

SUSTAINING  
OUR MOMENTUM IN A  
**CHANGED  
WORLD**

## Our Mission

As a polytechnic for all ages we prepare our learners to be life ready, work ready, and world ready for the transformation of Singapore

## Our Vision

Inspired Learner. Serve with Mastery. Caring Community.

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

## Our Core Values

The SP CORE values are:

**S**elf-Discipline  
**P**ersonal Integrity  
**C**are & Concern  
**O**penness  
**R**esponsibility  
**E**xcellence

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# CHAIRMAN'S STATEMENT



I am honoured to be appointed the new Chairman of Singapore Polytechnic (SP) in September 2020. I feel humbled to be in the company of dedicated colleagues and esteemed industry partners. As Singapore's first polytechnic, we have always demonstrated the distinct ability to grow and adapt to a rapidly changing environment. Even with the COVID-19 pandemic impacting us on a global scale, I am heartened that the SP community has persevered to stay united. We adjusted and transformed, swiftly where necessary, to ensure that our students' learning, emotional and mental needs continue to be well taken care of.

On this note, I would like to thank Mr Bill Chang, my predecessor for laying the foundation of care and concern amongst the SP family. This fundamental value, ingrained in each and every SP staff member, has helped SP weather the several storms it encountered the past year. Under his leadership, Bill also oversaw the infrastructure upgrading of the Dover Road campus, introduced global industry engagements and launched the polytechnic-wide elective modules. Thank you once again, Bill, for your stewardship and committed service to the Board of Governors and SP.

## Building a Resilient Generation

In today's age of disruption, the future of work has changed dramatically. With new forms of digital technology emerging at a rapid rate, it is clear that the ability to change is fundamental to progress. Hence, as an education institution, we must constantly review, improve and develop our curricula to equip our students with a wide set of multi-disciplinary skills. One such major development which took place in SP was the launch of the Diploma in Media, Arts and Design (DMAD) in 2020.

To meet the demands of the Arts, Design and Media sector which has a growing preference for professionals skilled across multi disciplines, SP re-designed and launched the first-of-its-kind DMAD in June 2020. This course, offered by the Media, Arts and

Design School, trains students in one core discipline while making sure they are still being equipped with complementary skillsets that will help them thrive in a changing environment. The first cohort of students for this new course was admitted in April 2021.



SP also ramped up its industry training for two of its diploma courses as part of a rethink on how students learn best. In October 2020, SP piloted the Industry Now Curriculum (INC) pathway in the Diploma in Perfumery & Cosmetic Science and Diploma in Information Technology where students would spend up to half of their curriculum time away from classrooms and work with companies on real-life projects. Through this pathway, students have the opportunity to apply what they learnt in the classrooms, at their workplaces. The INC pathway is set to expand to more diploma courses in the coming years to enrich the learning experiences of our students.

This year, despite the challenges brought on by the pandemic, we managed to proceed with a mixture of physical and virtual graduation ceremonies for 6,054 full-time and continuing education and training graduates. We witnessed many outstanding graduates who not only excelled in their courses, but also devoted time to uplift the disadvantaged in the community.

Izzat Bin Mahad, from the Diploma in Bioengineering, is one such example. In secondary school, Izzat discovered his passion for mechanics and systems. However, he struggled academically and was not eligible for polytechnic admission after O levels.

Nevertheless, Izzat kept his head up and studied mechatronics engineering at ITE before deciding to continue his education at a polytechnic. He chose SP and has not looked back since. During his time with us, the guidance and support of his lecturers and peers helped to fuel Izzat's passion further. His new gained confidence coupled with his deep seated interest in bioengineering helped him to excel in his studies and earned him the Tay Eng Soon Gold Medal award. He also participated in the Cogito Ideation Competition 2020 where his group worked on developing solutions to generate sustainable energy. Their idea was praised by the judges and it won them first place in the competition.

Despite taking a longer education pathway than most, Izzat's determination to overcome the odds and succeed is inspiring. He will be pursuing further studies in bioengineering at Nanyang Technological University with a minor in international trading. We look forward to the positive impact that Izzat is going to have on the community.



Another outstanding graduate is Josephine Kwan from the Diploma in Landscape Architecture who also graduated top of her cohort. A recipient of the Low Guan Oon Gold Medal, Josephine joined SP via the Polytechnic Foundation Programme (PFP). Brought up in a single parent family, Josephine explored ways to support herself financially. She decided to tap on her creativity and love for design and nature to start an online business selling customised stickers. The business was a success

and Josephine used her wide business reach to rally support and donations for the World Wildlife Fund and Red Cross. She also donated some of her earnings to organisations providing aid to children and women.

Josephine plans to pursue her passion by studying Landscape Architecture at the National University of Singapore. Not one to forget the less fortunate, this young lady has all intentions to continue serving the community. We are indeed proud of you, Josephine!

Next, we have Muhammad Zuhair from the Diploma in Aeronautical Engineering course. An equally outstanding student, Zuhair played a very active role in SP's PFP student chapter and participated in numerous campus and outreach events. He joined the Learning Express (LeX) programme which essentially provides students the opportunity to use Design Thinking skills to provide solutions to real life problems. He was also involved in the Overseas Social Innovation Project to Philippines. There, he and his peers developed a machine prototype to increase the productivity of a local jackfruit chips business. Like many in SP, Zuhair married his training in engineering with community service. These opportunities add value and help to prepare our students to be work, life and world ready.

After National Service, Zuhair plans to dive into the working world and build up his portfolio before considering further studies at university. We are very confident that he will be able to make his personal mark in the world.



Rounding off the list is Kimberly Suriya from the Diploma in Mechatronics & Robotics course. Kimberly's outstanding academic performance, coupled with a heart for the community, secured

her a Public Service Commission (Engineering) Scholarship. Using skills and knowledge gained from her course, she became involved in a ground-up initiative to produce about 20,000 3D-printed mask straps for healthcare workers and front liners after realising such straps could alleviate the pain of wearing masks for prolonged periods.

Kimberly will be pursuing her further studies in Electrical and Electronic Engineering at the Nanyang Technological University. We are excited and confident that she will be making impressive strides in the engineering industry in the near future.

These are just a few of the many students who have done their part for the community. The tenacity and resilience displayed by our young graduates are truly inspiring. I wish them success in their future endeavours!



### Reskilling Singapore's Workforce

Since its inception in 1954, SP continues to produce a skilled and resilient workforce. Collaborations with the industry has provided many opportunities for our staff and students to network and understand the latest trends and industry practices. In October 2020, SP joined hands with German global testing, inspection, certification and training company TÜV SÜD, IoT-based smart green solutions global provider Delta Electronics and Singapore's Smart i4.0 Transformation Alliance (SiTA) to provide end-to-end Industry 4.0 (i4.0) solutions to small medium enterprises, local large enterprises as well as multinational corporations in the manufacturing cluster. We believe the addition of these new partners will help to strengthen Singapore's advanced manufacturing ecosystem.



Photo was taken pre-COVID-19

In July 2020, the SGUnited Skills Programme was offered by the Professional & Adult Continuing Education (PACE) Academy to displaced or unemployed Singaporean Citizens and Permanent Residents (PR) to reskill and find jobs. These programmes are designed in partnership with industry leaders to help learners acquire industry-relevant skills and knowledge to improve their employability. As at March 2021, 928 students have been enrolled into the programmes.

### Braving together, the SP way

The SP alumni remains a loyal and important pillar in the SP community. After learning about SP students whose families' incomes were impacted by the pandemic, the SP Graduates Guild (SPGG) swiftly organised a fund raising exercise. SPGG's efforts raised a total of \$235,000 within six months and

brought much needed relief to 470 affected families in the SP community. We are indeed privileged to have the support of the SPGG who have supported our students with networking and mentoring opportunities and financial assistance over the years.

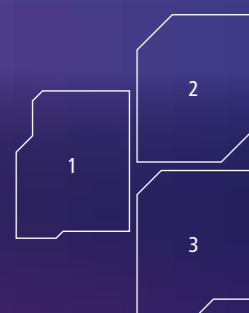
At the time of writing, the country is in the midst of dealing with the Covid-19 challenges. At some point, when this pandemic is overcome, we can expect Singapore, and the world, to arrive at a new norm. It is assuring that SP is already familiar with many of the challenges in this new norm. Digitalisation will still be a defining feature in a post-COVID future, demanding both versatility and deep skills from the workforce and requiring all of us to learn lifelong. Through the courses offered by SP, our students, including those from the adult workforce, are well-placed to embrace and thrive in this new age. After all, SP is a polytechnic for all ages.

## MS JANET ANG

Chairman  
Singapore Polytechnic

# BOARD OF GOVERNORS

FROM 1 APR 2020  
TO 31 MAR 2021



**1 MR BILL CHANG YORK CHYE**  
(Chairman)  
(till 15 September 2020)  
Country Chief Officer for Singapore and  
Chief Executive Officer of Group Enterprise  
Singapore  
Telecommunications Ltd

**2 MS JANET ANG**  
(Chairman)  
(from 16 September 2020)  
Institute of Systems Science  
National University of Singapore  
Chairman, SISTIC.com  
Independent Director,  
SPH Limited

**3 PROF FREDDY BOEY YIN CHIANG**  
(Member)  
Deputy President  
Innovation & Enterprise  
National University of Singapore

**4 MR JOSEPH CHUA**  
(Member)  
Managing Partner – Aiken  
Digital  
Director – Innoly Ventures

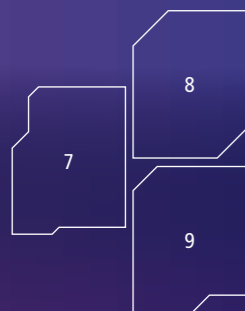
**5 MR MARCUS H C LAM**  
(Member)  
Partner - Head of Assurance  
PricewaterhouseCoopers LLP

**6 BG LAU BOON PING**  
(Member)  
Commander, Participation  
Command  
Ministry of Defence



# BOARD OF GOVERNORS

FROM 1 APR 2020  
TO 31 MAR 2021



**7 MR AMOS LEONG**  
(Member)  
President & CEO  
The Univac Group  
Univac Precision  
Engineering Pte Ltd

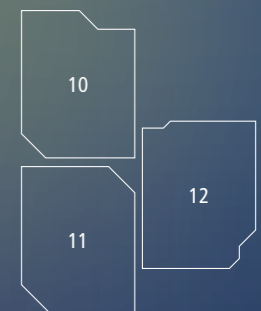
**8 SAC LIAN GHIM HUA**  
(Member)  
Director, Operations  
Operations Department  
Singapore Police Force

**9 MR SAMUEL LIM**  
(Member)  
CEO/Chief  
REEBONZ

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

**11 DR DAVID LOW**  
(Member)  
Chief Executive Officer  
Advanced  
Remanufacturing and  
Technology Centre  
A\*STAR

**12 MS JOAN MOH**  
(Member)  
Divisional Director,  
Higher Education  
(Planning, Skills &  
Academic Research)  
Ministry of Education



# BOARD OF GOVERNORS

FROM 1 APR 2020  
TO 31 MAR 2021



13

14

15

**13 DR NOORUL FATHA AS'ART**  
(Member)  
Chief Medical Officer  
Singapore Prison Service

**14 MR SOH WAI WAH**  
(Member)  
Principal & CEO  
Singapore Polytechnic

**15 A/PROF TAN POH HONG**  
(Member)  
Adjunct Associate  
Professor  
School of Design &  
Environment  
National University of  
Singapore

**16 MR DAVID TAN WEI-SON**  
(Member)  
Founder & CEO  
TrustCapital Advisors  
Investment Management  
Pte Ltd

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

**18 MR CHOO KENG HUI**  
(till 31 October 2020)  
Registrar/Secretary  
Board of Governors  
Singapore Polytechnic

**19 MR JOSEPH TEO**  
(from 1 November 2020)  
Acting Registrar/Secretary  
Board of Governors  
Singapore Polytechnic

16

17

## STANDING COMMITTEES

### ADMINISTRATION & DEVELOPMENT COMMITTEE

**Chairman:** Mr Marcus H C Lam

**Members:** SAC Lian Ghim Hua

Dr David Low

Mr Soh Wai Wah

A/Prof Tan Poh Hong

**Secretary:** Mr Eugene Phang

### AUDIT COMMITTEE

**Chairman:** Mr Max Loh Khum Whai

**Members:** BG Lau Boon Ping

Dr Noorul Fatha As'art

**Secretary:** Mr Ronnie Chan Chin Sing

### HUMAN RESOURCE COMMITTEE

**Chairman:** Mr Bill Chang York Chye (till 15 September 2020)

Ms Janet Ang (from 16 September 2020)

