

SHAPING CAPABILITIES FOR THE FUTURE



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

16/ Financial Report



CHAIRMAN'S FOREWORD

“ SP will double our efforts to become a poly not just for teenagers, but for all ages.”

In early 2017, the Committee On The Future Economy (CFE) outlined seven mutually-reinforcing strategies for Singapore to stay ahead in a challenging global environment. In the fast changing economic landscape, Singaporeans should have deep skills and be inspired to learn throughout their lives. Businesses should be innovative and have strong digital capabilities. Furthermore, our city should continue to be vibrant, ever-renewing itself and well-connected to the world. Against this backdrop, the Institutes of Higher Learning (IHLs) are positioned to play an active role in driving and enabling a culture of lifelong learning amongst Singaporeans.

As a member of the CFE, I am heartened to see Singapore Polytechnic (SP) undertaking measures in response to this initiative. We held an inaugural workplan seminar with the theme "A Poly for All Ages" in April 2017. This is a statement not just of our aspiration to expand our student catchment beyond teenagers to include adults, but also about our commitment to stay relevant to Singapore's continual development. This theme not only charts the course for SP moving forward, but also allows us to reflect on the efforts we had taken in the preceding 12 months in support of lifelong learning.

SUPPORTING LIFELONG LEARNING

In the course of FY2016/2017, our Professional & Adult Continuing Education (PACE) Academy introduced more than 230 Continuing Education and Training (CET) courses for working professionals or PMETs.

To help them stay competitive in their jobs despite busy schedules, PACE Academy has rolled out 102 skills-based modular courses where there are some components which can be accessed online. This further allows flexibility for them to learn without sitting in class for these components. These courses are specially customised to reskill or upskill so that they are aligned to industry needs in areas such as Cybersecurity, Business Management and Biomedical Engineering. Credits earned in these modular courses can be accumulated to gain a full diploma qualification.

Engineer Mohamed Johannes Wahid, who was hoping to stay competitive in his job despite commitments and a busy schedule, benefitted from taking up a modular course in maritime and offshore operations at PACE Academy. The 36 year-old was able to learn about the activities carried out in the oil and gas industry, and the financial and safety requirements. He completed his short course after five months. He was able to apply his knowledge to a new job in a subsea services company.

Another adult learner is 42-year old Teng Chun Hwa, who works as a software developer. As Chun Hwa's company ventured into mobile development projects, the Masters Degree holder felt that he did not have the specific skills to keep up with his work. He then signed up for a modular course on Mobile Applications at PACE Academy, which enabled him to keep up with the latest technological trends and contribute more significantly to his company's projects. Inspired by the modular course, Chun Hwa has enrolled in the part-time Specialist Diploma in Digital Technologies for a Smart City.

We entered a three-year partnership with NTUC's Employment & Employability Institute (e2i) that supports union members to attain new industry-relevant skills to enhance their employability. They can leverage the Union Training Assistance Programme (UTAP) to attend skills-based modular courses under PACE Academy. SP and e2i will continue to identify and bridge skill gaps of PMETs by developing skills-based programmes to meet the needs of the industry.

PACE Academy also collaborated closely with Workforce Singapore, SkillsFuture Singapore and the industry to launch Professional Conversion Programmes (PCP) for sectors such as Precision Engineering, Manufacturing, Chemicals and Biopharmaceuticals. These programmes give a leg-up to fresh entrants, mid-careerists or unemployed PMETs with no relevant background in the sector they are entering.

A successful example is 28-year old Alicia Chua from Lion TCR, a biopharmaceutical company that develops cell therapy against life-threatening viral infections and viral-related cancers pertinent in Asia. Before her job switch, Alicia was a process engineer for four years. She decided to venture into the biopharmaceutical industry as she aspired to create new technologies that could improve the quality of lives. After completing three modules provided by PACE Academy, Alicia was more confident and better able to assist researchers in a clinical trial to develop a new method to treat liver cancer.

FOSTERING CLOSER INDUSTRY TIES

The past 12 months have also seen us strengthening our relationships and adding value to the industry.

Using IoT, Diploma in Computer Engineering students Gan Zhi Xian and Tan Lok San helped Sanmina – SCI Systems Pte Ltd, a global electronics services provider, to develop and implement an inventory tracking system to improve the company's productivity. The system allows the company to track close to 100 pieces of key equipment across three separate buildings at its current plant.

Under the supervision of lecturers Chong Siew Ping and Phyo Kyaw Kyaw, Joshua Matthew, Jannai Heng and Bernard Soh from the Diploma in Electrical and Electronic Engineering developed a smart bike alarm for ADSEC Singapore, a retail security company, to address the problem of bike thefts. The hand-sized alarm can be easily attached to a bicycle through an app that enables the bike to be locked and unlocked easily and tracked via Google Maps.

We also joined the industry-led 99% SME campaign to empower SMEs in the retail and food & beverage (F&B) sectors to be digitally savvy. Our SP students will help to raise the digital and marketing capabilities of local F&B operators. This not only enables the SMEs to stay ahead with greater digital capabilities but also provides our students with a good learning platform to apply their digital skills acquired.

In the Earn and Learn Programmes (ELP) front, SP developed with the Maritime and Port Authority of Singapore (MPA) three ELPs to provide our graduates with a head start in their maritime careers. We also launched an 18-month ELP to train fresh diploma holders for the energy and chemicals sector. Participants were able to undergo on-campus training at SP, structured on-the-job training and mentorship with industry leaders such as Shell, Mitsui and Hyflux. After completing the ELP, participants would attain an Advanced Diploma in Chemical Engineering.

Earlier this year, we formalised a collaboration with BASF, a global market leader in the human nutrition industry, to spur greater innovation in the food and nutrition sector. This includes the launch of BASF's first regional Newtrition® Lab Asia Pacific at SP and the signing of a five-year Memorandum of Cooperation (MoC), where BASF will customise a five-month internship programme for students from the School of Chemical and Life Sciences and co-develop course modules and final-year projects.

One such project saw Diploma in Food Science and Technology students Seah Zhi Ying working with BASF researchers to co-develop a method to improve the taste and quality of coconut juice. This was in response to a request from BASF's client based in The Philippines, who was looking for ways to preserve the quality of the packaged product after heat treatment. This provided a platform for our students to apply their skills and contribute towards innovation for a multi-national company, spurring its growth.

Furthermore, we signed an MoU with six social and community service agencies, marking the first structured internship programme between SP and the social and community service sector. Enhanced internships are now offered to the Diploma in Applied Drama and Psychology (DADP) students in a bid to meet the growing demand of skilled labour in this sector.

These industry tie-ups help SP shape our curriculum with greater relevance and also build numerous career progression pathways for our students.

LAYING THE GROUNDWORK

We have ensured that our Education and Career Guidance (ECG) efforts continue to be held to high standards. Our ECG resources – such as trained ECG counsellors and a dedicated ECG curriculum – guide students as they identify their interests and strengths and develop their professional skills. To this end, we signed a Memorandum of Understanding (MoU) with e2i, through which a new Career Excellence Immersion Programme will be rolled out to graduates embarking on ELP managed by SP. This is a first of its kind industry-specific programme to strengthen job-ready capabilities at the tertiary level. The one-day job preparatory workshop aims to inculcate in graduates soft skills, the right mindset and the drive for professional development as they transit into the workforce.

Notably, we also admitted our first batch of students through the Polytechnic Early Admissions Exercise (EAE), where admission is based on aptitude and interests. This was part of the efforts to emphasise talent and skills over grades in support of the SkillsFuture movement.

One notable EAE student is Diploma in Music and Audio Technology (DMAT) student Axel Teoh. Axel took Events Management in ITE but always had a heart for music. After ITE, he decided to apply for DMAT via EAE(I) to pursue his interest. He brought his performing and song writing experiences to his EAE interview and even performed some of his original rap songs. His portfolio and performance won the interview panel over and Axel managed to get into a course much aligned with his passion.

SP supports lifelong learning not merely by being active in the Continuing Education arena but it extends even to before a student is admitted through the career guidance we provide to applicants. By helping aspiring students to identify and pursue their passion, they are more likely to remain, learn, grow and achieve mastery in their chosen field.

GRADUATES OF EXCELLENCE

As we look at the pre-employment training (PET) students who have followed their passion and excelled in SP, we are hopeful that they will thrive in their fields and ride on the wave of lifelong learning.

One exemplary graduate is Don Loi Xu, who is also an Institutional Medallist. Don pursued the Diploma in Biotechnology course following an interest to use his knowledge for the greater good. SP gave him the chance to realise his interest in clinical research. He also undertook a seven-month internship at the Agency for Science, Technology and Research (A*STAR), where he collaborated with scientists on experiments and contributed to new ideas and treatments related to stem cell research. Today, Don has been offered the prestigious A*STAR Undergraduate Scholarship (AUS) and is set on a path toward a purposeful career in science.

