

KEEPING THE
SPIRIT OF EXCELLENCE



OUR MISSION

Life-Ready • Work-Ready • World-Ready

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

OUR VISION

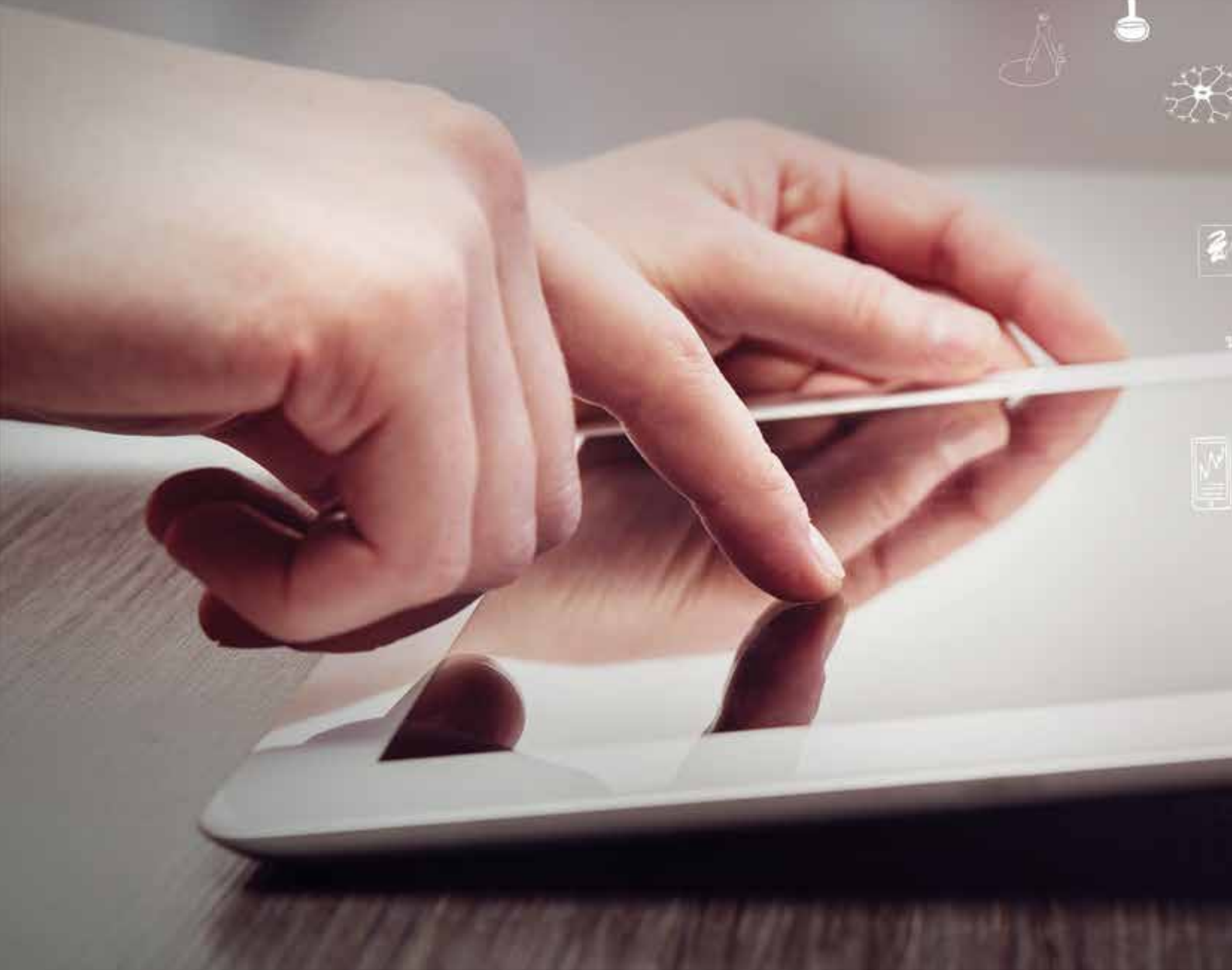
Inspired Learner • Serve with Mastery • Caring Community

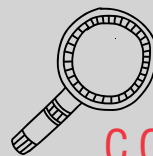
A caring community of inspired learners committed to serve with mastery.

OUR CORE VALUES

Self-Discipline | Personal Integrity | Care & Concern

Openness | Responsibility | Excellence

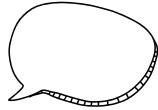




CONTENTS

- 02 Chairman's Statement
- 04 Board of Governors
- 06 Standing Committees
- 07 Management Team
- 08 Fact and Figures
- 10 Highlights
- 19 Financial Report

CHAIRMAN'S STATEMENT



The past 12 months have been an exciting journey with our students and staff at Singapore Polytechnic. 2015 was not just a significant year for the nation as Singapore celebrated her golden jubilee. It was also a big year for SP as we clinched several awards including the inaugural ASEAN People's Award for SP's community service programmes, and the Best Campaign by a Governmental Institution at the Asia Pacific Communications Award Ceremony 2015 for the success of Open House 2015.

Despite all the notable events and awards we had, one major incident that I am sure many of us would remember, was the fire that broke out on campus in October 2015. The fire took us all by surprise. It damaged the solar car, SunSPEC4, which was unveiled and ready for its World Solar Challenge (WSC) 2015. A team of 52 engineering students and staff had worked on it since December 2013. However, this turned out to be one of the most inspiring stories to share as we saw the team, led by senior lecturer and team manager, Mr Steven Chew, and student leader, Bryan Chu, overcome their despair to rebuild the solar car within a short period of time to be ready for WSC 2015 event.

The campus also welcomed new facilities in the past year – the state-of-the-art aerospace training facility, Aero Hub, the new Business School building, and the Dover Frontage. The Aero Hub allows more opportunities for our students to jointly work on multi-disciplinary as well as aviation industry projects. Another new facility was the joint biomedical laboratory by SP and Waseda University, an instrumental development in SP's biomedical sciences research, to pursue new technological advancements in the industry.

Another key movement in the local education industry was the introduction of the SkillsFuture Earn and Learn Programmes which give our graduates a head-start in careers related to their discipline of study. SP is the programme manager for some of the sectors such as Food Manufacturing and Maritime.

It is my honour to work with you – so many outstanding staff and students – who have strived hard to be inspired learners and have served with mastery in this caring community we have built together.

PROMOTING LIFELONG LEARNING

As we strive towards nurturing inspired learners, we also want to ensure that no one is left behind in our holistic education system by promoting lifelong learning. In line with our vision to nurture inspired learners, the introduction of SkillsFuture provides Singaporeans with the opportunities to develop, pick up new skills, and discover new strengths at any age. I am happy to note that SP provides a comprehensive range of courses and programmes to help learners attain mastery of skills at any stage in life.

An outstanding example is 50-year-old PACE Academy graduand, Gunalan s/o Kandasamy Arumugam, who recently received his Diploma in Engineering (Mechanical Technology). Despite having left school for almost two decades, Gunalan decided to pursue a Nitec in Mechatronics, and eventually went on to enrol at SP as he was motivated to equip himself to stay ahead. Gunalan's attitude towards learning is what we hope to instil in our young learners.

Another example of an adult learner is 52-year-old Mohamad Yamin, HOD for IT at Jurongville Secondary School. Yamin did not stop upgrading himself after receiving a Master's Degree. He took up a part-time Diploma in Digital Media Creation as the knowledge and skills complement his work and keep him up to date with the latest technology. Yamin was also fortunate to have a supportive employer, who's also a firm believer in lifelong learning.

28-year-old Victor Choi, is also another example of an inspired learner who gave up his place in a local university and enrolled in SP to pursue his childhood interest in Food Science. To further his skills gained from his Diploma in Food Science and Technology, he has signed up for the SkillsFuture Earn and Learn Programme for Food Manufacturing.

NURTURING INSPIRED LEARNERS

Each year, we see many different students who have overcome obstacles and challenges in their course of study. These students have demonstrated a strong sense of purpose and passion about what they learn.

One such student who has done us proud is Lee Hwee Leng, a Diploma in Maritime Business graduand. Hwee Leng was diagnosed with Lupus, a chronic inflammatory disease where the body's immune system attacks its own tissues and organs, since 14 years old. Due to her condition, she has been plagued with photosensitivity, fatigue, chest pains, headaches and memory loss.

Determined to pursue her childhood dream to be in the maritime industry, Hwee Leng overcame her physical limitations and pushed through her three-year course in the Diploma in Maritime Business, graduating with an impressive GPA of 3.7.

An exemplary student and an Institutional Medallist, Pavan Singh Gill, graduated from the Diploma in Electrical and Electronic Engineering with a perfect GPA score. Even though Pavan is dyslexic, he did not let any learning opportunity slip by during his three years in SP.

In secondary school, Pavan was an average student who enjoyed playing games most of the time. He had difficulties in reading and spelling which compounded into other learning problems because of his dyslexia condition. Pavan initially thought that he may be disadvantaged but it came as a surprise when he realised his condition actually helped him in his course as he could visualise better in areas such as AutoCAD or 3D drawings. Besides excelling academically, Pavan also participated actively in various programmes that honed his leadership skills. He was also involved in both local and overseas community service projects.

Another inspired learner is Model Student Award winner, Goh Wei Sheng. Growing up in a low-income family was never a liability for Wei Sheng. Instead, it made him more self-driven and resilient. Even though he had to juggle between school and a part-time job, he never once gave up and eventually graduated with a Diploma in Biomedical Science. His hard work has paid off as he received an offer to study medicine at the NUS Yong Loo Lin School of Medicine.

SERVING WITH MASTERY

We want our graduates and staff to always strive for greater heights to keep up with the competitive society that we are living in, and to achieve mastery in their specialisation and profession.

One such example is Mr Justin Tan, an alumnus who started chasing his dream during his days in SP. He believes that having a passion is not good enough – it is even more important to chase that passion and find mentors who are aligned with the vision. The turning point in his education journey was when he set up and managed The Student Agency together with his lecturer. The venture equipped Justin with the skills and confidence to be industry-ready. He is now the Co-founder and Creative Director of APT811 Design and Innovation Agency Pte Ltd.

A team of exemplary SP staff from the Machine Development Centre also did us proud when they designed and built the world's first automated Bottle Dispensing System (BDS) for KK Women's and Children Hospital (KKH). The BDS was implemented as part of KKH's

Outpatient Pharmacy Automation System. The project won the PSD's Best Practice Award: Service Delivery – Best Partner Award.

Despite only having a short span of seven months, the team, led by Mr Steven Tan, took up the challenge as they felt that this was an opportunity for them to remain relevant to the industry in terms of their skills set, and this project will certainly train our students to be work-ready. Their commitment and determination to overcome challenges truly lives up to SP's vision of serving with mastery.

In order to prepare our students to be work-ready, SP has also forged strong partnerships with industry experts.

Over the past year, we have also seen new programmes and collaborations with various companies. Besides the key implementation of the SkillsFuture Earn and Learn Programmes, SP also started working with Resorts World Sentosa to provide selected students from the Diploma in Tourism and Resort Management with an internship opportunity at the integrated resort. This first-of-its-kind programme aims to equip students with more specialised skills.

