

# MAKING OUR MARK

NURTURING MINDS | DELIVERING EXCELLENCE

Annual Report 2013/2014



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SP adopted a new mission and vision in 2014.

**Students** Our Focus  
**Teaching** Our Passion  
**Staff** Our Asset  
**Alumni** Our Pride  
**Excellence** Our Creed

## mission

Life Ready. Work Ready. World Ready

A future-ready institution that prepares our learners to be life ready, work ready and world ready.

## strategic goals

We are currently in a conversation with our staff and other stakeholders about developing strategies to turn our new vision into reality.

This approach was used to create our new vision and reflects our continuing commitment to co-create the future of SP in an inclusive manner.

## vision

Inspired Learner. Serve with Mastery.  
Caring Community

A caring community of inspired learners committed to serve with mastery.

## values

Self-Discipline  
Personal Integrity  
Care and Concern  
Openness  
Responsibility  
Excellence



## chairman's statement

**MR BILL CHANG YORK CHYE**  
Chairman  
Board of Governors  
Singapore Polytechnic

It is with great pleasure to share that, in the past 12 months, our students and colleagues have given their best, making our mark in Singapore and beyond. Singapore Polytechnic's achievements were many as we live our mission and head towards our vision. We continued to drive our four strategic thrusts – providing holistic education, fostering global orientation, creating learning and social spaces and building staff capabilities on a daily basis.

I am very proud of the great strides that we have all made as an educational organisation. It is my honour to celebrate SP's 60th anniversary with all of you this year.

In the last 60 years, many outstanding men and women have played a part in shaping SP and equipping us with the runway to be 'Future Ready'. This year, as we come together to take part in a host of celebratory activities, let's not forget those who helped built Singapore's 'First Poly'. It would be impossible to name all of them but I would urge all of us, while we revel in our anniversary celebrations this year, to remember our SP pioneers and many after them who contributed, without whom, SP would not be who we are today.

### INSPIRATION & INNOVATION

While we strive towards mastery, we also want to ensure that no one is left behind in our holistic education system. Hence, we adopted a new teaching methodology known as Intrinsic Motivation (IM). The IM framework is able to meet the different learning needs, interests and capabilities of students, similar to the other teaching and learning frameworks such as Design Thinking and Conceive, Design, Implement and Operate (CDIO).

Through a series of engaging learning activities and interactions, the IM framework aims to instil in students a 'Dare to Think' and 'Dare to Do' spirit by promoting a sense of satisfaction, achievement and connectedness among the students while empowering them to develop passion and a sense of purpose for their discipline.

The Diploma in Mechatronics and Robotics (DMRO) is one of the courses that has benefitted from such a framework. Friendly challenges were incorporated into the Year 1 curriculum which encouraged students to think out of the box and look for innovative ways to outdo each other. The autonomy to learn and master their domain knowledge continued into the second year where students were encouraged to build and design robots for various local robotic competitions.

Today, this 'Dare to Think' and 'Dare to Do' spirit is very much alive in our DMRO students. Ms Neo Xin Ren is one of the many success stories resulting from the IM framework. When Xin Ren joined the DMRO course three years ago with an O-level aggregate of 22 points, she was neither very motivated nor hands-on.

This year, Xin Ren graduated with a respectable GPA of 3.59. She credits the DMRO course for developing her confidence and mastery with hands-on work like machining, soldering and building various mechanical contraptions. The emphasis on students having choices and experiencing fun in the learning process is the capstone of the new framework.

Another example of an IM success story is Muhammad Ridhwan Bin Maznin. Ridhwan joined the retired Diploma in Mechatronics (DMA) Course in 2006. He did not find interest in the course then and failed 5 out of 8 modules in the second semester of Year 1 and even had to repeat that stage two other times. Eventually he dropped out of school in 2009 after 5 semesters.

It was while serving National Service when Ridhwan realised the importance of getting a good education and decided to come back to complete his education in the revamped Diploma in Mechatronics & Robotics (DMRO). Being inspired by the power of integrating mechanical engineering with electronics in the movie "Iron Man", he had a strong desire to use technology to create something innovative which he hoped would be on public display one day.

With determination, he co-created a technological showpiece which was proudly displayed in SP during the SP Engineering Show in January 2014. This creation was so impressive it caught the attention of the media and Ridhwan made headlines in our local newspaper.

Such is the power of renewed inspiration and purpose.

### INDUSTRY CONNECTION

In addition to building our internal capabilities, forging strong industry links allows our students to apply their skills in real-life scenarios.

Earlier this year, we inked a Memorandum of Understanding (MOU) with Bombardier Aerospace, one of the world's leading aircraft manufacturers, to provide real-world training opportunities for our students in aeronautical engineering. Such real-world training enables our students to be well-placed in the growing aerospace industry.

Our partnerships with Temasek Cares and the Agency for Integrated Care facilitated the launch of a suite of new technology-assisted equipment to improve rehabilitation for the elderly and the disabled. We also collaborated with healthcare provider Tan Tock Seng Hospital to advance clinical research on evolving infectious diseases.

Our Biomedical & Life Sciences research & development team continued to support the medical industry with notable results. In December 2013, Dr Tan Eng Lee, our Centre Director of the Centre for Biomedical and Life Science and his team developed a test kit which can diagnose dengue infections within 20 minutes. This breakthrough resulted from a collaboration with the National University of Singapore to put together a kit that is more user-friendly.

Other industry collaborations include working with Ixia, a network testing, monitoring, optimisation and security solutions provider, to launch the first and only Cyber Security Academy amongst local Institutes of Higher Learning. The Academy allows corporate and government organisations to test the resilience of their IT systems against cyber-attacks with a comprehensive suite of cyber-defence assessment services.

## GLOBAL ORIENTATION

We have also been growing our global footprint to broaden our students' educational and social experiences so as to stay true to our strategic thrust of delivering a holistic education. One very important aspect of SP's curriculum is to encourage students to apply what they have learnt and use that knowledge and know-how to give back to the community. As a result, many of our students headed into the global arena during the year, taking part in community service, exchange programmes and internships.

This year, SP sent 570 students for overseas community service. One of our community service efforts, Never Ending Passion and Love (or NEPAL, in short), was cited as a notable example of overseas youth volunteerism by Prime Minister Mr Lee Hsien Loong in his 2013 National Day Rally speech. The project aimed to construct classrooms as well as to alleviate water shortage faced by villagers in Nepal. It was among one of many overseas community service trips to countries like Cambodia, China, Laos and Vietnam where students spent meaningful time either teaching or interacting with children, the elderly and the less fortunate or helping with building infrastructures that will make a difference in these communities.

A new initiative, the Learning Express (LEX) programme, which promotes Design Thinking and Social Innovation, enabled another 200 students to go to Indonesia and Vietnam on an immersive integrated learning experience to co-create innovative solutions for local communities while a reciprocal programme brought 25 Indonesian students to SP on a similar learning journey.

Separately, 866 students travelled abroad for overseas industrial training and immersion programmes, study and learning trips. The academic schools also organised trips for their students such as visits to the University of California, Berkeley and Stanford University by Diploma in Biomedical Science students to observe the former's Problem-Based Learning (PBL) in action and attend Stanford's bioscience incubator programme. A group of Civil Engineering with Business students went on a study trip to Oita National College of Technology in Japan to gain know-how and skills in water quality testing, concrete strength testing and urban planning design.

To further strengthen our relationships with our global partners, Singapore Polytechnic International (SPI) continues to forge new partnerships. For example, we collaborated with the Ministry of Education of Brunei to establish the Brunei Maritime Academy and launched a CDIO programme for the Philippine Association of State Universities and Colleges.

In addition, we also entered into a strategic research partnership with Waseda University, one of Japan's prestigious research universities. Our research and development collaboration with Waseda involves areas such as biomedical sciences, robotics, food technology and advanced materials.

## CHANGING LANDSCAPE

We recognise that the Singapore education landscape has evolved in the past few years and now, we have a system that is more flexible and diverse. Today, students have a wider range of choices to meet their different interests and ways of learning. Teaching is no longer about imparting content knowledge to the next generation. It is about cultivating healthy minds with moral values, passion towards excellence and a zest for life.

We are also living in a VUCA world. Times are volatile, uncertain, complex and ambiguous. I believe it is also our role as educators to help our students adjust and adapt to different situations so that they are able to contribute positively despite adversities.

Coupled with a fast changing and highly connected world, it is imperative that we review, reposition and remodel our pedagogies, modules and mindsets so that we stay relevant.

It is also important that we open our minds to the different pathways viable for our students today. The traditional mindset in most students and parents is to seek immediate upgrading after a polytechnic education. However, there is also an option to gather working experience first which may be useful in personal or career development, either with the intent to pursue further studies or not.

As such, SP has been working with the Ministry of Education, to strengthen applied learning in polytechnic education. We believe this will further improve employment and career opportunities for our diploma graduates, provide employers with a skilled, competitive and engaged workforce and ensure that a student's three-years in a polytechnic are relevant and up-to-date.

#### BEYOND 2014

Recognising that developing a relationship with our stakeholders is paramount to SP's future success, we embarked on a journey to co-create a vision with our staff members. We recognise that to stay ahead in today's world, we cannot remain in a lull. We need to embrace change and fluidity.

After an intensive staff engagement exercise last year, we gleaned three ideas from the thousands of comments and

feedback. These three ideas communicate SP's Beyond 2014 Vision - *Inspired Learner, Serve with Mastery and Caring Community*. This means we strive towards being a caring community of inspired learners committed to serve with mastery. This will guide us in our strategies, decisions and actions in trying times and complex situations.

I am confident that SP is well poised in meeting the needs of our students in the years ahead as we prepare them to be work-ready, life-ready and world-ready. I look forward to witnessing many more marks of greatness from our SP students in the years to come.

In closing, I would like to express my heartfelt gratitude and appreciation to my fellow Board members, management, staff members, partners, stakeholders for all their dedication and hard work in the last year. Our journey in the last one year was indeed exciting and fruitful. I look forward to completing another successful year with all of you again.