We are also proud of the achievements of Esther Tan, an Institutional Medallist and graduate of the Diploma in Creative Writing for TV and New Media course. Esther had initially taken the Junior College route after 'O' Levels, but did not do well enough at 'A' Levels to enrol into a local university. She reconsidered her options, and enrolled into polytechnic. At SP, the budding writer bloomed. She produced a documentary "Heartware", which explored the topic of the aging population in Singapore. "Heartware" was nominated in the Best Documentary, Best Editing and Best Camerawork categories at the National Youth Film Awards, and also featured in two international film festivals. In addition, Esther helped to write and produce SP's very own web series, The Leon Theory, as part of her internship with Big 3 Media. Her passion and good work ethic impressed her supervisors that they offered her a full-time position, which she gladly accepted. Don and Esther are only two of our pool of graduates who have dared to dream and allowed SP to bring them to new heights.

Another notable graduate is Loo Hui Ming, who was also part of the pioneer batch of the Polytechnic Foundation Programme (PFP). She earned the second place in her cohort of 100 students who graduated with a Diploma in Financial Informatics. In Secondary Two, Hui Ming was aimless and demotivated, and stopped school for half a year. With the support of her parents, she managed to recover and even discover a strong interest in numbers. Her passion propelled her to study hard and earn a spot in SP to pursue financial informatics. Hui Ming's journey in SP strengthened her resolve to use technology to help businesses. She has been accepted into a fast track programme in Singapore Management University (SMU) where she will be pursuing a Master of Applied Information Systems on top of a Bachelor of Science (Information Systems).

A POLY FOR ALL AGES

Going forward, SP will double our efforts to become a poly not just for teenagers, but for all ages.

While PET students may continue to form the majority of our student population and remain a critical part of our mission, CET must also become integral to our mission.

We must inspire our students to learn beyond their PET years and throughout their adult lives, helping them to upskill, retool and stay employable. I envision a future where the classrooms of SP are filled up in the night as it is in the day, where CET students learn in the same laboratories and workshops as PET students, where parents and children access the same online course material together and even graduate together from their courses in SP.

We have an exciting journey ahead. Let us all come together to make this vision a reality and, in doing so, SP will continue to play a significant role in Singapore's ongoing development.



Mr Bill Chang York Chye

Chairman
Board of Governors
Singapore Polytechnic

BOARD OF GOVERNORS



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



MR JOHNNY TAN CHENG HYE
(Deputy Chairman)
Independent Arbitrator



MS AMANDA CHEN
(Member)



MR JOSEPH CHUA
(from 1 Apr 2017)
(Member)
Director
Panstone Holding
Chief Operating Officer (Asia)
Resn Asia Limited



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



DR BENJAMIN KOH
(Member)
Coordinating Divisional Director
Higher Education Group
Ministry of Education



MR MARCUS H C LAM
(from 1 Apr 2017)
(Member)
Partner – Head of General Assurance
PricewaterhouseCoopers LLP



DR LEE SHIANG LONG
(Member)
President
Singapore Technologies Kinetics Ltd



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

**MR DAVID NEO CHIN WEE**

(Member)
Programme Director
Pioneer Generation Office
People's Association

**PROF NG WUN JERN**

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

**DR NOORUL FATHA AS'ART**

(Member)
Senior Assistant Director
(Medical Standards & Planning)
Singapore Prison Service

**MR SEW CHEE JHUEN**

(Member)
President
Special Projects
Singapore Technologies Engineering Ltd

**MR SOH WAI WAH**

(from 1 Oct 2016)
(Member)
Principal & CEO
Singapore Polytechnic

**DC TAN CHYE HEE**

(Member)
Deputy Commissioner of Police
(Investigations and Intelligence)
Concurrent Director
Criminal Investigation Department
Singapore Police Force

**MR WHANG SHANG YING**

(Member)
Executive Director
Lam Soon Singapore Pte Ltd

**MR WONG KIM YIN**

(Member)
Group Chief Executive Officer
Singapore Power Limited

**MS GRACE YOW**

(From 1 Apr 2017)
(Member)
Managing Director & Executive Vice-President
Fluidigm Singapore Pte Ltd

MR CHOO KENG HUI

(Secretary) Registrar
Singapore Polytechnic

We would like to thank the following members for their past service to SP:

1. **Mr Chia Boon Kuah**, Member (till 31 Mar 2017)
2. **Ms Chong Phit Lian**, Member (till 31 Mar 2017)
3. **Mr John Lim Hua Ern**, Member (till 31 Aug 2016)
4. **Mr Tan Choon Shian**, Former Principal & CEO, Singapore Polytechnic (till 31 July 2016)
5. **Mr Allan Yeo Hwee Tiong**, Member (till 31 Mar 2017)

STANDING COMMITTEES

ADMINISTRATION & DEVELOPMENT COMMITTEE

Chairman : Mr Johnny Tan Cheng Hye
Members : Mr Sew Chee Jhuen
 Mr Tan Choon Shian (till 31 Jul 2016)
 Mr Soh Wai Wah (from 1 Oct 2016)
 DC Tan Chye Hee
 Mr Allan Yeo Hwee Tiong (till 31 Mar 2017)
Secretary : Mr C. Pannirselvam
 Ms Jenny Wong Siow Ching

AUDIT COMMITTEE

Chairman : Mr Max Loh Khum Whai
Members : Ms Chong Phit Lian (till 31 Mar 2017)
 Mr Goh Teik Poh
Secretary : Mr Ronnie Chan Chin Sing

INVESTMENT COMMITTEE

Chairman : Ms Amanda Chen
Members : Mr Chia Boon Kuah (till 31 Mar 2017)
 Mr Tan Choon Shian (till 31 Jul 2016)
 Mr Soh Wai Wah (from 1 Oct 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)
 Mr Soh Wai Wah (from 1 Oct 2016)

STAFF DISCIPLINARY COMMITTEE AND STUDENT DISCIPLINARY APPEAL COMMITTEE

Chairman : DC Tan Chye Hee
Members : Dr Noorul Fatha As'art
 Mr David Neo Chin Wee
 Dr Lee Shiang Long
 Prof Ng Wun Jern
Secretary : Mrs Elizabeth Ann Khoo-Lee May Yong (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 (till 31 Aug 2016)
 Dr Benjamin Koh (from 1 Sep 2016)
 Mr Tan Choon Shian (till 31 Jul 2016)
 Mr Soh Wai Wah (from 1 Oct 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 Soh Wai Wah
 Principal & CEO (from 1 Oct 2016)

PERMANENT MEMBERS

Mr Lim Peng Hun
 Deputy Principal (Academic) (from 1 Apr 2017)
 Deputy Principal, Engineering (till 31 Mar 2017)
Mr Hee Joh Liang
 Deputy Principal (Development)
 Senior Director, Applied & Health Sciences (till 31 Mar 2017)
Dr Chai Min Sen
 Senior Director, Communication, Mathematics & the Sciences
Mr Henry Tan Hin Teck
 Senior Director, Architecture, Design & Environment (till 31 Mar 2017)
 Senior Director, Corporate Planning & Communications (till 31 Mar 2017)
 Senior Director, Planning & Organisation Development (from 1 Apr 2017)
Mr Tan Peng Ann
 Senior Director, Administration
Ms Georgina Phua Hwee Choo
 Senior Director, Business, Infocomm & Media (till 31 Mar 2017)
 Senior Director, Business, Infocomm, Design & Environment (from 1 Apr 2017)
Mr Choo Keng Hui (Secretary)
 Senior Director (Student & Academic Affairs)/ Registrar
Mr Daniel Tan Kim Soon
 Director, Architecture & the Built Environment (till 31 Dec 2016)
Mr Goh Siak Koon
 Director, Architecture & the Built Environment (from 1 Jan 2017)
Mrs Elizabeth Ann Khoo-Lee May Yong
 Director, Academic Services
Ms Tan Yen Yen
 Acting Director, Business
Ms Lim Lee Yee
 Director, Communication, Arts & Social Sciences
Dr Adrian Yeo Chao Chuang
 Director, Chemical & Life Sciences
Ms Tang Soo Yin
 Director, Design
Dr Faris Abkar Hajamaideen
 Director, Digital Media & Infocomm Technology

Mrs Helene Leong-Wee Kwee Huay

Director, Educational Development

Mr Loh Yew Chiong

Senior Director, Engineering (from 1 Apr 2017)
 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

