21	1,031,568	998,887
Accumulated surplus:		212,512	186,251
- General fund		12,617	12,520
- Non-endowment fund	20	362,738	338,192
- Endowment fund	21	1,619,435	1,535,850
Funds' Net Assets Managed on Behalf of Ministry of Education ("MOE")	22	12,159	14,905

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

Statement of Changes in Funds and Reserves

Year Ended 31 March 2022

	Note	Accumulated Surplus				Total
		Endowment Fund	General Fund	Non-endowment Fund	Endowment Fund	
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 April 2021		998,887	186,251	12,520	338,192	1,535,850
Total comprehensive income for the year		–	26,261	97	24,546	50,904
Government grants	21	20,526	–	–	–	20,526
Donations received	21	12,155	–	–	–	12,155
Balance as at 31 March 2022		1,031,568	212,512	12,617	362,738	1,619,435
Balance as at 1 April 2020		977,145	159,798	12,954	84,126	1,234,023
Total comprehensive income / (loss) for the year		–	26,453	(434)	254,066	280,085
Government grants	21	14,178	–	–	–	14,178
Donations received	21	7,564	–	–	–	7,564
Balance as at 31 March 2021		998,887	186,251	12,520	338,192	1,535,850

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

Statement of Cash Flows

Year Ended 31 March 2022

	Note	2022 \$'000	2021 \$'000
Cash Flows from Operating Activities			
(Deficit)/ Surplus before government grants		(133,578)	94,598
Adjustments for:			
- Depreciation		35,221	35,258
- Amortisation		1,122	1,312
- Loss allowance		3	–
- Interest expense		6,724	7,510
- Loss on disposal of property, plant and equipment and intangible assets		45	8
- Interest income		(4,387)	(4,923)
- Fair value changes on financial assets at fair value through profit or loss		(35,277)	(262,681)
Operating cash flow before working capital change		(130,127)	(128,918)
Change in working capital:			
- Other receivables		418	(4,473)
- Other current assets		(909)	1,216
- Contract liabilities		(42)	290
- Other payables		(7,399)	6,412
Net Cash Used in Operating Activities		(138,059)	(125,473)
Cash Flows from Investing Activities			
Additions to property, plant and equipment (Note A)		(11,739)	(7,524)
Additions to intangible assets		(456)	(718)
Investments in financial assets at fair value through profit or loss		(10,685)	(13,416)
Interest received (Note B)		4,506	2,047
Fixed deposits with maturity of more than 3 months		(28,722)	54,868
Net Cash from Investing Activities		(47,096)	35,257

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

Statement of Cash Flows (continued)

Year Ended 31 March 2022

	Note	2022 \$'000	2021 \$'000
Cash Flows from Financing Activities			
Operating grants received		73,813	71,295
Research grants received		82,202	65,002
Debt grants received		34,956	31,888
Other grants received		11,527	9,952
Proceeds from borrowings		–	1,993
Repayment of borrowings		(15,156)	(15,787)
Interest paid		(6,421)	(7,752)
Government grants and donations received for endowment fund		27,763	22,251
Net Cash from Financing Activities		208,684	178,842
Net Increase in Cash and Cash Equivalents			
Cash and cash equivalents at beginning of financial year		202,261	113,635
Cash and Cash Equivalents at End of Financial Year	9	225,790	202,261

Notes to Statement of Cash Flows:

Note A

During the year, the additions in property, plant and equipment amounted to \$9,770,000 (2021 : \$6,562,000), of which \$194,000 (2021 : \$2,163,000) was accrued by the University. The cash outflow on acquisition of property, plant and equipment, net of donated assets (Note 13), amounted to \$11,739,000 (2021 : \$7,524,000).

Note B

During the year, total interest income amounted to \$4,387,000 (2021 : \$4,923,000) of which \$255,000 (2021 : \$155,000) was unpaid at the end of the reporting period and presented under other receivables (Note 10). During the year, an amount of \$3,435,000 (2021 : \$3,235,000), which relates to interest income earned but not received, was reinvested into existing investments (Note 11).