Mr Bill Chang York Chye  
Chairman  
Board of Governors  
Singapore Polytechnic

# board of governors

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**1 MR BILL CHANG YORK CHYE**

(Chairman)  
CEO, Group ICT  
Singapore Telecommunications Ltd

**2 DR MICHAEL EDWARD BROWN (TILL 31 JULY 2013)**

(Member)  
Vice President  
Singapore Operations  
Lonza Biologics Tuas Pte Ltd

**3 RADM CHAN WENG YIP**

(Member)  
Future Systems & Technology Architect  
Ministry of Defence

**4 MR CHIA BOON KUAH**

(Member)  
Group President &  
Chief Executive Officer  
GuocoLand Limited

**5 MS CHONG PHIT LIAN**

(Member)  
Chief Executive Officer  
Singbridge Corporate Pte Ltd

**6 PROF CHOU SIAW KIANG**

(Member)  
Professor  
Department of Mechanical Engineering  
National University of Singapore

**7 MR GOH TEIK POH**

(Member)  
Director  
Singapore Maritime Foundation

**8 MR JOHN LIM HUA ERN**

(Member)  
Director (Higher Education)  
Ministry of Education





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**9 A/PROF MUHAMMAD FAISHAL BIN IBRAHIM**

(Member)  
Parliamentary Secretary  
Ministry of Health & Ministry of Transport

**10 PROF PANG YANG HOONG**

(Member)  
Vice Provost (Undergraduate) &  
Dean, School of Accountancy  
Singapore Management University

**11 MR SEW CHEE JHUEN**

(Member)  
President  
Singapore Technologies Kinetics Ltd

**12 MR JOHNNY TAN CHENG HYE**

(Member)  
Principal Partner  
LT&T Architects

**13 MR TAN CHOON SHIAN**

(Member)  
Principal & CEO  
Singapore Polytechnic

**14 SAC TAN CHYE HEE**

(Member)  
Director, Police Intelligence Department  
Singapore Police Force

**15 MS AMANDA TAN HWEI LING**

(Member)

**16 MR ALLAN YEO HWEE TIONG**

(Member)  
Principal Advisor  
KPMG Services Pte Ltd

**MR TAN PENG ANN (TILL 31 MARCH 2014)**

(Secretary)  
Registrar  
Singapore Polytechnic

**MS JEANNE LIEW (FROM 1 APRIL 2014)**

(Secretary)  
Registrar  
Singapore Polytechnic

# standing committees

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## ADMINISTRATION & DEVELOPMENT COMMITTEE

**Chairman:** Mr Johnny Tan Cheng Hye (from 1 August 2013)

**Members:** Mr Sew Chee Jhuen  
Mr Tan Choon Shian  
SAC Tan Chye Hee (from 1 August 2013)  
Mr Allan Yeo Hwee Tiong

**Secretary:** Mr C. Pannirselvam (from 1 June 2013)  
Ms Jenny Wong Siow Ching

## AUDIT COMMITTEE

**Chairman:** Prof Chou Siaw Kiang

**Members:** RADM Chan Weng Yip  
Mr Goh Teik Poh

**Secretary:** Mr Ronnie Chan Chin Sing

## INVESTMENT COMMITTEE

**Chairman:** Prof Pang Yang Hoong

**Members:** Mr Chia Boon Kuah  
Ms Amanda Tan Hwei Ling  
Mr Tan Choon Shian

**Secretary:** Ms Jenny Wong Siow Ching

## NOMINATING COMMITTEE

**Chairman:** Mr Bill Chang York Chye

**Member:** Mr Tan Choon Shian

## STAFF DISCIPLINARY COMMITTEE

**Chairman:** RADM Chan Weng Yip

**Members:** A/Prof Muhammad Faishal Bin Ibrahim  
SAC Tan Chye Hee

**Secretary:** Mrs Yeung-Ng Geak Hong

## STUDENT DISCIPLINARY APPEAL COMMITTEE

**Chairman:** A/Prof Muhammad Faishal Bin Ibrahim

**Members:** Dr Michael Edward Brown (till 31 July 2013)  
RADM Chan Weng Yip (from 16 August 2013)  
SAC Tan Chye Hee

**Secretary:** Mrs Elizabeth A Khoo-Lee May Yong

## HUMAN RESOURCE COMMITTEE (FROM 1 JUNE 2013)

**Chairman:** Mr Bill Chang York Chye

**Members:** Mr John Lim Hua Ern  
Mr Tan Choon Shian

**Secretary:** Mrs Yeung-Ng Geak Hong

# board of studies

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**Chairman:** Mr Tan Choon Shian

**Members:** Mr Hee Joh Liang  
Mr Lim Peng Hun  
Dr Chai Min Sen  
Mr Lim Cher Yam (till 30 June 2014)  
Mr Chang Boon Hai (till 31 March 2014)  
Mr Loh Gin Chye (from 1 April 2014)  
Miss Chao Yunn Chyi  
Mrs Fang Sin Guek  
Mr Faris Akbar Hajamaideen  
Mr Lau Lee Yee (till 31 March 2014)  
Mrs Helene Leong-Wee Kwee Huay  
Dr Ng Eng Hong  
Dr Chong Chee Wei (from 1 April 2014)  
Mr Ng Weng Lam (till 1 April 2014)  
Mr Loh Yew Chiong (from 1 April 2014)  
Ms Georgina Phua Hwee Choo  
Mr Daniel Tan Kim Soon  
Mr Roland Tan Keng Hock  
Mr Tan Yew Meng  
Mr Reginald Wee Siang Tze

Dr Adrian Yeo Chao Chuang

Mrs Yap Siew Lay  
Ms Chong Li Min (till 31 March 2014)  
Ms Doris Nga (from 1 April 2014)  
Mr Amos Goh Choon Ngee  
Mr Ho Sum Lim (till 31 March 2014)  
Dr Lim Chee Kian (from 1 April 2014)  
Dr Jaya Shreeram S Jayaram (till 31 March 2014)  
Dr Edna Chan Sook Yee (from 1 April 2014)  
Ms Lee Huei Hoon  
Mdm Lee Keng Keng (till 31 March 2014)  
Mr Dennis Goh Cheng Siang (from 1 April 2014)  
Mr Liew Chin Chuan (till 31 March 2014)  
Mr Alvin Tang Seng Chun (from 1 April 2014)  
Mr Neo Chip Chuan  
Dr Tan Kwee Teck (till 31 March 2014)  
Mr Kwa Teck Poey (from 1 April 2014)  
Capt Chatur Wahyu  
**Secretary:** Mr Tan Peng Ann (till 31 March 2014)  
Ms Jeanne Liew (from 1 April 2014)

# management team

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## PRINCIPAL AND CHIEF EXECUTIVE OFFICER

Mr Tan Choon Shian

## DEPUTY PRINCIPAL (TECHNOLOGY AND INDUSTRY)

Mr Lim Peng Hun

## DEPUTY PRINCIPAL (DEVELOPMENT)

Mr Hee Joh Liang

## DEPUTY PRINCIPAL (STUDENT & ACADEMIC AFFAIRS)

Ms Jeanne Liew (from 1 January 2014)

### Director, Human Resource

Mrs Yeung-Ng Geak Hong

### Director, Internal Audit

Mr Ronnie Chan Chin Sing

## DEVELOPMENT

### Deputy Principal

Mr Hee Joh Liang

## STUDENT AND ACADEMIC AFFAIRS

### Senior Director/Registrar

Mr Tan Peng Ann (till 31 March 2014)

### Director, Educational Development

Mrs Helene Leong-Wee Kwee Huay

### Registrar

Ms Jeanne Liew (from 1 April 2014)

### Director, Library

Mrs Fang Sin Guek

### Director, Academic Services

Mrs Elizabeth A Khoo-Lee May Yong

## TECHNOLOGY AND INDUSTRY

### Deputy Principal

Mr Lim Peng Hun

### Director, Student Development

Mr Choo Keng Hui

### Director, Industry Services

Mr Song Nay Hay (till 31 March 2014)

Mr Arthur Poh Heo Tat (from 1 April 2014)

### Director, Student Services

Mr Clarence Chua Eng Khye (from 15 October 2013)

### Director, Professional & Adult Continuing Education (PACE) Academy

Mr V Maheantharan (till 1 May 2013)

Mr Suresh Punjabi (from 2 May 2013)

### Director, Alumni Relations

Mr Song Nay Hay (till 31 March 2014)

Mr Arthur Poh Heo Tat (from 1 April 2014)

### Chief Technology Officer, Technology, Innovation & Enterprise

Mr Lance Lim Wei Seong

## CORPORATE PLANNING AND COMMUNICATIONS CLUSTER

### Senior Director

Mr Henry Tan Hin Teck

### Director, Organisation Development

Mr Henry Tan Hin Teck (till 31 March 2014)

Mr Arthur Poh Heo Tat (from 1 April 2014)

### Director, Corporate Communications

Ms Yvonne Chan Leng Leng

## INFRASTRUCTURE AND ENVIRONMENT CLUSTER (TILL 31 MARCH 2014)

### ADMINISTRATION CLUSTER (FROM 1 APRIL 2014)

#### Senior Director

Mr Lim Cher Yam (till 31 March 2014)

Mr Tan Peng Ann (from 1 April 2014)

#### Director, Information & Digital Technology Services

Mr Chang Boon Hai (till 31 March 2014)

Mr Loh Gin Chye (from 1 April 2014)

#### Director, Estates & Development

Mr C Pannirselvam

#### Director, Finance

Ms Jenny Wong Siow Ching

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## ACADEMIC SCHOOLS

### APPLIED AND HEALTH SCIENCES CLUSTER

#### Senior Director

Dr Chai Min Sen

#### Director, Chemical & Life Sciences

Dr Adrian Yeo Chao Chuang

#### Director, Mathematics & Science

Miss Chao Yunn Chyi

### ARCHITECTURE, DESIGN AND ENVIRONMENT CLUSTER

#### Senior Director

Mr Lim Cher Yam (till 31 March 2014)

Mr Henry Tan Hin Teck (from 1 April 2014)

#### Director, Architecture & the Built Environment

Mr Daniel Tan Kim Soon

#### Director, Design

Mr Faris Akbar Hajamaideen

### BUSINESS, IT AND HUMANITIES CLUSTER

#### Senior Director

Mr Hee Joh Liang

#### Director, Business

Mr Reginald Wee Siang Tze

#### Director, Communication, Arts & Social Sciences

Mr Tan Yew Meng

#### Director, Digital Media & Infocomm Technology

Ms Georgina Phua Hwee Choo

### ENGINEERING CLUSTER

#### Senior Director

Mr Lim Peng Hun

#### Director, Electrical & Electronic Engineering

Mr Ng Weng Lam (till 1 April 2014)

Mr Loh Yew Chiong (from 1 April 2014)

#### Director, Mechanical & Aeronautical Engineering

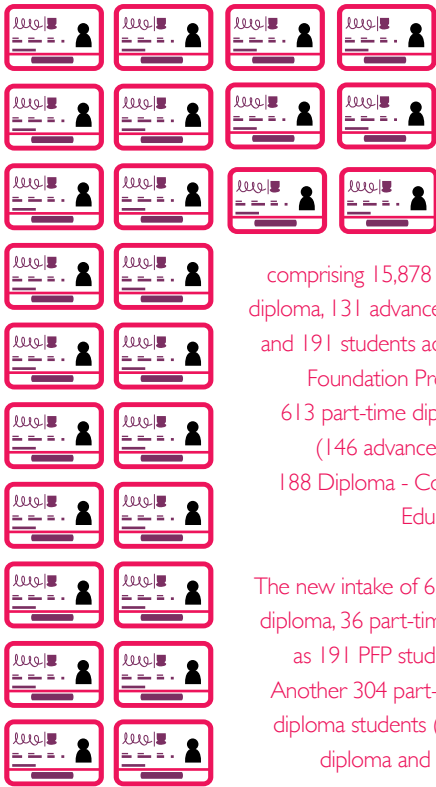
Dr Ng Eng Hong (till 30 September 2014)

Dr Chong Chee Wei (Director Designate from 1 April 2014)  
(Director from 1 October 2014)

#### Director, Singapore Maritime Academy

Mr Roland Tan Keng Hock

# facts and figures



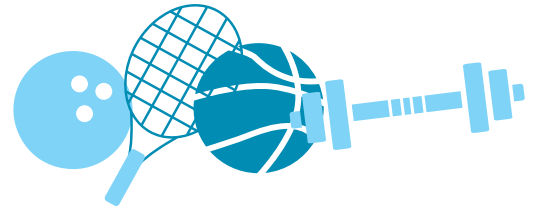
## STUDENT ENROLMENT

**17,742**

comprising 15,878 full-time diploma, 583 part-time (378 diploma, 131 advanced diploma and 74 specialist diploma) and 191 students admitted into the inaugural Polytechnic Foundation Programme (PFP). There were another 613 part-time diploma and 477 post-diploma students (146 advanced diploma, 143 specialist diploma and 188 Diploma - Conversion) under the new Continuing Education and Training (CET) framework.