**Members:** Ms Joan Moh

Mr Soh Wai Wah

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

### INVESTMENT COMMITTEE

**Chairman:** Mr David Tan Wei-Son

**Members:** Mr Soh Wai Wah

Mr Whang Shang Ying

**Secretary:** Mr Teo Wui Kiang

### NOMINATING COMMITTEE

**Chairman:** Mr Bill Chang York Chye (till 15 September 2020)

Ms Janet Ang (from 16 September 2020)

**Members:** Mr Soh Wai Wah

**Secretary:** Mr Choo Keng Hui (till 31 October 2020)

Mr Joseph Teo (from 1 November 2020)

### STAFF DISCIPLINARY COMMITTEE AND STUDENT DISCIPLINARY APPEAL COMMITTEE

**Chairman:** SAC Lian Ghim Hua

**Members:** Prof Freddy Boey Yin Chiang (from 1 April 2020)

Mr Amos Leong (from 16 September 2020)

**Secretary:** Mrs Elizabeth A Khoo (for Student Discipline)

Mrs Yeung-Ng Geak Hong (for Staff Discipline)

## MANAGEMENT TEAM

AS AT 31 MAR 2021

### PRINCIPAL & CEO

Mr Soh Wai Wah

### DEPUTY PRINCIPAL

Mr Lim Peng Hun, Deputy Principal (Academic)

Mr Henry Tan Hin Teck, Deputy Principal (Administration)

Ms Georgina Phua Hwee Choo, Deputy Principal (Development)

### SENIOR DIRECTOR

Dr Chai Min Sen, Senior Director (Computing, Chemical & Life Sciences)

Mr Loh Yew Chiong, Senior Director (Engineering)

Mrs Yeung-Ng Geak Hong, Senior Director (Human Resource)

Ms Tan Yen Yen, Acting Senior Director (Business & The Creatives)

Dr Faris Akbar Hajamaideen, Acting Senior Director (Built Environment & Maritime)

Ms Chao Yunn Chyi, Acting Senior Director (Common Core)

### REGISTRAR

Mr Joseph Teo, Acting Registrar

## ACADEMIC SCHOOLS

AS AT 31 MAR 2021

### BUILT ENVIRONMENT & MARITIME

**Director, Architecture & the Built Environment**

Dr Faris Akbar Hajamaideen

**Director, Singapore Maritime Academy**

Capt Mohd Salleh Bin Ahmad Sarwan

### BUSINESS & THE CREATIVES

**Acting Director, Business**

Mrs Jacqueline Tan-Thoo

**Director, Media, Arts & Design**

Ms Tan Yen Yen

### COMMON CORE

**Director, Life Skills & Communication**

Ms Lim Lee Yee

**Director, Mathematics & Science**

Ms Chao Yunn Chyi

### COMPUTING, CHEMICAL & LIFE SCIENCES

**Acting Director, Chemical & Life Sciences**

Dr Tan Tuan Lin

**Director, Computing**

Mr Liew Chin Chuan

### ENGINEERING

**Director, Electrical & Electronic Engineering**

Mr Toh Ser Khoon

**Director, Mechanical & Aeronautical Engineering**

Dr Chong Chee Wei

## DEPARTMENTS

AS AT 31 MAR 2021

### ACADEMIC

**Director, Educational Development**

Mrs Helene Leong-Wee Kwee Huay

**Senior Director, Human Resource**

Mrs Yeung-Ng Geak Hong

**Director, Internal Audit**

Mr Ronnie Chan Ching Sing

**Assistant Director (Covering Director), Library**

Ms Khoo Ai Ling

### ADMINISTRATION

**Director, Communications**

Mr William Lim

**Director, Estates & Development**

Mr Eugene Phang

**Director, Finance**

Mr Teo Wui Kiang

**Acting Director, Information & Digital Technology Services**

Mr Chua Kee Koon

**Director, Organisation Planning & Development**

Ms Low Lay Leng

### DEVELOPMENT

**Director, Industry & Partnership**

Mr Lee Leck Seng

**Director, Professional & Adult Continuing**

**Education Academy**

Mr Wong Jian Chang

**Director, Technology, Innovation & Enterprise**

Mr David Chai

### STUDENT & ACADEMIC AFFAIRS

**Director, Academic Services**

Mrs Elizabeth Ann Khoo-Lee May Yong

**Director, Student Development**

Mr Kelly Lee Wai Kin

**Director, Student Services**

Mr Clarence Chua Eng Chye



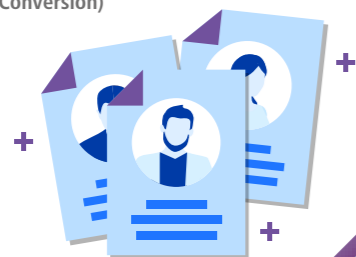
# FACTS AND FIGURES

AS OF 31 MAR 2021

## 19,120

TOTAL STUDENT ENROLMENT

- 13,568 Full Time Year 1-3 Diploma Students
- 3,058 Part-Time Diploma Students
- 2,494 Post-Diploma Students
  - 212 Advanced Diploma
  - 1,897 Specialist Diploma
  - 385 Diploma (Conversion)



## 6,407

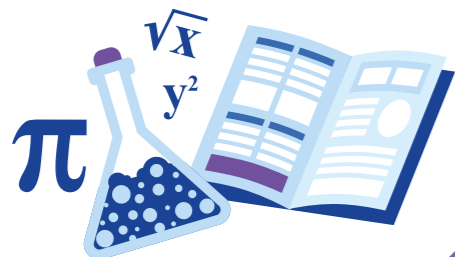
STUDENT INTAKE FOR ACADEMIC YEAR 2020/2021

- 4,270 Full-Time Year 1 Diploma Students
- 806 Part-Time Diploma Students
- 1,331 Post-Diploma Students
  - 86 Advanced Diploma
  - 1,038 Specialist Diploma
  - 207 Diploma (Conversion)



## 314

POLYTECHNIC FOUNDATION PROGRAMME



## 928

STUDENTS ENROLLED IN SGUNITED SKILLS (SGUS) PROGRAMMES:

- 687 in SGUS Certificates
- 241 in SGUS Post Diplomas



## 110

STUDENT CCAS

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



## 1,417

STAFF STRENGTH

comprising 741 academic staff and 676 non-teaching staff.



GRADUATE OUTPUT/EMPLOYMENT

## 6,129

STUDENTS GRADUATED FROM SINGAPORE POLYTECHNIC IN THE ACADEMIC YEAR 2019/2020.

- 4,619 graduated from full-time courses
- 1,510 graduated from part-time courses

According to the Graduate Employment Survey 2020, 82.4% of Fresh Graduates and 92.3% of Post-NS Graduates who are in the labour force found Full-Time Permanent or Part-Time/Temporary/Freelance employment.



## 61,807

TRAINING PLACES WITH 411 CONTINUING EDUCATION PROGRAMMES OFFERED BY SINGAPORE POLYTECHNIC.

The programmes included:

- 37 SGUS programmes
- 211 Short Courses and Certification Courses
- 15 Part-Time Diplomas
- 37 Post-Diplomas
- 13 Work-Study Programmes
- 10 Professional Conversion Programmes



# KEY HIGHLIGHTS OF FY20

## APR 2020

More than 6,100 SP graduates received their full-time diploma, advanced diploma, specialist diploma and certificate. Amongst them were the first batch of graduates who enrolled via the Early Admission Exercise (EAE) three years ago.

SP also celebrated the graduation of 1,510 adult learners. This is a 22 percent increase from 2019 and the highest number of Continuing Education & Training (CET) graduates recorded by SP.



*James Lim En Hui was one of our 2020 Institutional Medallists.*



*Photo was taken pre-COVID-19*

## JUN 2020

SP redesigned the curriculum of the Media, Arts & Design (MAD) School to launch a first-of-its-kind Diploma in Media, Arts & Design (DMAD). The new course will nurture a generation of key-shaped graduates who are skilled in multiple disciplines, transforming the way arts, design and media professionals are trained and developed for our future economy.

SP's MAD School streamlined its existing diplomas to create eight distinct specialisations. The first cohort of DMAD students were admitted in April 2021.

## JUL 2020

SP supported the SGUnited Skills Programme by offering it at the SP PACE Academy. The programme was designed to aid the displaced or unemployed who were affected by the COVID-19 pandemic.



*Photo was taken pre-COVID-19*



## SEP 2020

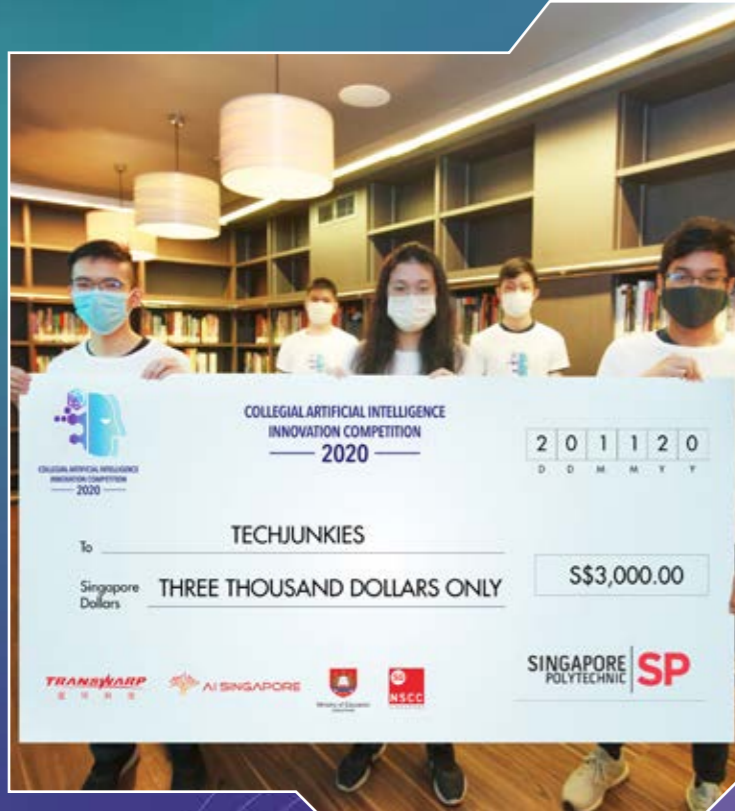
Dr Chia Hui Teng, from the School of Mathematics and Science (MS), received the prestigious President's Award for Teachers (PAT). This makes SP the institution with the highest number of award recipients since 2017, when educators from the polytechnics and ITE were included in the PAT.

## SEP 2020

Ms Janet Ang, Chairman of the Institute of Systems Science at National University of Singapore (NUS) was appointed Chairman of the Board of Governors (BOG) at SP. Ms Ang, who joined SP's BOG in January 2020, succeeded Mr Bill Chang, Country Chief Officer for Singapore and CEO of Group Enterprise at Singtel.



## OCT 2020



SP collaborated with Transwarp, a world-leading big data and Artificial Intelligence (AI) platform provider headquartered in Shanghai, to launch the inaugural Singapore edition of the virtual Collegial Artificial Intelligence Innovation Competition (CAIIC) 2020. During the 7-week competition, AI engineers from Transwarp and SP's Data Science and Analytics Centre mentored more than 200 participants from 53 teams to carry out AI modelling and design bespoke solutions through virtual workshops. Our student team did us very proud by winning the first prize.

To further support local businesses in their digital transformation, SP also signed a two-year Memorandum of Understanding (MoU) with the National Supercomputing Centre (NSCC) that will grant SP access to NSCC's high-performing computing (HPC) resources to support AI programmes and local enterprises in their digital transformation journey.