Capt Mohd Salleh Bin Ahmad Sarwan

Director, Singapore Maritime Academy

Mrs Yap Siew Lay

Deputy Director, Organisation Planning & Development

ELECTED MEMBERS

Mr Dennis Goh

Architecture & the Built Environment

Ms Doris Nga

Communication, Arts & Social Sciences

Ms Ong Guat Choon

Chemical & Life Sciences

Mr Lim De Yang

Digital Media & Infocomm Technology

Mr Goh Say Seng

Electrical & Electronic Engineering

Dr Lim Chee Kian

Mechanical & Aeronautical Engineering

Mr Alvin Ng

Mathematics & Science

Mr Robert Tan

Business

Mr Ng Teck Tiong

Design

Capt Sahwan Osman

Singapore Maritime Academy

MANAGEMENT TEAM

PRINCIPAL & CEO

Mr Soh Wai Wah

DEPUTY PRINCIPAL (ACADEMIC)

Mr Lim Peng Hun

DEPUTY PRINCIPAL (DEVELOPMENT)

Mr Hee Joh Liang

ACADEMIC SCHOOLS

BUSINESS, INFOCOMM, DESIGN & ENVIRONMENT

Senior Director

Ms Georgina Phua Hwee Choo

Acting Director, Business

Ms Tan Yen Yen

Director, Digital Media & Infocomm Technology

Dr Faris Akbar Hajamaideen

Director, Architecture & the Built Environment

Mr Goh Siak Koon

Director, Design

Ms Tang Soo Yin

COMMUNICATION, MATHEMATICS & THE SCIENCES

Senior Director

Dr Chai Min Sen

Director, Communication, Arts & Social Sciences

Ms Lim Lee Yee

Director, Mathematics & Science

Ms Chao Yunn Chyi

Director, Chemical & Life Sciences

Dr Adrian Yeo Chao Chuang

ENGINEERING

Senior Director

Mr Loh Yew Chiong

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

DEPARTMENTS

Director, Communications

Ms Yvonne Chan Leng Leng

Director, Human Resource

Mrs Yeung-Ng Geak Hong

Director, Internal Audit

Mr Ronnie Chan Ching Sing

Director, Educational Development

Mrs Helene Leong-Wee Kwee Huay

Director, Library

Mrs Fang Sin Guek

Director, Industry Services

Dr Rajnish Gupta

Director, Technology, Innovation & Enterprise

Dr Rajnish Gupta

Director, Professional & Adult Continuing Education (PACE) Academy

Mr Suresh Punjabi

ADMINISTRATION

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

PLANNING & ORGANISATION DEVELOPMENT

Senior Director

Mr Henry Tan Hin Teck

Director, Organisation Planning & Development

Mr Henry Tan Hin Teck

STUDENT & ACADEMIC AFFAIRS

Senior Director/Registrar

Mr Choo Keng Hui

Director, Academic Services

Mrs Elizabeth Ann Khoo-Lee May Yong

Director, Student Development & Alumni Relations

Mr Kelly Lee Wai Kin

Director, Student Services

Mr Clarence Chua Eng Chye

FACTS AND FIGURES



STUDENT ENROLMENT

16,912

Full-time Diploma **14,671**

Polytechnic Foundation Programme (PFP) **239**

Under the Continuing Education and Training (CET) framework

Part-time Diploma **952**

Post-Diploma **1,050**

216 Advanced Diploma, 499 Specialist Diploma and 335 Diploma (Conversion)

The new intake of 6,144 students in academic year 2016/2017 included

Full-time Diploma **4,737**

Polytechnic Foundation Programme (PFP) **239**

Under the CET framework

Part-time Diploma **399**

Post-Diploma **769**

137 Advanced Diploma, 404 Specialist Diploma and 228 Diploma (Conversion)



STUDENT CCAs

112

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



STAFF STRENGTH

1,642

comprising 853 academic staff and 789 non-teaching staff.



GRADUATE OUTPUT/ EMPLOYMENT

5,845

students graduated from Singapore Polytechnic in the academic year 2015/2016. Of these, 5,007 graduated from full-time courses and 838 from part-time courses.

As of January 2017, 90.1% of fresh graduates found full-time permanent or part-time / temporary employment.



CONTINUING EDUCATION PROGRAMMES

19,032

participants attended a total of 1,114 continuing education programmes offered by Singapore Polytechnic. The programmes included 124 Singapore Workforce Skills Qualification courses, 328 short courses, 133 tailor-made courses, 120 certification courses, 324 examinations, 51 e-learning courses, 7 Part-Time Diplomas, 6 Diploma (Conversion) and 9 Advanced Diplomas and 12 Specialist Diplomas.

HIGHLIGHTS

April 2016

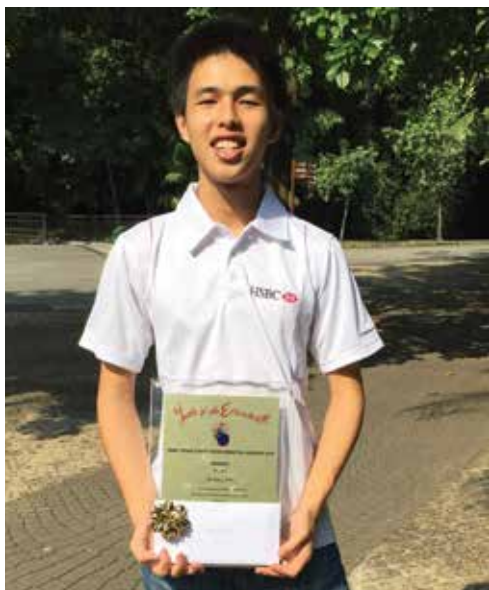


Competing against 63 project entries from 150 tertiary students in Singapore, two student teams from SP's Diploma in Information Technology were each crowned champions of the Games and Innovation categories at the Microsoft Imagine Cup Singapore 2016.

May 2016



More than 5,800 graduates received their diploma certificates at Singapore Polytechnic's 56th Graduation Ceremony. Notably, of these graduates was the pioneer batch of 30 Diploma in Engineering Systems (DES) students.



SP's Diploma in Environmental Management and Water Technology alumnus, Ho Xiang Tian was one of the winners of the annual HSBC/NYAA (National Youth Achievement Award) Youth Environmental Award that recognises youths for their green contributions.

June 2016



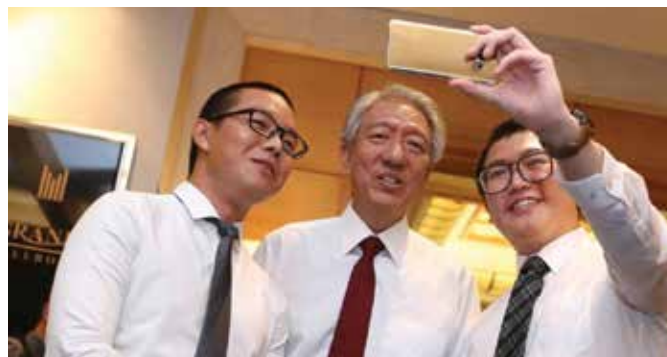
Source: Lianhe Zaobao © Singapore Press Holdings Limited. Permission required for reproduction

Three Earn and Learn Programmes (ELP) were jointly developed by Singapore Polytechnic, Maritime and Port Authority of Singapore (MPA) and the then-Singapore Workforce Development Agency (WDA). These ELPs aim to provide fresh polytechnic graduates with a head-start in their maritime careers through facilitated training, in-house structured programmes and mentorship with industry partners.

July 2016



Audrey Yong, an SP's Diploma in Hotel and Leisure Facilities Management student, as well as Leonard Ong, an SP's Diploma in Chemical Engineering alumnus, competed at the Rio 2016 Olympics, representing Singapore for the first time since 1984. Audrey was the first female windsurfer from Singapore to compete at the Olympics. She was also named Sailor of the Year, a title awarded by the Singapore Sailing Federation.



Daniel Ho and William Tan were among the 73 recipients of the Public Service Commission (PSC) Scholarship. Daniel, who graduated from SP's Diploma in Infocomm Security Management, was also the Institutional Medallist from Class of 2016. William Tan graduated from SP's Diploma in Electrical and Electronic Engineering.

August 2016



First of its kind among institutes of higher learning, the new Special Education Needs (SEN) Centre at SP opened its doors to students here. Equipped with a rest area, resources such as books on SEN, and assistive technology devices, this facility will greatly benefit those like Diploma in Business Information student and wheelchair user, Mohammed Najulah.



SP and the then-WDA launched an 18-month long Earn and Learn Programme (ELP) to boost skilled local manpower for the energy and chemicals sector. Participants will undergo on-campus training at SP, along with structured on-the-job training and mentorship with industry leaders such as Shell, Mitsui and Hyflux to receive an Advanced Diploma in Chemical Engineering.