Total cash inflows on interest amounted to \$4,506,000 (2021 : \$2,047,000).

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

Notes to the Financial Statements

31 March 2022

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 Singapore Companies Act 1967. 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 (2021 : \$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 (2021 : 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 28 July 2022.

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 in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967, the Singapore Charities Act, Chapter 37 and other relevant regulations 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 116 *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.

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

(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.

(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 to recognise the fair value of such investments. The carrying amount of these other investments at the end of the reporting period was \$328,327,000 (2021 : \$283,505,000) (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 2022 is \$617,367,000 (2021 : \$642,894,000) (Note 13) and the annual depreciation charge for the financial year ended 31 March 2022 is \$35,221,000 (2021 : \$35,258,000) (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.

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

2.2 Funds (continued)

(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.

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.

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

2.4 Grants (continued)

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

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.

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

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

2.8 Property, Plant and Equipment (continued)

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 (2021 : \$2,000) each are taken to profit or loss when purchased.

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

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 the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

2.9 Intangible Assets (continued)

Computer Software Licences Costs (continued)

An intangible asset is derecognised on disposal, or when no future economic benefit are expected from the use or disposal. Gains or losses arising from the recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the profit or loss when the asset is derecognised.

2.10 Impairment of Non-Financial Assets

At the end of each reporting period, the University reviews the carrying amounts of the non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the University estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Financial Assets

Financial assets and financial liabilities are recognised on the statement of financial position when the University becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

(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 mode 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"):

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

2.11 Financial Assets (continued)

(a) Classification of Financial Assets (continued)

- 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.

For financial instruments other than purchased or originated credit-impaired financial assets, 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. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost 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.

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.

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

2.11 Financial Assets (continued)

(a) Classification of Financial Assets (continued)

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 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.

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

2.11 Financial Assets (continued)

(c) Impairment of Financial Assets (continued)

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.

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.

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

2.11 Financial Assets (continued)

(c) Impairment of Financial Assets (continued)

Measurement and Recognition of Expected Credit Losses (continued)

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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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.

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 have expired. The difference between the carrying amount of the other payables derecognised and the consideration paid and payable is recognised in profit or loss.

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.

Notes to the Financial Statements

31 March 2022

2. Summary of Significant Accounting Policies (continued)

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 the effect of the time value of money is material.

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.

3a. Income

	2022	2021
	\$'000	\$'000
Tuition and Other Fees		
Tuition fees	34,761	34,829
Other student related fees	656	670
	35,417	35,499
	(18,537)	(20,057)
	16,880	15,442
Less: Scholarship expenses		
	16,880	15,442
Timing of Revenue Recognition		
Over time	16,880	15,442

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 \$4,191,000 (2021 : \$4,233,000). Management expects that full amount will be recognised as revenue during the next reporting period.

Notes to the Financial Statements

31 March 2022

3b. Other Income

	2022	2021
	\$'000	\$'000
Housing income	5,355	4,799
Rental income	691	740
Conference and short courses	4,454	1,974
Wage credit	295	561
Events and facilities	873	871
Others	543	336
	12,211	9,281
Timing of Revenue Recognition		
At point in time	1,478	1,075
Over time	10,042	7,466

4. Employee Compensation

	2022	2021
	\$'000	\$'000
Wages and salaries	91,146	88,248
Employer's contribution to Central Provident Fund	8,542	8,099
Other benefits	388	1,221
	100,076	97,568

Key management personnel compensation is as follows:

	2022	2021
	\$'000	\$'000
Wages and salaries	9,414	8,055
Employer's contribution to Central Provident Fund	248	221
Other benefits	63	-
	9,725	8,276

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

5. Other Operating Expenses

	2022	2021
	\$'000	\$'000
Rental expense on operating leases	109	123
Utilities and facility management	14,162	14,466
Marketing and advertising expenses	3,362	3,197
Information technology expenses	6,928	6,067
Travelling expenses and honorarium fees	1,461	1,084
Library books, periodicals and databases	2,437	2,579
Scholarship and awards	15,093	15,276
Loss on disposal of property, plant and equipment and intangible assets	45	8
Others	6,439	4,238
	50,036	47,038