## OCT 2020



SP signed a five-year Memorandum of Understanding (MoU) with the Asian Development Bank (ADB) to jointly establish Singapore's first Global Technology Innovation Village (GTIV) at the Industrial Transformation Asia Pacific 2020 event which was graced by Deputy Prime Minister, Mr Heng Swee Keat.

This is the first time an Institute of Higher Learning from Singapore and the ADB inked a strategic collaboration to accelerate the adoption of Industry 4.0 (I4.0) in Asia. The MoU enables GTIV to tap on SP's expertise in I4.0 and leading advantage in setting up significant I4.0 infrastructure.

## OCT 2020



SP ramped up its industry training for some of its courses. The Industry Now Curriculum pathway involved a group of students, from the Diploma in Perfumery & Cosmetic Science and the Diploma in Information Technology courses, who worked with companies on real-life industry projects in place of classroom modules.

## OCT 2020

SP partnered with TÜV SÜD, a German global testing, inspection, certification and training company; Delta Electronics, an IoT-based smart green solutions global provider, and Singapore's Smart i4.0 Transformation Alliance (SiTA) to provide end-to-end Industry 4.0 (i4.0) solutions to small medium enterprises, local large enterprises as well as multinational corporations in the manufacturing cluster.

To help enterprises gain confidence in adopting i4.0, a unique one-day Advanced Manufacturing Learning Journey (AMLJ) programme was developed to give business leaders the opportunity to visit specific SP facilities to gain first-hand experience on applying i4.0 technologies to plants, equipment and systems.



## NOV 2020

Students Ng Chee Fong and Chee Poh Hian did SP proud when they achieved 3<sup>rd</sup> place at the World Robot Olympiad. They designed a robot that could pick up and deposit sandbags and concrete blocks at correct locations highlighted on their board. The duo competed with over 26,000 teams from more than 65 countries, beating strong opponents from Russia, Taiwan and Malaysia.





Our student team developed a pair of smart glasses for dementia users, which clinched the grand prize at the Huawei ICT Competition Global Final.

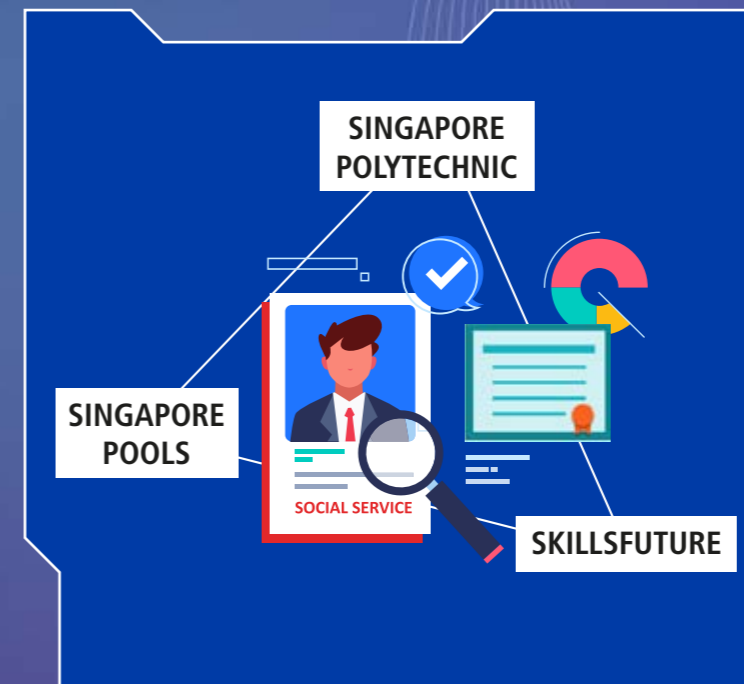
**NOV 2020**

Three student teams from the School of Electrical & Electronic Engineering flew SP's flag high when they clinched top prizes at various competitions in October and November 2020.

One of the teams designed a pair of smart glasses for dementia users, which clinched the grand prize and a TECH4ALL Social Contribution Award at the Huawei ICT Competition (Innovation Track) 2019-2020 Global Final. This is the first time that a Singapore team has won the competition.

A 1st place award was also achieved at the Virtual Robocup Asia Pacific 2020 in the RoboCup@Work category.

Well done to all our students!



**JAN 2021**

SP partnered Singapore Pools and SkillsFuture Singapore (SSG) to launch the SgPools Academy-SP Connexion Programme (Connexion) to equip mid-career jobseekers with in-demand skills for roles in the social service sector.

This partnership aims to meet the demands of a growing social service workforce that caters to the needs of our society affected by an aging population and other demographic changes.

Participants undergo six months of structured learning which includes project work and industry attachments with social service organisations.

**JAN 2021**

SP organised its first virtual open house from 7 to 9 January 2021, bringing together live webinars, virtual tours and CCA showcases to help post-secondary students make an informed decision on their polytechnic applications.



**MAR 2021**

SP signed a three-year Memorandum of Understanding (MoU) with Mediacorp for the joint development of a range of programmes and initiatives to support the growth and development of SP students throughout their full-time diploma course.

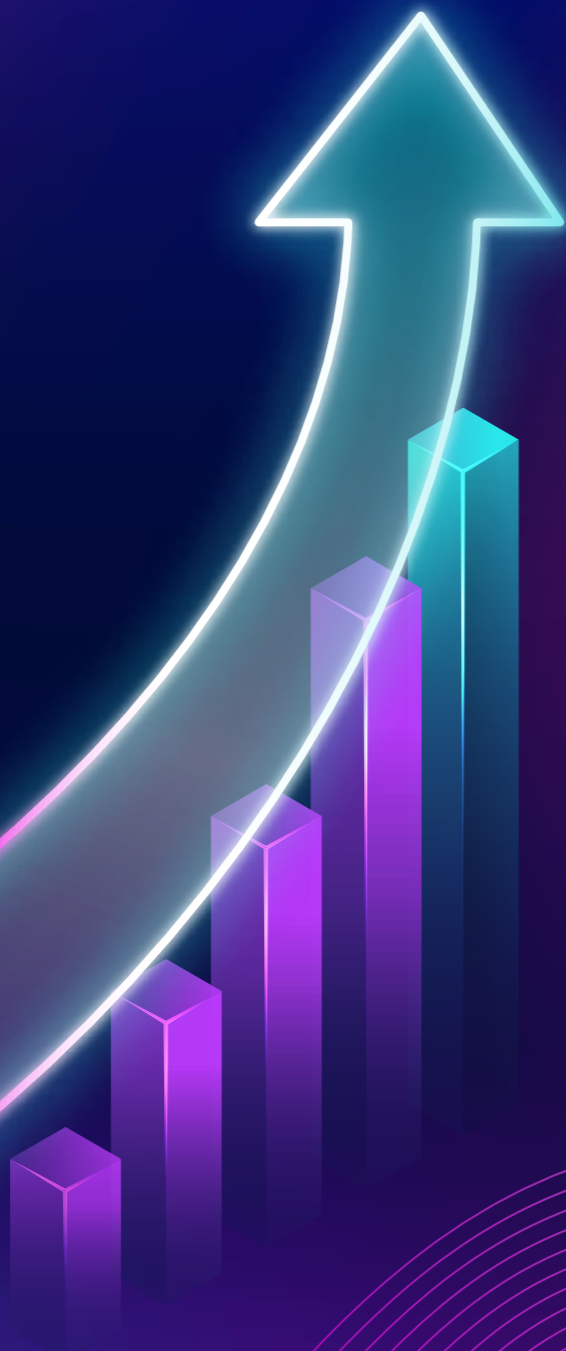
This strategic partnership aims to nurture the next generation of media professionals by leveraging the expertise of both organisations in offering in-depth industry-centric training to prepare them for careers in the growing media industry.



Photo was taken pre-COVID-19

# FINANCIAL STATEMENTS

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES  
YEAR ENDED MARCH 31, 2021



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## SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES STATEMENT BY BOARD OF GOVERNORS

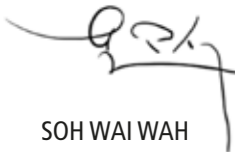
In the opinion of the Board of Governors,

- (a) the consolidated financial statements set out on pages 30 to 79 of Singapore Polytechnic (the "Polytechnic") and its subsidiaries (collectively the "Group") are drawn up so as to present fairly, in all material respects, the financial position of the Group and the Polytechnic as at March 31, 2021, and the consolidated financial performance, changes in funds and reserves and cash flows of the Group and changes in funds and reserves of the Polytechnic for the year then ended, in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Governance Act"), the Singapore Polytechnic Act, Chapter 303 (the "SP Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Statutory Board Financial Reporting Standards;
- (b) at the date of this statement, there are reasonable grounds to believe that the Polytechnic will be able to pay its debts when they fall due;
- (c) proper accounting and other records have been kept, including records of all assets of the Polytechnic and of the subsidiaries incorporated in Singapore 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 year are, in all material respects, in accordance with the provisions of the Governance Act, the SP Act and the requirements of any other written law applicable to moneys of or managed by the Board of Governors.

On behalf of the Board of Governors



JANET ANG  
Chairman



SOH WAI WAH  
Principal and Chief Executive Officer

Singapore  
July 29, 2021

## INDEPENDENT AUDITOR'S REPORT TO 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 consolidated statement of financial position of the Group and the statement of financial position of the Polytechnic as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group and the statement of changes in funds and reserves of the Polytechnic for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 30 to 79.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in funds and reserves of the Polytechnic are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Governance Act"), the Singapore Polytechnic Act, Chapter 303 (the "SP Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Polytechnic as at March 31, 2021 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and of the changes in funds and reserves of the Polytechnic for the year ended on that date.

#### Basis for Opinion

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

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

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by Board of Governors on page 1.

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 the Board of Governors for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the Governance Act, the SP Act, the Charities Act and SB-FRS, 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 constitutional 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.

The responsibilities of the Board of Governors include overseeing the Group's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF SINGAPORE POLYTECHNIC (CONT'D)

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

#### Report on the Audit of the Financial Statements (Cont'd)

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:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) 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 BOARD OF GOVERNORS OF SINGAPORE POLYTECHNIC (CONT'D)

### 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 Governance Act, the SP Act and the requirements of any other written law applicable to moneys of or managed by the Board of Governors; 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 in relation to the Singapore Polytechnic Endowment Fund (the "Fund") nothing has come to our attention that causes us to believe that during the year:

- (a) the use of donation moneys was not in accordance with the objectives of the Fund as required under Regulation 11 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 Group 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 Governance Act, the SP Act and the requirements of any other written law applicable to moneys of or managed by the Board of Governors. This responsibility includes monitoring related compliance requirements relevant to the Board of Governors, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

#### 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 Governance Act, the SP Act and the requirements of any other written law applicable to moneys of or managed by the Board of Governors.

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.