The new intake of 6,372 students included 5,364 full-time diploma, 36 part-time advanced diploma students as well as 191 PFP students in the academic year 2013/2014. Another 304 part-time diploma students and 477 post-diploma students (146 advanced diploma, 143 specialist diploma and 188 for Diploma - Conversion) were enrolled under the CET framework.

## STUDENT CCAs

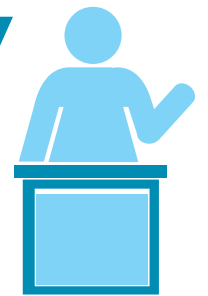


**122**

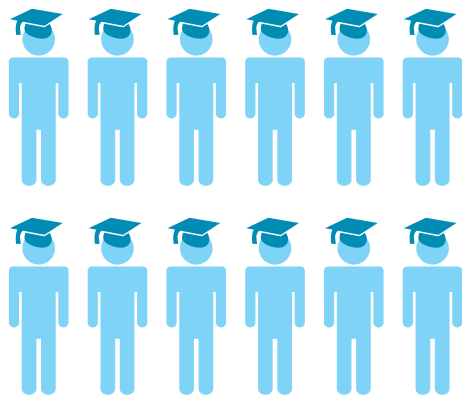
student clubs and sports teams contributed to a vibrant campus life.

## STAFF STRENGTH

**1,717**



comprising 934 academic staff and 783 non-teaching staff.



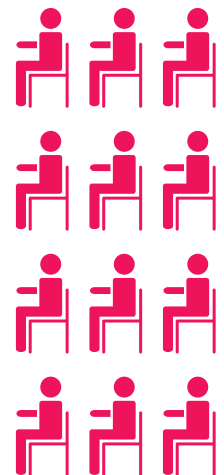
**GRADUATE OUTPUT/  
EMPLOYMENT 5,899**

students graduated from Singapore Polytechnic in the academic year 2012/2013. Of these, 5,082 graduated from full-time diploma courses, 169 from part-time diploma courses and 648 from advanced, specialist and post-diploma courses. As of October 2013, 87.1% of fresh graduates found full-time permanent or part-time/temporary employment.

## CONTINUING EDUCATION PROGRAMMES

**41,494**

participants attended a total of 1,136 continuing education programmes offered by Singapore Polytechnic. The programmes included 88 Singapore Workforce Skills Qualification courses, 165 short courses, 146 tailor-made courses, 176 certification courses, 508 examinations, 26 e-learning courses, 5 part-time diplomas, 5 diplomas (Conversion) and 17 advanced diplomas & specialist diplomas.



# highlights

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apr 2013

Singapore Maritime Academy was presented with the Excellence in Training Development Award at the Singapore International Maritime Awards 2013 ceremony for demonstrating commitment and excellence in training and development.

SP received the National Council Against Drug Abuse Special Recognition Award (Organisation) for contributing significantly to the anti-drug cause by conceptualising and organising the council's anti-drug abuse campaign and carnival.



may 2013

Close to 6,000 graduates received their diplomas over 15 sessions at SP's 53rd Graduation Ceremony which saw pioneer batches of graduates from Diploma in Digital Animation, Diploma in International Business, Diploma in Materials Science, Diploma in Visual Effects and Motion Graphics, and Diploma in Perfumery and Cosmetic Science courses.



A staff envisioning exercise, organised to help SP craft its Vision Beyond 2014, had 1,495 SP staff taking part and provided over 7,000 data points.



For its achievements in business excellence and for attaining a cluster of business standards, SP was awarded the Public Service Milestone Award at the Excellence in Public Service Awards.

jun 2013



SP launched a first-of-its-kind record label, SPEAR (Singapore Polytechnic Emerging Artiste and Repertoire), a new and unique teaching framework that puts potential music students on the fast track to be groomed as artistes and music producers.

A ground-breaking ceremony was held for the Aero Hub and SP Business School which will comprise of a seven-storey Business School block and a four-storey building for the Aero Hub.



Together with Singapore Technologies Kinetics Ltd, SP launched Singapore's first Applied Materials Engineering Centre costing \$4 million, to spearhead applied materials innovation.



## jul 2013

Diploma in Integrated Events and Project Management's Christopher Lye represented Singapore in the 2013 Microsoft Office Specialist World Championship finals held in USA and was awarded a Certificate of Achievement.



Five first-year Diploma in Business Innovation and Design students were awarded scholarships by Ministry of National Development, in line with the growing recognition of the importance of Design Thinking professionals in the continued growth and development of our national landscape and building community.



## aug 2013

SP's solar car SunSPEC 3 was the sole Singaporean entry competing against 43 teams in the 2013 World Solar Challenge – a 3,000 km race over six days across the Australian Outback.



SP students clinched 30 out of 41 scholarships offered under the BCA-Industry Built Environment Diploma Scholarship scheme for students pursuing diploma courses relevant to architecture and the built environment.



SP students from School of Digital Media and Infocomm Technology, SP Business School and SP Design School clinched 24 out of the 40 Integrated Infocomm Scholarships offered by Infocomm Development Authority.

Diploma in Media and Communication students won second prize in the inaugural Breadtalk-Crowbar Marketing Challenge after competing against 50 teams from local universities and polytechnics.

sept 2013



SP was awarded the prestigious SCDF Strategic Partners Award 2013 for its close partnership and support of Singapore Civil Defence Force's (SCDF) community outreach and emergency preparedness programmes.

SP Design School launched its first commercial publication, entitled London's Calling, an illustrative storybook designed and written by 15 alumni from The Student Agency who were inspired by their visit to the London Design Festival.





oct 2013

Close to 2,000 students and lecturers from SP Business School joined hands and made it into the Singapore Book of Records for the biggest number of participants forming a smiley face at the inaugural SB Orange Day.



Temasek Cares, Agency for Integrated Care and SP launched a suite of new technology-assisted equipment to improve rehabilitation of the elderly and disabled under the Temasek Cares - Technology-assisted Rehabilitation in the Community programme.



SP signed a Memorandum of Cooperation with Digital Hollywood University, Japan, to develop future opportunities for academic and cultural exchanges in the areas of animation, computer graphics and film.

## nov 2013

For its outstanding efforts in harnessing the potential of youth and inculcating good values and the spirit of volunteerism, SP was awarded the Ten Accomplished Youth Organisations in ASEAN (TAYO ASEAN) Award at the 19th ASEAN Youth Day Meeting Awards Ceremony in Vietnam.



The second Youth Model ASEAN Conference was organised by the SPOT (SP Outstanding Talent) Programme Team and 40 student organisers from the various polytechnics to promote greater awareness of ASEAN among students, provide opportunities for training in leadership and critical thinking, and to foster stronger ties among local and foreign students.

For its outstanding contribution to training professionals in the maritime industry, Singapore Maritime Academy received the Training Award in the Lloyd's List Awards 2013.



dec 2013



SP launched Singapore's first Cyber Security Academy amongst Institutes of Higher Learning to provide cyber-defence assessment services and training, as a result of signing a Memorandum of Cooperation with Ixia.



A Memorandum of Understanding was signed with Waseda University, one of Japan's prestigious research universities, to establish a five-year partnership to advance research and development in areas such as biomedical sciences, robotics, food technology and advanced materials.



National diver and Diploma in Aeronautical Engineering student Timothy Lee took home a Silver medal in the 3m Springboard (Synchronised) and a Bronze medal in the 10m Platform (Synchronised) categories in the SEA Games 2013.

jan 2014



SP celebrates its 60th anniversary in 2014. What started out as an institution to develop craftsmen, technicians and engineers, has in 60 years, nurtured a pool of accomplished alumni members who are nation builders, discoverers, social entrepreneurs and industry movers and shakers. In conjunction with the celebration, an anniversary logo competition was held and the winner is SP Design School student, Khairul Azhar Bin Ali. The logo's vibrant colours symbolise SP's future-ready approach.

A new \$1 million state-of-the-art Perfumery and Cosmetic Science Centre to enhance students' learning and industry relevance was opened on campus.





feb 2014

SP inked a Memorandum of Understanding with Bombardier Aerospace to advance real-world training for students in aeronautical engineering.

A Service Agreement was signed with the Brunei's Ministry of Education to jointly establish the Brunei Maritime Academy that will enhance maritime education and training.

mar 2014



An agreement with Singapore Youth Flying Club was inked to allow final-year Diploma in Aeronautical Engineering students who are interested in pursuing a flying career to obtain their Private Pilot License before they graduate.

Diploma in Interior Design students, Wendy Chin and Lin Lei emerged winners in the Interior Design (Student Category) at the Singapore Design Awards 2014.





# FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

## STATEMENT BY BOARD OF GOVERNORS

For the financial year ended 31 March 2014

In the opinion of the Board of Governors,

- (a) the balance sheet of the Polytechnic and the consolidated financial statements of the Group as set out on pages 23 to 60 are properly drawn up so as to present fairly, the state of affairs of the Polytechnic and of the Group as at 31 March 2014 and the results, changes in funds and reserves and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Polytechnic will be able to pay its debts as and when they fall due.

On behalf of the Board



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Bill Chang  
Chairman



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Tan Choon Shian  
Principal and Chief Executive Officer

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS OF SINGAPORE POLYTECHNIC

## Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Polytechnic (the "Polytechnic") and its subsidiaries (the "Group") set out on pages 23 to 60, which comprise the balance sheet of the Group and the Polytechnic as at 31 March 2014, and the statement of comprehensive income, statement of changes in funds and reserves and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Polytechnic Act, Chapter 303 (the "Act") and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Polytechnic are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material aspects, the state of affairs of the Group and the Polytechnic as at 31 March 2014 and the results, changes in funds and reserves and cash flows of the Group for the financial year ended on that date.