6. Net Investment Income

	2022	2021
	\$'000	\$'000
Interest income	4,387	4,923
Fair value gains on financial assets at fair value through profit or loss	35,277	262,681
	39,664	267,604

Notes to the Financial Statements

31 March 2022

7. Government and Other Grants

	2022	2021
	\$'000	\$'000
Operating grants (Note 10(ii))	68,552	68,759
Research grants utilised (Note 10(iii))	57,083	60,370
Debt grants utilised (Note 10(iv))	12,395	11,022
Deferred capital grants amortised (Note 19)	34,925	35,116
Other grants	11,527	10,220
	184,482	185,487

Included under other grants is an amount of \$778,000 (2021: \$5,342,000), which the University has recognised as grant income under the Job Support Scheme ("JSS"). Under this scheme, the government provides wage support to employers, helping businesses retain their local employees (including Singapore citizens and permanent residents) during the economic uncertainty caused by COVID-19.

In the financial year ended 31 March 2021, a possible obligation of \$2,100,000 was not included as a reduction to operating grants due to the uncertainty of probable outflow of grants to be determined by the grantor. During the financial year ended 31 March 2022, an amount of \$2,052,000 was determined by the grantor to be returned and was reduced against the operating grant income.

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.

9. Cash and Cash Equivalents

	2022	2021
	\$'000	\$'000
Cash at bank and on hand	74,365	41,044
Bank fixed deposits	260,519	241,589
	334,884	282,633
Less: Bank fixed deposits with maturity of more than 3 months (i)	(109,094)	(80,372)
Cash and cash equivalents presented in the statement of cash flows	225,790	202,261

(i) Bank Fixed Deposits with Maturity of More Than 3 Months:

	2022	2021
	\$'000	\$'000
Current	109,094	80,372

The bank fixed deposits have a weighted average effective interest rate of 0.42% (2021: 0.59%) per annum.

Notes to the Financial Statements

31 March 2022

10. Grants and other Receivables

	2022	2021
	\$'000	\$'000
Current		
Fee and other receivables (Note (i))	1,029	1,361
Loss allowance (Note (i))	(72)	(69)
	957	1,292
Operating grants receivable (Note (ii))	2,964	3,753
Research grants receivable (Note (iii))	20,649	31,638
Debt grant receivable (Note (iv))	23,114	24,286
Matching endowment grant receivable	13,961	9,023
Other receivables from Government	12,211	11,285
Job support scheme receivable (Note 17)	–	461
Interest receivable	255	155
	74,111	81,893
Non-Current		
Debt grant receivable (Note (iv))	297,868	313,432
Total grants and other receivables	371,979	395,325

(i) Fee and Other Receivables

The average credit period of fee and other receivables is 30 days (2021 : 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 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.

For the year ended 31 March 2022, the University has recognised a loss allowance of \$3,000 (2021: \$Nil) 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.

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

	2022	2021
	\$'000	\$'000
Not past due and not impaired	368	748
Past due and not impaired	589	544
	957	1,292

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

	2022	2021
	\$'000	\$'000
Balance as at 1 April	69	69
Loss allowance recognised in profit or loss during the year due to changes in credit risk	3	–
Balance as 31 March	72	69