Fiona Quah, a student from SP's Diploma in Media and Communication, beat more than 100 entries for a GoBear video competition to win the grand prize of \$10,000. A budding film-maker, Fiona's video shared her interest in the stories of our local hawkers.



Eleven SP colleagues have been accorded the 2016 National Day Honours in various award categories by the President of the Republic of Singapore.

September 2016



SP and Tan Tock Seng Hospital (TTSH) jointly developed a new test kit that uses nanotechnology to detect dengue in 45 minutes with 100% accuracy rate. With this success, SP and TTSH also signed a second Memorandum of Understanding (MOU) to innovate new methods of early detection of infectious diseases for the next 3 years.

October 2016

SP was one of the five polytechnics that the Monetary Authority of Singapore (MAS) signed a Memorandum of Understanding (MOU) with to promote the development of skills in financial technology (fintech). SP will work with MAS to shape a curriculum to bring about greater alignment with the needs of the financial sector. In addition, MAS will facilitate fintech internship opportunities for final-year polytechnic students.



Among the finalists of the LTA Engineering Challenge organised by Land Transport Authority (LTA) are two teams from SP. SP's Diploma in Aerospace Electronics students came up with a prototype of an Unmanned Aerial Vehicle to conduct track inspections in long and deep MRT tunnels. Another team of students from SP's School of Architecture and the Built Environment developed a computer model to show how MRT trains can be extended to ease crowd congestion during peak hours.



SP became one of the first government agencies to launch Workplace by Facebook enhance interactions between staff.

November 2016



SP, Workforce Singapore (WSG) and Agilent Technologies launched the new Lean Enterprise Development (LED) project to help Small and Medium Enterprises (SMEs) in food manufacturing improve their efficiency and productivity in product testing and development.



Close to 1000 adult learners have graduated from SP's Professional and Adult Continuing Education (PACE) Academy, with 529 adult students from 31 courses who graduated this year. The ceremony also saw the pioneer batch of graduates from the first Earn and Learn Programme (ELP) for Food Manufacturing. The 18 graduates each received an Advanced Diploma in Applied Food Science under the work-study programme which was launched in April last year.

December 2016



SP's Diploma in Business Information Technology (DBIT) final-year students launched a new mobile app for aspiring photographers called - LocatLor! - on the Google Play Store, under their new start-up Livvit. The app is the first to be funded under SP's 36-week SPiNOFF entrepreneurship programme, which sees the poly collaborating with seed capital and start-up incubator firm Spaze Ventures.

January 2017



SP and BASF, one of the world's leading chemical companies, formalised a series of collaboration, including the launch of BASF's first regional Newtrition Lab Asia Pacific at SP and the signing of the five-year Memorandum of Cooperation (MOC). As part of the collaboration, BASF will customise a five-month internship programme for students from the School of Chemical and Life Sciences (CLS) and work with SP to co-develop course modules and final-year projects for CLS students.



James Pang Jun Jie, Paing Khantt Lin, Bryan Cheong Teng Yue and Bryston Chang Wa Jie, from the School of Digital Media and Infocomm Technology, won in the tertiary category for the National Science Experiment (NSE) Big Data Challenge, for their analysis of big data and findings on how students who exercise frequently tend to be generally happier.

February 2017



SP signed a Memorandum of Understanding (MOU) with Ubisoft, allowing the Diploma in Information Technology and Diploma in Digital Animation students to visit Ubisoft's studio, attend master classes by Ubisoft developers and do internships with the company.



The Government Technology Agency of Singapore (GovTech) signed six individual Memorandums of Understanding (MOU), and two Memorandums of Intent (MOI) with eight Institutes of Higher Learning (IHLs), including SP, to provide training opportunities for about 300 students. GovTech will provide students exposure through internships, attachments, final-year projects, and tech-related competitions in which they will work on technological solutions for problems faced by public agencies.

Singapore Fintech Association signed a Memorandum of Understanding (MOU) with SP, along with the other four polytechnics, to bolster skilled labour in areas such as data analytics and cybersecurity. As part of the PolyFinTech100 initiative to boost Singapore's position as a smart financial centre, more internships will be created for final-year polytechnic students at start-ups, financial institutions and regulatory bodies, in addition to 100 workshops by industry experts to be launched for students.

March 2017



SP signed a Memorandum of Cooperation with global professional services company Accenture, to develop and build a digital chemical plant that will enhance teaching and learning. Through the use of sensors, cameras and even smart glasses, scenarios such as a pump failure or adverse conditions can be simulated through the Internet of Things for students to develop deep skills and knowledge. Learning through Augmented Reality will soon be possible for students taking up the Diploma in Chemical Engineering course or related CET courses.



SP signed a Memorandum of Understanding (MOU) with six social and community service agencies, marking the first structured internship programme between SP and the social and community service sector. Our Diploma in Applied Drama and Psychology (DADP) students can look forward to enhanced internships that provide real-life experiences of the work in the sector, so that students are better prepared to enter the industry.



SP and NTUC's Employment & Employability Institute (e2i) have signed a Memorandum of Understanding (MOU) to roll out a new Career Excellence Immersion Programme by e2i in July 2017 to graduates embarking on the SkillsFuture Earn and Learn Programmes (ELP).

Under this three-year partnership, union members may attain new industry-relevant skills under the Union Training Assistance Programme (UTAP). SP's Professional & Adult Continuing Education (PACE) Academy will offer an additional 102 skills-based modular courses, totalling 230 courses offered by PACE Academy under UTAP.

SP and other four polytechnics launched PolyMall, an online education platform to offer a range of foundation modules for students, and courses for the Professional Development of polytechnic staff.

FINANCIAL REPORT

Singapore Polytechnic and its subsidiaries

For the year ended 31 March 2017



STATEMENT BY BOARD OF GOVERNORS

for the financial year ended 31 March 2017

In our opinion,

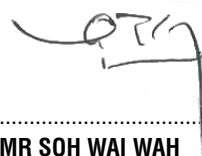
- (a) the accompanying financial statements of the Polytechnic and its subsidiaries (the “Group”), which comprise the statements of financial position of the Polytechnic and the Group as at 31 March 2017, the statements of comprehensive income and statements of changes in funds and reserves of the Group 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 2017 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 SOH WAI WAH
Principal and Chief Executive Officer

Dated: 30 June 2017

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

Report on the Audit of the Financial Statements

Opinion

We have audited the 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 2017, 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 notes to the financial statements, including a summary of significant accounting policies.

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 Singapore Polytechnic Act, Chapter 303 (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 2017 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.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the annual report and Statement by Board of Governors, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Group or for the Group to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent auditor's report to the members of the Board of Governors of Singapore Polytechnic (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent auditor's report to the members of the Board of Governors of Singapore Polytechnic (continued)**Report on Other Legal and Regulatory Requirements**

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.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Compliance Audit section of our report. We are independent of the Institute in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

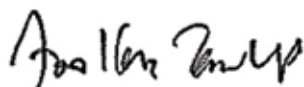
Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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.

Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. 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.



.....
Foo Kon Tan LLP

Public Accountants and
Chartered Accountants

Singapore, 30 June 2017

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2017

	Note	The Group		The Polytechnic	
		31 March 2017 \$'000	31 March 2016 \$'000 (Restated)	31 March 2017 \$'000	31 March 2016 \$'000 (Restated)
Endowment Fund (Capital)	3	34,037	32,563	34,037	32,563
Accumulated surplus					
- General fund		233,522	219,632	233,828	219,958
- Other funds	3	119,388	115,185	115,892	112,275
- Fair value reserve		(2)	69	(2)	69
Total capital and other funds		386,945	367,449	383,755	364,865
Represented by:					
Assets					
Non-Current					
Property, plant and equipment	4	388,944	399,557	388,929	399,538
Investment in subsidiaries	5	-	-	1,100	1,100
Financial assets, at fair value through profit or loss	6	106,211	63,600	106,211	63,600
Available-for-sale financial assets	7	30,125	17,267	29,919	17,061
Loan to Singapore Polytechnic Graduates' Guild	8	135	495	135	495
Staff and student loans	9	42	42	42	42
Deferred income tax assets	10	3	6	-	-
		525,460	480,967	526,336	481,836
Current					
Trade and other receivables	11	15,580	21,366	15,643	21,475
Loan to Singapore Polytechnic Graduates' Guild	8	360	360	360	360
Available-for-sale financial assets	7	2,009	8,120	2,009	8,120
Cash and bank balances	12	351,008	366,890	348,009	363,264
		368,957	396,736	366,021	393,219
Total assets		894,417	877,703	892,357	875,055
Liabilities					
Current					
Trade and other payables	13	45,884	45,595	47,058	45,597
Government grants received in advance	14	76,258	72,809	76,258	72,809
Current income tax liabilities		44	66	-	-
		122,186	118,470	123,316	118,406
Net Current Assets		246,771	278,266	242,705	274,813
Non-Current					
Deferred capital grants	15	357,984	369,704	357,984	369,704
Other payables	13	5,233	-	5,233	-
Advances received - SIT	16	22,069	22,080	22,069	22,080
		385,286	391,784	385,286	391,784
Total liabilities		507,472	510,254	508,602	510,190
Net assets		386,945	367,449	383,755	364,865
		31 March 2017 \$'000	31 March 2016 \$'000	31 March 2017 \$'000	31 March 2016 \$'000
Net assets of funds managed on behalf of the Ministry	17	9,890	10,915	9,890	10,915