## Report on Other Legal and Regulatory Requirements

### *Management's Responsibility for Compliance with Legal and Regulatory Requirements*

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS OF SINGAPORE POLYTECHNIC (continued)

### *Auditor's Responsibility*

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

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

### *Opinion*

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Polytechnic during the year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Polytechnic whether purchased, donated or otherwise.

During the course of our audit, nothing has come to our notice that caused us to believe that during the year, in relation to the Singapore Polytechnic Endowment Fund (the "Fund"):

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



PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants

Singapore, 27 June 2014

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2014

	Note	General fund		Other funds		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Operating income</b>							
Course fees		47,450	44,629	12,938	13,438	60,388	58,067
Other fees		916	940	-	35	916	975
		<b>48,366</b>	<b>45,569</b>	<b>12,938</b>	<b>13,473</b>	<b>61,304</b>	<b>59,042</b>
<b>Operating expenditure</b>							
Staff costs	3	(195,243)	(183,285)	(9,040)	(7,328)	(204,283)	(190,613)
Teaching materials		(7,427)	(8,419)	(782)	(438)	(8,209)	(8,857)
Repairs and maintenance		(13,266)	(13,123)	-	(1)	(13,266)	(13,124)
Depreciation of property, plant and equipment	10	(33,772)	(33,304)	(1,207)	(1,067)	(34,979)	(34,371)
Development expenses expensed-off		(9,847)	(9,442)	-	-	(9,847)	(9,442)
Staff development and benefits		(4,156)	(4,211)	(6)	(7)	(4,162)	(4,218)
Other expenditure	4	(28,064)	(31,621)	(10,499)	(10,666)	(38,563)	(42,287)
		<b>(291,775)</b>	<b>(283,405)</b>	<b>(21,534)</b>	<b>(19,507)</b>	<b>(313,309)</b>	<b>(302,912)</b>
<b>Operating deficit</b>		<b>(243,409)</b>	<b>(237,836)</b>	<b>(8,596)</b>	<b>(6,034)</b>	<b>(252,005)</b>	<b>(243,870)</b>
<b>Non-operating income</b>							
Donations		-	-	931	951	931	951
Interest income – banks		825	780	590	787	1,415	1,567
Rental income – operating leases		225	206	2,255	1,888	2,480	2,094
Fair value (losses)/gains – financial assets at fair value through profit or loss	12	(296)	308	365	352	69	660
Other income	5	2,333	3,731	8,207	7,792	10,540	11,523
<b>(Deficit)/Surplus before tax and grants</b>		<b>(240,322)</b>	<b>(232,811)</b>	<b>3,752</b>	<b>5,736</b>	<b>(236,570)</b>	<b>(227,075)</b>
Grants	6	262,028	249,889	200	554	262,228	250,443
Surplus before income tax		21,706	17,078	3,952	6,290	25,658	23,368
Income tax expense	7	-	-	(11)	(4)	(11)	(4)
<b>Net surplus for the year</b>		<b>21,706</b>	<b>17,078</b>	<b>3,941</b>	<b>6,286</b>	<b>25,647</b>	<b>23,364</b>
<b>Other comprehensive</b>							
loss:							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Net change in fair value of available-for-sale financial assets		-	-	(150)	-	(150)	-
<b>Total comprehensive income</b>		<b>21,706</b>	<b>17,078</b>	<b>3,791</b>	<b>6,286</b>	<b>25,497</b>	<b>23,364</b>

# BALANCE SHEETS

As at 31 March 2014

	Note	<b>The Group</b>		<b>The Polytechnic</b>	
		<b>2014</b>	2013	<b>2014</b>	2013
		<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Endowment fund (Capital)	9	<b>23,205</b>	21,480	<b>23,205</b>	21,480
Accumulated surplus					
- General fund		<b>179,003</b>	157,297	<b>179,329</b>	157,465
- Other funds	9	<b>110,643</b>	106,702	<b>109,068</b>	105,656
- Fair value reserve		<b>425</b>	575	<b>425</b>	575
<b>Total capital and other funds</b>		<b>313,276</b>	286,054	<b>312,027</b>	285,176
<b>Represented by:</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	<b>339,004</b>	290,327	<b>338,993</b>	290,315
Investment in subsidiaries	11	-	-	<b>1,100</b>	1,100
Financial assets, at fair value through profit or loss	12	<b>94,512</b>	75,497	<b>94,512</b>	75,497
Available-for-sale financial assets	14	<b>9,600</b>	5,700	<b>9,400</b>	5,500
Loan to Singapore Polytechnic Graduates' Guild	15	-	-	-	-
Staff and student loans	16	<b>245</b>	192	<b>245</b>	192
Deferred income tax assets	17	<b>4</b>	1	-	-
		<b>443,365</b>	371,717	<b>444,250</b>	372,604
<b>Current assets</b>					
Trade and other receivables	18	<b>25,944</b>	25,808	<b>25,919</b>	25,557
Cash and cash equivalents	19	<b>274,327</b>	267,364	<b>273,598</b>	266,060
		<b>300,271</b>	293,172	<b>299,517</b>	291,617
<b>Total assets</b>		<b>743,636</b>	664,889	<b>743,767</b>	664,221
<b>Current liabilities</b>					
Trade and other payables	20	<b>66,714</b>	45,565	<b>68,125</b>	45,835
Government grants received in advance	21	<b>30,746</b>	48,195	<b>30,746</b>	48,195
Current income tax liabilities		<b>31</b>	60	-	-
		<b>97,491</b>	93,820	<b>98,871</b>	94,030
<b>Net current assets</b>		<b>202,780</b>	199,352	<b>200,646</b>	197,587
<b>Non-current liability</b>					
Deferred capital grants	22	<b>332,869</b>	285,015	<b>332,869</b>	285,015
<b>Total liabilities</b>		<b>430,360</b>	378,835	<b>431,740</b>	379,045
<b>Net assets</b>		<b>313,276</b>	286,054	<b>312,027</b>	285,176
<b>Net assets of funds managed on behalf of the Ministry</b>	23	<b>6,785</b>	6,514	<b>6,785</b>	6,514

# CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES

For the financial year ended 31 March 2014

	<b>Endowment fund (Capital) (Note 9)</b>	<b>General fund</b>	<b>Other funds (Note 9)</b>	<b>Fair value reserve</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At 1 April 2013	21,480	157,297	106,702	575	286,054
Total comprehensive income	-	21,706	3,941	(150)	25,497
Contributions and donations received for the endowment fund (capital)	1,725	-	-	-	1,725
<b>At 31 March 2014</b>	<b>23,205</b>	<b>179,003</b>	<b>110,643</b>	<b>425</b>	<b>313,276</b>
At 1 April 2012	18,242	140,219	100,386	575	259,422
Total comprehensive income	-	17,078	6,286	-	23,364
Transfer from endowment fund (capital) to other funds	(30)	-	30	-	-
Contributions and donations received for the endowment fund (capital)	3,268	-	-	-	3,268
<b>At 31 March 2013</b>	<b>21,480</b>	<b>157,297</b>	<b>106,702</b>	<b>575</b>	<b>286,054</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial year ended 31 March 2014

	Note	<b>2014</b>	2013
		<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>			
Deficit before grants and after tax		<b>(236,581)</b>	(227,079)
Adjustments for:			
Depreciation of property, plant and equipment	10	<b>34,979</b>	34,371
Interest income		<b>(1,415)</b>	(1,567)
Loss on disposal of property, plant and equipment		<b>115</b>	3,649
Fair value gains of financial assets, at fair value through profit or loss		<b>(69)</b>	(660)
Income tax expense		<b>11</b>	4
		<b>(202,960)</b>	(191,282)
Changes in working capital:			
Trade and other receivables		<b>(2,189)</b>	2,706
Staff and student loans		<b>(53)</b>	81
Trade and other payables		<b>21,149</b>	4,250
		<b>(184,053)</b>	(184,245)
Income tax paid		<b>(43)</b>	-
<b>Net cash used in operating activities</b>		<b>(184,096)</b>	(184,245)
<b>Cash flows from investing activities</b>			
Interest received		<b>1,415</b>	1,567
Purchases of property, plant and equipment		<b>(83,778)</b>	(43,004)
Purchases of financial assets, at fair value through profit or loss		<b>(18,946)</b>	(74,837)
Purchase of available-for-sale financial assets		<b>(4,050)</b>	(200)
Proceeds from disposals of property, plant and equipment		<b>7</b>	135
<b>Cash flows used in investing activities</b>		<b>(105,352)</b>	(116,339)
<b>Cash flows from financing activities</b>			
Development grants received from Government		<b>37,381</b>	16,076
IT and F & E grants received from Government		<b>25,572</b>	25,856
Innovation grants received from Government		<b>3,332</b>	2,091
Polytechnic baseline grants received from Government		<b>500</b>	-
Operating grants received from Government		<b>224,073</b>	209,786
Operating grants received from non-government organisations		<b>2,769</b>	3,075
Contributions and donations received for the endowment fund (capital)		<b>2,784</b>	804
Net decrease in fixed deposits with more than three months maturity		<b>-</b>	76,297
<b>Net cash provided by financing activities</b>		<b>296,411</b>	333,985
<b>Net increase in cash and cash equivalents</b>			
		<b>6,963</b>	33,401
Cash and cash equivalents at beginning of the year		<b>267,364</b>	233,963
<b>Cash and cash equivalents at end of the year</b>	19	<b>274,327</b>	267,364



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

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

## 1. GENERAL INFORMATION

Singapore Polytechnic (the "Polytechnic"), established under the Singapore Polytechnic Act (Chapter 303), is domiciled in Singapore. Its campus is situated at:

500 Dover Road, Singapore 139651

The Polytechnic is principally engaged in providing studies, training and research in technology, science, commerce and arts. The principal activities of its subsidiaries are disclosed in Note 11.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

The preparation of these financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

#### ***Interpretations and amendments to published standards effective in 2013***

On 1 April 2013, the Group adopted the new or amended SB-FRS and Interpretations to SB-FRS ("INT SB-FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS.

The adoption of these new or amended SB-FRS and INT SB-FRS did not result in substantial changes to the Group's and Polytechnic's accounting policies and had no material effect on the amounts reported for the current or prior financial years, except for the following:

#### Amendment to SB-FRS 1 Presentation of Items of Other Comprehensive

The Group has also adopted the amendments to SB-FRS 1 Presentation of Items of Other Comprehensive Income on 1 January 2013. The amendment is applicable for annual periods beginning on or after 1 July 2012 (with early adoption permitted). It requires items presented in other comprehensive income to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future.

#### ***Comparatives***

With effect from the current financial year, the Polytechnic prepares consolidated financial statements in accordance SB-FRS 27 Consolidated Separate Financial Statements. As a result, the 31 March 2013 comparative figures for the balance sheet, statement of comprehensive income, statement of changes in funds and reserves, statement of cash flows and the related notes of the Group, which were previously not audited, have been presented accordingly. The results of the subsidiaries were not consolidated in the previous year ended 31 March 2013 as they were not material to the Polytechnic's financial statements.

### 2.2 Revenue recognition

Course and other fees for the academic year and all other income are recognised in the period in which the services are rendered.