Notes to the Financial Statements

31 March 2022

10. Grants and other receivables (continued)

	2022	2021		2022	2021
	\$'000	\$'000		\$'000	\$'000
(ii) Movement in Operating Grants Received in Advance					
Balance as at 1 April	(31,509)	(29,578)	Comprising:		
Operating grants received during the year	(73,813)	(71,295)	Research grants receivable (as above)	20,649	31,638
Transferred to deferred capital grants (Note 19)	40	605	Research grants received in advance from Government - MIT Research Component (Note 15)	(703)	(163)
Transferred to profit or loss (Note 7)	68,552	68,759	Other research grants received in advance - Government (Note 15)	(29,342)	(23,808)
Balance as at 31 March	(36,730)	(31,509)	Research grants received in advance - Government agencies and others (Note 15)	(16,953)	(12,219)
Comprising:					
Operating grants receivable (as above)	2,964	3,753		(26,349)	(4,552)
Operating grants received in advance from Government - MIT Education Component (Note 15)	(1,278)	(1,278)	(iv) Movement in Debt Grant Receivable		
Other operating grant received in advance - Government (Note 15)	(15,038)	(10,664)			
Sinking funds received in advance (Note 15)	(23,378)	(23,320)	Balance as at 1 April	337,718	355,835
	(36,730)	(31,509)	Debt grant received during the year	(34,956)	(31,888)
			Transferred to deferred capital grants (Note 19)	5,825	2,749
			Transferred to profit or loss (Note 7)	12,395	11,022
			Balance as at 31 March	320,982	337,718
(iii) Movement in Research Grants Received in Advance			Current	23,114	24,286
Balance as at 1 April	(4,552)	(3,501)	Non-current	297,868	313,432
Research grants received during the year	(82,202)	(65,002)		320,982	337,718
Transferred to deferred capital grants (Note 19)	3,322	3,581			
Transferred to profit or loss (Note 7)	57,083	60,370			
Balance as at 31 March	(26,349)	(4,552)			

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 2022

11. Financial Assets at Fair Value Through Profit or Loss

	2022	2021
	\$'000	\$'000
Designated at Fair Value on Initial Recognition		
Quoted debt securities	291,710	282,838
Quoted unit trusts	694,236	701,758
Quoted equity securities	43,442	43,870
Other investments	328,327	283,505
	1,357,715	1,311,971

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

	2022	2021
	\$'000	\$'000
Prepayments		
- Education Component	497	497
- Research Component	1,418	1,747
- Others	3,453	2,210
Deposits	52	57
	5,420	4,511

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

Notes to the Financial Statements

31 March 2022

13. Property, plant and equipment

	Construction-in-progress	Leasehold land	Buildings and plant and machinery	Computer systems, communications and laboratory equipment	Personal computers and equipment	Furniture and fittings	Audio Visual and Office Equipment	Motor Vehicle	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost									
Balance as at 1 April 2021	1,352	209,718	566,977	72,356	5,907	7,717	10,282	195	874,504
Additions	1,435	-	1,853	4,698	779	4	1,001	-	9,770
Reclassification	(1,244)	-	902	342	-	-	-	-	-
Reclassified to intangible assets (Note 14)	(35)	-	-	-	-	-	-	-	(35)
Disposals	-	-	(42)	(461)	(112)	(7)	(69)	-	(691)
Balance as at 31 March 2022	1,508	209,718	569,690	76,935	6,574	7,714	11,214	195	883,548
Accumulated depreciation									
Balance as at 1 April 2021	-	19,948	137,277	54,071	4,611	6,679	8,959	65	231,610
Depreciation charge	-	2,118	22,854	8,112	719	813	586	19	35,221
Disposals	-	-	(5)	(457)	(112)	(7)	(69)	-	(650)
Balance as at 31 March 2022	-	22,066	160,126	61,726	5,218	7,485	9,476	84	266,181
Carrying Amount									
Balance as at 31 March 2022	1,508	187,652	409,564	15,209	1,356	229	1,738	111	617,367

Notes to the Financial Statements

31 March 2022

13. Property, plant and equipment (continued)

	Construction-in-progress	Leasehold land	Buildings and plant and machinery	Computer systems, communications and laboratory equipment	Personal computers and equipment	Furniture and fittings	Audio Visual and Office Equipment	Motor Vehicle	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost									
Balance as at 1 April 2020	887	209,718	566,713	68,179	4,921	7,695	9,878	195	868,186
Additions	707	–	264	4,157	1,005	22	407	–	6,562
Reclassification	(112)	–	–	112	–	–	–	–	–
Reclassified to intangible assets (Note 14)	(130)	–	–	–	–	–	–	–	(130)
Disposals	–	–	–	(92)	(19)	–	(3)	–	(114)
Balance as at 31 March 2021	1,352	209,718	566,977	72,356	5,907	7,717	10,282	195	874,504
Accumulated depreciation									
Balance as at 1 April 2020	–	17,829	115,092	45,338	4,030	5,774	8,351	45	196,459
Depreciation charge	–	2,119	22,185	8,818	600	905	611	20	35,258
Disposals	–	–	–	(85)	(19)	–	(3)	–	(107)
Balance as at 31 March 2021	–	19,948	137,277	54,071	4,611	6,679	8,959	65	231,610
Carrying Amount									
Balance as at 31 March 2021	1,352	189,770	429,700	18,285	1,296	1,038	1,323	130	642,894