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 2017

The Group	Note	General fund		Other funds		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Operating income							
Course fees		47,012	48,751	13,026	14,278	60,038	63,029
Consultancy fees			-	3,352	3,810	3,352	3,810
Other fees		423	461	-	-	423	461
		47,435	49,212	16,378	18,088	63,813	67,300
Operating expenditure							
Staff costs	18	(195,321)	(197,210)	(11,093)	(11,178)	(206,414)	(208,388)
Teaching materials		(7,467)	(7,857)	(513)	(843)	(7,980)	(8,700)
Repairs and maintenance		(16,815)	(17,893)	-	(1)	(16,815)	(17,894)
Depreciation of property, plant and equipment	4	(43,486)	(40,852)	(1,158)	(1,178)	(44,644)	(42,030)
Development expenses expensed off		(6,085)	(8,690)	-	-	(6,085)	(8,690)
Staff development and benefits		(6,137)	(5,381)	(16)	(13)	(6,153)	(5,394)
Other expenditure	19	(28,576)	(28,176)	(9,914)	(11,441)	(38,490)	(39,617)
		(303,887)	(306,059)	(22,694)	(24,654)	(326,581)	(330,713)
Operating deficit		(256,452)	(256,847)	(6,316)	(6,566)	(262,768)	(263,413)
Non-operating income							
Donations		-	-	991	909	991	909
Interest income		2,424	1,926	2,002	1,161	4,426	3,087
Rental income		890	873	3,415	3,312	4,305	4,185
Fair value gains/(losses) - financial assets at fair value through profit or loss		2,680	(14)	807	200	3,487	186
Other income	20	6,343	6,986	3,352	4,557	9,695	11,543
Operating (deficit)/surplus before grants and tax		(244,115)	(247,076)	4,251	3,573	(239,864)	(243,503)
Grants	21	258,005	265,063	-	-	258,005	265,063
Surplus before income tax		13,890	17,987	4,251	3,573	18,141	21,560
Income tax expense	22	-	-	(48)	(64)	(48)	(64)
Net surplus for the year		13,890	17,987	4,203	3,509	18,093	21,496
Other comprehensive gain/(loss):							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Net change in fair value of available-for-sale financial assets		(35)	59	(36)	(203)	(71)	(144)
Total comprehensive income		13,855	18,046	4,167	3,306	18,022	21,352

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2017

	Note	General fund		Other funds		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
The Polytechnic							
Operating income							
Course fees		47,012	48,751	13,026	14,278	60,038	63,029
Other fees		423	461	-	-	423	461
		47,435	49,212	13,026	14,278	60,461	63,490
Operating expenditure							
Staff costs	18	(195,321)	(197,210)	(10,287)	(10,243)	(205,608)	(207,453)
Teaching materials		(7,467)	(7,857)	(513)	(843)	(7,980)	(8,700)
Repairs and maintenance		(16,815)	(17,893)	-	-	(16,815)	(17,893)
Depreciation of property, plant and equipment	4	(43,486)	(40,852)	(1,154)	(1,173)	(44,640)	(42,025)
Development expenses expensed off		(6,085)	(8,690)	-	-	(6,085)	(8,690)
Staff development and benefits		(6,137)	(5,381)	-	-	(6,137)	(5,381)
Other expenditure	19	(28,908)	(28,176)	(7,990)	(9,546)	(36,898)	(37,722)
		(304,219)	(306,059)	(19,944)	(21,805)	(324,163)	(327,864)
Operating deficit		(256,784)	(256,847)	(6,918)	(7,527)	(263,702)	(264,374)
Non-operating income							
Donations		-	-	991	911	991	911
Interest income		2,424	1,926	2,002	1,161	4,426	3,087
Rental income		981	873	3,415	3,403	4,396	4,276
Fair value gains/(losses) - financial assets at fair value through profit or loss		2,680	(14)	807	200	3,487	186
Other income	20	6,564	6,986	3,320	4,689	9,884	11,675
Operating (deficit)/surplus before grants and tax		(244,135)	(247,076)	3,617	2,837	(240,518)	(244,239)
Grants	21	258,005	265,063	-	-	258,005	265,063
Surplus before income tax		13,870	17,987	3,617	2,837	17,487	20,824
Income tax expense	22	-	-	-	-	-	-
Net surplus for the year		13,870	17,987	3,617	2,837	17,487	20,824
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		(35)	59	(36)	(203)	(71)	(144)
Total comprehensive income		13,835	18,046	3,581	2,634	17,416	20,680

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 2017

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 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
Total comprehensive income/(loss) for the year	-	13,890	4,203	(71)	18,022
Contributions and donations received for the endowment fund (capital)	1,474	-	-	-	1,474
Balance at 31 March 2017	34,037	233,522	119,388	(2)	386,945

The Polytechnic

Balance at 1 April 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
Total comprehensive income/(loss) for the year	-	13,870	3,617	(71)	17,416
Contributions and donations received for the endowment fund (capital)	1,474	-	-	-	1,474
Balance at 31 March 2017	34,037	233,828	115,892	(2)	383,755

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2017

		2017 \$'000	2016 \$'000 (Restated)
Cash Flows from Operating Activities			
Operating deficit before grants and after tax		(239,912)	(243,567)
Adjustments for:			
Depreciation of property, plant and equipment	4	44,644	42,030
Interest income		(4,426)	(3,087)
Loss on disposal of property, plant and equipment		182	175
Fair value gains of financial assets, at fair value through profit or loss		(3,487)	(186)
Reversal of impairment loss - loan to SPGG		-	(1,215)
Income tax expense		48	64
Operating deficit before working capital changes		(202,951)	(205,786)
Change in trade and other receivables		427	(2,579)
Change in staff and student loans		95	95
Change in trade and other payables		(2,846)	(9,752)
Cash used in operations		(205,275)	(218,022)
Income tax paid		(67)	(52)
Net cash used in operating activities		(205,342)	(218,074)
Cash flows from Investing Activities			
Interest received		4,426	3,087
Purchase of property, plant and equipment (Purchase) / Redemption of financial assets, at fair value through profit or loss, net	4	(34,214)	(38,435)
(Purchase) / Redemption of available-for-sale financial assets, net		(39,123)	41,082
(Purchase) / Redemption of available-for-sale financial assets, net		(6,818)	(15,138)
Loan repayment from SPGG		360	360
Proceeds from disposals of property, plant and equipment		1	17
Net cash used in investing activities		(75,368)	(9,027)
Cash Flows from Financing Activities			
Development grants received from Government		8,479	37,687
IT and F & E grants received from Government		20,000	24,442
Innovation grants received from Government		2,884	3,285
Polytechnic baseline grants received from Government		-	1,000
Operating grants received from Government		228,249	222,060
Operating grants received from non-government organisations		5,824	5,402
Contributions and donations received for the endowment fund (capital)		271	1,928
Net cash generated from financing activities		265,707	295,804
Net increase in cash and cash equivalents		(15,003)	68,703
Cash and cash equivalents at beginning of year		364,217	295,514
Cash and cash equivalents at end of year	12	349,214	364,217

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

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 2017 are \$388,944,000 (2016 - \$399,557,000) and \$388,929,000 (2016 - \$399,538,000), 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.

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 Significant accounting policies (continued)

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 2016.

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 113	Fair Value Measurements
Improvements to SB-FRSs (November 2014)	
SB-FRS 1	Amendments to SB-FRS 1: Presentation of Financial Statements

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 that are not effective which the Group and the Polytechnic have yet adopted:

Description	Effective date (Annual periods beginning on or after)
SB-FRS 7: Amendments to SB-FRS 7: Statement of Cash Flows	1 January 2017
SB-FRS 1001: Accounting and Disclosure for Non-Exchange Revenue	1 January 2017
SB-FRS 115: Revenue from contracts with customers	1 January 2018
Clarifications to SB-FRS 115 Revenue from Contracts with Customers	1 January 2018
SB-FRS 109: Financial Instruments	1 January 2018
SB-FRS 116: Leases	1 January 2019

SB-FRS 7: Amendments to SB-FRS 7: Statement of Cash Flows

The Amendments to SB-FRS 7 *Statement of Cash Flows* required entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed equity – to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances, in particular way - e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances. These amendments are effective on beginning or after 1 January 2017. As this is a disclosure standard, it will have no impact to the financial position and performance of the Group when applied.