Public Accountants and  
Chartered Accountants  
Singapore

July 29, 2021

## STATEMENTS OF FINANCIAL POSITION

### MARCH 31, 2021

	Note	The Group		The Polytechnic	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Endowment Fund (Capital)	3(iii)	67,524	65,789	67,524	65,789
Accumulated surplus					
- General Fund		315,881	293,607	316,388	293,916
- Other Funds	3(viii)	141,050	127,876	137,115	124,193
- Fair value reserve	19	(46)	(390)	35	(309)
<b>Total capital and other funds</b>		<b>524,409</b>	<b>486,882</b>	<b>521,062</b>	<b>483,589</b>
<b>Represented by:</b>					
<b>Assets</b>					
<b>Non-Current</b>					
Property, plant and equipment	4	266,991	282,736	266,936	282,679
Right-of-use assets	5	45,582	46,874	45,582	46,874
Intangible assets	6	1,423	5,192	1,423	5,192
Subsidiaries	7	-	-	2,250	2,250
Financial assets, at fair value through profit or loss	8	113,290	103,166	113,290	103,166
Financial assets, at fair value through other comprehensive income (debt instruments)	9	1,539	28,054	1,539	28,054
Student loans	10	4	5	4	5
Deferred tax assets	11	8	8	-	-
		428,837	466,035	431,024	468,220
<b>Current</b>					
Student loans	10	16	18	16	18
Trade and other receivables	12	29,534	29,166	28,796	29,081
Financial assets, at fair value through other comprehensive income (debt instruments)	9	4,007	25,927	4,007	25,927
Cash and cash equivalents	13	510,371	414,772	505,598	410,784
		543,928	469,883	538,417	465,810
<b>Total assets</b>		<b>972,765</b>	<b>935,918</b>	<b>969,441</b>	<b>934,030</b>
<b>Liabilities</b>					
<b>Current</b>					
Trade and other payables	14	56,866	35,142	56,955	36,547
Lease liabilities	15	70	68	70	68
Government grants received in advance	16	87,267	88,126	87,267	88,126
Contract liabilities	18	5,741	5,492	5,675	5,492
		149,944	128,828	149,967	130,233
<b>Net Current Assets</b>		<b>393,984</b>	<b>341,055</b>	<b>388,450</b>	<b>335,577</b>

## STATEMENTS OF FINANCIAL POSITION (CONT'D)

### MARCH 31, 2021

	Note	The Group		The Polytechnic	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Non-Current</b>					
Deferred capital grants	17	279,604	300,550	279,604	300,550
Contract liabilities	18	18,775	19,598	18,775	19,598
Lease liabilities	15	33	60	33	60
		298,412	320,208	298,412	320,208
<b>Total liabilities</b>		<b>448,356</b>	<b>449,036</b>	<b>448,379</b>	<b>450,441</b>
<b>Net assets</b>		<b>524,409</b>	<b>486,882</b>	<b>521,062</b>	<b>483,589</b>
<b>Net assets of funds managed on behalf of the Ministry and other entities</b>	20	12,284	11,086	12,378	10,367

See accompanying notes to financial statements.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### YEAR ENDED MARCH 31, 2021

	Note	Group					
		General Fund		Other Funds		Total	
		2021	2020	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating income</b>							
Course fees	21	51,136	51,495	23,580	18,399	74,716	69,894
Consultancy fees	21	-	-	1,450	2,665	1,450	2,665
Other fees	21	400	415	-	-	400	415
		51,536	51,910	25,030	21,064	76,566	72,974
<b>Operating expenditure</b>							
Staff costs	22	(195,241)	(190,145)	(11,814)	(10,797)	(207,055)	(200,942)
Teaching materials		(5,118)	(6,553)	(177)	(144)	(5,295)	(6,697)
Repairs and maintenance		(15,055)	(15,081)	(410)	(836)	(15,465)	(15,917)
Depreciation of property, plant and equipment	4	(30,917)	(37,726)	(2,230)	(2,151)	(33,147)	(39,877)
Depreciation of right-of-use assets	5	(1,342)	(1,325)	-	-	(1,342)	(1,325)
Amortisation of intangible assets	6	(3,378)	(3,660)	(159)	(157)	(3,537)	(3,817)
Development expenses		(8,729)	(7,951)	-	-	(8,729)	(7,951)
Staff development and benefits		(3,326)	(4,840)	(28)	(8)	(3,354)	(4,848)
Other expenditure	23	(25,628)	(30,197)	(7,203)	(8,951)	(32,831)	(39,148)
		(288,734)	(297,478)	(22,021)	(23,044)	(310,755)	(320,522)
Operating (deficit) surplus		(237,198)	(245,568)	3,009	(1,980)	(234,189)	(247,548)
<b>Non-operating income</b>							
Donations		299	90	1,505	914	1,804	1,004
Interest income		2,191	4,464	2,134	3,171	4,325	7,635
Rental income		2,287	3,004	1,507	1,431	3,794	4,435
Fair value gains							
- financial assets at fair value through profit or loss		7,735	1,574	2,374	642	10,109	2,216
Fair value gains							
- financial assets at fair value through other comprehensive income (debt instruments)		-	-	928	-	928	-
Other income	24	6,123	8,084	1,521	269	7,644	8,353
<b>Operating (deficit) surplus before grants and tax</b>		(218,563)	(228,352)	12,978	4,447	(205,585)	(223,905)
Grants	25	240,837	250,473	196	-	241,033	250,473
<b>Surplus before income tax</b>		22,274	22,121	13,174	4,447	35,448	26,568
Income tax expense	26	-	-	-	(34)	-	(34)
<b>Net surplus for the year</b>		22,274	22,121	13,174	4,413	35,448	26,534

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

### YEAR ENDED MARCH 31, 2021

	Note	Group					
		General Fund		Other Funds		Total	
		2021	2020	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Other comprehensive income:</b>							
Items that may be reclassified subsequently to profit or loss							
Net change in fair value of financial assets, at fair value through other comprehensive income (debt instruments)	19	(106)	106	450	(680)	344	(574)
Items that may not be reclassified subsequently to profit or loss							
Net change in fair value of financial assets, at fair value through other comprehensive income (equity instruments)	19	-	-	-	(337)	-	(337)
<b>Other comprehensive income for the year, net of tax</b>		(106)	106	450	(1,017)	344	(911)
<b>Total comprehensive income for the year</b>		22,168	22,227	13,624	3,396	35,792	25,623

See accompanying notes to financial statements.

## STATEMENTS OF CHANGES IN FUNDS AND RESERVES

### YEAR ENDED MARCH 31, 2021

	Endowment Fund (Capital)	General Fund	Other Funds	Fair value reserve	Total
	(Note 3(iii))		(Note 3 (vii),(viii))		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>The Group</b>					
Balance at April 1, 2019	52,597	271,486	123,463	521	448,067
Transferred to Other Funds	(15)	-	-	-	(15)
Net surplus for the year before the transfer	-	22,121	4,398	-	26,519
Transferred from Endowment Fund	-	-	15	-	15
Net surplus for the year	-	22,121	4,413	-	26,534
Other comprehensive income for the year	-	-	-	(911)	(911)
Total comprehensive income for the year	-	22,121	4,413	(911)	25,623
Contributions and donations received for the endowment fund (capital)	13,207	-	-	-	13,207
Balance at March 31, 2020	65,789	293,607	127,876	(390)	486,882
Net surplus for the year	-	22,274	13,174	-	35,448
Other comprehensive income for the year	-	-	-	344	344
Total comprehensive income for the year	-	22,274	13,174	344	35,792
Contributions and donations received for the endowment fund (capital)	1,735	-	-	-	1,735
Balance at March 31, 2021	67,524	315,881	141,050	(46)	524,409

## STATEMENTS OF CHANGES IN FUNDS AND RESERVES (CONT'D)

### YEAR ENDED MARCH 31, 2021

	Endowment Fund (Capital)	General Fund	Other Funds	Fair value reserve	Total
	(Note 3(iii))		(Note 3 (viii))		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>The Polytechnic</b>					
Balance at April 1, 2019	52,597	271,714	119,762	265	444,338
Transferred to Other Funds	(15)	-	-	-	(15)
Net surplus for the year before the transfer	-	22,202	4,416	-	26,618
Transferred from Endowment Fund	-	-	15	-	15
Net surplus for the year	-	22,202	4,431	-	26,633
Other comprehensive income for the year	-	-	-	(574)	(574)
Total comprehensive income for the year	-	22,202	4,431	(574)	26,059
Contributions and donations received for the endowment fund (capital)	13,207	-	-	-	13,207
Balance at March 31, 2020	65,789	293,916	124,193	(309)	483,589
Net surplus for the year	-	22,472	12,922	-	35,394
Other comprehensive income for the year	-	-	-	344	344
Total comprehensive income for the year	-	22,472	12,922	344	35,738
Contributions and donations received for the endowment fund (capital)	1,735	-	-	-	1,735
Balance at March 31, 2021	67,524	316,388	137,115	35	521,062

See accompanying notes to financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

### YEAR ENDED MARCH 31, 2021

	Note	Group	
		2021	2020
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Operating deficit before grants and tax		(205,585)	(223,905)
Adjustments for:			
Depreciation of property, plant and equipment	4	33,124	39,877
Depreciation of right-of-use assets	5	1,342	1,325
Amortisation of intangible assets	6	3,560	3,817
Interest income		(4,325)	(7,635)
Interest expense		2	3
Loss on disposal of property, plant and equipment	23	34	243
Fair value gain on financial assets, at fair value through profit or loss		(10,109)	(2,216)
Fair value gain on financial assets, at fair value through other comprehensive income (debt instruments)		(928)	-
Investment rebate		(15)	(14)
Amortisation of interest for bonds		(221)	(104)
Loss allowance		40	31
Transfer from endowment fund (capital) to other funds		-	(15)
Transfer from deferred capital grant to donation in kind		-	(72)
Operating deficit before working capital changes		(183,081)	(188,665)
Change in trade and other receivables		2,406	2,030
Change in student loans		3	54
Change in trade and other payables		17,600	(1,344)
Cash used in operations		(163,072)	(187,925)
Development grants received from Government		4,826	557
IT and Furniture & Equipment grants received from Government		6,167	9,370
Innovation grants received from Government		1,452	967
Operating grants received from Government		189,757	192,401
Operating grants received from non-government organisations		602	2,659
Contributions and donations received for the endowment fund (capital)		1,735	13,207
Net cash from operating activities		41,467	31,236
<b>Cash flows from investing activities</b>			
Interest received		4,325	7,635
Purchase of property, plant and equipment	A	(12,619)	(26,083)
Addition of intangible assets	B	(1,035)	(1,209)
Purchase of financial assets, at fair value through other comprehensive income (debt instruments)		-	(125,776)

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

### YEAR ENDED MARCH 31, 2021

	Note	Group	
		2021	2020
		\$'000	\$'000
<b>Cash flows from investing activities (cont'd)</b>			
Redemption and disposal of financial assets, at fair value through other comprehensive income (debt instruments)		49,928	107,466
Development grants received from Government		1,116	1,316
IT and Furniture & Equipment grants received from Government		10,833	8,630
Innovation grants received from Government		267	284
Operating grants received from Government		639	8,798
Operating grants received from non-government organisations		755	619
Net cash from (used in) investing activities		54,209	(18,320)
<b>Cash flows from financing activities</b>			
Repayment of lease liability		(75)	(60)
Interest paid		(2)	(3)
Net cash used in financing activities		(77)	(63)
<b>Net increase in cash and cash equivalents</b>		95,599	12,853
Cash and cash equivalents at beginning of year		414,772	401,919
<b>Cash and cash equivalents at end of year</b>	13	510,371	414,772

#### Reconciliation of liabilities arising from financing activities

The following is the disclosure of the reconciliation of liabilities arising from financing activities:

	At beginning of year	Financing cash flow	Adoption of SB-FRS 116	Non-cash changes		At end of year
				New leases	Interest expense	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>						
<b>Lease liabilities</b>	128	(77)	-	50	2	103
<b>2020</b>						
<b>Lease liabilities</b>	-	(63)	131	57	3	128

#### Note A

During the year, the Group accrued for the acquisition of property, plant and equipment with an aggregate cost of \$7,373,000 (2020 : \$3,085,000). The cash outflow on acquisition of property, plant and equipment amounted to \$12,619,000 (2020 : \$26,083,000).

#### Note B

During the year, the Group accrued for the acquisition of intangible assets with an aggregate cost of \$21,000 (2020 : \$759,000). The cash outflow on acquisition of intangible assets amounted to \$1,035,000 (2020 : \$1,209,000).

See accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

### YEAR ENDED MARCH 31, 2021

#### 1 GENERAL

Singapore Polytechnic (the "Polytechnic"), established under the Singapore Polytechnic Act (Chapter 303) (the "Act"), 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 7.

The consolidated financial statements of the Group and statement of financial position and statement of changes in funds and reserves of the Polytechnic for the year ended March 31, 2021 were authorised for issue by the Board of Governors on July 29, 2021.

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation

###### (a) Basis of accounting

The financial statements have been prepared in accordance with the applicable requirements of the Public Sector (Governance) Act 2018, Act 5 of 2018, the Singapore Polytechnic Act, Chapter 303, the Singapore Charities Act, Chapter 37 and 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. The financial statements are presented in Singapore dollars which is also the functional currency of the Polytechnic. All the financial information presented in Singapore dollars ("S\$") has been rounded to the nearest thousand ("000") unless otherwise stated.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of SB-FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SB-FRS 2 *Inventories* or value in use in SB-FRS 36 *Impairment of Assets*.

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

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

###### (b) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SB-FRS requires the use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.1 Basis of preparation (Cont'd)

###### (b) Critical accounting judgements and key sources of estimation uncertainty (cont'd)

###### **Critical judgements in applying the entity's accounting policies**

Management is of the opinion that there are no applications of judgement expected to have a significant effect on the amounts recognised in the financial statements.