As at 31 March 2022, the right-of-use asset relating to the University's leasehold land has a carrying amount of \$187,652,000 (2021: \$189,770,000) included under property, plant and equipment.

Notes to the Financial Statements

31 March 2022

14. Intangible Assets

	2022	2021
	\$'000	\$'000
Computer Software Licenses Costs		
Cost		
Balance as at 1 April	12,741	11,901
Additions	456	718
Reclassified from property, plant and equipment (Note 13)	35	130
Disposals	(124)	(8)
Balance as at 31 March	13,108	12,741
Accumulated amortisation		
Balance as at 1 April	9,998	8,693
Amortisation	1,122	1,312
Disposals	(120)	(7)
Balance as at 31 March	11,000	9,998
Carrying Amount	2,108	2,743

15. Grants Received in Advance

	2022	2021
	\$'000	\$'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))	15,038	10,664
Sinking fund received in advance (Note 10(ii))	23,378	23,320
Research grants received in advance from Government MIT Research Component (Note 10(iii))	703	163
Other research grants received in advance - Government (Note 10(iii))	29,342	23,808
Research grants received in advance -Government agencies and others (Note 10(iii))	16,953	12,219
Matching grants payable	20	–
Other grants received in advance	27	60
	86,739	71,512
Current	63,361	48,192
Non-current	23,378	23,320
	86,739	71,512

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

Notes to the Financial Statements

31 March 2022

16. Contract Liabilities (continued)

sales transaction and is recognised to the profit or loss 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 \$4,233,000 (2021: \$3,943,000).

17. Other Payables

	2022	2021
	\$'000	\$'000
Other payables	6,280	13,750
Payables for capital expenditure	–	225
Deferred grant income	–	760
Accruals for:		
- Operating expenses	19,407	18,048
- Capital expenditure	194	2,163
	25,881	34,946

Deferred grant income relates to the amounts granted to the University under the JSS initiative by the Singapore Government which is intended to defray certain manpower costs. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty for the University to be 17 months commencing from April 2020.

18. Borrowings

	2022	2021
	\$'000	\$'000
Bank Borrowings		
Current	15,828	97,671
Non-current	320,681	253,994
	336,509	351,665

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

	2022	2021
	\$'000	\$'000
Fixed rate - unsecured	336,509	351,665
	336,509	351,665

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 2022, the fair value of the non-current borrowings is \$282,150,000 (2021 : \$239,473,000). The fair value is determined from the cash flow analysis, discounted at market borrowing rates ranging from 3.34% to 3.45% (2021 : 1.19% to 2.66%) per annum based on the tenure of the loan.

19. Deferred Capital Grants

	2022	2021
	\$'000	\$'000
Balance as at 1 April	641,871	669,803
Transferred from:		
- Operating grants (Note 10(ii))	40	605
- Research grants (Note 10(iii))	3,322	3,581
- Debt grant (Note 10(iv))	5,825	2,749
- Skills future set up grant	585	249
Amortisation of deferred capital grants (Note 7)	(34,925)	(35,116)
Balance as at 31 March	616,718	641,871

Notes to the Financial Statements

31 March 2022

20. Non-Endowment Fund

	2022	2021
	\$'000	\$'000
Non-Endowment Fund		
Accumulated surplus	12,617	12,520
Represented by:		
Cash and cash equivalents	12,743	11,352
Grants and other receivables	46	1,191
Property, plant and equipment	65	23
Other payables	(237)	(46)
	12,617	12,520