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.

2 Significant accounting policies (continued)

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

Clarifications to SB-FRS 115 Revenue from Contracts with Customers

The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, SB-FRS 115, i.e. on 1 January 2018.

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.

SB-FRS 116: Leases

SB-FRS 116 *Leases* replaces accounting requirements introduced more than 30 years ago in accordance with SB-FRS 17 *Leases* that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required for lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with SB-FRS 17. SB-FRS 116 *Leases* will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the company has adopted SB-FRS 115. 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 an accrual basis. With effect from 1 April 2016, based on the Board of Governor's endorsement, Information Technology and Furniture and Equipment grants are set aside from the government operating grants and are included in the "Government grants received in advance" prior to utilisation.

Other Government Grant 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.

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

2 Significant accounting policies (continued)

2.7 Consolidation (continued)

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 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.

2.9 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 is 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.

2 Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

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.

2.12 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 Jardine (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.

2 Significant accounting policies (continued)

2.12 Property, plant and equipment (continued)

(b) Depreciation

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

Leasehold land	Leasehold period ranging from 21 to 86 years
Building (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.

(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 Significant accounting policies (continued)

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.

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.

2 Significant accounting policies (continued)

2.18 Employee compensation (continued)

(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.

2.19 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);
 - (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); or
 - (viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting 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:

The Group and The Polytechnic	2017 \$'000	2016 \$'000
At beginning of the year	32,563	30,650
MOE matching donation grant	1,203	1,518
Donations received from third parties	271	395
At end of the year	34,037	32,563

Represented by:

Available-for-sale financial assets	27,881	16,138
Cash at bank	4,953	16,425
Amount due from Ministry	1,203	-
	34,037	32,563

- (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 2016 is \$1,137,943 (2015 - \$1,332,602).

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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Operating income								
Course fees	-	-	-	-	13,026	14,278	13,026	14,278
Consultancy fees	-	-	-	-	3,352	3,810	3,352	3,810
	-	-	-	-	16,378	18,088	16,378	18,088
Operating expenditure								
Staff costs	-	-	-	-	(11,093)	(11,178)	(11,093)	(11,178)
Teaching materials	-	-	-	-	(513)	(843)	(513)	(843)
Repairs and maintenance	-	-	-	-	-	(1)	-	(1)
Depreciation of property, plant and equipment	-	-	(53)	(54)	(1,105)	(1,124)	(1,158)	(1,178)
Staff development and benefits	-	-	-	-	(16)	(13)	(16)	(13)
Other expenditure	(1,830)	(1,506)	(780)	(698)	(7,304)	(9,237)	(9,914)	(11,441)
	(1,830)	(1,506)	(833)	(752)	(20,031)	(22,396)	(22,694)	(24,654)
Operating deficit	(1,830)	(1,506)	(833)	(752)	(3,653)	(4,308)	(6,316)	(6,566)
Non-operating income								
Donations	991	911	-	-	-	(2)	991	909
Interest income	924	374	43	31	1,035	756	2,002	1,161
Rental income	-	-	-	-	3,415	3,312	3,415	3,312
Fair value gain								
- financial assets at fair value through profit or loss	-	17	-	-	807	183	807	200
Other income	859	420	349	823	2,144	3,314	3,352	4,557
Surplus/(deficit) before grants and tax	944	216	(441)	102	3,748	3,255	4,251	3,573
Income tax expense	-	-	-	-	(48)	(64)	(48)	(64)
Net surplus/(deficit) for the year	944	216	(441)	102	3,700	3,191	4,203	3,509

The Polytechnic	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Operating income								
Course fees	-	-	-	-	13,026	14,278	13,026	14,278
	-	-	-	-	13,026	14,278	13,026	14,278
Operating expenditure								
Staff costs	-	-	-	-	(10,287)	(10,243)	(10,287)	(10,243)
Teaching materials	-	-	-	-	(513)	(843)	(513)	(843)
Repairs and maintenance	-	-	-	-	-	-	-	-
Depreciation of property, plant and equipment	-	-	(53)	(54)	(1,101)	(1,119)	(1,154)	(1,173)
Staff development and benefits	-	-	-	-	-	-	-	-
Other expenditure	(1,830)	(1,506)	(780)	(698)	(5,380)	(7,342)	(7,990)	(9,546)
	(1,830)	(1,506)	(833)	(752)	(17,281)	(19,547)	(19,944)	(21,805)
Operating deficit	(1,830)	(1,506)	(833)	(752)	(4,255)	(5,269)	(6,918)	(7,527)
Non-operating income								
Donations	991	911	-	-	-	-	991	911
Interest income	924	374	43	31	1,035	756	2,002	1,161
Rental income	-	-	-	-	3,415	3,403	3,415	3,403
Fair value gain								
- financial assets at fair value through profit or loss	-	17	-	-	807	183	807	200
Other income	859	420	349	823	2,112	3,446	3,320	4,689
Surplus/(deficit) before grants and tax	944	216	(441)	102	3,114	2,519	3,617	2,837
Income tax expense	-	-	-	-	-	-	-	-
Net surplus/(deficit) for the year	944	216	(441)	102	3,114	2,519	3,617	2,837

3 Other funds (continued)

Other funds comprise the following:

The Group	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Accumulated surplus at 31 March	10,212	9,268	4,329	4,770	104,847	101,147	119,388	115,185
Represented by:								
Property, plant and equipment	-	-	370	415	8,525	6,416	8,895	6,831
Staff and student loans	-	-	180	258	31	49	211	307
Financial assets, at fair value through profit or loss	-	-	-	-	18,604	26,873	18,604	26,873
Loan to SPGG	-	-	-	-	495	855	495	855
Available-for-sale financial assets	-	(113)	-	-	206	5,291	206	5,178
Fair value reserve	-	113	-	-	-	(160)	-	(47)
Cash and cash equivalents	9,883	8,983	-	4,097	77,780	65,808	87,663	78,888
Receivables, deposits and prepayments	339	298	3,779	-	1,567	(111)	5,685	187
Payables, deposits and accruals	(10)	(13)	-	-	(2,320)	(3,814)	(2,330)	(3,827)
Current income tax liabilities	-	-	-	-	(44)	(66)	(44)	(66)
Deferred income tax assets	-	-	-	-	3	6	3	6
	10,212	9,268	4,329	4,770	104,847	101,147	119,388	115,185

The Polytechnic	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Accumulated surplus at 31 March	10,212	9,268	4,329	4,770	101,351	98,237	115,892	112,275
Represented by:								
Property, plant and equipment	-	-	370	415	8,511	6,398	8,881	6,813
Staff and student loans	-	-	180	258	31	49	211	307
Investment in subsidiaries	-	-	-	-	1,100	1,100	1,100	1,100
Loan to SPGG	-	-	-	-	495	855	495	855
Financial assets, at fair value through profit or loss	-	-	-	-	18,604	26,873	18,604	26,873
Available-for-sale financial assets	-	(113)	-	-	-	5,085	-	4,972
Fair value reserve	-	113	-	-	-	(160)	-	(47)
Cash and cash equivalents	9,883	8,983	3,779	4,097	74,455	61,856	88,117	74,936
Receivables, deposits and prepayments	339	298	-	-	1,650	(3)	1,989	295
Payables, deposits and accruals	(10)	(13)	-	-	(3,495)	(3,816)	(3,505)	(3,829)
	10,212	9,268	4,329	4,770	101,351	98,237	115,892	112,275

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 2015	75,618	302,862	123,619	276,373	17,941	142	53,855	850,410
Additions/ Transfer	-	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
Additions	-	1,791	12,000	19,497	926	-	-	34,214
Disposals	-	-	(1,154)	(14,624)	-	-	-	(15,778)
At 31 March 2017	75,618	359,866	139,757	292,810	20,185	142	-	888,378
Accumulated depreciation								
At 1 April 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
Depreciation for the year	1,262	7,582	12,661	20,740	2,399	-	-	44,644
Disposals	-	-	(1,154)	(14,441)	-	-	-	(15,595)
At 31 March 2017	25,083	138,443	92,888	234,594	8,284	142	-	499,434
Net book value								
At 31 March 2017	50,535	221,423	46,869	58,216	11,901	-	-	388,944
At 31 March 2016	51,797	227,214	47,530	59,642	13,374	-	-	399,557

Asset under construction

The Group's property, plant and equipment included \$18.1 million (2016 - \$29.7 million) which relates to in-progress renovation and software development projects included under Building improvements and Computer software respectively.