Rental incomes from operating leases are recognised on a straight-line basis over the lease term.

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

Donations are recognised in the year of receipt.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.3 Grants

Development grants from government and contributions from other organisations utilised for the purchase of depreciable assets or to finance capital projects are taken to the Deferred Capital Grants account if the assets are capitalised, or taken to profit or loss if the assets purchased are written off in the year of purchase.

Non-monetary contributions of assets including some leasehold land are taken to the Property, Plant and Equipment and the Deferred Capital Grants accounts at valuation.

Deferred Capital Grants are recognised in profit or loss over the periods necessary to match the depreciation of the assets with the related grants. On disposal of the property, plant and equipment, the balance of the related grants is recognised in profit or loss to match the net book value of property, plant and equipment written off.

Government grants to meet the current year's operating expenses are taken to profit or loss for the year. Government grants are accounted for on the accrual basis.

Government and other grants received but not utilised are included in the "Grant received in advance" account.

### 2.4 Income taxes

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred income tax is recognised for all temporary differences except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and are recognised as income or expenses in profit or loss.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

### 2.5 Group accounting

#### (i) Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to the majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (ii) Disposals

When a change in the Polytechnic's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated surplus if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 Funds

- (i) *General Fund*  
Income and expenditure relating to the main activities of the Polytechnic are accounted for in the "General Fund" column in the profit or loss.
- (ii) *Other Funds*  
Income and expenditure relating to the funds set up for specific purpose are accounted for in the "Other Funds" column in profit or loss and disclosed separately in the notes to the financial statements.
- (iii) *Endowment Fund*  
Donations, which donors have specified to be kept intact, are taken directly to the Endowment Fund (Capital). Other donations together with other income and expenditure of the Endowment Fund are taken to the Fund's operating account under "Other Funds – Endowment Fund (non-capital)" in profit or loss.

The assets and liabilities of the above funds are accounted for separately. For presentation purpose in the Balance Sheet, the assets and liabilities of the funds are pooled.

### 2.7 Funds managed on behalf of others

Funds managed on behalf of others relate to fund set up to account for contributions received from external sources for specific purposes.

The assets and liabilities of funds of the Polytechnic – Staff Housing Loan Scheme and Tuition Fee Loan and Study Loan Scheme held in trust for Ministry of Education are presented separately as a line item on the face of the balance sheets as prescribed by SB-FRS Guidance Note 1 Accounting and Disclosure for Funds, Grants, Accumulated Surplus and Reserves. Income and expenditure relating to these funds are accounted for directly in these funds. Details of income, expenditure, assets and liabilities of these funds are disclosed in the notes to the financial statements.

### 2.8 Impairment of non-financial assets

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

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

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

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

A reversal of impairment loss for an asset is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.9 Loans and receivables

Bank balances  
Trade and other receivables  
Loan to Singapore Polytechnic Graduates' Guild  
Staff and student loans

Loans on receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses. Loans and receivables include bank balances, trade and other receivables, other current assets, loan to Singapore Polytechnic Graduates Guild and staff and student loans.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor; probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

#### 2.10 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Donated assets are recorded at valuation.

Leasehold land at nominal value is taken into the accounting records at valuation as their cost base. The valuations were provided by the Chief Valuer, Inland Revenue Department in 1986 (\$52,660,000) and Colliers Jardin (S) Pte Ltd in 1994 for sports complex (\$740,000), on market value basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour; any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Property, plant and equipment costing less than \$2,000 each and renovations costing below \$200,000 are charged to profit or loss in the year of purchase.

The cost of major renovations and restoration is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard performance of the existing asset will flow to the Group, and depreciated over the remaining useful life of the asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.10 Property, plant and equipment (continued)

#### (b) Depreciation

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

Leasehold land	Leasehold period ranging from 21 to 86 years
Building	Over the lease period
(campus and staff quarters)	(subject to maximum of 50 years)
Building improvements	5 years
Equipment and furniture	3 to 10 years
Motor vehicles	5 years

No depreciation is provided for construction work-in-progress.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

#### (c) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

#### (d) Disposal

Gain and losses on disposal of item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised net within other expenditure in profit or loss.

### 2.11 Investment in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment losses in the Polytechnic's balance sheet. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investment are recognised in income or expenditure.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.12 Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented investment strategy. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are expected to be realised within 12 months after the balance sheet date.

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are recognised immediately as expenses. Financial assets at fair value through profit or loss are subsequently carried at fair value. Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. External fund managers enter into derivative financial instruments on behalf of the Polytechnic. These derivative financial instruments are not designated for hedge accounting. Fair value changes for such derivative instruments are included in profit or loss in the financial year when the changes arise.

### 2.13 Available-for-sale financial assets

Available-for-sale financial assets are initially recognised at their fair values plus transaction costs and subsequently carried at their fair values. Changes in fair values are recognised in other comprehensive income and accumulated under the fair value reserve within equity.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses.

These financial assets are recognised on the date which the Group commits to purchase the asset. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant or prolonged decline in the fair value of an equity security below its cost is objective evidence that the security is impaired.

If there is evidence of impairment, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. Impairment losses on available-for-sale equity securities are not reversed through profit or loss.

On disposal, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

### 2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group 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. If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair values, and subsequently carried at amortised cost, using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.15 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 and derivatives) 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 appropriate quoted market prices for financial liabilities are the current asking prices.

### 2.16 Employee compensation

Employee benefits are recognised as an expense unless the cost qualifies it to be capitalised as an asset.

#### (a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

#### (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.

### 2.17 Operating leases

#### (a) When the Group is the lessee:

The Group leases its office equipment from non-related party under operating leases.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

#### (b) When the Group is the lessor:

The Group leases staff apartments and campus food courts under operating leases to non-related parties.

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

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.18 Foreign currency translation

The financial statements are presented in Singapore Dollar, which is the functional currency of the Polytechnic.

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the fair value reserve.

#### 2.19 Cash and cash equivalents

The Polytechnic is required to participate in the Centralised Liquidity Management Framework ("CLM") in accordance with the Accountant-General's Circular No.4/2009 dated 2 November 2009. Selected bank accounts of the Polytechnic maintained with selected banks are linked up with the Accountant-General's Department's ("AGD") bank accounts for available excess cash to be automatically aggregated for central management on a daily basis. The deposits held with AGD are short-term highly liquid investments that are readily convertible to known amounts of cash and are classified in cash and cash equivalents as "Cash with AGD".

Cash at bank and on hand represents funds that are derived from non government sources/entities, which are not required to be included in the CLM.

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

### 3. STAFF COSTS

	<b>2014</b>	<u>The Group</u> 2013
	<b>\$'000</b>	\$'000
Wages and salaries	<b>184,761</b>	171,946
Employer's contribution to Central Provident Fund	<b>18,056</b>	17,307
Other staff benefits	<b>1,466</b>	1,360
	<b>204,283</b>	190,613

Included in the above is key management's remuneration as follows:

	<b>2014</b>	<u>The Group</u> 2013
	<b>\$'000</b>	\$'000
Wages and salaries	<b>7,096</b>	6,333
Employer's contribution to defined contribution plans, including Central Provident Fund	<b>380</b>	356
	<b>7,476</b>	6,689



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 4. OTHER EXPENDITURE

	<u>The Group</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Water and electricity	<b>9,127</b>	9,825
IT support and other services	<b>1,163</b>	1,274
IT related expenditure	<b>4,486</b>	3,555
Consultancy services	<b>2,452</b>	2,732
Vocational training for student	<b>1,370</b>	1,481
Campus events and activities	<b>3,237</b>	3,180
Bursaries and scholarships	<b>1,436</b>	1,351
Maintenance and upgrading of facilities	<b>1,815</b>	2,467
Loss on disposal of property, plant and equipment	<b>115</b>	3,649
Other expenses	<b>13,362</b>	12,773
	<b>38,563</b>	42,287

### 5. OTHER INCOME

	<u>The Group</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Funding for Research & Development projects	<b>915</b>	2,029
Student welfare fund	<b>983</b>	1,090
Income from use of campus, sports facilities	<b>899</b>	1,016
Consultancy income	<b>3,499</b>	3,462
Miscellaneous income	<b>4,244</b>	3,926
	<b>10,540</b>	11,523

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 6. GRANTS

	General Fund		Other Funds		The Group	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating grants						
received from						
- Government						
(Note 8)	<b>215,933</b>	201,819	-	-	<b>215,933</b>	201,819
- Non-government	<b>2,355</b>	1,547	-	318	<b>2,355</b>	1,865
Development grants utilised						
(Note 21)	<b>9,847</b>	9,442	-	-	<b>9,847</b>	9,442
Deferred capital						
grants amortised						
- Government						
(Note 22)	<b>32,118</b>	34,976	<b>200</b>	236	<b>32,318</b>	35,212
- Non-government						
(Note 22)	<b>1,775</b>	2,105	-	-	<b>1,775</b>	2,105
	<b>262,028</b>	249,889	<b>200</b>	554	<b>262,228</b>	250,443

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 7. INCOME TAXES

Income tax expense

	<u>The Group</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Tax expense attributable to surplus is made up of:		
- Current income tax	<b>31</b>	3
- Deferred income tax (Note 17)	<b>(3)</b>	1
	<b>28</b>	4
Over provision in prior financial years		
- Current income tax	<b>(17)</b>	-
	<b>11</b>	4

The tax on surplus before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	<u>The Group</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Surplus before income tax	<b>25,658</b>	23,368
Tax calculated at tax rate of 17% (2013: 17%)	<b>4,362</b>	3,973
Effects of:		
- surplus of the Polytechnic exempted from tax	<b>(4,296)</b>	(3,956)
- expenses not deductible for tax purposes	<b>2</b>	-
- tax incentives	<b>(39)</b>	(12)
- other	<b>(1)</b>	(1)
Tax charge	<b>28</b>	4

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 8. OPERATING GRANTS - GOVERNMENT

	<b>2014</b>	<u>The Group</u>
	<b>\$'000</b>	2013 \$'000
Operating grants received/receivable during the year	<b>242,388</b>	229,666
Less :		
Grants utilised on property, plant and equipment		
transferred to Deferred Capital Grants (Note 22)	<b>(7,563)</b>	(9,086)
Operating grants received for goods and services tax		
subsidies on tuition fees and tuition grants	<b>(18,892)</b>	(18,761)
Operating grants taken to profit or loss	<b>215,933</b>	201,819

Operating grants received from Government since 1 April 1980 amount to \$4,129.6 million (2013: \$3,887.2 million) which include the cumulative operating grants for GST subsidy of \$182.7 million (2013: \$163.8 million).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 9. OTHER FUNDS

Details of other funds are as follows:

- (i) 

<u>Name of Fund</u>	<u>Purpose</u>
Endowment Fund (Capital)	Provides financial assistance to needy students, promotes excellence in teaching amongst the academic staff and provides assistance for the benefit of graduates.