###### **Key sources of estimation uncertainty**

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### 2.2 Adoption of new and revised standards

On April 1, 2020, the Group has adopted all the new and revised SB-FRSs and Interpretations of SB-FRS ("INT SB-FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2020. The adoption of these new/revised SB-FRSs and INT SB-FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

##### 2.3 New or revised accounting standards and interpretations not effective

At the date of authorisation of these financial statements, the following SB-FRSs and amendments to SB-FRS that are relevant to the Group were issued but not yet effective:

###### Effective for annual periods beginning on or after January 1, 2021

- Amendments to SB-FRS 109 *Financial Instruments*, SB-FRS 39 *Financial Instruments Recognition and Measurement*, SB-FRS 107 *Financial Instruments disclosures*

###### Effective for annual periods beginning on or after January 1, 2022

- Amendments to SB-FRS 16: *Property, Plant and Equipment - Proceeds before Intended Use*
- Annual Improvements to SB-FRSs 2018-2020

###### Effective for annual periods beginning on or after January 1, 2023

- Amendments to SB-FRS 1: *Classification of Liabilities as Current or Non-current*

Management anticipates that the adoption of the above SB-FRSs and amendments to SB-FRS in future periods will not have a material impact on the financial statements of the Group and of the Polytechnic in the period of their initial adoption.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Polytechnic and entities controlled by the Polytechnic and its subsidiaries. Control is achieved when the Polytechnic:

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

The Polytechnic 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.

When the Polytechnic has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Polytechnic considers all relevant facts and circumstances in assessing whether or not the Polytechnic's voting rights in an investee are sufficient to give it power,

including:

- The size of the Polytechnic's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Polytechnic, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Polytechnic 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.

Consolidation of a subsidiary begins when the Polytechnic obtains control over the subsidiary and ceases when the Polytechnic loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Polytechnic gains control until the date when the Polytechnic ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Polytechnic and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Polytechnic and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

In the Polytechnic's financial information, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

### 2.5 Funds

#### (i) General Fund

Income and expenditure relating to the main activities of the Group are accounted for through the General Fund in the Statement of Comprehensive Income.

#### (ii) Other Funds

Income and expenditure relating to funds set up for contributions received and expenditure incurred for specific purposes are accounted for through the "Other Funds" in the Statement of Comprehensive Income.

#### (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 accounted for in the Fund's operating account under "Other Funds - Endowment Fund (non-capital)" in profit or loss.

Assets and liabilities of these funds are accounted for separately. However, for presentation purposes, they are pooled together with

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.6 Funds managed on behalf of others

those of General Fund in the Statement of Financial Position.

Funds managed on behalf of others relate to funds 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 ("MOE") and Other Entities – Staff Housing Loan, Tuition Fee Loan, Student Loan, Opportunity Fund, Additional Funding Support, Temasek Foundation Projects Fund, Financial Literacy Fund, ASEAN Secretariat Projects Fund, ASEAN-UNICEF Project Fund and India World Skills Competitors Training Programme Fund are presented as a line item under the capital and funds managed on behalf of others section on the face of the statement of financial position as prescribed by SB-FRS Guidance Note 3. Income and expenditure relating to these funds are accounted for directly in these funds. Details of income, expenditure, net assets relating to these funds are disclosed in Note 20.

### 2.7 Property, plant and equipment

#### (a) Measurement

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Donated assets are recorded at valuation and subsequently carried at aforementioned less accumulated depreciation and accumulated impairment losses.

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 \$5,000 each and renovations costing below \$200,000 are charged to profit or loss in the year of purchase.

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

#### (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:

Building (campus and staff quarters)	_____	Maximum of 50 years
Building improvements	_____	5 years
Equipment and furniture	_____	3 to 10 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 profit or loss when the changes arise.

#### (c) Subsequent costs

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

#### (d) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.8 Intangible assets

Computer software including software development costs are capitalised on the basis of the cost incurred to acquire or develop the software for its intended use. Computer software is stated at cost less accumulated amortisation and impairment loss, if any. These costs are amortised using the straight-line method over their estimated useful life of 3 to 5 years. Computer software costing less than \$5,000 is charged to profit or loss in the year of purchase.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

### 2.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 2.10 Financial instruments

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instruments.

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

#### Financial assets

##### Classification of financial assets

Debt instruments that meet the following conditions and are subsequently measured at amortised cost:

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

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 Financial instruments (Cont'd)

#### Classification of financial assets (cont'd)

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

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

#### Amortised cost and effective interest method

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

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

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

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

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

#### Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SB-FRS 103 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to accumulated surplus.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with SB-FRS 109, unless the dividends clearly represent a recovery of part of the cost of the investment.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 Financial instruments (Cont'd)

#### *Debt instruments classified as at FVTOCI*

The corporate bonds held by the Group are classified as at FVTOCI. Fair value is determined in the manner described in Note 31. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of fair value reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

#### *Financial assets at FVTPL*

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

Specifically:

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Non-operating income" line item in profit or loss.

#### Impairment of financial assets

The Group recognises a loss allowance for ECL on trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

#### *Significant increase in credit risk*

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

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 6 months past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 Financial instruments (Cont'd)

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

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

#### *Definition of default*

The Group considers that default has occurred when a financial asset is more than 24 months past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### *Credit-impaired financial assets*

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

#### *Write-off policy*

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

#### *Measurement and recognition of ECL*

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

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

#### Derecognition of financial assets

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

#### **Financial liabilities**

##### Classification as debt

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

##### Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 Financial instruments (Cont'd)

#### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### **Offsetting arrangements**

Financial assets and financial liabilities are offset and the net amount is presented in the Statement of Financial Position when the Group has legally enforcement right to set-off the recognised amounts; and intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

### 2.11 Leases

#### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate is defined as the rate of interest that the Group would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.11 Leases (cont'd)

#### The Group as lessee (cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a lease asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SB-FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SB-FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.9.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Operating expenditure' in the statement of comprehensive income.

#### The Group as lessor

The Group enters into lease arrangements as a lessor with respect to its staff apartments and on-campus premises.

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

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

### 2.12 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 November 2, 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 consolidated statement of cash flows, cash and cash equivalents include cash on hand and at bank and cash held with AGD.

### 2.13 Revenue recognition

The Polytechnic recognises revenue from the following major sources:

- Rendering of services.
- Rental income.
- Interest income.
- Donations.

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



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.13 Revenue recognition (Cont'd)

#### *Rendering of services*

Revenue for course and other fees is earned from the provision of studies, training and research services in technology, science, commerce and arts. Consultancy fees are revenue derived by the subsidiaries related to training, education and education-related services. Revenue for course, consultancy and other fees for the year are recognised as a performance obligation which is satisfied over time.

Payments received from students for course and other fees in which the courses have not been rendered is recognised as deferred income, under contract liabilities, until the services have been rendered to the students.

#### *Rental income*

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

#### *Interest income*

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

#### *Donations*

Donations are recognised at a point in time, when received.

### 2.14 Employee compensation

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

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

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

#### *(b) Employee leave entitlement*

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

#### *(c) Key Management Personnel*

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

### 2.15 Grants

Grants are not recognised until there is reasonable assurance that the Polytechnic will comply with the conditions attaching to them and the grants will be received.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

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

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

Government grants to meet the current year's operating expenses are taken to profit or loss for the year. Government grants are accounted for on 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.16 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.

Income tax expense represents the sum of the tax currently payable and deferred tax. Current tax is expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax are recognised as an expense or income in profit or loss, except when relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

### 2.17 Foreign currency transactions

The financial statements of the Group are measured and presented in the currency of the primary economic environment in which the Group operates (its functional currency). Transactions in currencies other than the Group's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

### 3 ENDOWMENT FUND AND OTHER FUNDS

Details of the Polytechnic's funds are as follows:

(i) Name of Fund	Purpose
Endowment Fund	Provides financial assistance to needy students, recognise achievements of outstanding students and provides assistance for the benefit of graduates.

Interest income and expenditure of the Endowment Fund are taken to the operating account under "Other Funds" in the statement of comprehensive income.

(ii) The total amount of tax-deductible donations received during the year is \$945,000 (2020 : \$733,000).

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

	2021	2020
	\$'000	\$'000
<b>The Group and The Polytechnic</b>		
At beginning of the year	65,789	52,597
MOE matching donation grant	1,435	13,057
Donations received from third parties	300	150
Transfer to Other Funds (non-endowed)	-	(15)
At end of the year	67,524	65,789
Represented by:		
Financial assets, fair value through other comprehensive income (debt instruments)	5,572	39,720
Cash and cash equivalents	61,952	13,012
Cash and cash equivalents - General Fund*	-	13,057
	67,524	65,789

\* In prior years, an amount of \$13,057,000 was received from MOE through a bank account assigned for General Fund on March 30, 2020. During the year, this amount had been transferred to a bank account assigned under Endowment Fund.

(iv) The Endowment Fund (non-capital) is presented under Other Funds.

(v) Student Welfare and Development Fund provides funding to support student welfare and development activities and is presented under Other Funds.

(vi) 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.

Miscellaneous Funds is presented under Other Funds.

### 3 ENDOWMENT FUND AND OTHER FUNDS (CONT'D)

vii) The details of the income and expenditure for Other Funds are as follows:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>The Group</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income								
Course fees	-	-	-	-	23,580	18,399	23,580	18,399
Consultancy fees	-	-	-	-	1,450	2,665	1,450	2,665
	-	-	-	-	25,030	21,064	25,030	21,064
<b>Operating expenditure</b>								
Staff costs	-	-	-	-	(11,814)	(10,797)	(11,814)	(10,797)
Teaching materials	-	-	-	-	(177)	(144)	(177)	(144)
Repairs and maintenance	-	-	-	-	(410)	(836)	(410)	(836)
Depreciation of property, plant and equipment	-	-	(49)	(49)	(2,181)	(2,102)	(2,230)	(2,151)
Amortisation of intangible assets	-	-	-	-	(159)	(157)	(159)	(157)
Staff development and benefits	-	-	-	-	(28)	(8)	(28)	(8)
Other expenditure	(3,246)	(2,708)	(55)	(167)	(3,902)	(6,076)	(7,203)	(8,951)
	(3,246)	(2,708)	(104)	(216)	(18,671)	(20,120)	(22,021)	(23,044)
Operating (deficit) surplus	(3,246)	(2,708)	(104)	(216)	6,359	944	3,009	(1,980)
<b>Non-operating income</b>								
Donations	1,505	914	-	-	-	-	1,505	914
Interest income	1,569	1,966	24	48	541	1,157	2,134	3,171
Rental income	-	-	-	-	1,507	1,431	1,507	1,431
Fair value gains								
- financial assets at fair value through profit or loss	-	-	-	-	2,374	642	2,374	642
Fair value gains								
- financial assets at fair value through other comprehensive income (debt instruments)	928	-	-	-	-	-	928	-
Other income (expenditure), net	26	56	237	278	1,258	(65)	1,521	269
<b>Surplus before grants and tax</b>	782	228	157	110	12,039	4,109	12,978	4,447
Grants	-	-	-	-	196	-	196	-
<b>Surplus before income tax</b>	782	228	157	110	12,235	4,109	13,174	4,447
Income tax expense	-	-	-	-	-	(34)	-	(34)
<b>Net surplus for the year</b>	782	228	157	110	12,235	4,075	13,174	4,413

### 3 ENDOWMENT FUND AND OTHER FUNDS (CONT'D)

(viii) Other Funds comprise the following:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>The Group</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated surplus at March 31	21,533	20,751	4,742	4,585	114,775	102,540	141,050	127,876
<b>Represented by:</b>								
Property, plant and equipment	-	-	185	235	14,507	14,300	14,692	14,535
Intangible assets	-	-	-	-	83	214	83	214
Student loans	-	-	20	23	-	-	20	23
Financial assets, at fair value through profit or loss	-	-	-	-	22,243	19,868	22,243	19,868
Fair value reserve	(60)	(245)	-	-	80	80	20	(165)
Cash and cash equivalents	21,423	20,287	4,537	4,327	64,438	64,132	90,398	88,746
Cash and cash equivalents - General Fund*	-	-	-	-	-	560	-	560
Receivables, deposits and prepayments	170	709	-	-	17,712	6,358	17,882	7,067
Payables, deposits and accruals	-	-	-	-	(4,296)	(2,980)	(4,296)	(2,980)
Deferred income tax assets	-	-	-	-	8	8	8	8
	21,533	20,751	4,742	4,585	114,775	102,540	141,050	127,876

\* In prior year, an amount of \$560,000 received from MOE through bank accounts assigned for General Fund on March 31, 2020. During the year, this amount had been transferred to bank accounts assigned under Other Funds.