CREATING A CARING COMMUNITY

While we nurture inspired learners to serve with mastery, let us not forget that it is also equally important that we create a caring community to study and work in.

Early last year, the new SP Care was officially launched to consolidate our various healthcare capabilities within the various academic schools and technology centres to focus on supporting Active Aging through healthcare technology innovations.

The Youth Community Leaders Programme is an initiative that encourages students to lead and learn from the community by completing a minimum of 40 local service-learning hours and participate in one overseas service-learning trip. We hope that these service experiences will help these young leaders to grow in character, learn problem-solving skills, and understand their social responsibility.

Other ongoing initiatives, such as Go Serve, continue to provide opportunities for students and staff to play a dynamic role in helping the less fortunate, enhancing social cohesion and improving the environment locally and overseas.

CONCLUSION

In closing, I would like to express my deepest gratitude and appreciation to our Board members, staff, students, partners and stakeholders for their commitment and efforts in steering SP to where we are today.

I look forward to welcoming more inspired learners to our institution, celebrating more achievements with our staff and students, forging more collaborations and strengthening relationships with our industry partners.

It has been a wonderful journey with you over the past year and I look forward to achieving greater heights with all of you in the coming year and beyond.

Thank you.

Yours sincerely,



Mr Bill Chang York Chye
Chairman
Board of Governors
Singapore Polytechnic

BOARD OF GOVERNORS



1 MR BILL CHANG YORK CHYE
(Chairman)
Country Chief Officer for Singapore
and
Chief Executive Officer of Group
Enterprise
Singapore Telecommunications Ltd



2 MR JOHNNY TAN CHENG HYE
(Deputy Chairman)
Independent Arbitrator



3 MS AMANDA CHEN
(Member)
Managing Director
Deputy Head of Wealth
Management
Asia ex-Japan, Nomura Singapore
Limited



4 MR CHIA BOON KUAH
(Member)



5 MS CHONG PHIT LIAN
(Member)
Advisor
Singbridge Corporate Pte Ltd



6 MR GOH TEIK POH
(Member)
Managing Director
Global Maritime Talent Pte Ltd



7 DR LEE SHIANG LONG
(Member)
Deputy Chief Technology Officer
ST Engineering Group and
Deputy President (Defence)
ST Kinetics



8 MR JOHN LIM HUA ERN
(Member)
Divisional Director, Higher
Education
Ministry of Education



9 MR MAX LOH KHUM WHAI
(Member)
Country Managing Partner,
Singapore
Regional Managing Partner,
ASEAN
Ernst & Young LLP



10 COL DAVID NEO CHIN WEE
(Member)
Programme Director (Designate)
Pioneer Generation Office
Ministry of Finance



11 PROF NG WUN JERN
(Member)
Professor, School of Civil and
Environmental Engineering
Executive Director,
Nanyang Environment & Water
Research Institute
Nanyang Technological University



12 DR NOORUL FATHA AS'ART
(Member)
Senior Assistant Director
(Non-Communicable Diseases)
Epidemiology & Disease Control
Division
Ministry of Health



13 MR SEW CHEE JHUEN
(Member)
President, Special Projects
Singapore Technologies
Engineering Ltd



14 MR TAN CHOON SHIAN
(till 31 Jul 2016)
(Member)
Principal & CEO
Singapore Polytechnic



15 DC TAN CHYE HEE
(Member)
Deputy Commissioner of Police
(Investigations and Intelligence)
Concurrent Director, Criminal
Investigation Department
Singapore Police Force



16 MR WHANG SHANG YING
(Member)
Executive Director
Lam Soon Singapore Pte Ltd



17 MR WONG KIM YIN
(Member)
Group Chief Executive Officer
Singapore Power Limited



18 MR ALLAN YEO HWEE TIONG
(Member)
Principal Advisor
KPMG Services Pte Ltd

MS JEANNE LIEW (till 30 Jun 2015)
(Secretary) Registrar
Singapore Polytechnic

MR CHOO KENG HUI (from 1 Jul 2015)
(Secretary) Registrar
Singapore Polytechnic



STANDING COMMITTEES

ADMINISTRATION & DEVELOPMENT COMMITTEE

Chairman : Mr Johnny Tan Cheng Hye

Members : Mr Sew Chee Jhuen
Mr Tan Choon Shian (till 31 Jul 2016)
DC Tan Chye Hee
Mr Allan Yeo Hwee Tiong

Secretary : Mr C. Pannirselvam
Ms Jenny Wong Siow Ching

AUDIT COMMITTEE

Chairman : Mr Max Loh Khum Whai

Members : Ms Chong Phit Lian
Mr Goh Teik Poh

Secretary : Mr Ronnie Chan Chin Sing

INVESTMENT COMMITTEE

Chairman : Ms Amanda Chen

Members : Mr Chia Boon Kuah
Mr Tan Choon Shian (till 31 Jul 2016)
Mr Whang Shang Ying

Secretary : Ms Jenny Wong Siow Ching

NOMINATING COMMITTEE

Chairman : Mr Bill Chang York Chye

Members : Mr Johnny Tan Cheng Hye
Mr Tan Choon Shian (till 31 Jul 2016)

STAFF DISCIPLINARY COMMITTEE AND STUDENT DISCIPLINARY APPEAL COMMITTEE

Chairman : DC Tan Chye Hee

Members : Dr Noorul Fatha As'art
COL David Neo Chin Wee
Dr Lee Shiang Long
Prof Ng Wun Jern

Secretary : Mrs Elizabeth A Khoo (for Student Discipline)
Mrs Yeung-Ng Geak Hong (for Staff Discipline)

HUMAN RESOURCE COMMITTEE

Chairman : Mr Bill Chang York Chye

Members : Mr John Lim Hua Ern
Mr Tan Choon Shian (till 31 Jul 2016)
Mr Wong Kim Yin

Secretary : Mrs Yeung-Ng Geak Hong

BOARD OF STUDIES

CHAIRMAN

Mr Tan Choon Shian

Principal & CEO (till 31 Jul 2016)

Mr Lim Peng Hun

Acting Principal & CEO (from 1 Aug to 30 Sep 2016)

Mr Soh Wai Wah

Principal & CEO (from 1 Oct 2016)

PERMANENT MEMBERS

Mr Lim Peng Hun

Deputy Principal (Technology & Industry) /
Senior Director, Engineering Cluster (till 31 Mar 2016)
Deputy Principal (Engineering) (from 1 Apr 2016)

Mr Hee Joh Liang

Deputy Principal (Development) /
Senior Director, Applied & Health Sciences Cluster

Dr Chai Min Sen

Senior Director, Communication, Mathematics & Science Cluster

Mr Henry Tan Hin Teck

Senior Director, Architecture, Design & Environment Cluster /
Corporate Planning & Communications Cluster

Mr Tan Peng Ann

Senior Director, Administration Cluster

Ms Georgina Phua

Senior Director, Business, Infocomm & Media Cluster / Director, Business
(till 31 Mar 16) / Senior Director, Technology & Industry (from 1 Apr 2016)

Ms Jeanne Liew (Secretary)

Deputy Principal (Student & Academic Affairs) (till 30 Jun 2015)

Mr Choo Keng Hui (Secretary)

Senior Director (Student & Academic Affairs Cluster) /
Registrar (from 1 Jul 2015)

Mr Daniel Tan Kim Soon

Director, Architecture & the Built Environment (till 31 Dec 2016)

Mr Goh Siak Koon

Director Designate, Architecture & the Built Environment (from 1 Oct to 31
Dec 2016) / Director, Architecture & the Built Environment (from 1 Jan 2017)

Mrs Elizabeth Ann Khoo-Lee May Yong

Director, Academic Services

Ms Tan Yen Yen

Director, Business (from 1 Apr 2016)

Ms Lim Lee Yee

Director, Communication, Arts & Social Sciences

Dr Adrian Yeo Chao Chuang

Director, Chemical & Life Sciences

Dr Faris Abkar Hajamaideen

Director, Digital Media & Infocomm Technology

Mrs Helene Leong-Wee Kwee Huay

Director, Educational Development

Mr Loh Yew Chiong

Director, Electrical & Electronic Engineering

Mr Loh Gin Chye

Director, Information & Digital Technology Services

Mrs Fang Sin Guek

Director, Library

Dr Chong Chee Wei

Director, Mechanical & Aeronautical Engineering

Ms Chao Yunn Chyi

Director, Mathematics & Science

Mr Suresh Punjabi

Director, Professional & Adult Continuing Education Academy
(from 15 Mar 2016)

Capt Mohd Salleh Bin Ahmad Sarwan

Director, Singapore Maritime Academy

Mrs Yap Siew Lay

Deputy Director, Organisation Development

ELECTED MEMBERS

Mr Dennis Goh

Architecture & the Built Environment

Ms Doris Nga

Communication, Arts & Social Sciences

Mr Amos Goh Choon Ngee

Chemical & Life Sciences

Mr Alvin Tang

Digital Media & Infocomm Technology

Mr Kwa Teck Poey

Electrical & Electronic Engineering

Dr Lim Chee Kian

Mechanical & Aeronautical Engineering

Dr Edna Chan

Mathematics & Science

Mr Neo Chip Chuan

Business

Ms Lee Huei Hoon

Design

Capt Chatur Wahyu

Singapore Maritime Academy

MANAGEMENT TEAM

PRINCIPAL & CEO

Mr Tan Choon Shian (till 31 Jul 2016)

Mr Lim Peng Hun (Acting Principal & CEO from 1 Aug to 30 Sep 2016)

Mr Soh Wai Wah (from 1 Oct 2016)

DEPUTY PRINCIPAL (DEVELOPMENT)

Mr Hee Joh Liang

DEPUTY PRINCIPAL (TECHNOLOGY & INDUSTRY)

(till 31 Mar 2016)

Mr Lim Peng Hun

DEPUTY PRINCIPAL (ENGINEERING) (from 1 Apr 2016)

Mr Lim Peng Hun

DEPUTY PRINCIPAL (STUDENT & ACADEMIC AFFAIRS)

Ms Jeanne Liew (till 30 Jun 2015)

Director, Human Resource

Mrs Yeung-Ng Geak Hong

Director, Internal Audit

Mr Ronnie Chan Chin Sing

DEVELOPMENT

Deputy Principal

Mr Hee Joh Liang

Director, Educational Development

Mrs Helene Leong-Wee Kwee Huay

Director, Library

Mrs Fang Sin Guek

TECHNOLOGY & INDUSTRY

Deputy Principal

Mr Lim Peng Hun (till 31 Mar 2016)

Senior Director

Ms Georgina Phua Hwee Choo (from 1 Apr 2016)

Director, Industry Services

Dr Rajnish Gupta

Director, Professional & Adult Continuing Education (PACE) Academy

Mr Suresh Punjabi

Chief Technology Officer, Technology, Innovation & Enterprise

Mr Lance Lim Wei Seong (till 31 Mar 2016)

Director, Technology, Innovation & Enterprise

Dr Rajnish Gupta (from 1 Apr 2016)

ADMINISTRATION CLUSTER

Senior Director

Mr Tan Peng Ann

Director, Information & Digital Technology Services

Mr Loh Gin Chye

Director, Estates & Development

Mr C. Pannirselvam

Director, Finance

Ms Jenny Wong Siow Ching

STUDENT & ACADEMIC AFFAIRS (till 30 Jun 2015)