21. Endowment Fund

	2022	2021
	\$'000	\$'000
Endowment Fund		
Capital:		
- Government grants	836,167	815,641
- Donations	195,401	183,246
	1,031,568	998,887
Accumulated surplus	362,738	338,192
	1,394,306	1,337,079
Represented by:		
Cash and cash equivalents	20,873	14,888
Grants and other receivables	17,164	11,805
Property, plant and equipment	43	24
Intangible assets	6	–
Financial assets at fair value through profit or loss	1,357,715	1,311,971
Other payables	(1,475)	(1,609)
Grants received in advance	(20)	–
	1,394,306	1,337,079

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 \$12,155,000 (2021 : \$7,564,000) and \$20,526,000 (2021 : \$14,178,000) 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.

	2022	2021
	\$'000	\$'000
Balance as at 1 April	14,905	12,538
Student loan granted to students	3,127	3,325
Repayments received from student	(5,873)	(958)
Balance as at 31 March	12,159	14,905
Represented by:		
TFL receivables	11,074	13,478
SL receivables	1,085	1,427
Net assets	12,159	14,905

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% (2021 : 4.75%) per annum.

Notes to the Financial Statements

31 March 2022

23. Commitments

(a) Lessee - Operating Lease Commitments

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

The lease expenditure during the financial year is as follows:

	2022	2021
	\$'000	\$'000
Expense relating to leases of low-value assets, excluding short-term leases of low value assets	109	123
	109	123

(b) Lessor - Operating Lease Commitments

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

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:

	2022	2021
	\$'000	\$'000
Year 1	268	659
Year 2	24	210
Year 3	16	-
	308	869

(c) Collaboration Agreement with Massachusetts Institute of Technology

The University has entered into a collaboration agreement with the 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. The Research collaboration has been successfully completed on 30 June 2021.

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 was made up to 30 June 2021.

During the year, the research expenses incurred and taken up by SUTD is \$330,000 (2021 : \$1,492,000).

Notes to the Financial Statements

31 March 2022

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.

During the financial year ended 31 March 2022 and 2021, no operating expenses pertaining to the collaboration was incurred.

(e) Capital Commitments

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

	2022	2021
	\$'000	\$'000
Property, plant and equipment	13,707	10,791

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 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 \$311,000 (2021 : \$338,000) and \$708,000 (2021 : \$712,000).

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:

Notes to the Financial Statements

31 March 2022

25. Financial Risk Management (continued)

(a) Market Risk (continued)

(i) Currency Risk (continued)

	2022	2021
	\$'000	\$'000
Financial Assets at Fair Value Through Profit or Loss		
- SGD	640,879	634,681
- Non-SGD	716,836	677,290
Total	1,357,715	1,311,971

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 2022, if foreign currencies (i.e. currencies other than those denominated in SGD) had strengthened/weakened by 3% (2021 : 3%) against the SGD with all other variables being held constant, it will result in a \$21,505,000 increase/decrease in the net surplus (2021 : \$20,319,000 increase/decrease in the net surplus).

(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 investments in financial assets at fair value through profit or loss as at 31 March 2022 include interest-bearing debt instruments amounting to \$423,444,000 (2021 : \$427,570,000) 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(2021 : 50) basis points increase/decrease in interest rates will result in approximately \$10,008,000 (2021 : \$13,437,000) 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	
	2022	2021
	%	%
By Geographical Area		
Singapore	36	36
Asia Pacific (excluding Singapore)	18	22
Europe	9	10
United States and Latin America	35	31
Middle East and Africa	2	1
Total	100	100

Notes to the Financial Statements

31 March 2022

25. Financial Risk Management (continued)

(a) Market Risk (continued)

(iii) Price Risk (continued)

If prices for quoted unit trusts, quoted equity securities and other investments had increased/decreased by 5% (2021 : 5%), with all other variables held constant, it will result in a \$37,423,000 increase/decrease (2021 : \$38,254,000) 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.