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>The Polytechnic</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated surplus at March 31	21,533	20,751	4,742	4,585	110,840	98,857	137,115	124,193
<b>Represented by:</b>								
Property, plant and equipment	-	-	185	235	14,452	14,244	14,637	14,479
Intangible assets	-	-	-	-	83	214	83	214
Student loans	-	-	20	23	-	-	20	23
Investment in subsidiaries	-	-	-	-	2,250	2,250	2,250	2,250
Financial assets, at fair value through profit or loss	-	-	-	-	22,243	19,868	22,243	19,868
Fair value reserve	(60)	(245)	-	-	-	-	(60)	(245)
Cash and cash equivalents	21,423	20,287	4,537	4,327	59,339	59,819	85,299	84,433
Cash and cash equivalents - General Fund*	-	-	-	-	-	560	-	560
Receivables, deposits and prepayments	170	709	-	-	16,793	6,287	16,963	6,996
Payables, deposits and accruals	-	-	-	-	(4,320)	(4,385)	(4,320)	(4,385)
	21,533	20,751	4,742	4,585	110,840	98,857	137,115	124,193

\*In prior year, an amount of \$560,000 received from MOE through bank accounts assigned for General Fund on March 31, 2020. During the year, this amount had been transferred to bank accounts assigned under Other Funds.

### 4 PROPERTY, PLANT AND EQUIPMENT

The Group	Building (campus and staff quarters)	Building improvements	Equipment and furniture	Total
	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>				
At April 1, 2019	360,483	152,226	283,087	795,796
Additions	598	16,099	10,381	27,078
Disposals	-	-	(13,409)	(13,409)
At March 31, 2020	361,081	168,325	280,059	809,465
Additions	105	1,896	14,906	16,907
Disposals	-	(379)	(7,591)	(7,970)
Transfer from intangible assets (Note 6)	-	-	529	529
At March 31, 2021	361,186	169,842	287,903	818,931
<b>Accumulated depreciation</b>				
At April 1, 2019	153,565	114,228	232,244	500,037
Depreciation for the year	7,615	13,282	18,980	39,877
Eliminated on disposals	-	-	(13,185)	(13,185)
At March 31, 2020	161,180	127,510	238,039	526,729
Depreciation for the year	7,557	11,614	13,953	33,124
Eliminated on disposals	-	(379)	(7,557)	(7,936)
Transfer from intangible assets (Note 6)	-	-	23	23
At March 31, 2021	168,737	138,745	244,458	551,940
<b>Net book value</b>				
At March 31, 2021	192,449	31,097	43,445	266,991
At March 31, 2020	199,901	40,815	42,020	282,736

#### Asset under construction

The Group's property, plant and equipment includes \$19.6 million (2020 : \$14.1 million) relating to in-progress renovation classified within building improvements and equipment and furniture.

#### 4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Polytechnic	Building (campus and staff quarters)	Building improvements	Equipment and furniture	Total
	\$'000	\$'000	\$'000	\$'000
<u>Cost</u>				
At April 1, 2019	360,483	152,226	283,024	795,733
Additions	598	16,099	10,336	27,033
Disposals	-	-	(13,409)	(13,409)
At March 31, 2020	361,081	168,325	279,951	809,357
Additions	105	1,896	14,890	16,891
Disposals	-	(379)	(7,591)	(7,970)
Transfer from intangible assets (Note 6)	-	-	529	529
At March 31, 2021	361,186	169,842	287,779	818,807
<u>Accumulated depreciation</u>				
At April 1, 2019	153,565	114,228	232,198	499,991
Depreciation for the year	7,615	13,282	18,975	39,872
Eliminated on disposals	-	-	(13,185)	(13,185)
At March 31, 2020	161,180	127,510	237,988	526,678
Depreciation for the year	7,557	11,614	13,935	33,106
Eliminated on disposals	-	(379)	(7,557)	(7,936)
Transfer from intangible assets (Note 6)	-	-	23	23
At March 31, 2021	168,737	138,745	244,389	551,871
<u>Net book value</u>				
At March 31, 2021	192,449	31,097	43,390	266,936
At March 31, 2020	199,901	40,815	41,963	282,679

#### Asset under construction

The Polytechnic's property, plant and equipment includes \$19.6 million (2020 : \$14.1 million) relating to in-progress renovation classified within building improvements and equipment and furniture.

#### 5 RIGHT-OF-USE ASSETS

The Group leases certain leasehold land and office equipment. The lease term ranges from 21 to 86 years for leasehold land. The lease term of office equipment is 5 years.

The Group and The Polytechnic	Leasehold land	Office equipment	Total
	\$'000	\$'000	\$'000
<u>Cost</u>			
At April 1, 2019	75,618	131	75,749
Additions	-	57	57
At March 31, 2020	75,618	188	75,806
Additions	-	50	50
Derecognition	-	(9)	(9)
At March 31, 2021	75,618	229	75,847
<u>Accumulated depreciation</u>			
At April 1, 2019	27,607	-	27,607
Depreciation for the year	1,262	63	1,325
At March 31, 2020	28,869	63	28,932
Depreciation for the year	1,262	80	1,342
Eliminated on derecognition	-	(9)	(9)
At March 31, 2021	30,131	134	30,265
<u>Net book value</u>			
At March 31, 2021	45,487	95	45,582
At March 31, 2020	46,749	125	46,874

Leasehold land includes donated assets. The valuations of two pieces of leasehold land were provided by the Chief Valuer, Inland Revenue Department in 1986 (\$52,660,000) and Colliers Jardine (S) Pte Ltd in 1994 (\$740,000), on a market value basis.

**6 INTANGIBLE ASSETS**

	2021	2020
	\$'000	\$'000
<b>The Group and The Polytechnic</b>		
Computer software		
Cost		
At April 1	24,524	22,716
Additions	297	1,885
Transfer to property, plant and equipment (Note 4)	(529)	-
Disposals	(480)	(77)
At March 31	23,812	24,524
Accumulated depreciation		
At April 1	19,332	15,573
Amortisation for the year	3,560	3,817
Transfer to property, plant and equipment (Note 4)	(23)	-
Eliminated on disposals	(480)	(58)
At March 31	22,389	19,332
Carrying amount		
At March 31	1,423	5,192

The Group's computer software includes \$0.5 million (2020 : \$1.3 million) relating to in-progress software development projects.

**7 SUBSIDIARIES**

	2021	2020
	\$'000	\$'000
<b>The Polytechnic</b>		
Unquoted equity shares, at cost		
At April 1	2,250	1,100
Additions	-	1,150
At March 31	2,250	2,250

In 2020, the Polytechnic injected additional investment amounting to \$1,150,000 in Singapore Polytechnic Enterprise Pte. Ltd.

The balances with subsidiaries are unsecured, interest-free, repayable on demand and expected to be settled in cash unless otherwise stated.

Details of the subsidiaries are as follows:

Name	Country of Incorporation/ principal place of business	Percentage of equity held		Principal activities
		2021	2020	
		%	%	
Singapore Polytechnic Enterprise Pte. Ltd.	Singapore	100	100	(a) To receive fees and other payments in respect of research, workshops, trainings and other services; and  (b) To enter into collaborative arrangements with other entities for the purpose of research, education, design and development of products and services.
Singapore Polytechnic International Pte Ltd	Singapore	100	100	Provision of training, education and education-related services

**8 FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS**

	2021	2020
	\$'000	\$'000
<b>The Group and The Polytechnic</b>		
Financial assets at fair value through profit or loss:		
Quoted unit trusts	113,290	103,166

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

## 9 FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (DEBT INSTRUMENTS)

	2021	2020
	\$'000	\$'000
<b>The Group and The Polytechnic</b>		
Quoted debt securities - Singapore	5,546	53,981
Represented by:		
Current	4,007	25,927
Non-current	1,539	28,054
	5,546	53,981
Balance at beginning of year	53,981	36,142
Additions	-	125,775
Redemption and disposals (including amortisation of interest for bonds)	(49,707)	(107,362)
Fair value gain (loss) recognised in other comprehensive income	1,272	(574)
Balance at end of year	5,546	53,981

### Details of the quoted debt securities:

	2021	2020
Interest rates	2.68% - 3.08%	2.20%-4.11%
Maturity dates	2021 - 2022	2020 - 2029

The Group holds an interest in quoted debt securities including various government bonds and corporate bonds with a range of interest rates and maturity periods.

The quoted debt securities are held by the Group within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Hence the corporate bonds are classified as at FVTOCI.

For the purposes of impairment assessment, the quoted debt securities are considered to have low credit risk as the counterparties to these investments are reputable institutions. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these assets, management has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the corporate bonds operate obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

Note 31 details the gross carrying amount, loss allowance as well as the measurement basis of expected credit losses for these financial assets by credit risk rating grades.

## 10 STUDENT LOANS

	2021	2020
	\$'000	\$'000
<b>The Group and The Polytechnic</b>		
Repayable after 12 months	4	5
Repayable within 12 months	16	18
Total	20	23

Student loans are interest-free and repayable by monthly instalments over the period of 2 years (2020 : 2 years) after their graduation.

## 11 DEFERRED TAX ASSETS

	2021	2020
	\$'000	\$'000
<b>The Group</b>		
Balance at beginning of year	8	42
Charge to profit or loss	-	(34)
Balance at end of year	8	8

## 12 TRADE AND OTHER RECEIVABLES

	The Group		The Polytechnic	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Grants receivables	23,428	19,477	23,418	19,394
Fees receivables	1,486	1,025	1,486	1,025
Other receivables	2,395	5,816	1,270	5,508
Deposits	26	25	26	25
Subsidiaries – non-trade (Note 7)	-	-	463	319
Related party – non-trade (Note 29)	-	24	-	24
Goods and services tax receivable	556	999	556	999
Prepayments	1,683	1,831	1,617	1,818
	29,574	29,197	28,836	29,112
Less: Loss allowance on fees receivables	(40)	(31)	(40)	(31)
	29,534	29,166	28,796	29,081

The average credit period given by the Group is 30 days (2020 : 30 days). No interest is charged on the outstanding balances except for late interest charges on rental receivables which ranges from 8.5% to 12% (2020 : 8.5% to 12%) per annum.

Grant receivables relate to amounts granted to the Group and the Polytechnic from MOE, government agencies and non-government agencies on a reimbursement basis to fund the Polytechnic's activities. Such grant income is set off against expenses in the statement of comprehensive income.

Included in the Group's and the Polytechnic's other receivables are interest to be received from cash held with Accountant-General's Department ("AGD") of \$821,000 (2020 : \$3,533,000).

Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent for all receivables over two years past due and assessed not to be recoverable based on historical experience.

## 12 TRADE AND OTHER RECEIVABLES (CONT'D)

The Group has recognised a loss allowance of \$40,000 (2020 : \$31,000) which is due to specific credit impaired factors arising on certain debtors. The Group has assessed and noted immaterial loss allowance required for the remaining balances as historical experience has indicated that these receivables are generally recoverable.

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

Movement of the loss allowance is as follows:

	2021	2020
	\$'000	\$'000
<b>The Group and The Polytechnic</b>		
Balance at beginning of year	31	31
Amounts recovered	(3)	(4)
Amounts written off	(28)	(27)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	40	31
Balance at end of year	40	31

## 13 CASH AND CASH EQUIVALENTS

	The Group		The Polytechnic	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	157,273	45,689	152,500	41,701
Cash with Accountant-General's Department	353,098	369,083	353,098	369,083
	510,371	414,772	505,598	410,784

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. The interest rate for cash placed with AGD at the reporting date is 1.54% (2020 : 2.01%) per annum.