Deputy Principal / Registrar

Ms Jeanne Liew (till 30 Jun 2015)

STUDENT & ACADEMIC AFFAIRS CLUSTER (from 1 Jul 2015)

Senior Director / Registrar

Mr Choo Keng Hui (from 1 Jul 2015)

Director, Academic Services

Mrs Elizabeth A Khoo-Lee May Yong

Director, Student Development & Alumni Relations

Mr Choo Keng Hui (till 31 Aug 2015)

Mr Kelly Lee Wai Kin (from 1 Sep 2015)

Director, Student Services

Mr Clarence Chua Eng Khye

CORPORATE PLANNING & COMMUNICATIONS CLUSTER

Senior Director

Mr Henry Tan Hin Teck

Director, Organisation Development

Mr Henry Tan Hin Teck (till 30 Sep 2016)

Ms Audrey ML Chan (from 1 Oct 2016)

Director, Corporate Communications (till 12 Oct 2015)

Director, Communications (from 13 Oct 2015)

Ms Yvonne Chan Leng Leng

ACADEMIC SCHOOLS

APPLIED & HEALTH SCIENCES CLUSTER

Senior Director

Mr Hee Joh Liang

Director, Chemical & Life Sciences

Dr Adrian Yeo Chao Chuang

ARCHITECTURE, DESIGN & ENVIRONMENT CLUSTER

Senior Director

Mr Henry Tan Hin Teck

Director, Architecture & the Built Environment

Mr Daniel Tan Kim Soon (till 31 Dec 2016)

Mr Goh Siak Koon (Director Designate from 1 Oct to 31 Dec 2016)
(Director from 1 Jan 2017)

Director, Design

Ms Tang Soo Yin

BUSINESS, INFOCOMM & MEDIA CLUSTER

Senior Director

Ms Georgina Phua Hwee Choo

Director, Business

Ms Georgina Phua Hwee Choo (till 31 Mar 2016)

Acting Director, Business

Ms Tan Yen Yen (from 1 Apr 2016)

Director, Digital Media & Infocomm Technology

Dr Faris Akbar Hajamaideen

COMMUNICATION, MATHEMATICS & SCIENCE CLUSTER

Senior Director

Dr Chai Min Sen

Director, Communication, Arts & Social Sciences

Ms Lim Lee Yee

Director, Mathematics & Science

Ms Chao Yunn Chyi

ENGINEERING CLUSTER

Senior Director

Mr Lim Peng Hun (till 31 Mar 2016)

Deputy Principal

Mr Lim Peng Hun (from 1 Apr 2016)

Director, Electrical & Electronic Engineering

Mr Loh Yew Chiong

Director, Mechanical & Aeronautical Engineering

Dr Chong Chee Wei

Director, Singapore Maritime Academy

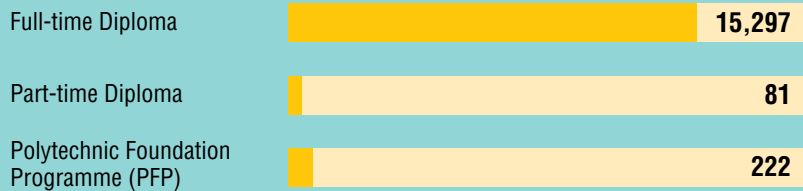
Capt Mohd Salleh Bin Ahmad Sarwan

FACTS AND FIGURES

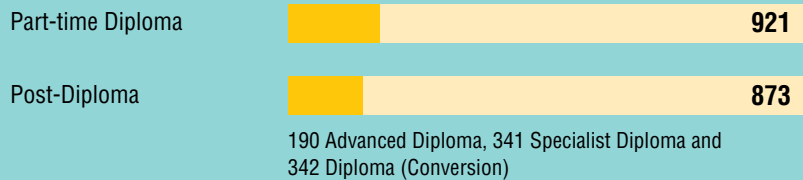


STUDENT ENROLMENT

17,394



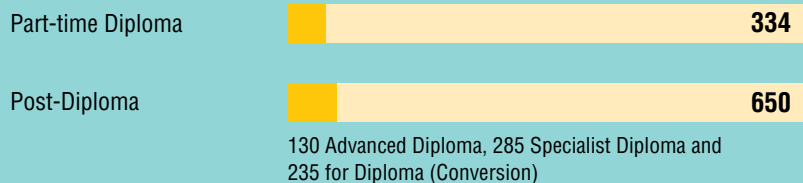
Under the Continuing Education and Training (CET) framework



The new intake of 6,020 students in academic year 2015/2016 included



Under the CET framework





STUDENT CCAs

119

student clubs and sports teams contributed to a vibrant campus life



STAFF STRENGTH

1,684

comprising 881 academic staff and 803 non-teaching staff

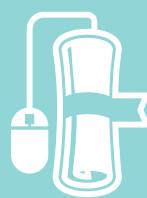


GRADUATE OUTPUT/ EMPLOYMENT

5,568

students graduated from Singapore Polytechnic in the academic year 2014/2015. Of these, 5,057 graduated from full-time courses and 511 from part-time courses.

As of January 2016, 88.1% of fresh graduates found full-time permanent or part-time / temporary employment.



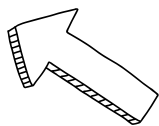
CONTINUING EDUCATION PROGRAMMES

45,764 PARTICIPANTS

attended a total of 1,207 continuing education programmes offered by Singapore Polytechnic. The programmes included 97 Singapore Workforce Skills Qualification courses, 348 short courses, 131 tailor-made courses, 145 certification courses, 378 examinations, 74 e-learning courses, 8 Part-time Diplomas, 7 Diploma (Conversion) and 19 Advanced Diplomas and Specialist Diplomas.



HIGHLIGHTS



APRIL 2015

The new SP Care was officially launched on 7 April 2015. This new initiative aims to consolidate Singapore Polytechnic's (SP) healthcare innovations for the silver age.



One of the largest seafarer support charities, Sailors' Society, has invested a sum of S\$10,000 to sponsor students of the Diploma in Marine Engineering or Diploma in Nautical Studies under the MaritimeONE programme. Up to four scholarships will be offered per year for the above courses.



Photo credit: Singapore Maritime Foundation

The SkillsFuture Earn and Learn Programme for Food Manufacturing was launched by the Singapore Workforce Development Agency (WDA) to provide a career headstart for fresh polytechnic graduates in areas with fast-growing industry needs. Participants who complete the 18-month programme will receive an Advanced Diploma in Applied Food Science awarded by SP.



MAY 2015

SP reached a key milestone with close to 5,900 graduates receiving their diploma certificates over the 16 sessions at the 55th Graduation Ceremony. This brings the total number of SP graduates to more than 184,000 since its inception in 1954.



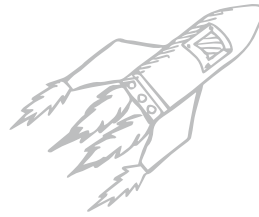
JUNE 2015

Final-year Diploma in Hotel and Leisure Facilities Management student, Audrey Yong, did our nation proud when she won Singapore's first windsurfing SEA Games Gold since 1989.



The Institute of Chartered Accountants in England and Wales (ICAEW) organised its first ICAEW Regional Business challenge, where participants were given opportunities to network and overcome challenges in a competition. A team of six Diploma of Accountancy students emerged as the second runner-up among the 24 teams of students.





JULY 2015

A Memorandum of Understanding (MOU) was signed with ABB, a leading power and automation technology group, to boost energy efficiency education at SP.



AUGUST 2015

A team of staff from SP's Machine Development Centre designed and built a first-of-its-kind automated Bottle Dispensing System that auto-loads, picks, assembles and labels bottles. The breakthrough innovation is part of the Outpatient Pharmacy Automation System that has been in operation at KK Women's and Children's Hospital.



Seven SP staff were among a total of 3,888 individuals who received the National Day Awards 2015. The awards recognise various forms of merit and service to the nation.

Under a formal arrangement between SP and Resorts World Sentosa (RWS), selected Diploma in Tourism and Resort Management students get the chance to intern at the Integrated Resort and some may also be employed by RWS after their graduation. This programme is the first of its kind among all the local polytechnics and is in line with the national SkillsFuture plan to equip students and workers with more specialised skills.



SEPTEMBER 2015

The first SkillsFuture Earn and Learn Programme for Power was announced at SP's Regional Industry Networking Conference (RINC) 2015. This collaboration is jointly led by SP, the Singapore Workforce Development Agency, Energy Market Authority, Union of Power and Gas Employees and the Power sector.



OCTOBER 2015

More than 200 youths attended the Youth Model ASEAN Conference (YMAC) to carry out research and debate on current regional and global issues faced by the region. For its efforts in organising YMAC and other regional building programmes, SP was awarded the inaugural ASEAN People's Award, beating seven organisations and 15 individuals nominated.



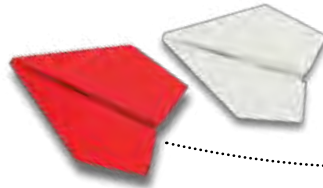
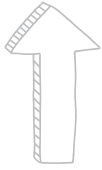
The SunSPEC4 solar car was unveiled and all ready to participate in the World Solar Challenge 2015 when a fire broke out and reduced the car to ashes. Against all odds, the team of 52 staff and students rebuilt the solar car and successfully completed the 3,000-km race as the only representative from Singapore.



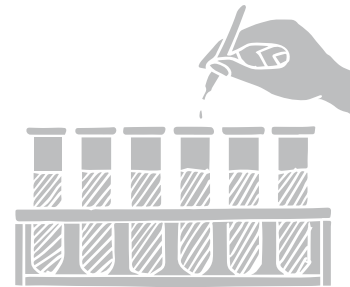
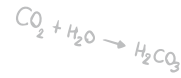
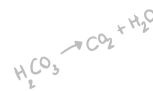
The Diploma in Chemical Engineering team emerged winners, for the third time, in the Education and Training category at the IChemE Singapore Awards 2015. The award celebrates excellence and innovation in chemical and processing engineering in Singapore.



Photo courtesy of Institution of Chemical Engineers (IChemE)

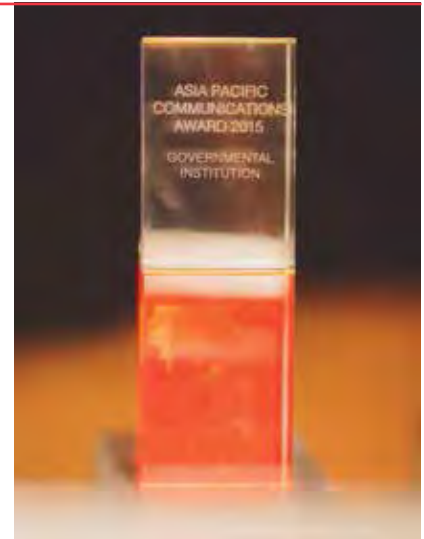


Dr Tan Eng Lee, Centre Director of SP's Centre for Biomedical and Life Sciences (left in photo), invented a test kit that assists medical professionals to diagnose patients suffering from Hand, Foot and Mouth Disease (HFMD) more efficiently. The test kit will be available for use by medical practitioners after clinical trials and approval.