	Less Than 1 Year	Between 1 And 2 Years	Between 2 And 5 Years	Over 5 Years
	\$'000	\$'000	\$'000	\$'000
At 31 March 2022				
Other payables	25,881	-	-	-
Borrowings	22,317	25,588	64,586	284,728
At 31 March 2021				
Other payables	34,186	-	-	-
Borrowings	103,393	15,930	49,091	227,349

* In the financial year ended 31 March 2022, a bank loan facility was extended by the University to November 2033.

(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:

Notes to the Financial Statements

31 March 2022

25. Financial Risk Management (continued)

(c) Credit Risk (continued)

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

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:

		Internal Credit Rating	12-Month or Lifetime ECL	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
	Note			\$'000	\$'000	\$'000
2022						
Fees and other receivables	10	(i)	Lifetime ECL (simplified approach)	1,029	(72)	957
Grants and other receivables (excluding fees and other receivables)	10	(ii)	Lifetime ECL (simplified approach)	371,022	-	371,022
Deposits	12	Performing	12-month ECL	52	-	52
					(72)	

Notes to the Financial Statements

31 March 2022

25. Financial Risk Management (continued)

(c) Credit Risk (continued)

		Internal Credit Rating	12-Month or Lifetime ECL	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
	Note			\$'000	\$'000	\$'000
2021						
Fees and other receivables	10	(i)	Lifetime ECL (simplified approach)	1,361	(69)	1,292
Grants and other receivables (excluding fees and other receivables)	10	(ii)	Lifetime ECL (simplified approach)	393,572	-	393,572
Deposits	12	Performing	12-month ECL	57	-	57
					(69)	

(i) The University determines the expect 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.

(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 2022 and 2021.

Notes to the Financial Statements

31 March 2022

25. Financial Risk Management (continued)

(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
At 31 March 2022				
Assets				
Financial assets at fair value through profit or loss				
- Quoted debt securities	291,710	-	-	291,710
- Quoted unit trusts	151,169	543,067	-	694,236
- Quoted equity securities	43,442	-	-	43,442
- Other investments	-	178,911	149,416	328,327
Total Assets	486,321	721,978	149,416	1,357,715
At 31 March 2021				
Assets				
Financial assets at fair value through profit or loss				
- Quoted debt securities	282,838	-	-	282,838
- Quoted unit trusts	113,035	588,723	-	701,758
- Quoted equity securities	43,870	-	-	43,870
- Other investments	-	188,239	95,266	283,505
Total Assets	439,743	776,962	95,266	1,311,971

Notes to the Financial Statements

31 March 2022

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:

	2022	2021
	\$'000	\$'000
Financial Assets at Fair Value Through Profit or Loss		
Balance as at 1 April	95,266	67,127
Purchases	41,854	15,023
Redemptions	(7,413)	(2,216)
Fair value gains recognised in profit or loss	19,709	15,332
Balance as at 31 March	149,416	95,266
Total gains recognised in or loss for assets held at profit the end of financial year	19,709	15,332

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:

	2022	2021
	\$'000	\$'000
Financial assets at amortised cost	706,915	677,554
Financial assets at fair value through profit or loss	1,357,715	1,311,971
Financial liabilities at amortised cost	362,390	385,851

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 \$13,268,264 (2021 : \$8,875,311) in the current financial year.

Notes to the Financial Statements

31 March 2022

27. Adoption of New and Revised Standards

On 1 April 2021, 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.

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 16: *Property, Plant and Equipment- Proceeds before Intended Use*⁽¹⁾
- Annual Improvements to FRSs 2018-2020⁽¹⁾
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*⁽²⁾
- Amendments to FRS 1 and FRS Practice Statement 2 *Disclosure of Accounting Policies*⁽²⁾

⁽¹⁾ Effective for annual periods beginning on or after 1 January 2022

⁽²⁾ Effective for annual periods beginning on or after 1 January 2023

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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Singapore University of Technology and Design

8 Somapah Road, Singapore 487372

T. +65 6303 6600

www.sutd.edu.sg

Company Limited by Guarantee

Incorporated in Singapore

Registration Number: 200913519C

For Enquiries, please email: enquiry@sutd.edu.sg

All information is corrected at the time of print.