Interest income and expenditure of the Fund are taken to the operating account under "Other Funds" in the profit or loss.

The Endowment Fund (Capital) is kept intact and it comprises the following:

	<u>The Group and the Polytechnic</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
At beginning of financial year	<b>21,480</b>	18,242
Transfer from endowment fund (non-capital) to other funds	-	(30)
MOE matching donation grant	<b>1,405</b>	2,185
Donations received from third parties	<b>320</b>	1,083
At end of financial year	<b>23,205</b>	21,480
Represented by:		
Financial assets, at fair value through profit or loss	<b>18,673</b>	18,673
Amount due from Ministry	<b>1,405</b>	2,464
Cash at bank	<b>662</b>	343
Other current assets	<b>2,465</b>	-
	<b>23,205</b>	21,480

- (ii) Student Welfare & Development Fund provides funding to support student welfare and development activities.

- (iii) Miscellaneous Funds provides funding for:

- (i) short and continuing education courses;
- (ii) upgrading courses;
- (iii) upgrading campus facilities to meet the demand for development in technological skills;
- (iv) implementation of programmes to achieve the goals of the Polytechnic;
- (v) maintenance and upgrading of staff quarters;
- (vi) exploitation of technologies developed within the Polytechnic; and
- (vii) promotion of local and overseas education.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 9. OTHER FUNDS (continued)

The details of the income and expenditure for other funds are as follow:

	Endowment Fund (non-capital)		Student Welfare & Development Fund		Miscellaneous Funds		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<u>The Group</u>								
<b>Operating income</b>								
Course fees	-	-	-	-	12,938	13,438	12,938	13,438
Other fees	-	-	-	-	-	35	-	35
	-	-	-	-	12,938	13,473	12,938	13,473
<b>Operating expenditure</b>								
Staff costs	-	-	-	-	(9,040)	(7,328)	(9,040)	(7,328)
Teaching materials	-	-	-	-	(782)	(438)	(782)	(438)
Repairs and maintenance	-	-	-	-	-	(1)	-	(1)
Depreciation of property, plant and equipment	-	-	(66)	(64)	(1,141)	(1,003)	(1,207)	(1,067)
Staff development and benefits	-	-	-	-	(6)	(7)	(6)	(7)
Other expenditure	(1,436)	(1,351)	(625)	(824)	(8,438)	(8,491)	(10,499)	(10,666)
	(1,436)	(1,351)	(691)	(888)	(19,407)	(17,268)	(21,534)	(19,507)
<b>Operating (deficit )</b>	<b>(1,436)</b>	<b>(1,351)</b>	<b>(691)</b>	<b>(888)</b>	<b>(6,469)</b>	<b>(3,795)</b>	<b>(8,596)</b>	<b>(6,034)</b>
<b>Non-operating income</b>								
Donations	931	951	-	-	-	-	931	951
Interest income – banks	48	125	16	19	526	643	590	787
Rental income – operating leases	-	-	-	-	2,255	1,888	2,255	1,888
Other income	378	72	983	1,090	6,846	6,630	8,207	7,792
Fair value gains – financial assets at fair value through profit or loss	148	34	-	-	217	318	365	352
<b>Surplus/(Deficit) before tax and grants</b>	<b>69</b>	<b>(169)</b>	<b>308</b>	<b>221</b>	<b>3,375</b>	<b>5,684</b>	<b>3,752</b>	<b>5,736</b>
Grants	-	-	-	-	200	554	200	554
Income tax expense	-	-	-	-	(11)	(4)	(11)	(4)
<b>Net surplus/(deficit) for the year</b>	<b>69</b>	<b>(169)</b>	<b>308</b>	<b>221</b>	<b>3,564</b>	<b>6,234</b>	<b>3,941</b>	<b>6,286</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 9. OTHER FUNDS (continued)

Other funds comprise the following:

	Endowment Fund (non-capital)		Student Welfare & Development Fund		Miscellaneous Funds		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<u>The Group</u>								
Accumulated surplus at 1 April	<b>8,147</b>	8,286	<b>4,400</b>	4,179	<b>94,155</b>	87,921	<b>106,702</b>	100,386
Transfer from endowment fund (capital) to other funds	-	30	-	-	-	-	-	30
Accumulated surplus at 31 March	<b>8,216</b>	8,147	<b>4,708</b>	4,400	<b>97,719</b>	94,155	<b>110,643</b>	106,702
Represented by:								
Property, plant and equipment	-	-	<b>527</b>	591	<b>5,664</b>	4,977	<b>6,191</b>	5,568
Staff and student loans	-	-	<b>385</b>	355	<b>11</b>	14	<b>396</b>	369
Financial assets, at fair value								
through profit or loss	<b>1,509</b>	1,361	-	-	<b>35,534</b>	35,317	<b>37,043</b>	36,678
Available-for-sale financial assets	-	-	-	-	<b>5,550</b>	5,700	<b>5,550</b>	5,700
Fair value reserve	-	-	-	-	<b>(425)</b>	(575)	<b>(425)</b>	(575)
Cash and cash equivalents	<b>6,721</b>	6,928	<b>3,813</b>	3,454	<b>50,899</b>	49,358	<b>61,433</b>	59,740
Receivables, deposits and prepayments	<b>15</b>	37	-	-	<b>1,760</b>	1,880	<b>1,775</b>	1,917
Payables, deposits and accruals	<b>(29)</b>	(179)	<b>(17)</b>	-	<b>(1,187)</b>	(2,200)	<b>(1,233)</b>	(2,379)
Current income tax liabilities	-	-	-	-	<b>(31)</b>	(60)	<b>(31)</b>	(60)
Deferred Capital Grants	-	-	-	-	<b>(56)</b>	(256)	<b>(56)</b>	(256)
	<b>8,216</b>	8,147	<b>4,708</b>	4,400	<b>97,719</b>	94,155	<b>110,643</b>	106,702

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 9. OTHER FUNDS (continued)

	Endowment Fund (non-capital)		Student Welfare & Development Fund		Miscellaneous Funds		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
The Polytechnic								
Accumulated surplus at 31 March	<b>8,216</b>	8,147	<b>4,708</b>	4,400	<b>96,144</b>	93,109	<b>109,068</b>	105,656
Represented by:								
Property, plant and equipment	-	-	<b>527</b>	591	<b>5,653</b>	4,965	<b>6,180</b>	5,556
Staff and student loans	-	-	<b>385</b>	355	<b>11</b>	14	<b>396</b>	369
Investment in subsidiaries	-	-	-	-	<b>1,100</b>	1,100	<b>1,100</b>	1,100
Financial assets, at fair value								
through profit or loss	<b>1,509</b>	1,361	-	-	<b>35,534</b>	35,317	<b>37,043</b>	36,678
Available-for-sale financial assets	-	-	-	-	<b>5,350</b>	5,500	<b>5,350</b>	5,500
Fair value reserve	-	-	-	-	<b>(425)</b>	(575)	<b>(425)</b>	(575)
Cash and cash equivalents	<b>6,721</b>	6,928	<b>3,813</b>	3,454	<b>49,844</b>	47,888	<b>60,378</b>	58,270
Receivables, deposits and prepayments	<b>15</b>	37	-	-	<b>1,731</b>	1,628	<b>1,746</b>	1,665
Payables, deposits and accruals	<b>(29)</b>	(179)	<b>(17)</b>	-	<b>(2,598)</b>	(2,472)	<b>(2,644)</b>	(2,651)
Deferred Capital Grants	-	-	-	-	<b>(56)</b>	(256)	<b>(56)</b>	(256)
	<b>8,216</b>	8,147	<b>4,708</b>	4,400	<b>96,144</b>	93,109	<b>109,068</b>	105,656



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 10. PROPERTY, PLANT AND EQUIPMENT

<u>The Group</u>	<b>Leasehold land</b>	<b>Building (campus and staff quarters)</b>	<b>Building improvements</b>	<b>Equipment and furniture</b>	<b>Motor veh- cles</b>	<b>Construc- tion -in-prog- ress</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2014</b>							
<u>Cost</u>							
Beginning of financial year	56,518	261,423	104,378	279,786	142	9,435	711,682
Additions	-	269	13,271	26,954	-	43,284	83,778
Disposals	-	-	(8,248)	(24,885)	-	-	(33,133)
End of financial year	56,518	261,692	109,401	281,855	142	52,719	762,327
<u>Accumulated depreciation</u>							
Beginning of financial year	20,587	112,191	66,289	222,206	82	-	421,355
Depreciation charge	809	5,517	9,435	19,190	28	-	34,979
Disposals	-	-	(8,248)	(24,763)	-	-	(33,011)
End of financial year	21,396	117,708	67,476	216,633	110	-	423,323
<u>Net book value</u>							
End of financial year	35,122	143,984	41,925	65,222	32	52,719	339,004
<b>2013</b>							
Beginning of financial year	56,518	272,547	91,184	281,058	142	197	701,646
Additions	-	884	13,989	18,893	-	9,238	43,004
Disposals	-	(12,008)	(795)	(20,165)	-	-	(32,968)
End of financial year	56,518	261,423	104,378	279,786	142	9,435	711,682
<u>Accumulated depreciation</u>							
Beginning of financial year	19,778	114,714	59,500	222,122	54	-	416,168
Depreciation charge	809	5,801	7,584	20,149	28	-	34,371
Disposals	-	(8,324)	(795)	(20,065)	-	-	(29,184)
End of financial year	20,587	112,191	66,289	222,206	82	-	421,355
<u>Net book value</u>							
End of financial year	35,931	149,232	38,089	57,580	60	9,435	290,327

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2014

**10. PROPERTY, PLANT AND EQUIPMENT** (continued)

<u>The Polytechnic</u>	<b>Leasehold land \$'000</b>	<b>Building (campus and staff quarters) \$'000</b>	<b>Building improvements \$'000</b>	<b>Equipment and furniture \$'000</b>	<b>Motor veh- cles \$'000</b>	<b>Construc- tion -in-prog- ress \$'000</b>	<b>Total \$'000</b>
<b>2014</b>							
<u>Cost</u>							
Beginning of financial year	56,518	261,423	104,378	279,761	142	9,435	711,657
Additions	-	269	13,271	26,947	-	43,284	83,771
Disposals	-	-	(8,248)	(24,885)	-	-	(33,133)
End of financial year	56,518	261,692	109,401	281,823	142	52,719	762,295
<u>Accumulated depreciation</u>							
Beginning of financial year	20,587	112,191	66,289	222,193	82	-	421,342
Depreciation charge	809	5,517	9,435	19,182	28	-	34,971
Disposals	-	-	(8,248)	(24,763)	-	-	(33,011)
End of financial year	21,396	117,708	67,476	216,612	110	-	423,302
<u>Net book value</u>							
End of financial year	35,122	143,984	41,925	65,211	32	52,719	338,993
<b>2013</b>							
Beginning of financial year	56,518	272,547	91,184	281,024	142	197	701,612
Additions	-	884	13,989	18,889	-	9,238	43,000
Disposals	-	(12,008)	(795)	(20,152)	-	-	(32,955)
End of financial year	56,518	261,423	104,378	279,761	142	9,435	711,657
<u>Accumulated depreciation</u>							
Beginning of financial year	19,778	114,714	59,500	222,104	54	-	416,150
Depreciation charge	809	5,801	7,584	20,141	28	-	34,363
Disposals	-	(8,324)	(795)	(20,052)	-	-	(29,171)
End of financial year	20,587	112,191	66,289	222,193	82	-	421,342
<u>Net book value</u>							
End of financial year	35,931	149,232	38,089	57,568	60	9,435	290,315