Note A: Computer software refers to software used by the Polytechnic in recording its transactions and these software are not an 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 2015	75,618	302,862	123,619	276,333	17,941	142	53,855	850,370
Additions / Transfer	-	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
Additions	-	1,791	12,000	19,497	926	-	-	34,214
Disposals	-	-	(1,154)	(14,624)	-	-	-	(15,778)
At 31 March 2017	75,618	359,866	139,757	292,759	20,185	142	-	888,327
Accumulated depreciation								
At 1 April 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
Depreciation for the year	1,262	7,582	12,661	20,736	2,399	-	-	44,640
Disposals	-	-	(1,154)	(14,441)	-	-	-	(15,595)
At 31 March 2017	25,083	138,443	92,888	234,558	8,284	142	-	499,398
Net book value								
At 31 March 2017	50,535	221,423	46,869	58,201	11,901	-	-	388,929
At 31 March 2016	51,797	227,214	47,530	59,623	13,374	-	-	399,538

Asset under construction

The Polytechnic's property, plant and equipment included \$18.1 million (2016 - \$29.7 million) which relates to in-progress renovation and software development projects included under Building improvements and Computer software respectively.

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

5 Investment in subsidiaries

The Polytechnic	2017 \$'000	2016 \$'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
		2017 %	2016 %	
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	2017 \$'000	2016 \$'000
Financial assets at fair value through profit or loss		
Quoted unit trusts	106,211	63,600
	106,211	63,600

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

7 Available-for-sale financial assets

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at beginning of year	25,387	10,393	25,181	10,187
Additions	14,784	15,138	14,784	15,138
Redemption	(7,966)	-	(7,966)	-
Fair value loss recognised in other comprehensive loss	(71)	(144)	(71)	(144)
Balance at end of year	32,134	25,387	31,928	25,181
Represented by:				
Current	2,009	8,120	2,009	8,120
Non-current	30,125	17,267	29,919	17,061

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

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Quoted debt securities - Singapore	31,928	25,181	31,928	25,181
Unquoted equity securities, at cost	206	206	-	-
Total	32,134	25,387	31,928	25,181

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

	The Group		The Polytechnic	
	2017	2016	2017	2016
Interest rates	1.875% - 3.78%	1.875% - 4.17%	1.875% - 3.78%	1.875% - 4.17%
Maturity dates	2017 - 2026	2016 - 2023	2017 - 2026	2016 - 2023

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

	2017	2016
	\$'000	\$'000
The Group and The Polytechnic		
Loan	495	855
Allowance for doubtful receivables	-	-
	495	855
Represented by:		
Current	360	360
Non-current	135	495

Movements in allowance for doubtful receivables are as follows:

	2017	2016
	\$'000	\$'000
The Group and The Polytechnic		
Balance at beginning of year	-	1,215
Allowance written back	-	(1,215)
Balance at end of year	-	-

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

	2017	2016
	\$'000	\$'000
The Group and The Polytechnic		
Repayable after 12 months:		
Staff loans	17	23
Student loans	25	19
	42	42
Repayable within 12 months (Note 11):		
Staff loans	14	26
Student loans	155	239
	169	265
Total		
Staff loans	31	49
Student loans	180	258
	211	307

Staff loans are repayable with interest at 0 % to 4.25 % (2016 - 0% to 4.25%) per annum by monthly instalments, over periods of up to 2 years (2016 - 2 years).

Student loans (Study and Computer Loans) are interest-free and are repayable by monthly instalments over the period of 2 years (2016 - 2 years) after their graduation. With effect from November 2015, student computer loan is no longer provided.

10 Deferred income tax assets

	2017 \$'000	2016 \$'000
The Group		
Provisions		
Balance at beginning of year	6	3
(Charged)/Credited to the statement of comprehensive income (Note 22)	(3)	3
Balance at end of year	3	6

11 Trade and other receivables

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Grants receivables				
- Government	-	5,264	-	5,264
- Others	3,987	5,181	3,987	5,181
Fees receivables	2,194	2,129	2,194	2,129
Goods and services tax receivable	1,124	942	1,099	942
Staff and student loans (Note 9)	169	265	169	265
Other receivables	5,783	4,419	5,764	4,376
Deposits	48	42	48	42
Amount owing by subsidiaries	-	-	120	162
Amount owing by a related party	19	66	19	66
Loans and receivables (Note 27)	13,324	18,308	13,400	18,427
Prepayments	2,256	3,058	2,243	3,048
	15,580	21,366	15,643	21,475

12 Cash and bank balances

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash at bank and in hand	36,715	53,941	33,716	50,315
Cash with Accountant-General's Department	314,293	312,949	314,293	312,949
	351,008	366,890	348,009	363,264
Less: Cash held in trust [Note 17 (ii)]	(1,794)	(2,673)	(1,794)	(2,673)
Cash and cash equivalents in consolidated statement of cash flow	349,214	364,217	346,215	360,591

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 \$615,000 (2016 - \$879,000), comprising cash at bank of \$304,000 (2016 - \$365,000) and fixed deposit of \$311,000 (2016 - \$514,000), has not been included in the cash and cash equivalents of the Polytechnic.

13 Trade and other payables

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Sundry creditors	1,441	2,154	1,432	2,083
Advances received - SIT (Note 16)	824	824	824	824
Advances received - others	8,517	11,006	8,504	10,987
Deposits	599	688	599	688
Provision for unutilised leave	9,022	8,997	9,022	8,997
Accruals for operating expenses and capital expenditures	21,436	21,893	21,217	21,592
Goods and services tax payable	44	33	-	-
Amount due to a subsidiary	-	-	1,459	426
Amount due to Ministry – Current	4,001	-	4,001	-
	45,884	45,595	47,058	45,597

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Amount due to ministry				
Current	4,001	-	4,001	-
Non-current	5,233	-	5,233	-
	9,234	-	9,234	-

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 \$1,794,000 (2016 - \$2,673,000) - Note 17(ii)

14 Government grants received in advance

The Group and The Polytechnic	Note	2017 \$'000	2016 \$'000
Balance at beginning of year		72,809	60,075
Grants received/receivable during the year			
- Government development grants		6,502	22,673
- Government IT and F & E grants		20,000	24,442
- Government innovation grants		3,598	3,287
- Government polytechnic baseline		-	1,000
Transfer to deferred capital grants (Government)	15	(20,565)	(29,978)
Amount taken to the statement of comprehensive income	21	(6,086)	(8,690)
Balance at end of year		76,258	72,809

15 Deferred capital grants

	Government		Non-Government		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
The Group and The Polytechnic						
Balance at beginning of year	367,404	370,651	2,300	2,424	369,704	373,075
Development grants from MOE (Note 14)	20,565	29,978	-	-	20,565	29,978
Transfer from operating grants (Note 23)	9,503	5,753	-	-	9,503	5,753
Grants received	-	-	923	980	923	980
	30,068	35,731	923	980	30,991	36,711
Amortisation to statement of comprehensive income (Note 21)	(41,719)	(38,978)	(992)	(1,104)	(42,711)	(40,082)
Balance at end of year	355,753	367,404	2,231	2,300	357,984	369,704

Total development grants received from Government for purchases of property, plant and equipment since 1 April 1980 is \$926.9 million (2016 - \$906.3 million).

16 Advances received - SIT

	2017 \$'000	2016 \$'000
The Group and The Polytechnic		
Current (Note 13)	824	824
Non-current	22,069	22,080
	22,893	22,904

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.

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

	2017	2016
	\$'000	\$'000
The Group and The Polytechnic		
(i) Tuition fee loan, Student loan and Staff Housing Loan	8,096	8,242
(ii) Opportunity Fund	1,794	2,673
Funds managed on behalf of Ministry	9,890	10,915

(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.

	2017	2016
	\$'000	\$'000
The Group and The Polytechnic		
Advances from the Ministry		
Balance at beginning of year	8,242	5,199
Advances received	2,039	4,867
Interest income	166	172
Written off	(6)	(19)
Advances repaid	(2,345)	(1,977)
Balance at end of year	8,096	8,242
Represented by:		
Cash and bank balances	463	385
Tuition fees and study loans	7,997	8,120
Staff housing loans	96	119
Trade and other payables	(460)	(382)
Net assets	8,096	8,242

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% (2016 - 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 \$2,317,000 (2016 - \$1,949,000) 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 (2016 - \$28,000) 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.