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at the reporting date, the bank balance of \$1,323,000 (2020 : \$874,000) has not been included in the cash and cash equivalents of the Polytechnic.

## 14 TRADE AND OTHER PAYABLES

	The Group		The Polytechnic	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Sundry creditors	6,931	6,067	6,809	6,067
Deposits	603	579	609	582
Provision for unutilised leave	13,600	8,747	13,502	8,693
Accrued operating expenses and capital expenditures	35,504	19,630	35,347	20,878
Goods and services tax payable	21	36	-	-
Subsidiary (Note 7)	-	-	481	327
Amount due to MOE	207	-	207	-
Deferred grant income	-	83	-	-
Trade and other payables	56,866	35,142	56,955	36,547

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days (2020 : 30 days).

## 15 LEASE LIABILITIES

	31 March 2021	31 March 2020
	\$'000	\$'000
The Group and The Polytechnic		
Undiscounted lease payments due:		
- Year 1	71	69
- Year 2	26	48
- Year 3	6	9
- Year 4	2	3
- Year 5	-	2
	105	131
Less: Unearned interest cost	(2)	(3)
Lease liabilities	103	128
Presented as:		
Current	70	68
Non-current	33	60
	103	128

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's finance function.

## 16 GOVERNMENT GRANTS RECEIVED IN ADVANCE

		2021	2020
	Note	\$'000	\$'000
The Group and The Polytechnic			
Balance at beginning of year		88,126	85,554
Grants received during the year			
- Government development grants		1,438	6,326
- Government IT and Furniture & Equipment grants		17,000	18,000
- Government innovation grants		1,648	770
Transfer to deferred capital grants (Government)	17	(12,216)	(14,573)
Amount recorded in profit or loss	25	(8,729)	(7,951)
Balance at end of year		87,267	88,126

Unutilised IT and Furniture & Equipment balance of \$83.9 million (2020 : \$82.7 million) is retained by the Polytechnic for future use.

## 17 DEFERRED CAPITAL GRANTS

	Government		Non-Government		Total	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	297,559	315,429	2,991	3,176	300,550	318,605
Development grants, Furniture and equipment and Information Technology grants and Innovation grants from MOE (Note 16)	12,216	14,573	-	-	12,216	14,573
Transfer from operating grants (Note 27)	639	8,798	-	-	639	8,798
Grants received	-	-	755	619	755	619
	12,855	23,371	755	619	13,610	23,990
Amortisation to profit or loss (Note 25)	(33,887)	(41,241)	(669)	(732)	(34,556)	(41,973)
Transferred to donation-in-kind	-	-	-	(72)	-	(72)
	(33,887)	(41,241)	(669)	(804)	(34,556)	(42,045)
Balance at end of year	276,527	297,559	3,077	2,991	279,604	300,550

## 18 CONTRACT LIABILITIES

The contract liabilities primarily relate to advance consideration received in respect of:

- (i) Course fees, for which revenue is recognised over the course period; and
- (ii) Service fees from Singapore Institute of Technology ("SIT") for the usage of the Polytechnic's facilities by SIT students.

The details are as follows:

	The Group		The Polytechnic	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Course fees	4,851	4,668	4,851	4,668
Service fees	19,599	20,422	19,599	20,422
Other fees	66	-	-	-
	24,516	25,090	24,450	25,090
Represented by:				
Current	5,741	5,492	5,675	5,492
Non-current	18,775	19,598	18,775	19,598
	24,516	25,090	24,450	25,090

During the year, revenue recognised by the Group and the Polytechnic that was included in contract liability balance at the beginning of the period includes:

	The Group		The Polytechnic	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Course fees	4,475	4,313	4,475	4,313
Service fees	824	824	824	824

## 19 FAIR VALUE RESERVE

The fair value reserve represents the cumulative gains and losses arising on the revaluation of:

- (i) investments in equity instruments designated as at FVTOCI, net of cumulative gain/loss transferred to accumulated surplus upon disposal; and
- (ii) investments in debt instruments classified as at FVTOCI, net of cumulative gain/loss reclassified to profit or loss upon disposal

	The Group		The Polytechnic	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	(390)	521	(309)	265
Fair value loss on investments in equity instruments designated as at FVTOCI	-	(337)	-	-
Fair value gain (loss) on investments in debt instruments classified as at FVTOCI	1,272	(574)	1,272	(574)
Cumulative gain on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal	(928)	-	(928)	-
Balance at end of year	(46)	(390)	35	(309)

## 20 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES

	The Group		The Polytechnic	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
(i) Tuition Fee Loan, Student Loan and Staff Housing Loan	11,132	9,348	11,132	9,348
(ii) Opportunity Fund	692	602	692	602
(iii) Additional Funding Support	201	-	201	-
(iv) Temasek Foundation Projects Fund	353	410	353	410
(v) Financial Literacy Fund	(94)	719	-	-
(vi) ASEAN Secretariat Projects Fund	-	5	-	5
(vii) ASEAN-UNICEF Project Fund	-	-	-	-
(viii) India World Skills Competitors Training Programme Fund	-	2	-	2
Funds managed on behalf of the Ministry and other entities	12,284	11,086	12,378	10,367

### (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, student loans and staff housing loans and the MOE as the financier providing the advances.

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

Loans given to students are interest-free until June 1 or December 1 in the year of their graduation, or for those with National Service obligations, in the year in which they finish their National Service. Thereafter, loans are repayable by monthly instalments with interest at 4.75% (2020 : 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 MOE. 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 \$819,000 (2020 : \$1,917,000) were repaid to the MOE.

Loans to staff consist of housing loan made in accordance with the regulations of the Polytechnic. With effect from January 2002, new housing loan benefit is no longer provided. Housing loans received by the Polytechnic amounting to \$24,000 (2020 : \$28,000) were refunded to the MOE. As at September 2020, this housing loan has been fully paid up and refunded to MOE. There are no more housing loans made to staff.



## 20 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (CONT'D)

## (i) Tuition Fee Loan, Student Loan and Staff Housing Loan (cont'd)

The details of the Tuition Fee Loan, Student Loan and Staff Housing Loan as at March 31 are as follows:

The Group and The Polytechnic	2021	2020
	\$'000	\$'000
Balance at beginning of year	9,348	8,409
Advances received	2,584	2,692
Interest income	45	190
Bad debts (written off) recovered	(2)	1
Advances repaid	(843)	(1,944)
<b>Balance at end of year</b>	<b>11,132</b>	<b>9,348</b>
Represented by:		
Cash and cash equivalents	-	2
Tuition fees and study loans	11,137	9,328
Staff housing loans	-	22
Trade and other payables	(5)	(4)
<b>Net assets</b>	<b>11,132</b>	<b>9,348</b>

## (ii) Opportunity Fund

The Opportunity Fund was set up to provide enrichment opportunities for Singapore Citizen students from lower income households.

In prior years, the fund included assistance for overseas trips and local enrichment programmes and purchase of computer devices and was provided on a 3-year cycle which ended in December 2018.

A revision to Opportunity Fund Scheme was made in February 2019. The Opportunity Fund will be disbursed on an annual basis. The fund can only be used to provide assistance for overseas trips and purchase of computer devices. In the transition year of 2019, the fund was provided on a 15 months cycle, which ended in March 2020.

The details of the Opportunity Fund as at March 31 are as follows:

The Group and The Polytechnic	2021	2020
	\$'000	\$'000
Balance at beginning of the year	602	1,083
Amount received during the year	531	297
Amount utilised during the year	(441)	(778)
<b>Balance at end of the year</b>	<b>692</b>	<b>602</b>
Represented by:		
Cash and cash equivalents	692	602

## 20 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (CONT'D)

## (iii) Additional Funding Support

The Additional Funding Support was provided by the MOE to help students who are affected by the current economic slowdown due to the COVID-19 situation and need further financial assistance for their studies, beyond the existing aid provisions during normal times.

The funds will be disbursed to the Polytechnic over two financial years, with 75% disbursed in the current financial year and the remaining 25% to be disbursed in next financial year.

The Polytechnic can carry forward any unutilised funds at the end of March 31, 2021. Any unutilised funds at the end of March 31, 2022 will have to be returned to the MOE.

The details of the Additional Funding Support from MOE as at March 31 are as follows:

The Group and The Polytechnic	2021	2020
	\$'000	\$'000
Balance at beginning of the year	-	-
Amount received during the year	450	-
Amount utilised during the year	(249)	-
<b>Balance at end of the year</b>	<b>201</b>	<b>-</b>
Represented by:		
Cash and cash equivalents	201	-

## (iv) Temasek Foundation Projects Fund

The Polytechnic collaborates with Temasek Foundation International ("Temasek Foundation") on several projects which aim to develop and enhance educational capabilities in Asia. In these projects, the Polytechnic is responsible for establishing proper objectives for the approved programmes and to monitor and evaluate the progress of the project based on terms agreed with Temasek Foundation.

Funds are disbursed by Temasek Foundation on a regular basis to support approved project expenditures. Funds disbursed in excess are to be returned to Temasek Foundation at the end of each project. Temasek Foundation Projects Fund is maintained in a separate bank account.

The details of the Temasek Foundation Projects Fund as at March 31 are as follows:

The Group and The Polytechnic	2021	2020
	\$'000	\$'000
Balance at beginning of the year	410	(247)
Amount received during the year	436	3,010
Amount utilised during the year	(493)	(2,353)
<b>Balance at end of the year</b>	<b>353</b>	<b>410</b>
Represented by:		
Cash and cash equivalents	647	1,466
Trade and other payables	(294)	(1,056)
	<b>353</b>	<b>410</b>

## 20 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (CONT'D)

### (v) Financial Literacy Fund

The Singapore Polytechnic Institute of Financial Literacy was launched in collaboration with Monetary Authority of Singapore ("MAS") to provide free and unbiased financial programmes to the public. Under the arrangement, the Group is responsible for the administration and monitoring of the programme.

Funds are disbursed by MAS to support the expenditures of Institute of Financial Literacy on a semi-annual basis. Unutilised funds at the end of the funding period are to be returned to MAS. Financial Literacy Fund is maintained in a separate bank account. This collaboration agreement with MAS ended on June 30, 2019.

With effect from July 1, 2019, a new collaboration was established between the subsidiary, Singapore Polytechnic Enterprise Pte. Ltd. and MAS where the terms and conditions remained the same.

The details of the Financial Literacy Fund as at March 31 are as follows:

	The Group		The Polytechnic	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the year	719	317	-	317
Amount received from MAS	1,298	2,128	-	8
Amount utilised during the year	(2,111)	(1,726)	-	(325)
Balance at end of the year	(94)	719	-	-
Represented by:				
Cash and cash equivalents	173	966	-	-
Trade and other payables	(267)	(247)	-	-
	(94)	719	-	-

Note: In current year, the credit balance represented expenditures incurred by the Group for the intended projects on behalf of MAS which were pending reimbursement.

### (vi) ASEAN Secretariat Projects Fund

The Polytechnic works closely with Association of Southeast Asian Nations ("ASEAN") Secretariat on several projects. For prior year's project, the Polytechnic was responsible in ensuring that the disbursed funds were used to finance expenditures under the approved activities and within the prescribed budget determined by the Asean Secretariat. Funds disbursed in excess shall be returned to the funding agency. The project has been completed and the excess funds were returned to the funding agency in the current year.

The details of the ASEAN Secretariat Projects Fund as at March 31 are as follows:

The Group and The Polytechnic	2021	2020
	\$'000	\$'000
Balance at beginning of the year	5	(12)
Amount (returned) received from ASEAN Secretariat	(5)	121
Amount utilised during the year	-	(104)
Balance at end of the year	-	5
Represented by:		
Cash and cash equivalents	-	354
Trade and other payables	-	(349)
	-	5

## 20 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (CONT'D)

### (vii) ASEAN-UNICEF Project Fund

The project title ASEAN-UNICEF Conference on 21st Century Skills and Young People's Participation was held in Singapore on November 8 and 9, 2018. In this project, the Polytechnic was responsible in ensuring that the disbursed funds were used to finance expenditures under the approved activities and within the prescribed budget determined by the United Nations Children's Fund ("UNICEF"). Funds disbursed in excess shall be returned to the funding agency. The project has been completed and the excess fund were returned to the funding agency in prior year.