NOVEMBER 2015

SP's Open House 2015 was crowned the Best Campaign by a Governmental Institution at the inaugural Asia-Pacific Communications Award Ceremony. SP was awarded for its successful bottom-up integrated communications strategy - combining marketing communications, digital and social media, and ground outreach - to promote a meaningful Open House experience to potential students.



A joint biomedical laboratory was officially opened by SP and Waseda University (Waseda) to pursue the development of new technological advancements in the area of biomedical sciences. This is Waseda's first-of-its-kind research facility being set up in an Institute of Higher Learning in Singapore.



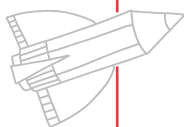
DECEMBER 2015

A five-year Memorandum of Understanding, worth more than S\$1.5 million, between PSA Corporation Limited and SP was inked to enhance cooperation between the organisations in professional education and training for the port industry.



Photo credit: PSA

A range of food and packaging innovations developed by SP's Food Innovation and Resource Centre (FIRC) was showcased at "The Future of Us" exhibition. Third-year Diploma in Food Science and Technology student, Seah Xin Hui, explained the science behind a food product and did a demonstration for Prime Minister Lee Hsien Loong when he visited FIRC's booth at the exhibition.



The library@orchard, designed by SP staff and students in collaboration with DIA Group, National Library Board and New Space Architects, won Design of the Year award at the President's Design Award Singapore 2015.





JANUARY 2016

One of the first milestones of 2016 was the official opening of the Aero Hub, a state-of-the-art aerospace training facility that houses four aircraft, engineering laboratories and facilities, to further enhance students' training and experience in the aviation industry.



SP collaborated with Cisco and NCS to transform itself into a future-ready smart campus that will benefit staff, students and visitors. This initiative aims to boost teaching, learning and operational efficiency in time to come.

With the collective effort of SP staff and students, the Open House 2016 was an overwhelming success. The three-day event registered a record-breaking visitorship of over 30,000.

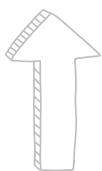


FEBRUARY 2016



The Singapore Budget 2016 logo was designed by second-year student, Toh Ping Huang, from SP Design School. Supervised by lecturers Yanzo Pang and Jovan Peh, the logo symbolises a united Singapore, undivided by our differences and bonded by a common determination to overcome challenges.





Three teams of Diploma in Landscape Architecture students won prizes at the annual Green Wave Competition with their respective projects that deal with environmental protection and improvement.



MARCH 2016

The "Terra.Glimmer", an art piece built by students from the School of Architecture and the Built Environment, was one of the 25 artworks showcased at this year's i Light Marina Bay festival.



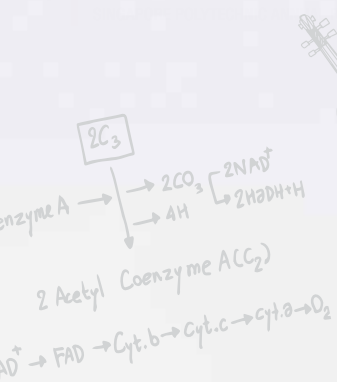
Photo credit: i Light Marina Bay

The official National Day Parade 2016 logo is designed by third-year Diploma in Visual Communication and Media Design student, Chelsea Lim Xin. The logo was shortlisted from about 250 submissions and selected based on public votes.



Teams from the School of Electrical and Electronic Engineering and the School of Mechanical and Aeronautical Engineering clinched Gold, Silver, Merit, and Best Prototype awards at the 4th National Assistive and Rehabilitation Technologies Student Innovation Challenge 2016.





$$Eff = \frac{P_2}{P_1} \times 100\%$$

$$X = \frac{\sum W_i X_i}{\sum W_i}$$



FINANCIAL REPORT

Singapore Polytechnic and its subsidiaries

For the year ended 31 March 2016



$$E = mc^2$$



Statement by Board of Governors

for the financial year ended 31 March 2016

In our opinion,

- (a) the accompanying financial statements of the Polytechnic and its subsidiaries (the “Group”), which comprise the statements of financial position of the Polytechnic and the Group as at 31 March 2016, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Polytechnic and the consolidated statement of cash flows of the Group for the year then ended, together with the notes thereon, are drawn up in accordance with the provisions of the Singapore Polytechnic Act (the “Act”) and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Polytechnic and of the Group as at 31 March 2016 and of the results, and the changes in funds and reserves of the Group and the Polytechnic and cash flow of the Group for the year ended on that date;
- (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;
- (c) proper accounting and other records have been kept, including records of all assets of the Polytechnic whether purchased, donated or otherwise; and
- (d) the receipts, expenditure, investment of moneys, and the acquisition and disposal of assets by the Polytechnic during the financial year have been in accordance with the provisions of the Act.

The Board of Governors, on the date of this statement, authorised this financial statements for issue.

On behalf of the Board



.....
MR BILL CHANG
Chairman



.....
MR TAN CHOON SHIAN
Principal and Chief Executive Officer

Dated: 11 July 2016

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") which comprise the statements of financial position of the Group and the Polytechnic as at 31 March 2016, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Polytechnic and the consolidated 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 statement of financial position, statement of comprehensive income and statement of changes in funds and reserves 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 2016 and of the results and the changes in funds and reserves of the Group and Polytechnic 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)

Report on other legal and regulatory requirements (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:

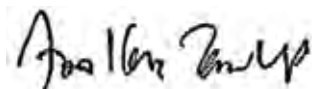
- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Polytechnic during the year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets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

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

- (a) the use of donation 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.

Other matter

The financial statements for the Polytechnic and its subsidiaries for the year ended 31 March 2015 were audited by another firm of auditors whose report dated 30 June 2015 expressed an unmodified opinion on those financial statements.



.....
Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 11 July 2016

Statements of Financial Position

as at 31 March 2016

	Note	The Group		The Polytechnic	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Endowment Fund (Capital)	3	32,563	30,650	32,563	30,650
Accumulated surplus					
- General fund		219,632	201,645	219,958	201,971
- Other funds	3	115,185	111,661	112,275	109,423
- Fair value reserve		69	213	69	213
Total capital and other funds		367,449	344,169	364,865	342,257
Represented by:					
Assets					
Non-Current					
Property, plant and equipment	4	399,557	403,344	399,538	403,331
Investment in subsidiaries	5	-	-	1,100	1,100
Financial assets, at fair value through profit or loss	6	63,600	104,496	63,600	104,496
Available-for-sale financial assets	7	17,267	10,393	17,061	10,187
Loan to Singapore Polytechnic Graduates' Guild	8	495	-	495	-
Staff and student loans	9	42	371	42	371
Deferred income tax assets	10	6	3	-	-
		480,967	518,607	481,836	519,485
Current					
Trade and other receivables	11	19,779	38,003	19,888	38,125
Loan to Singapore Polytechnic Graduates' Guild	8	360	-	360	-
Available-for-sale financial assets	7	8,120	-	8,120	-
Cash and bank balances	12	366,890	297,711	363,264	294,495
		395,149	335,714	391,632	332,620
Total assets		876,116	854,321	873,468	852,105
Liabilities					
Current					
Trade and other payables	13	44,008	55,534	44,010	55,281
Government grants received in advance	15	72,809	60,075	72,809	60,075
Current income tax liabilities		66	51	-	-
		116,883	115,660	116,819	115,356
Net Current Assets		278,266	220,054	274,813	217,264
Non-Current					
Deferred capital grants	16	369,704	373,075	369,704	373,075
Advances received	14	22,080	21,417	22,080	21,417
		391,784	394,492	391,784	394,492
Total liabilities		508,667	510,152	508,603	509,848
Net assets		367,449	344,169	364,865	342,257
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
			(Restated)		(Restated)
Net assets of funds managed on behalf of the Ministry	17	10,915	7,396	10,915	7,396

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Comprehensive income

for the financial year ended 31 March 2016

The Group	Note	General fund		Other funds		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Operating income							
Course fees		48,751	48,692	14,278	10,711	63,029	59,403
Consultancy fees		-	-	3,810	4,202	3,810	4,202
Other fees		461	883	-	-	461	883
		49,212	49,575	18,088	14,913	67,300	64,488
Operating expenditure							
Staff costs	18	(197,210)	(196,835)	(11,178)	(10,297)	(208,388)	(207,132)
Teaching materials		(7,857)	(7,599)	(843)	(679)	(8,700)	(8,278)
Repairs and maintenance		(17,893)	(13,348)	(1)	(1)	(17,894)	(13,349)
Depreciation of property, plant and equipment	4	(40,852)	(36,016)	(1,178)	(1,249)	(42,030)	(37,265)
Development expenses expensed off		(8,690)	(13,047)	-	-	(8,690)	(13,047)
Staff development and benefits		(5,381)	(4,210)	(13)	(10)	(5,394)	(4,220)
Other expenditure	19	(28,176)	(27,678)	(11,441)	(12,372)	(39,617)	(40,050)
		(306,059)	(298,733)	(24,654)	(24,608)	(330,713)	(323,341)
Operating deficit		(256,847)	(249,158)	(6,566)	(9,695)	(263,413)	(258,853)
Non-operating income							
Donations		-	-	909	1,128	909	1,128
Interest income		1,926	746	1,161	693	3,087	1,439
Rental income		873	507	3,312	2,473	4,185	2,980
Fair value gains/(losses) - financial assets at fair value through profit or loss		(14)	2,089	200	2,040	186	4,129
Other income	20	6,986	3,414	4,557	4,376	11,543	7,790
Operating (deficit)/surplus before grants and tax		(247,076)	(242,402)	3,573	1,015	(243,503)	(241,387)
Grants	21	265,063	265,044	-	56	265,063	265,100
Surplus before income tax		17,987	22,642	3,573	1,071	21,560	23,713
Income tax expense	22	-	-	(64)	(53)	(64)	(53)
Net surplus for the year		17,987	22,642	3,509	1,018	21,496	23,660
Other comprehensive gain/(loss):							
Items that may be reclassified subsequently to profit or loss							
Net change in fair value of available-for-sale financial assets		59	(37)	(203)	(175)	(144)	(212)
Total comprehensive income		18,046	22,605	3,306	843	21,352	23,448