17 Funds managed on behalf of the Ministry of Education (“Ministry”) (continued)**(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	2017 \$'000	2016 \$'000
Balance at beginning of the year	2,673	2,197
Amount received during the year	-	2,702
Amount utilised during the year	(879)	(801)
Amount returned during the year	-	(1,425)
Balance at end of the year	1,794	2,673
Represented by:		
Cash and Bank Balances	1,794	2,673

18 Staff costs

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Wages and salaries	181,404	185,153	180,711	184,336
Employer's contribution to Central Provident Fund	21,885	20,314	21,789	20,216
Other staff benefits	3,125	2,921	3,108	2,901
	206,414	208,388	205,608	207,453

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

The Group and The Polytechnic	2017 \$'000	2016 \$'000
Wages and salaries	7,635	7,124
Employer's contribution to defined contribution plans, including Central Provident Fund	618	503
	8,253	7,627

19 Other expenditure

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Water and electricity	5,696	7,119	5,694	7,117
IT support and other services	1,438	1,247	1,438	1,247
IT related expenditure	8,515	6,186	8,414	6,096
Consultancy services	2,263	2,786	773	901
Local / overseas industrial training	1,164	1,508	1,164	1,508
Campus events and activities	4,245	4,170	4,245	4,170
Bursaries and scholarships	1,830	1,506	1,830	1,506
Maintenance and upgrading of facilities	1,746	3,835	1,746	3,835
Loss on disposal of property, plant and equipment	182	175	182	175
Other expenses	11,411	11,085	11,412	11,167
	38,490	39,617	36,898	37,722

20 Other income

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Funding for research and development projects	1,229	1,341	1,229	1,341
Student welfare fund, prizes and award	1,209	1,243	1,209	1,243
Income from use of campus and sports facilities	1,606	1,665	1,606	1,665
Project revenue and other consulting fee	1,422	1,397	1,422	1,397
Funding for IT system and Education Career Guidance (ECG) counsellors	963	1,032	963	1,032
Impairment loss pertaining to SPGG Loan now written back	-	1,215	-	1,215
Income from UniSim's programme	723	1,349	723	1,349
Miscellaneous income	2,543	2,301	2,732	2,433
	9,695	11,543	9,884	11,675

21 Grants

	The Group and The Polytechnic				Total	
	General Fund		Other Funds		2017	2016
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	\$'000	\$'000
Operating grants received from:						
- Government (Note 23)	204,307	211,869	-	-	204,307	211,869
- Non-government	4,901	4,422	-	-	4,901	4,422
Development and other grants utilised (Note 14)	6,086	8,690	-	-	6,086	8,690
Deferred capital grants amortised						
- Government (Note 15)	41,719	38,978	-	-	41,719	38,978
- Non-government (Note 15)	992	1,104	-	-	992	1,104
	258,005	265,063	-	-	258,005	265,063

22 Income taxes

	2017 \$'000	2016 \$'000
The Group		
Current taxation	44	67
Deferred taxation (Note 10)	3	(3)
Underprovision of current taxation in respect of prior years	1	-
	48	64

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

	2017 \$'000	2016 \$'000
The Group		
Surplus before taxation	18,141	21,560
Tax at statutory rate of 17% (2016 - 17%)	3,084	3,665
Tax effect on non-deductible expenses	-	1
Tax effect on surplus of the Polytechnic exempted from tax	(2,973)	(3,540)
Tax effect on tax incentives	(64)	(60)
Underprovision of current taxation in respect of prior years	1	-
Others	-	(2)
	48	64

	2017 \$'000	2016 \$'000
The Polytechnic		
Surplus before taxation	17,487	20,824
Tax at statutory rate of 17% (2016 - 17%)	2,973	3,540
Tax effect on surplus of the Polytechnic exempted from tax	(2,973)	(3,540)
	-	-

23 Operating grants – Government

	2017 \$'000	2016 \$'000
The Group and The Polytechnic		
Operating grants received/receivable during the year	233,550	237,388
Less:		
Grants utilised on property, plant and equipment transferred to Deferred Capital Grants (Note 15)	(9,503)	(5,753)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	(19,740)	(19,766)
Operating grants taken to the statement of comprehensive income (Note 21)	204,307	211,869

Operating grants received from Government since 1 April 1980 amount to \$4,840.3 million (2016 - \$4,606.7 million) which include the cumulative operating grants for GST subsidy of \$242.0 million (2016 - \$222.3 million).

24 Capital commitments

Capital expenditure approved but not provided for in the accounts:

	2017 \$'000	2016 \$'000
The Group and The Polytechnic		
Amount approved and contracted for	30,248	31,988
Amount approved but not contracted for	49,640	56,946

The above capital commitments are funded by Government grants.

25 Related party transactions

Some of the Group's 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.

The Polytechnic

Subsidiaries	2017 \$'000	2016 \$'000
Management service fees received from subsidiaries	41	41
Consultancy fees charged to subsidiary	107	145
Rental received from subsidiary / related party	111	91
General support fee paid to subsidiary	(332)	(187)
General support fee received from subsidiary	180	88
Professional fees paid to subsidiary	(2,813)	(2,447)
Grants collected on behalf of subsidiary	(47)	(28)
Staff cost reimbursed from related party	180	155
Professional fees reimbursed from related party	11	-

The Group and The Polytechnic

Entities affiliated to Board of Governors	2017 \$'000	2016 \$'000
IT related expenditures	3,691	3,565
Utilities	987	895
Disbursement of Maritimeone Scholarship	277	223
Course fees received	234	297
Other Ministries		
Training fees	405	173

(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 interest rate and foreign currency contracts. As part of the risk management activities, interest rate and foreign currency contracts are entered by the fund manager for hedging purposes.

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 3 debtors (2016 - 4 debtors) that individually represented 10-21% (2016: 4-48%) 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:

	2017	2016
	\$'000	\$'000
The Group and The Polytechnic		
Past due one month	325	1,633
Past due two months	1,493	495
Past due over two months	235	170
Past due over five months	722	1,781
	2,775	4,079

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 2017			
Trade and other payables	36,543	5,233	-

At 31 March 2016			
Trade and other payables	33,765	-	-

The Polytechnic	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$
At 31 March 2017			
Trade and other payables	37,730	5,233	-

At 31 March 2016			
Trade and other payables	33,786	-	-

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. The exposure of interest rate risks through investment funds is managed by fund managers.

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

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Fixed rate instruments				
Available-for-sale financial assets	31,928	25,181	31,928	25,181
	31,928	25,181	31,928	25,181
Variable rate instruments				
Cash at bank and in hand	34,921	51,268	31,922	47,642
Cash with AGD	314,293	312,949	314,293	312,949
Cash held in trust	1,794	2,673	1,794	2,673
	351,008	366,890	348,009	363,264

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%) (2016 - 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 (2016 - 50 bp) in interest rates at the reporting date would increase surplus by \$1,755,000 (2016 - \$1,834,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A decrease in 50 bp (2016 - 50 bp) would have the equal but opposite effect on the basis that all other variables remain constant.

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).

The Group and The Polytechnic	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 31 March 2017				
Available-for-sale financial assets	31,928	-	-	31,928
Financial assets, at fair value through profit or loss	106,211	-	-	106,211
Financial derivatives	-	-	-	-
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	-	-	-	-

27 Financial risk management (continued)**Financial instruments by category**

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

	The Group		The Polytechnic	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assets at fair value through profit or loss	106,211	63,600	106,211	63,600
Available-for-sale financial assets	32,134	25,387	31,928	25,181
Loans and receivables				
Staff and student loans (Note 9)	211	307	211	307
Trade and other receivables excluding prepayments (Note 11)	13,324	18,308	13,400	18,427
Cash and cash equivalents (Note 12)	351,008	366,890	348,009	363,264
	364,543	385,505	361,620	381,998
Financial liabilities at amortised cost	41,776	33,765	42,963	33,786

28 Comparative information

The reclassification is mainly due to outstanding fees for the Pre-Employment Training ("PET") courses, accounted for and classified in previous years under trade and payables account. As this pertains to outstanding fees, relevant reclassification entry has been effected as follows:

31 March 2016	As previously stated \$'000	Reclassification \$'000	Restated \$'000
The Group			
Statements of financial position			
Trade and other receivables	19,779	1,587	21,366
Trade and other payables	44,008	1,587	45,595
The Polytechnic			
Statements of financial position			
Trade and other receivables	19,888	1,587	21,475
Trade and other payables	44,010	1,587	45,597

A third statement of financial position as at 1 April 2015 has not been presented as the reclassification is not material to the statement of financial position as at 31 March 2015.

29 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Governors on 30 June 2017.



SINGAPORE POLYTECHNIC

500 Dover Road Singapore 139651

Tel: 6775 1133

www.sp.edu.sg

 facebook.com/singaporepolytechnic

 [@singaporepoly](https://instagram.com/singaporepoly)

 [@SingaporePoly](https://twitter.com/SingaporePoly)

 youtube.com/singaporepolytechnic