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 11. INVESTMENT IN SUBSIDIARIES

	<u>The Polytechnic</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Equity investments at cost		
Beginning and end of financial year	<b>1,100</b>	1,100

<u>Name of companies</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Equity holding</u>	
			<b>2014</b>	2013
			<b>%</b>	%
Innomart Pte Ltd	Investment holding company to exploit the technologies developed within Polytechnic, assist academic staff to commercialise their inventions and to promote technopreneurship among staff and students.	Singapore	<b>100</b>	100
Singapore Polytechnic International Pte Ltd	Recruitment of full-fee paying foreign students to study in the Polytechnic and licensing local and overseas education institutions to conduct in whole and in part of the Polytechnic's diploma courses offshore.	Singapore	<b>100</b>	100

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 12. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

As at the balance sheet date, the funds managed by fund managers comprise the following assets and liabilities:

	<u>The Group and the Polytechnic</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Financial assets at fair value through profit or loss		
Quoted unit trusts	<b>60,365</b>	60,592
Quoted equity securities	<b>2,691</b>	2,668
Quoted debt securities	<b>31,309</b>	12,235
Foreign currency contracts (Note 13)	<b>147</b>	2
	<b>94,512</b>	75,497
Dividends receivable on investments (Note 18)	<b>5</b>	4
Cash and fixed deposits (Note 19)	<b>5,712</b>	25,656
Receivable on sale of investments (Note 18)	<b>500</b>	-
Payable on purchase of investments (Note 20)	<b>-</b>	(497)
	<b>100,729</b>	100,660

The quoted debt securities earn fixed interest rates ranging from 0.8% to 5.8% (2013: 0.7% to 5.8%) per annum as at the balance sheet date. The maturity dates range from April 2014 to September 2016 (2013: October 2014 to November 2016).

The appointed fund managers are awarded by the Ministry of Finance under Accountant-General's Department's Demand Aggregate Scheme for Fund Management Services 2011.

### 13. FINANCIAL DERIVATIVES

The financial derivatives used by the fund manager are foreign currency contracts. As part of risk management activities, foreign currency contracts are entered by the fund manager for hedging purposes. As at balance sheet date, the notional amounts and the fair value of the foreign currency contracts held by the fund managers are as follows:

	Notional amounts	Fair Value	
	\$'000	Assets \$'000	Liabilities \$'000
<b>2014</b>			
Foreign currency contracts	18,845	149	2
<b>2013</b>			
Foreign currency contracts	5,956	12	10

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>The Group</u>		<u>The Polytechnic</u>	
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Beginning of financial year	<b>5,700</b>	5,700	<b>5,500</b>	5,500
Additions	<b>4,050</b>	-	<b>4,050</b>	-
Fair value loss recognised in other comprehensive loss	<b>(150)</b>	-	<b>(150)</b>	-
End of financial year	<b>9,600</b>	5,700	<b>9,400</b>	5,500

Available-for-sale financial assets are analysed as follows:

	<u>The Group</u>		<u>The Polytechnic</u>	
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Quoted debt securities-Singapore	<b>9,400</b>	5,500	<b>9,400</b>	5,500
Unquoted equity securities, measured at cost	<b>200</b>	200	-	-
	<b>9,600</b>	5,700	<b>9,400</b>	5,500

The table below sets out the details of the quoted debt securities:

	<u>The Group</u>		<u>The Polytechnic</u>	
	<b>2014</b>	2013	<b>2014</b>	2013
Interest rates	<b>1.875% - 4.17%</b>	4.17%	<b>1.875% - 4.17%</b>	4.17%
Maturity dates	<b>2016-2018</b>	2016	<b>2016-2018</b>	2016

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 15. LOAN TO SINGAPORE POLYTECHNIC GRADUATES' GUILD ("SPGG")

	The Group and the Polytechnic	
	2014	2013
	\$'000	\$'000
Loan	<b>1,575</b>	1,935
Allowance for doubtful receivables	<b>(1,575)</b>	(1,935)
	<b>-</b>	-

Movements in allowance for doubtful receivables are as follows:

	The Group and the Polytechnic	
	2014	2013
	\$'000	\$'000
At beginning of financial year	<b>1,935</b>	2,275
Allowance written back	<b>(360)</b>	(340)
At end of financial year	<b>1,575</b>	1,935

The loan to Singapore Polytechnic Graduates' Guild ("SPGG"), which is denominated in Singapore dollars, has a mortgage in escrow over the SPGG's clubhouse subject to the security interest created by SPGG in favour of OCBC Bank Limited ("OCBC"). During the year ended 31 March 2013, SPGG has fully repaid its loan from OCBC and commenced repayment of the loan from the Polytechnic.

The Polytechnic performs annual impairment review to assess the recoverable amounts of its loan to SPGG. The estimated recoverable amounts of its loan was determined based on its value in use. The value in use calculations were estimated based on the fair value of the underlying assets and liabilities of the SPGG and its estimated future cash flows. Having considered the foregoing, management have fully impaired the Polytechnic's loan to SPGG in prior years.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 16. STAFF AND STUDENT LOANS

	<u>The Group and the Polytechnic</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Repayable after 12 months:		
Staff loans	<b>8</b>	3
Student loans	<b>237</b>	189
	<b>245</b>	192
Repayable within 12 months (Note 18):		
Staff loans	<b>3</b>	11
Student loans	<b>148</b>	166
	<b>151</b>	177
Total		
Staff loans	<b>11</b>	14
Student loans	<b>385</b>	355
	<b>396</b>	369

Staff loans are repayable with interest at 0% to 4.25% (2013: 0% to 4.25%) per annum by monthly installments, over periods of up to 4 years (2013: 4 years).

Student loans are interest-free and are repayable by monthly installments over the period of 2 years (2013: 2 years) after their graduation.

### 17. DEFERRED INCOME TAX ASSETS

	<u>The Group</u>	
	<u>Provisions</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Beginning of financial year	<b>1</b>	2
Charged to profit or loss	<b>3</b>	(1)
End of financial year	<b>4</b>	1

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 18. TRADE AND OTHER RECEIVABLES

	The Group		The Polytechnic	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Grants receivables				
- Government	<b>14,153</b>	16,317	<b>14,153</b>	16,317
- Others	<b>3,204</b>	2,795	<b>3,204</b>	2,795
Fees receivables	<b>1,199</b>	1,162	<b>1,199</b>	1,162
Goods and services tax receivable	<b>1,019</b>	884	<b>1,019</b>	884
Staff and student loans (Note 16)	<b>151</b>	177	<b>151</b>	177
Other receivables	<b>3,489</b>	2,356	<b>3,472</b>	2,122
Deposits	<b>61</b>	361	<b>61</b>	361
Receivable on sale of investments (Note 12)	<b>500</b>	-	<b>500</b>	-
Dividends receivable on investments (Note 12)	<b>5</b>	4	<b>5</b>	4
Loans and receivables	<b>23,781</b>	24,056	<b>23,764</b>	23,822
Prepayments	<b>2,163</b>	1,752	<b>2,155</b>	1,735
	<b>25,944</b>	25,808	<b>25,919</b>	25,557

Included in trade receivables are operating grant and donations matching grant receivable from the Ministry of Education of \$14,153,000 (2013: \$16,317,000).

### 19. CASH AND CASH EQUIVALENTS

	The Group		The Polytechnic	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash at bank and in hand	<b>37,284</b>	32,913	<b>36,555</b>	31,609
Cash with Accountant-General's Department	<b>231,331</b>	208,795	<b>231,331</b>	208,795
Cash and fixed deposits managed by a fund manager (Note 12)	<b>5,712</b>	25,656	<b>5,712</b>	25,656
Cash and cash equivalents	<b>274,327</b>	267,364	<b>273,598</b>	266,060

Cash held with Accountant-General's Department ("AGD") earn interest based on fixed deposits rates determined by financial institutions with which AGD deposits the monies.

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at balance sheet date, the bank balance of \$636,000 (2013: \$529,000), comprising cash at bank of \$128,000 (2013: \$23,000) and fixed deposit of \$508,000 (2013: \$506,000), has not been included in the cash and cash equivalents of the Polytechnic.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 20. TRADE AND OTHER PAYABLES

	<u>The Group</u>		<u>The Polytechnic</u>	
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Sundry creditors	<b>5,466</b>	1,804	<b>5,375</b>	1,848
Advances received	<b>21,337</b>	7,518	<b>21,337</b>	7,439
Deposits	<b>594</b>	574	<b>594</b>	574
Provision for unutilised leave	<b>9,025</b>	8,531	<b>9,025</b>	8,531
Accruals for operating expenses and capital expenditures	<b>30,292</b>	26,641	<b>30,026</b>	26,280
Amount due to a subsidiary	-	-	<b>1,768</b>	666
Payable on purchase of investments (Note 12)	-	497	-	497
	<b>66,714</b>	45,565	<b>68,125</b>	45,835

### 21. GOVERNMENT GRANTS RECEIVED IN ADVANCE

	Note	<u>The Group and the Polytechnic</u>	
		<b>2014</b>	2013
		<b>\$'000</b>	\$'000
At beginning of financial year		<b>48,195</b>	45,088
Grants received/receivable during the year			
- Government development grants		<b>37,381</b>	16,076
- Government IT and F & E grants		<b>25,572</b>	25,856
- Government innovation grants		<b>2,915</b>	2,081
- Government polytechnic baseline		<b>500</b>	-
Transfer to deferred capital grants (Government)	22	<b>(73,970)</b>	(31,464)
Amount taken to profit or loss	6	<b>(9,847)</b>	(9,442)
At end of financial year		<b>30,746</b>	48,195

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 22. DEFERRED CAPITAL GRANTS

The Group and the Polytechnic

	<u>Government</u>		<u>Non-Government</u>		<u>Total</u>	
	<b>2014</b>	2013	<b>2014</b>	2013	<b>2014</b>	2013
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
At beginning of financial year	<b>280,404</b>	275,066	<b>4,611</b>	5,506	<b>285,015</b>	280,572
Add:						
Development grants						
from MOE (Note 21)	<b>73,970</b>	31,464	-	-	<b>73,970</b>	31,464
Transfer from operating grants (Note 8)	<b>7,563</b>	9,086	-	-	<b>7,563</b>	9,086
Grants received	-	-	<b>414</b>	1,210	<b>414</b>	1,210
	<b>81,533</b>	40,550	<b>414</b>	1,210	<b>81,947</b>	41,760
Less: Amortisation to profit or loss (Note 6)	<b>(32,318)</b>	(35,212)	<b>(1,775)</b>	(2,105)	<b>(34,093)</b>	(37,317)
At end of financial year	<b>329,619</b>	280,404	<b>3,250</b>	4,611	<b>332,869</b>	285,015

Total development grants received from Government for purchases of property, plant and equipment since 1 April 1980 is \$807.8 million (2013: \$733.8 million).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 23. FUNDS MANAGED ON BEHALF OF THE MINISTRY OF EDUCATION (“MINISTRY”)

Pursuant to the Tuition Fee and Study Loan Schemes and Staff Housing Loan Scheme, the Polytechnic acts as the agent for the tuition fee and student loans and staff housing loans and the Ministry as the financier providing the advances.