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Comprehensive income

for the financial year ended 31 March 2016

The Polytechnic	Note	General fund		Other funds		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Operating income							
Course fees		48,751	48,692	14,278	10,711	63,029	59,403
Other fees		461	883	-	-	461	883
		49,212	49,575	14,278	10,711	63,490	60,286
Operating expenditure							
Staff costs	18	(197,210)	(196,835)	(10,243)	(9,474)	(207,453)	(206,309)
Teaching materials		(7,857)	(7,599)	(843)	(679)	(8,700)	(8,278)
Repairs and maintenance		(17,893)	(13,348)	-	-	(17,893)	(13,348)
Depreciation of property, plant and equipment	4	(40,852)	(36,016)	(1,173)	(1,243)	(42,025)	(37,259)
Development expenses expensed off		(8,690)	(13,047)	-	-	(8,690)	(13,047)
Staff development and benefits		(5,381)	(4,210)	-	-	(5,381)	(4,210)
Other expenditure	19	(28,176)	(27,678)	(9,546)	(10,011)	(37,722)	(37,689)
		(306,059)	(298,733)	(21,805)	(21,407)	(327,864)	(320,140)
Operating deficit		(256,847)	(249,158)	(7,527)	(10,696)	(264,374)	(259,854)
Non-operating income							
Donations		-	-	911	1,128	911	1,128
Interest income		1,926	746	1,161	693	3,087	1,439
Rental income		873	507	3,403	2,566	4,276	3,073
Fair value gain							
- financial assets at fair value through profit or loss		(14)	2,089	200	2,040	186	4,129
Other income	20	6,986	3,414	4,689	4,568	11,675	7,982
Operating (deficit)/surplus before grants and tax		(247,076)	(242,402)	2,837	299	(244,239)	(242,103)
Grants	21	265,063	265,044	-	56	265,063	265,100
Surplus before income tax		17,987	22,642	2,837	355	20,824	22,997
Income tax expense	22	-	-	-	-	-	-
Net surplus for the year		17,987	22,642	2,837	355	20,824	22,997
Other comprehensive gain / (loss):							
Items that may be reclassified subsequently to profit or loss							
Net change in fair value of available-for-sale financial assets		59	(37)	(203)	(175)	(144)	(212)
Total comprehensive income		18,046	22,605	2,634	180	20,680	22,785

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statements of changes in Funds and Reserves

for the financial year ended 31 March 2016

The Group	Endowment fund (Capital) (Note 3) \$'000	General fund \$'000	Other funds (Note 3) \$'000	Fair value reserve \$'000	Total \$'000
Balance at 1 April 2014	23,205	179,003	110,643	425	313,276
Total comprehensive income/(loss) for the year	-	22,642	1,018	(212)	23,448
Contributions and donations received for the endowment fund (capital)	7,445	-	-	-	7,445
Balance at 31 March 2015	30,650	201,645	111,661	213	344,169
Total comprehensive income/(loss) for the year	-	17,987	3,509	(144)	21,352
Transfer to Other Funds	(15)	-	15	-	-
Contributions and donations received for the endowment fund (capital)	1,928	-	-	-	1,928
Balance at 31 March 2016	32,563	219,632	115,185	69	367,449

The Polytechnic

Balance at 1 April 2014	23,205	179,329	109,068	425	312,027
Total comprehensive income/(loss) for the year	-	22,642	355	(212)	22,785
Contributions and donations received for the endowment fund (capital)	7,445	-	-	-	7,445
Balance at 31 March 2015	30,650	201,971	109,423	213	342,257
Total comprehensive income/(loss) for the year	-	17,987	2,837	(144)	20,680
Transfer to Other Funds	(15)	-	15	-	-
Contributions and donations received for the endowment fund (capital)	1,928	-	-	-	1,928
Balance at 31 March 2016	32,563	219,958	112,275	69	364,865

Consolidated statement of cash flows

for the financial year ended 31 March 2016

		2016 \$'000	2015 \$'000 (Restated)
Cash Flows from Operating Activities			
Operating deficit before grants and after tax		(243,567)	(241,440)
Adjustments for:			
Depreciation of property, plant and equipment	4	42,030	37,265
Interest income		(3,087)	(1,439)
Loss/(Gain) on disposal of property, plant and equipment		175	(107)
Fair value gains of financial assets, at fair value through profit or loss		(186)	(4,129)
Reversal of impairment loss - loan to SPGG		(1,215)	-
Income tax expense		64	53
Operating deficit before working capital changes		(205,786)	(209,797)
Change in trade and other receivables		(993)	(1,499)
Change in staff and student loans		95	(126)
Change in trade and other payables		(11,338)	10,993
Cash used in operations		(218,022)	(200,429)
Income tax paid		(52)	(33)
Net cash used in operating activities		(218,074)	(200,462)
Cash flows from Investing Activities			
Interest received		3,087	1,439
Purchase of property, plant and equipment	4	(38,435)	(101,684)
Redemption / (Purchase) of financial assets, at fair value through profit or loss		41,082	(5,855)
Purchase of available-for-sale financial assets		(15,138)	(1,005)
Loan repayment from SPGG		360	-
Proceeds from disposals of property, plant and equipment		17	187
Net cash used in investing activities		(9,027)	(106,918)
Cash Flows from Financing Activities			
Development grants received from Government		37,687	63,906
IT and F & E grants received from Government		24,442	25,436
Innovation grants received from Government		3,285	3,256
Polytechnic baseline grants received from Government		1,000	1,000
Operating grants received from Government		222,060	225,293
Operating grants received from non-government organisations		5,402	3,779
Contributions and donations received for the endowment fund (capital)		1,928	8,850
Net cash generated from financing activities		295,804	331,520
Net increase in cash and cash equivalents		68,703	24,140
Cash and cash equivalents at beginning of year		295,514	271,374
Cash and cash equivalents at end of year	12	364,217	295,514

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the financial statements

for the financial year ended 31 March 2016

1 General information

Singapore Polytechnic (the "Polytechnic"), established under the Singapore Polytechnic Act (Chapter 303), is domiciled in Singapore.

The Polytechnic is located 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 5.

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"). SB-FRS include Statutory Board Financial Reporting Standards Interpretations of SB-FRS ("INT SB FRS") and SB-FRS Guidance Notes as promulgated by the Accountant General. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SB-FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:

Critical accounting estimates and assumptions used in applying accounting policies

Depreciation of property, plant and equipment (Note 4)

The depreciable amount of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 86 years.

The carrying amounts of the Group's and the Polytechnic's property, plant and equipment at 31 March 2016 are \$399,557,000 (2015 - \$403,344,000) and \$399,538,000 (2015 - \$403,331,000), respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Significant judgements in applying accounting policies

Dismantlement, removal or restoration costs for property, plant and equipment

The agreement with Singapore Land Authority (“landlord”) indicates that the Polytechnic should surrender at the end of the lease term the land together with any buildings and fixtures to the landlord. However, if the landlord requires the Polytechnic to restore the land to its original condition, the Polytechnic is obligated to do so. The Polytechnic has assumed that the landlord will not impose this requirement and therefore has not provided for any costs of dismantlement, removal or restoration.

Allowance for bad and doubtful debts (Note 8)

Allowances for bad and doubtful debts are based on an assessment of the recoverability of loan to Singapore Polytechnic Graduates’ Guild (“SPGG”). Allowances are applied to loan to SPGG where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of loan to SPGG and doubtful debt expenses in the period in which such estimate has been changed.

The accounting policies used by the Group and the Polytechnic have been applied consistently to all periods presented in these financial statements.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Polytechnic have adopted all the new and revised SB-FRS and Interpretations to SB-FRS (INT SB-FRS) that are effective for annual periods beginning on or after 1 April 2015.

The adoption of these standards and interpretations did not have any material impact on the Group and the Polytechnic’s financial statements.

Reference	Description
Amendments to SB-FRS 19	Defined Benefit Plans: Employee Contributions
Improvements to SB-FRSs (January 2014)	
- SB-FRS 24	Related Party Transactions
- Amendments to SB-FRS 16	Property, Plant and Equipment
- Amendments to SB-FRS 113	Fair Value Measurements

2.3 New or revised accounting standards and interpretations not effective

The following are the new or amended SB-FRS and INT SB-FRS issued in 2014 that are not effective which the Group and the Polytechnic have yet adopted:

Description	Effective date (Annual periods beginning on or after)
SB-FRS 1001: Accounting and Disclosure for Non-Exchange Revenue	1 January 2017
SB-FRS 115: Revenue from contracts with customers	1 January 2018
SB-FRS 109: Financial Instruments	1 January 2018

2 Significant accounting policies (continued)

2.3 New or revised accounting standards and interpretations not effective (continued)

SB-FRS 1001: Accounting and Disclosure for Non-Exchange Revenue

SB-FRS 1001 addresses revenue arising from non-exchange transactions, except for Government Grant (addressed under SB-FRS 20). Non-exchange revenue is a transaction where SB receives resources and provides no nominal consideration directly in return. The standards addresses on the recognition, measurement and disclosure requirements for these non-exchange transactions.

SB-FRS 115: Revenue from contracts with customers

SB-FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard replaces SB-FRS 11 Construction Contracts, SB-FRS 18 Revenue, INT SB-FRS 113 Customer Loyalty Programmes, INT SB-FRS 115 Agreements for Construction of Real Estate, INT SB-FRS 118 Transfer of Assets from Customers and INT SB-FRS 31 Revenue- Barter Transaction involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

SB-FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

Consultancy fees are recognised in the financial year in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

SB-FRS 109: Financial Instruments

SB-FRS 109 Financial Instruments replaces the SB-FRS 39 and it is a package of improvements introduced by SB-FRS 109 which include a logical model for:

- Classification and measurement;
- A single, forward – looking “expected loss” impairment model and
- A substantially reformed approach to hedge accounting

SB-FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

Other than the above, the Group and the Polytechnic does not anticipate that the adoption of the above SB-FRS in future periods will have a material impact on the financial statements of the Group and the Polytechnic in the period of their initial adoption.

2.4 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.

Consultancy fees are recognised in the financial year in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

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.

2 Significant accounting policies (continued)

2.5 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 the statement of comprehensive income 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 the statement of comprehensive income 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 the statement of comprehensive income 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 the statement of comprehensive income 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.

2.6 Income taxes

The Polytechnic is a tax-exempted institution under the provisions of the Income Tax Act (Chapter 134, 2008 Revised Edition). The subsidiaries of the Polytechnic are subject to local income tax legislation.

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 reporting 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.

2.7 Consolidation

The consolidated financial statements comprise the financial statements of the Polytechnic and its subsidiaries as at the end of the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Polytechnic. Consistent accounting policies are applied to like transactions and events in the similar circumstances.

All intra-group balances, income and expenses and categorised gains and losses resulting from intragroup transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

2 Significant accounting policies (continued)

2.7 Consolidation (continued)

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Group considers all relevant facts and circumstances in assessing whether or not the Groups' voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2.8 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 statement of comprehensive income.

(ii) Other Funds

Income and expenditure relating to the funds set up for specific purpose are accounted for in the "Other Funds" column in the statement of comprehensive income 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 the statement of comprehensive income.

The assets and liabilities of the above funds are accounted for separately. For presentation purpose in the statements of financial position, the assets and liabilities of the funds are pooled.

2 Significant accounting policies (continued)

2.9 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 net assets of the funds managed on behalf of Ministry of Education – Staff Housing Loan, Tuition Fee Loan, Study Loan Scheme and Opportunity Fund are disclosed as a separate item at the bottom of the statements of financial position with relevant disclosures in Note 17 of the financial statements as prescribed by SB-FRS Guidance Note 3. In addition, any income and expenditure relating to these funds will be accounted for directly in the funds.

2.10 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 the statement of comprehensive income.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the 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 the statement of comprehensive income.

2.11 Loans and receivables

Loans and 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 reporting 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 reporting date, which are presented as non-current assets.

2 Significant accounting policies (continued)

2.12 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 the statement of comprehensive income 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.