The staff and student loans funds were set up from advances from the Ministry of Education for the purpose of providing loans to staff and students.

	<u>The Group and the Polytechnic</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
<b>Advances from the Ministry</b>		
At beginning of financial year	<b>6,514</b>	5,497
Add:		
Advances received	<b>1,889</b>	2,288
Interest income	<b>98</b>	212
Less:		
Advances repaid	<b>(1,716)</b>	(1,483)
At end of financial year	<b>6,785</b>	6,514
<b>Represented by:</b>		
Trade and other receivables	<b>-</b>	101
Cash and bank balances	<b>333</b>	234
Tuition fees and study loans	<b>6,669</b>	5,826
Staff housing loans	<b>160</b>	353
Trade and other payables	<b>(377)</b>	-
Net assets	<b>6,785</b>	6,514

The cash and bank balances are held on behalf of the Ministry for the purpose of extending study loans to students.

Loans given to students are interest-free until 1 June or 1 December in the year of their graduation, or for those with National Service obligation, in the year in which they finish their National Service. Thereafter, loans are repayable by monthly instalments with interest at 4.75% (2013: 4.75%) per annum which is based on the average prime rates of banks or such other rates as may be determined by the Polytechnic from time to time. The interest on the tuition fee loans is remitted in full to the Ministry. The students are given an option to repay by monthly instalments over a period of up to 10 years after the borrowers' graduation.

Loans to staff consist of housing loan made in accordance with the regulations of the Polytechnic. With effect from January 2002, housing loan benefit is no longer provided and the unutilised grants as well as the repayment of these staff loans amounting to \$1,716,000 (2013: \$1,483,000) were refunded to the Ministry. Existing housing loans will continue to be funded.

Staff and student loans are disbursed from advances from the government and repayment of the loans will eventually be returned to the government. These loans are denominated in Singapore dollars.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 24. CAPITAL COMMITMENTS

Capital expenditure approved by the Board of Governors but not provided for in the accounts:

	<u>The Group and the Polytechnic</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Amount approved and contracted for	<b>96,939</b>	121,818
Amount approved but not contracted for	<b>89,904</b>	107,091

The above capital commitments are funded by Government grants.

### 25. FINANCIAL RISK MANAGEMENT

#### Overview

Financial risk management is integral to the whole business of the Group.

The Group has exposure to the following risks from its use of financial instruments;

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Price risk

Risk management is integral to the operations of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The treasury team/principal/directors continually monitors its risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

#### Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are cash and fixed deposits, grants receivables, receivables from customers, bonds and externally managed funds.

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At the balance sheet date, there is no significant concentration of credit risks, except for government grant receivables, funds managed by external fund managers and quoted securities. The maximum exposure is represented by the carrying amount of each financial asset stated in the financial statements.

At the balance sheet date, the Group's grants and fees receivables include 4 debtors (2013: 5 debtors) that individually represented 5-30% (2013: 5-18%) of the grants and fees receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 25. FINANCIAL RISK MANAGEMENT (continued)

#### **Credit risk** (continued)

- (i) Financial assets that are neither past due nor impaired

Cash and cash equivalents that are neither past due nor impaired are mainly cash held with the AGD. Cash held with the AGD under the Centralised Liquidity Management are placed with high credit quality financial institutions, and are available upon request. Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group. Financial assets at fair value through profit or loss are investments held with high credit quality counterparties.

- (ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for grants and fees receivables.

The age analysis of grants and fees receivables past due but not impaired is as follows:

	<u>The Group and the Polytechnic</u>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Past due one month	<b>578</b>	486
Past due two months	<b>218</b>	470
Past due over two months	<b>839</b>	860
	<b><u>1,635</u></b>	<u>1,816</u>

There are no grants and fees receivables past due that are impaired.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 25. FINANCIAL RISK MANAGEMENT (continued)

#### Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group for managing liquidity risk included cash and short-term deposits as disclosed in Note 19.

The Polytechnic monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flow.

The table below analyses non-derivative financial liabilities of the Group 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 \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000
<u>The Group</u>			
<b>At 31 March 2014</b>			
Trade and other payables	45,377	-	-
<b>At 31 March 2013</b>			
Trade and other payables	38,047	-	-
<u>The Polytechnic</u>			
<b>At 31 March 2014</b>			
Trade and other payables	46,788	-	-
<b>At 31 March 2013</b>			
Trade and other payables	38,396	-	-

The above trade and other payables exclude advances received.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 25. FINANCIAL RISK MANAGEMENT (continued)

### Interest rate risk

Interest rate risk is the risk that fair values of future cash flows of the Group will fluctuate due to changes in market rates.

At the reporting date, the interest rate profile of the interest-earning financial instruments was:

	<u>The Group</u>		<u>The Polytechnic</u>	
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Fixed rate instruments</b>				
Quoted fixed income securities managed by a fund manager	<b>31,309</b>	12,235	<b>31,309</b>	12,235
Available-for-sale financial assets	<b>9,400</b>	5,500	<b>9,400</b>	5,500
	<b>40,709</b>	17,735	<b>40,709</b>	17,735
<b>Variable rate instruments</b>				
Cash at bank and in hand	<b>37,284</b>	32,913	<b>36,555</b>	31,609
Cash with AGD	<b>231,331</b>	208,795	<b>231,331</b>	208,795
Cash and fixed deposits managed by a fund manager	<b>5,712</b>	25,656	<b>5,712</b>	25,656
	<b>274,327</b>	267,364	<b>273,598</b>	266,060

#### *Fair value sensitivity analysis for fixed rate instruments*

An increase in 50 basis points ("bp") (0.5%) in interest rates at the reporting date would not have a material impact on the net surplus for the year.

#### *Cash flow sensitivity analysis for variable rate instruments*

An increase in 50 bp (2013: 50 bp) 0.5% (2013: 0.5%) in interest rates at the reporting date would increase surplus or deficit by \$1,372,000 (2013: \$1,337,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A decrease in 50 bp (2013: 50 bp) would have the equal but opposite effect on the basis that all other variables remain constant.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 25. FINANCIAL RISK MANAGEMENT (continued)

#### Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Other than the investments managed by its fund managers, the Group does not have material exposure to foreign exchange risks. The exposure in foreign currencies through investment funds are managed by the fund managers. The Group's currency exposure that arises from the investments managed by the external fund manager is as follows:

	SGD \$'000	RM \$'000	HKD \$'000	AUD \$'000	Others \$'000	Total \$'000
<u>The Group and the Polytechnic</u>						
<u>2014</u>						
Quoted equity securities	556	113	116	-	1,906	2,691
Quoted fixed income securities	4,404	3,888	1,236	3,485	18,296	31,309
	4,960	4,001	1,352	3,485	20,202	34,000
Less: Foreign currency contracts	-	-	-	-	(18,845)	(18,845)
Less: Denominated in the functional currency	(4,960)	-	-	-	-	(4,960)
	-	4,001	1,352	3,485	1,357	10,195
<u>2013</u>						
Quoted equity securities	1,143	-	-	-	1,525	2,668
Quoted fixed income securities	648	1,809	1,602	1,543	6,633	12,235
	1,791	1,809	1,602	1,543	8,158	14,903
Less: Foreign currency contracts	-	-	-	-	(5,956)	(5,956)
Less: Denominated in the functional currency	(1,791)	-	-	-	-	(1,791)
	-	1,809	1,602	1,543	2,202	7,156

If the Malaysian Ringgit ("RM"), Hong Kong Dollar ("HKD") and Australian Dollar ("AUD") strengthen/weaken against the SGD by 5% with all other variables including the tax rate being held constant, there would not be a material impact on the net surplus for the year.

The Group's activities are not exposed to significant foreign exchange risk.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

## 25. FINANCIAL RISK MANAGEMENT (continued)

### Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Group is exposed to equity price risk through its investments with the fund managers as disclosed in Note 12. The market risk associated within these investments is the potential loss in fair value due to a fall in market prices of these investments. Such market risk is reviewed regularly by the Group's Investment Committee.

### Fair value measurements

The following presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<u>The Group</u>				
<b>2014</b>				
Available-for-sale financial assets	9,400	-	-	9,400
Financial assets, at fair value through profit or loss	94,365	147	-	94,512
<b>2013</b>				
Available-for-sale financial assets	5,500	-	-	5,500
Financial assets, at fair value through profit or loss	75,495	2	-	75,497
<u>The Polytechnic</u>				
<b>2014</b>				
Available-for-sale financial assets	9,400	-	-	9,400
Financial assets, at fair value through profit or loss	94,365	147	-	94,512
<b>2013</b>				
Available-for-sale financial assets	5,500	-	-	5,500
Financial assets, at fair value through profit or loss	75,495	2	-	75,497

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

### 25. FINANCIAL RISK MANAGEMENT (continued)

#### Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	The Group		The Polytechnic	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss	<b>94,512</b>	75,497	<b>94,512</b>	75,497
Available-for-sale financial assets	<b>9,600</b>	5,700	<b>9,400</b>	5,500
Loans and receivables				
Staff and student loans (Note 16)	<b>245</b>	192	<b>245</b>	192
Trade and other receivables excluding prepayments (Note 18)	<b>23,781</b>	24,056	<b>23,764</b>	23,822
Cash and cash equivalents (Note 19)	<b>274,327</b>	267,364	<b>273,598</b>	266,060
	<b>298,353</b>	291,612	<b>297,607</b>	290,074
Financial liabilities at amortised cost	<b>45,377</b>	38,047	<b>46,788</b>	38,396

### 26. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

- Sales and purchase of goods and services  
The Polytechnic provides continuing education training to various Ministries, Organs of States and other Statutory Boards. The Polytechnic also engages IT services from various Ministries, Organs of States and other Statutory Boards. These transactions are conducted in the ordinary course of business at market terms.
- Key management's remuneration  
Key management personnel remuneration as disclosed in Note 3 relates to those persons having the authority and responsibility for planning, directing, and controlling the activities of the entity. Directors and heads of departments are considered key management personnel.

### 27. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has not early adopted any mandatory standards, amendments and interpretations to existing standard that have been published but are only effective for the Group's accounting periods beginning on or after 1 April 2014. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

### 28. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Governors of Singapore Polytechnic and its subsidiaries on 27 June 2014.

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