(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 (campus and staff quarters)	Over the lease period (subject to maximum of 50 years)
Building improvements	5 years
Equipment and furniture	3 to 10 years
Computer Software	3 to 5 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 reporting date. The effects of any revision are recognised in the statement of comprehensive income 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 the statement of comprehensive income as incurred.

2 Significant accounting policies (continued)

2.12 Property, plant and equipment (continued)

(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 the statement of comprehensive income.

2.13 Investment in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment losses in the Polytechnic's statements of financial position. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investment are recognised in the statement of comprehensive income.

2.14 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 reporting 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.

2.15 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 reporting date.

2 Significant accounting policies (continued)

2.15 Available-for-sale financial assets (continued)

The Group assesses at each reporting 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.

2.16 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 methods.

2.17 Fair value estimation of financial assets and liabilities

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used.)

Financial assets/Financial Liabilities	Fair Value Hierarchy	Valuation technique(s) and key input(s)
Available-for-sale financial assets (Note 7)		
Quoted debt securities - Singapore	Level 1	Quoted market prices
Financial assets, at fair value through profit or loss (Note 6)		
Quoted unit trusts	Level 1	Quoted bid prices in an active market

2.18 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 reporting date

(c) Key Management Personnel

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Polytechnic and the Group. Board of Governors and heads of departments are considered as key management personnel.

2 Significant accounting policies (continued)

2.19 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 the statement of comprehensive income on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of comprehensive income 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 the statement of comprehensive income on a straight-line basis over the lease term.

2.20 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 reporting date are recognised in profit or loss.

2.21 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".

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.

2 Significant accounting policies (continued)

2.22 Related parties

A related party is defined as follows:

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

3 Other funds

Details of other funds are as follows:

(i) <u>Name of Fund</u>	<u>Purpose</u>
Endowment Fund	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 statement of comprehensive income.

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

	2016 \$'000	2015 \$'000
The Group and the Polytechnic		
At beginning of the year	30,650	23,205
MOE matching donation grant	1,518	4,863
Donations received from third parties	395	2,582
At end of the year	32,563	30,650
Represented by:		
Financial assets, at fair value through profit or loss	-	18,673
Available-for-sale financial assets	16,138	1,000
Cash at bank	16,425	6,114
Other current assets	-	4,863
	32,563	30,650

(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) provision of training, education and education-related services

(iv) The total amount of tax deductible donations received during the calendar year 2015 is \$1,332,602 (2014 -\$1,550,563).

3 Other funds (continued)

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

The Group	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Operating income								
Course fees	-	-	-	-	14,278	10,711	14,278	10,711
Consultancy fees	-	-	-	-	3,810	4,202	3,810	4,202
	-	-	-	-	18,088	14,913	18,088	14,913
Operating expenditure								
Staff costs	-	-	-	-	(11,178)	(10,297)	(11,178)	(10,297)
Teaching materials	-	-	-	-	(843)	(679)	(843)	(679)
Repairs and maintenance	-	-	-	-	(1)	(1)	(1)	(1)
Depreciation of property, plant and equipment	-	-	(54)	(61)	(1,124)	(1,188)	(1,178)	(1,249)
Staff development and benefits	-	-	-	-	(13)	(10)	(13)	(10)
Other expenditure	(1,506)	(1,394)	(698)	(646)	(9,237)	(10,332)	(11,441)	(12,372)
	(1,506)	(1,394)	(752)	(707)	(22,396)	(22,507)	(24,654)	(24,608)
Operating deficit	(1,506)	(1,394)	(752)	(707)	(4,308)	(7,594)	(6,566)	(9,695)
Non-operating income								
Donations	911	1,128	-	-	(2)	-	909	1,128
Interest income	374	110	31	20	756	563	1,161	693
Rental income	-	-	-	-	3,312	2,473	3,312	2,473
Fair value gain								
- financial assets at fair value								
through profit or loss	17	523	-	-	183	1,517	200	2,040
Other income	420	454	823	647	3,314	3,275	4,557	4,376
Surplus/(deficit) before grants and tax	216	821	102	(40)	3,255	234	3,573	1,015
Grants	-	-	-	-	-	56	-	56
Income tax expense	-	-	-	-	(64)	(53)	(64)	(53)
Net surplus/(deficit) for the year	216	821	102	(40)	3,191	237	3,509	1,018

The Polytechnic	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Operating income								
Course fees	-	-	-	-	14,278	10,711	14,278	10,711
	-	-	-	-	14,278	10,711	14,278	10,711
Operating expenditure								
Staff costs	-	-	-	-	(10,243)	(9,474)	(10,243)	(9,474)
Teaching materials	-	-	-	-	(843)	(679)	(843)	(679)
Repairs and maintenance	-	-	-	-	-	-	-	-
Depreciation of property, plant and equipment	-	-	(54)	(61)	(1,119)	(1,182)	(1,173)	(1,243)
Staff development and benefits	-	-	-	-	-	-	-	-
Other expenditure	(1,506)	(1,394)	(698)	(646)	(7,342)	(7,971)	(9,546)	(10,011)
	(1,506)	(1,394)	(752)	(707)	(19,547)	(19,306)	(21,805)	(21,407)
Operating deficit	(1,506)	(1,394)	(752)	(707)	(5,269)	(8,595)	(7,527)	(10,696)
Non-operating income								
Donations	911	1,128	-	-	-	-	911	1,128
Interest income	374	110	31	20	756	563	1,161	693
Rental income	-	-	-	-	3,403	2,566	3,403	2,566
Fair value gain								
- financial assets at fair value								
through profit or loss	17	523	-	-	183	1,517	200	2,040
Other income	420	454	823	647	3,446	3,467	4,689	4,568
Surplus/(deficit) before grants and tax	216	821	102	(40)	2,519	(482)	2,837	299
Grants	-	-	-	-	-	56	-	56
Income tax expense	-	-	-	-	-	-	-	-
Net surplus/(deficit) for the year	216	821	102	(40)	2,519	(426)	2,837	355

3 Other funds (continued)

Other funds comprise the following:

The Group	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Accumulated surplus at 31 March	9,268	9,037	4,770	4,668	101,147	97,956	115,185	111,661

Represented by:

Property, plant and equipment	-	-	415	466	6,416	5,687	6,831	6,153
Staff and student loans	-	-	258	356	49	46	307	402
Financial assets, at fair value through profit or loss	-	2,032	-	-	26,873	37,051	26,873	39,083
Loan to SPGG	-	-	-	-	855	-	855	-
Available-for-sale financial assets	(113)	-	-	-	5,291	5,381	5,178	5,381
Fair value reserve	113	-	-	-	(160)	(250)	(47)	(250)
Cash and cash equivalents	8,983	6,975	4,097	3,846	65,808	52,778	78,888	63,599
Receivables, deposits and prepayments	298	46	-	-	(111)	1,041	187	1,087
Payables, deposits and accruals	(13)	(16)	-	-	(3,814)	(3,730)	(3,827)	(3,746)
Current income tax liabilities	-	-	-	-	(66)	(51)	(66)	(51)
Deferred income tax assets	-	-	-	-	6	3	6	3
	9,268	9,037	4,770	4,668	101,147	97,956	115,185	111,661

The Polytechnic	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Accumulated surplus at 31 March	9,268	9,037	4,770	4,668	98,237	95,718	112,275	109,423

Represented by:

Property, plant and equipment	-	-	415	466	6,398	5,675	6,813	6,141
Staff and student loans	-	-	258	356	49	46	307	402
Investment in subsidiaries	-	-	-	-	1,100	1,100	1,100	1,100
Loan to SPGG	-	-	-	-	855	-	855	-
Financial assets, at fair value through profit or loss	-	2,032	-	-	26,873	37,051	26,873	39,083
Available-for-sale financial assets	(113)	-	-	-	5,085	5,175	4,972	5,175
Fair value reserve	113	-	-	-	(160)	(250)	(47)	(250)
Cash and cash equivalents	8,983	6,975	4,097	3,846	61,856	49,235	74,936	60,056
Receivables, deposits and prepayments	298	46	-	-	(3)	1,163	295	1,209
Payables, deposits and accruals	(13)	(16)	-	-	(3,816)	(3,477)	(3,829)	(3,493)
	9,268	9,037	4,770	4,668	98,237	95,718	112,275	109,423

4 Property, plant and equipment

The Group	Leasehold land \$'000	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Computer Software \$'000 (Note A)	Motor vehicles \$'000	Building (Construction- in-progress) \$'000	Total \$'000
Cost								
At 1 April 2014	56,518	261,692	109,401	270,143	11,712	142	52,719	762,327
Additions	19,100	41,170	15,208	18,841	6,229	-	1,136	101,684
Disposals	-	-	(990)	(12,611)	-	-	-	(13,601)
At 31 March 2015	75,618	302,862	123,619	276,373	17,941	142	53,855	850,410
Additions	-	55,213	10,466	25,293	1,318	-	(53,855)	38,435
Disposals	-	-	(5,174)	(13,729)	-	-	-	(18,903)
At 31 March 2016	75,618	358,075	128,911	287,937	19,259	142	-	869,942
Accumulated depreciation								
At 1 April 2014	21,396	117,708	67,476	213,946	2,687	110	-	423,323
Depreciation for the year	1,163	5,785	9,659	20,264	366	28	-	37,265
Disposals	-	-	(990)	(12,532)	-	-	-	(13,522)
At 31 March 2015	22,559	123,493	76,145	221,678	3,053	138	-	447,066
Depreciation for the year	1,262	7,368	10,342	20,222	2,832	4	-	42,030
Disposals	-	-	(5,106)	(13,605)	-	-	-	(18,711)
At 31 March 2016	23,821	130,861	81,381	228,295	5,885	142	-	470,385
Net book value								
At 31 March 2016	51,797	227,214	47,530	59,642	13,374	-	-	399,557
At 31 March 2015	53,059	179,369	47,474	54,695	14,888	4	53,855	403,344

Asset under construction

The Group's property, plant and equipment included \$29.7 million (2015 - \$46.2 million) which relates to expenditure for renovation projects and software installation projects that are in work in progress.

Note A: Computer software refers to software used by the Polytechnic in recording its transactions and these software are not integral part of the computer hardware.

4 Property, plant and equipment (continued)

The Polytechnic	Leasehold land \$'000	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Computer software \$'000 (Note A)	Motor vehicles \$'000	Building (Construction- in-progress) \$'000	Total \$'000
Cost								
At 1 April 2014	56,518	261,692	109,401	270,111	11,712	142	52,719	762,295
Additions	19,100	41,170	15,208	18,833	6,229	-	1,136	101,676
Disposals	-	-	(990)	(12,611)	-	-	-	(13,601)
At 31 March 2015	75,618	302,862	123,619	276,333	17,941	142	53,855	850,370
Additions	-	55,213	10,466	25,282	1,318	-	(53,855)	38,424
Disposals	-	-	(5,174)	(13,729)	-	-	-	(18,903)
At 31 March 2016	75,618	358,075	128,911	287,886	19,259	142	-	869,891
Accumulated depreciation								
At 1 April 2014	21,396	117,708	67,476	213,925	2,687	110	-	423,302
Depreciation for the year	1,163	5,785	9,659	20,258	366	28	-	37,259
Disposals	-	-	(990)	(12,532)	-	-	-	(13,522)
At 31 March 2015	22,559	123,493	76,145	221,651	3,053	138	-	447,039
Depreciation for the year	1,262	7,368	10,342	20,217	2,832	4	-	42,025
Disposals	-	-	(5,106)	(13,605)	-	-	-	(18,711)
At 31 March 2016	23,821	130,861	81,381	228,263	5,885	142	-	470,353
Net book value								
At 31 March 2016	51,797	227,214	47,530	59,623	13,374	-	-	399,538
At 31 March 2015	53,059	179,369	47,474	54,682	14,888	4	53,855	403,331

Asset under construction

The Polytechnic's property, plant and equipment included \$29.7 million (2015 - \$46.2 million) which relates to expenditure for renovation projects and software installation projects that are in work in progress.

Note A: Computer software refers to software used by the Polytechnic in recording of transactions and these software are not integral part of the computer hardware.

5 Investment in subsidiaries

The Polytechnic	2016 \$'000	2015 \$'000
Equity investments, at cost	1,100	1,100

Details of the subsidiaries are as follows:

Name	Country of Incorporation / principal place of business	Percentage of equity held		Principal activities
		2016 %	2015 %	
Innomart Pte Ltd ⁽¹⁾	Singapore	100	100	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 Polytechnic International Pte Ltd ⁽²⁾	Singapore	100	100	Provision of training, education and education-related services

⁽¹⁾ Audited by Tan, Chan and Partners

⁽²⁾ Audited by Patrick Tee & Co.

6 Financial assets, at fair value through profit or loss

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

The Group and The Polytechnic	2016 \$'000	2015 \$'000
Financial assets at fair value through profit or loss		
Quoted unit trusts	63,600	63,448
Quoted equity securities	-	3,289
Quoted debt securities	-	37,787
Foreign currency contracts (Note 26)	-	(28)
	63,600	104,496
Dividends receivable on investments (Note 11)	-	5
Cash and fixed deposits managed by a fund manager (Note 12)	-	357
	63,600	104,858

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.

7 Available-for-sale financial assets

	The Group		The Polytechnic	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at beginning of year	10,393	9,600	10,187	9,400
Additions	15,138	1,005	15,138	999
Fair value loss recognised in other comprehensive loss	(144)	(212)	(144)	(212)
Balance at end of year	25,387	10,393	25,181	10,187
Represented by:				
Current	8,120	-	8,120	-
Non-current	17,267	10,393	17,061	10,187

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

	The Group		The Polytechnic	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Quoted debt securities - Singapore	25,181	10,187	25,181	10,187
Unquoted equity securities, at cost	206	206	-	-
	25,387	10,393	25,181	10,187

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

	The Group		The Polytechnic	
	2016	2015	2016	2015
Interest rates	1.875% - 4.17%	1.875% - 4.17%	1.875% - 4.17%	1.875% - 4.17%
Maturity dates	2016-2023	2016 - 2019	2016-2023	2016-2019

8 Loan to Singapore Polytechnic Graduates' Guild ("SPGG")

	2016 \$'000	2015 \$'000
The Group and The Polytechnic		
Loan	855	1,215
Allowance for doubtful receivables	-	(1,215)
	855	-
Represented by:		
Current	360	-
Non-current	495	-

Movements in allowance for doubtful receivables are as follows:

	2016 \$'000	2015 \$'000
The Group and The Polytechnic		
Balance at beginning of year	1,215	1,575
Allowance written back	(1,215)	(360)
Balance at end of year	-	1,215

The loan to Singapore Polytechnic Graduates' Guild ("SPGG"), which is denominated in Singapore dollars, is expected to be repayable to the Polytechnic by July 2018, with a monthly repayment amount of \$30,000.

9 Staff and student loans

	2016 \$'000	2015 \$'000
The Group and The Polytechnic		
Repayable after 12 months:		
Staff loans	23	44
Student loans	19	327
	42	371
Repayable within 12 months (Note 11):		
Staff loans	26	2
Student loans	239	29
	265	31
Total		
Staff loans	49	46
Student loans	258	356
	307	402

Staff loans are repayable with interest at 0% to 4.25% (2015 - 0% to 4.25%) per annum by monthly instalments, over periods of up to 2 years (2015 - 4 years).

Student loans (Study and Computer Loans) are interest-free and are repayable by monthly instalments over the period of 2 years (2015 - 2 years) after their graduation. With effect from November 2015, student computer loan is no longer provided.

10 Deferred income tax assets

	2016 \$'000	2015 \$'000
The Group		
Provisions		
Balance at beginning of year	3	4
Credited to the statement of comprehensive income (Note 22)	3	(1)
Balance at end of year	6	3

11 Trade and other receivables

	The Group		The Polytechnic	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Grants receivables				
- Government	5,264	24,713	5,264	24,713
- Others	5,181	5,373	5,181	5,373
Fees receivables	542	717	542	717
Goods and services tax receivable	942	-	942	-
Staff and student loans (Note 9)	265	31	265	31
Other receivables	4,419	5,462	4,376	5,403
Deposits	42	94	42	94
Dividends receivable on investments (Note 6)	-	5	-	5
Amount owing by subsidiaries	-	-	162	192
Amount owing by a related party	66	20	66	20
Loans and receivables	16,721	36,415	16,840	36,548
Prepayments	3,058	1,588	3,048	1,577
	19,779	38,003	19,888	38,125

Included in trade and other receivables are operating grant and development grant receivable from the Ministry of Education of \$5,264,000 (2015 - \$24,713,000).

12 Cash and bank balances

	The Group		The Polytechnic	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and in hand	53,941	76,327	50,315	73,111
Cash with Accountant-General's Department	312,949	221,027	312,949	221,027
Cash and fixed deposits managed by a fund manager (Note 6)	-	357	-	357
	366,890	297,711	363,264	294,495
Less: Cash held in trust [Note 17 (ii)]	(2,673)	(2,197)	(2,673)	(2,197)
Cash and cash equivalents in consolidated statement of cash flow	364,217	295,514	360,591	292,298

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

Cash held in trust for the Opportunity Fund is included in the Polytechnic's cash and bank balances in accordance with SB-FRS Guidance Note 3 as there is no separate bank account maintained for the fund.

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at the reporting date, the bank balance of \$879,000 (2015 - \$907,000), comprising cash at bank of \$365,000 (2015 - \$397,000) and fixed deposit of \$514,000 (2015 - \$510,000), has not been included in the cash and cash equivalents of the Polytechnic.

13 Trade and other payables

	The Group		The Polytechnic	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Sundry creditors	2,154	2,755	2,083	2,749
Advances received - SIT (Note 14)	824	881	824	881
Advances received - others	9,419	6,960	9,400	6,960
Deposits	688	566	688	566
Provision for unutilised leave	8,997	9,155	8,997	9,155
Accruals for operating expenses and capital expenditures	21,893	26,393	21,592	25,646
Goods and services tax payable	33	8,824	-	8,793
Amount due to a subsidiary	-	-	426	531
	44,008	55,534	44,010	55,281

Included in the Group's and the Polytechnic's advances received – others are funds managed on behalf of MOE under the Opportunity Fund scheme of \$2,673,000 (2015 - \$2,197,000) - Note 17(ii)

14 Advances received - SIT

The Group and The Polytechnic	2016 \$'000	2015 \$'000
Current (Note 13)	824	881
Non-current	22,080	21,417
	22,904	22,298

The Polytechnic has received service fees in advance from Singapore Institute of Technology ("SIT") for the usage of the Polytechnic's facilities by SIT students. The service fees received in advance will be recognised as other income when the services have been rendered by the Polytechnic in accordance with the service fee agreement between the Polytechnic and SIT.

15 Government grants received in advance

The Group and The Polytechnic	Note	2016 \$'000	2015 \$'000
Balance at beginning of year		60,075	30,746
Grants received/receivable during the year			
- Government development grants		22,673	80,951
- Government IT and F & E grants		24,442	25,436
- Government innovation grants		3,287	3,517
- Government polytechnic baseline		1,000	1,000
Transfer to deferred capital grants (Government)	16	(29,978)	(68,528)
Amount taken to the statement of comprehensive income	21	(8,690)	(13,047)
Balance at end of year		72,809	60,075

16 Deferred capital grants

The Group and The Polytechnic	Government		Non-Government		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at beginning of year	370,651	329,619	2,424	3,250	373,075	332,869
Development grants from MOE (Note 15)	29,978	68,528	-	-	29,978	68,528
Transfer from operating grants (Note 23)	5,753	6,965	-	-	5,753	6,965
Grants received	-	-	980	506	980	506
	35,731	75,493	980	506	36,711	75,999
Amortisation to statement of comprehensive income (Note 21)	(38,978)	(34,461)	(1,104)	(1,332)	(40,082)	(35,793)
Balance at end of year	367,404	370,651	2,300	2,424	369,704	373,075

Total development grants received from Government for purchases of property, plant and equipment since 1 April 1980 is \$906.3 million (2015 - \$876.3 million).

17 Funds managed on behalf of the Ministry of Education ("Ministry")

The Group and The Polytechnic	2016 \$'000	2015 \$'000
(i) Tuition fee loan, Student loan and Staff Housing Loan	8,242	5,199
(ii) Opportunity Fund	2,673	2,197
Funds managed on behalf of Ministry	10,915	7,396

17 Funds managed on behalf of the Ministry of Education (“Ministry”) (continued)

(i) Tuition fee loan, Student loan and Staff Housing Loan

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.

The Group and The Polytechnic	2016 \$'000	2015 \$'000
Advances from the Ministry		
Balance at beginning of year	5,199	6,785
Advances received	4,867	-
Interest income	172	154
Written off	(19)	(27)
Advances repaid	(1,977)	(1,713)
Balance at end of year	8,242	5,199
Represented by:		
Cash and bank balances	385	318
Tuition fees and study loans	8,120	7,460
Staff housing loans	119	140
Trade and other payables	(382)	(2,719)
Net assets	8,242	5,199

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% (2015 - 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. Student loans received by the Polytechnic amounting to \$1,949,000 (2015 - \$1,688,000) were repaid to the Ministry.

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. Housing loans received by the Polytechnic amounting to \$28,000 (2015 - \$25,000) 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.

(ii) Opportunity Fund

The Opportunity Fund was provided to level up enrichment opportunities for Singapore Citizen students from lower income household. This includes assistance for overseas trips and local enrichment programmes and purchase of computer devices. The fund is provided on a 3-year cycle which ends in December 2018. The unutilised amounts will be recovered by the Ministry of Education at the end of the 3-year cycle and fresh funds will be disbursed for the next cycle.

The Group and The Polytechnic	2016 \$'000	2015 \$'000
Balance at beginning of the year	2,197	2,953
Amount received during the year	2,702	-
Amount utilised during the year	(801)	(748)
Amount returned during the year	(1,425)	(8)
Balance at end of the year	2,673	2,197
Represented by:		
Cash and Bank Balances	2,673	2,197

18 Staff costs

	The Group		The Polytechnic	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Wages and salaries	185,153	186,100	184,336	185,371
Employer's contribution to Central Provident Fund	20,314	19,012	20,216	18,931
Other staff benefits	2,921	2,020	2,901	2,007
	208,388	207,132	207,453	206,309

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

	2016 \$'000	2015 \$'000
The Group and The Polytechnic		
Wages and salaries	7,124	7,140
Employer's contribution to defined contribution plans, including Central Provident Fund	503	423
	7,627	7,563

19 Other expenditure

	The Group		The Polytechnic	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Water and electricity	7,119	8,235	7,117	8,235
IT support and other services	1,247	1,021	1,247	1,021
IT related expenditure	6,186	5,394	6,096	5,394
Consultancy services	2,786	3,016	901	807
Local/Overseas industrial training	1,508	1,325	1,508	1,325
Campus events and activities	4,170	4,055	4,170	4,055
Bursaries and scholarships	1,506	1,394	1,506	1,394
Maintenance and upgrading of facilities	3,835	2,000	3,835	2,000
Loss/(Gain) on disposal of property, plant and equipment	175	(107)	175	(107)
Other expenses	11,085	13,717	11,167	13,565
	39,617	40,050	37,722	37,689

20 Other income

	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Funding for Research and Development projects	1,341	1,205	1,341	1,205
Student welfare fund	825	647	825	647
Income from use of campus and sports facilities	1,665	673	1,665	976
Fee for research and development and other consulting fee	479	322	479	562
Funding for IT system and Education Career Guidance (ECG) counsellors	1,032	-	1,032	-
Impairment loss pertaining to SPGG Loan now written back	1,215	-	1,215	-
Income from UniSim's programme	1,349	509	1,349	509
Miscellaneous income	3,637	4,434	3,769	4,083
	11,543	7,790	11,675	7,982

21 Grants

	General Fund		The Group and The Polytechnic Other Funds		Total	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating grants received from:						
- Government (Note 23)	211,869	212,986	-	-	211,869	212,986
- Non-government	4,422	3,274	-	-	4,422	3,274
Development and other grants utilised (Note 15)	8,690	13,047	-	-	8,690	13,047
Deferred capital grants Amortised						
- Government (Note 16)	38,978	34,405	-	56	38,978	34,461
- Non-government (Note 16)	1,104	1,332	-	-	1,104	1,332
	265,063	265,044	-	56	265,063	265,100

22 Income taxes

	2016 \$'000	2015 \$'000
The Group		
Current taxation	67	50
Deferred taxation (Note 10)	(3)	1
	64	51
Underprovision of current taxation in respect of prior years	-	2
	64	53

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

	2016 \$'000	2015 \$'000
The Group		
Surplus before taxation	21,560	23,713
Tax at statutory rate of 17% (2015 – 17%)	3,665	4,031
Tax effect on non-deductible expenses	1	1
Tax effect on surplus of the Polytechnic exempted from tax	(3,540)	(3,909)
Tax effect on tax incentives	(60)	(69)
Underprovision of current taxation in respect of prior years	-	2
Others	(2)	(3)
	64	53

	2016 \$'000	2015 \$'000
The Polytechnic		
Surplus before taxation	20,824	22,997
Tax at statutory rate of 17% (2015 – 17%)	3,540	3,909
Tax effect on non-deductible expenses	-	-
Tax effect on surplus of the Polytechnic exempted from tax	(3,540)	(3,909)
Tax effect on tax incentives	-	-
Underprovision of current taxation in respect of prior years	-	-
Others	-	-
	-	-

23 Operating grants – Government

	2016 \$'000	2015 \$'000
The Group and The Polytechnic		
Operating grants received/receivable during the year	237,388	239,723
Less:		
Grants utilised on property, plant and equipment transferred to Deferred Capital Grants (Note 16)	(5,753)	(6,965)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	(19,766)	(19,772)
Operating grants taken to the statement of comprehensive income (Note 21)	211,869	212,986

Operating grants received from Government since 1 April 1980 amount to \$4,606.7 million (2015 - \$4,369.3 million) which include the cumulative operating grants for GST subsidy of \$222.3 million (2015 - \$202.5 million).

24 Capital commitments

Capital expenditure approved but not provided for in the accounts:

	2016 \$'000	2015 \$'000
The Group and The Polytechnic		
Amount approved and contracted for	31,988	44,911
Amount approved but not contracted for	56,946	68,675

The above capital commitments are funded by Government grants.

25 Related party transactions

Some of the Group and the Polytechnic's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

In addition to the information disclosed elsewhere in the financial statements, the Group and the Polytechnic entered into the following significant transactions with its parent Ministry, MOE, and other related parties during the financial year. The following transactions took place between the Group and the Polytechnic and related parties at terms agreed between the parties:

(a) 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 and miscellaneous services from various Ministries, Organs of States and other Statutory Boards. The transactions are conducted in the ordinary course of business at market terms.

25 Related party transactions (continued)

The Polytechnic Subsidiary	2016 \$'000	2015 \$'000
Management service fees received from subsidiaries	41	27
Consultancy fees charged to subsidiary	145	241
Rental received from subsidiary	91	92
General support fee paid to subsidiary	(187)	-
General support fee received from subsidiary	88	-
Professional fees paid to subsidiary	(2,447)	(2,548)
License fee charged by subsidiary	-	(10)
Grants collected on behalf of subsidiary	(28)	-
Staff cost reimbursed from related party	155	105
The Group and the Polytechnic Entities affiliated to Board of Governors	2016 \$'000	2015 \$'000
IT related expenditures	3,565	2,650
Utilities	895	1,097
Disbursement of Maritimeone Scholarship	223	279

(b) Key management's remuneration

Key management personnel remuneration as disclosed in Note 18 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.

26 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 the end of reporting period, the notional amounts and the fair value of the foreign currency contracts held by the fund managers are as follows:

	Notional amounts \$'000	Fair value	
		Assets \$'000	Liabilities \$'000
2016			
Foreign currency contracts	-	-	-
2015			
Foreign currency contracts	23,145	209	237

27 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 end of the reporting period, 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 end of the reporting period, the Group's grants and fees receivables include 4 debtors (2015 - 4 debtors) that individually represented 4-48% (2015: 5-36%) of the grants and fees receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

(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 CLM 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:

	2016 \$'000	2015 \$'000
The Group and The Polytechnic		
Past due one month	321	563
Past due two months	424	74
Past due over two months	95	368
Past due over five months	1,655	1,250
	2,495	2,255

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

27 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 reporting date, assets held by the Group for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

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 reporting 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.

The Group	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$
At 31 March 2016			
Trade and other payables	33,765	-	-
At 31 March 2015			
Trade and other payables	47,693	-	-
The Polytechnic			
The Polytechnic	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$
At 31 March 2016			
Trade and other payables	33,786	-	-
At 31 March 2015			
Trade and other payables	47,440	-	-

The above trade and other payables exclude advances received.

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 end of reporting period, the interest rate profile of the interest-earning financial instruments was:

	The Group		The Polytechnic	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Fixed rate instruments				
Quoted fixed income securities managed by a fund manager	-	37,787	-	37,787
Available-for-sale financial assets	25,181	10,187	25,181	10,187
	25,181	47,974	25,181	47,974
Variable rate instruments				
Cash at bank and in hand	51,268	74,130	47,642	70,914
Cash with AGD	312,949	221,027	312,949	221,027
Cash held in trust	2,673	2,197	2,673	2,197
Cash and fixed deposits managed by a fund manager	-	357	-	357
	366,890	297,711	363,264	294,495

27 Financial risk management (continued)

Interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

An increase in 50 basis points ("bp") (0.5%) (2015 - 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 (2015 - 50 bp) in interest rates at the reporting date would increase surplus or deficit by \$1,834,000 (2015 - \$1,489,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A decrease in 50 bp (2015 - 50 bp) would have the equal but opposite effect on the basis that all other variables remain constant.

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 is managed by the fund managers.

The Group's currency exposure that arises from the investments managed by the external fund managers is as follows:

The Group and The Polytechnic	SGD \$'000	RM \$'000	HKD \$'000	AUD \$'000	Others \$'000	Total \$'000
At 31 March 2016						
Quoted equity securities	-	-	-	-	-	-
Quoted fixed income securities	-	-	-	-	-	-
Less:						
Foreign currency contracts	-	-	-	-	-	-
Denominated in the functional currency	-	-	-	-	-	-
Currency exposure	-	-	-	-	-	-
At 31 March 2015						
Quoted equity securities	641	106	168	-	2,374	3,289
Quoted fixed income securities	5,950	4,865	3,606	3,754	19,612	37,787
	6,591	4,971	3,774	3,754	21,986	41,076
Less:						
Foreign currency contracts	-	-	-	-	(23,145)	(23,145)
Denominated in the functional currency	(6,591)	-	-	-	-	(6,591)
Currency exposure	-	4,971	3,774	3,754	(1,159)	11,340

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

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 6. 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).

27 Financial risk management (continued)

Fair value measurements (continued)

The Group and The Polytechnic	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 31 March 2016				
Available-for-sale financial assets	25,181	-	-	25,181
Financial assets, at fair value through profit or loss	63,600	-	-	63,600
Financial derivatives	-	-	-	-
At 31 March 2015				
Available-for-sale financial assets	10,187	-	-	10,187
Financial assets, at fair value through profit or loss	104,524	-	-	104,524
Financial derivatives	-	(28)	-	(28)

Financial instruments by category

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

	The Group		The Polytechnic	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assets at fair value through profit or loss	63,600	104,496	63,600	104,496
Available-for-sale financial assets	25,387	10,393	25,181	10,187
Loans and receivables				
Staff and student loans (Note 9)	307	371	307	371
Trade and other receivables excluding prepayments (Note 11)	16,721	36,415	16,840	36,548
Cash and cash equivalents (Note 12)	366,890	297,711	363,264	294,495
	383,918	334,497	380,411	331,414
Financial liabilities at amortised cost	33,765	47,693	33,786	47,440

28 Comparative figures

During the year, the Polytechnic has reviewed the accounting treatment for Opportunity Fund, which was maintained on behalf of MOE to level up co-curricular development opportunities for Singapore students from lower income households.

Following the review, the Polytechnic concluded that the Opportunity fund is a trust fund and should be presented as an off balance-sheet item as "Funds Managed on Behalf of Ministries" in accordance with SB-FRS Guidance Note 3: Accounting and Disclosures for Trust Funds.

The impact of change is as follows:

(a) Net assets of funds managed on behalf of Ministry:

	2015 \$'000
Net assets of funds managed on behalf of Ministry, as previously reported	5,199
Net assets - Opportunity Fund - Note 17 (ii)	2,197
Net assets of funds managed on behalf of Ministry, as restated	7,396

28 Comparative figures (continued)

(b) Cash and cash equivalents in consolidated statement of cash flow:

	2015 \$'000
Cash and cash equivalents in consolidated statement of cash flow, as previously reported	297,711
Cash and bank balances – Opportunity Fund	(2,197)
Cash and cash equivalents in consolidated statement of cash flow, as restated	295,514

A third statement of financial position as at 1 April 2014 is not presented as the above-mentioned restatements do not have a material effect on the information in the statement of financial position as at 1 April 2014.

29 Subsequent event disclosure

Funds managed on behalf of fund manager

Subsequent to the reporting date, the Polytechnic has invested a net amount of \$10 million with fund managers under the demand aggregate scheme.

30 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Governors on 11 July 2016.