The details of the ASEAN-UNICEF Project Fund as at March 31 are as follows:

The Group and The Polytechnic	2021	2020
	\$'000	\$'000
Balance at beginning of the year	-	20
Amount returned to UNICEF	-	(20)
Balance at end of the year	-	-
Represented by:		
Cash and cash equivalents	-	-

### (viii) India World Skills Competitors Training Programme Fund

The project title "India World Skills Competitors Training Programme (Aircraft Maintenance) @ SP" was held in Singapore from March 11, 2019 to April 10, 2019. In this project, the Polytechnic was responsible in ensuring that the disbursed funds were used to finance expenditures under the approved activities and within the prescribed budget determined by Terra Orient Pte Ltd and Aerospace & Aviation Sector Skill Council, India. Funds disbursed in excess shall be returned to the funding agency. The project has been completed and the excess fund were returned to the funding agency in the current year.

The details of the India World Skills Competitors Training Programme as at March 31 are as follows:

The Group and The Polytechnic	2021	2020
	\$'000	\$'000
Balance at beginning of the year	2	-
Amount received from Terra Orient Pte Ltd	-	40
Amount (returned) received from Aerospace & Aviation Sector Skill Council, India	(2)	15
Amount utilised during the year	-	(53)
Balance at end of the year	-	2
Represented by:		
Cash and cash equivalents	-	55
Trade and other payables	-	(53)
	-	2

**21 OPERATING INCOME**

The Group	2021	2020
	\$'000	\$'000
Course fees	74,716	69,894
Consultancy fees	1,450	2,665
Other fees	400	415
	<u>76,566</u>	<u>72,974</u>
Timing of revenue recognition:		
Over time	76,566	72,974

**22 STAFF COSTS**

	The Group	
	2021	2020
	\$'000	\$'000
Wages and salaries	182,615	177,215
Employer's contribution to Central Provident Fund	21,478	20,631
Other staff benefits	2,962	3,096
	<u>207,055</u>	<u>200,942</u>

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

Wages and salaries	7,512	8,171
Employer's contribution to defined contribution plans, including Central Provident Fund	567	619
	<u>8,079</u>	<u>8,790</u>

**23 OTHER EXPENDITURE**

	The Group	
	2021	2020
	\$'000	\$'000
Water and electricity	4,705	6,764
IT support and other services	1,628	2,457
IT related expenditure	7,419	8,291
Consultancy services	1,238	2,245
Local/overseas industrial training	1,319	715
Campus events and activities	2,045	3,943
Bursaries and scholarships	3,246	2,708
Maintenance and upgrading of facilities	1,360	1,225
Loss on disposal of property, plant and equipment	34	243
Other expenses	9,837	10,557
	<u>32,831</u>	<u>39,148</u>

**24 OTHER INCOME**

	The Group	
	2021	2020
	\$'000	\$'000
Non-recurring Research and Development service income	1,528	2,088
Student welfare fund, prizes and award	263	334
Income from use of campus and sports facilities	1,409	1,699
Project revenue and other consulting fee	1,813	2,716
Miscellaneous income	2,631	1,516
	<u>7,644</u>	<u>8,353</u>

**25 GRANTS**

	General Fund		Other Funds		Total	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group						
Operating grants received from:						
- Government (Note 27)	194,319	197,890	-	-	194,319	197,890
- Non-government	3,233	2,659	196	-	3,429	2,659
Development and other grants utilised (Note 16)	8,729	7,951	-	-	8,729	7,951
Deferred capital grants						
Amortised						
- Government (Note 17)	33,887	41,241	-	-	33,887	41,241
- Non-government (Note 17)	669	732	-	-	669	732
	<u>240,837</u>	<u>250,473</u>	<u>196</u>	<u>-</u>	<u>241,033</u>	<u>250,473</u>

**26 INCOME TAX EXPENSE**

The tax on surplus before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax of 17% (2020 : 17%) as follows:

The Group	2021	2020
	\$'000	\$'000
Surplus before income tax	35,448	26,568
Tax at statutory rate of 17% (2020 : 17%)	6,026	4,516
Tax effect on surplus of the Polytechnic exempted from tax	(6,019)	(4,528)
Tax effect on income not subject to tax and non-deductible expense	(55)	2
Others	48	44
	<u>-</u>	<u>34</u>

**27 OPERATING GRANTS - GOVERNMENT**

	2021	2020
<b>The Group and The Polytechnic</b>	\$'000	\$'000
Operating grants received/receivable during the year	213,338	225,772
Less:		
Grants utilised on property, plant and equipment transferred to Deferred capital grants (Note 17)	(639)	(8,798)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	(18,380)	(19,084)
<b>Operating grants taken to profit or loss (Note 25)</b>	<b>194,319</b>	<b>197,890</b>

**28 CAPITAL COMMITMENTS**

Capital expenditure approved but not provided for in the accounts:

	2021	2020
<b>The Group and The Polytechnic</b>	\$'000	\$'000
<b>Amount approved and contracted for</b>	<b>25,803</b>	<b>17,022</b>

The above capital commitments are funded by Government grants.

**29 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. The balances with related parties are unsecured, interest-free, repayable on demand and expected to be settled in cash unless otherwise stated.

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

**(a) Sales and purchase of goods and services**

The Group provides continuing education training to various Ministries, Organs of States and other Statutory Boards. The Group 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.

	2021	2020
	\$'000	\$'000
<b>The Group</b>		
<b>Related party</b>		
Rental received from related party	24	24
Staff cost reimbursed from related party	-	48
Professional fees reimbursed from related party	-	14
<b>MOE</b>		
Operating grants (including Information technology and furniture and equipment grants)	202,280	202,312
Development grants and innovation grants	3,812	8,914
Matching grants	1,435	13,057
<b>Entities affiliated to Board of Governors</b>		
IT related expenditures	-	(3,911)
Newspaper subscription	(514)	*
Telecommunications, network and training collaborations fees	-	(386)
<b>Other Ministries and Statutory boards</b>		
Grants	28,902	20,169
Training fees	(281)	(392)
GEBIZ charges	(293)	(331)
License network fees	(101)	*
Training and assessment fees	(115)	*
Course fees, project and consultancy services	1,387	1,590
Manpower fees	(243)	-
<b>Other Polytechnics</b>		
Projects and events costs	(227)	(285)
Course fees, project and consultancy services	-	136

\* In 2020, amount is not significant.

**(b) Key management's remuneration**

Key management personnel remuneration as disclosed in Note 22 relates to directors and heads of departments.

### 30 OPERATING LEASE COMMITMENTS

#### Group as a lessor

Operating leases, in which the Group is the lessor, relates to on-campus premises and staff apartments owned by the Group with lease terms of between 1 to 30 years. The lessee does not have an option to renew the leases nor to purchase at the expiry of the lease periods.

During the year ended March 31, 2021 the Group recognised rental income of \$3,794,000 (2020 : \$4,435,000).

	2021	2020
	\$'000	\$'000
Maturity analysis of operating lease payment:		
Year 1	2,970	3,594
Year 2	2,112	2,345
Year 3	1,875	1,750
Year 4	1,537	1,538
Year 5	1,467	1,510
Year 6 and onwards	11,655	13,123
<b>Total</b>	<b>21,616</b>	<b>23,860</b>

### 31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

#### Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Polytechnic	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Financial assets, mandatorily measured at FVTPL	113,290	103,166	113,290	103,166
Financial assets, at FVTOCI (debt instruments)	5,546	53,981	5,546	53,981
Financial assets at amortised cost	537,686	441,131	532,241	437,071
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	56,845	35,106	56,955	36,547
Lease liabilities	103	128	103	128

#### Financial risk management policies and objectives

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/Board of Governors continually monitor 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.

### 31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

#### Financial risk factors

##### Credit risk management

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 trade and other receivables, cash and cash equivalents, funds managed by external fund managers and quoted debt securities.

Measures are in place to ensure that credit risk is continuously monitored and managed. 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, there is no significant concentration of credit risk except for government grant receivables, funds managed by external fund managers and quoted debt securities.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own records to rate its major customers and other debtors. The ECLs on other receivables is estimated by reference to track record of the counterparties, their financial conditions where information is available, knowledge of any events or circumstances impeding recovery of the amounts, and forward-looking macroeconomic influences.

The Group's procedures on assessing ECL comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 6 months past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 24 months past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written-off

### 31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

The table below details the credit quality of the Group's financial assets as well as maximum exposure to credit risk:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				\$'000	\$'000	\$'000
<b>2021</b>						
Financial assets at fair value through profit or loss	8	Performing	12-month ECL	113,290	-	113,290
Financial assets at fair value through other comprehensive income (Debt instruments)	9	Performing	12-month ECL	5,546	-	5,546
Student loans	10	(i)	Lifetime ECL (simplified approach)	20	-	20
Trade and other receivables	12	(i)	Lifetime ECL (simplified approach)	27,335	(40)	27,295
Cash and cash equivalents	13	Performing	12-month ECL	510,371	-	510,371
<b>2020</b>						
Financial assets at fair value through profit or loss	8	Performing	12-month ECL	103,166	-	103,166
Financial assets at fair value through other comprehensive income (Debt instruments)	9	Performing	12-month ECL	53,981	-	53,981
Student loans	10	(i)	Lifetime ECL (simplified approach)	23	-	23
Trade and other receivables	12	(i)	Lifetime ECL (simplified approach)	26,367	(31)	26,336
Cash and cash equivalents	13	Performing	12-month ECL	414,772	-	414,772

### 31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				\$'000	\$'000	\$'000
<b>Polytechnic</b>						
<b>2021</b>						
Financial assets at fair value through profit or loss	8	Performing	12-month ECL	113,290	-	113,290
Financial assets at fair value through other comprehensive income (Debt instruments)	9	Performing	12-month ECL	5,546	-	5,546
Student loans	10	(i)	Lifetime ECL (simplified approach)	20	-	20
Trade and other receivables	12	(i)	Lifetime ECL (simplified approach)	26,663	(40)	26,623
Cash and cash equivalents	13	Performing	12-month ECL	505,598	-	505,598
<b>2020</b>						
Financial assets at fair value through profit or loss	8	Performing	12-month ECL	103,166	-	103,166
Financial assets at fair value through other comprehensive income (Debt instruments)	9	Performing	12-month ECL	53,981	-	53,981
Student loans	10	(i)	Lifetime ECL (simplified approach)	23	-	23
Trade and other receivables	12	(i)	Lifetime ECL (simplified approach)	26,295	(31)	26,264
Cash and cash equivalents	13	Performing	12-month ECL	410,784	-	410,784

(i) The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

### 31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

At the end of the reporting period, there was no significant concentration of credit risk except for grant receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Cash, fixed deposits and funds are placed with banks and financial institutions which are regulated.

Cash at bank is held with creditworthy financial institutions. 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 counterparties 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.

#### Liquidity risk management

The Group monitors its liquidity risk and maintain 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 total contractual undiscounted cash flow of the Group's financial assets, other than financial assets at fair value, and financial liabilities are the same as their carrying amounts and are due within one year, except for lease liabilities as disclosed in Note 15.

#### Interest rate risk management

As the Group does not have any financial assets and financial liabilities that bear interest at floating rates, no sensitivity analysis is prepared.

The interest rates for cash with Accountant-General's Department disclosed in Note 13 are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements.

#### Foreign exchange risk management

The Group is not exposed to significant foreign currency risk as its transactions are mainly denominated in Singapore dollars, which is the functional currency of the Group.

#### Price risk management

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

The financial assets at fair value through profit or loss and fair value through other comprehensive income that are subject to price risks total \$113,290,000 (2020 : \$103,166,000) and \$5,546,000 (2020 : \$53,981,000), as disclosed in Note 8 and Note 9 respectively. The market risk associated with these financial assets is the potential loss in fair value resulting from the decrease in market prices of these financial assets. The Group's management regularly monitors the potential loss in fair value, if any. The Group's strategies and policies relating to financial assets at fair value are determined by its Investment Committee. The sensitivity rate of 5% represents management's assessment of the reasonably possible change in market risk that the Group is exposed to.

With all other variables held constant, a 5% (2020 : 5%) increase/decrease of market values of all equities and debt instrument will result in \$5,665,000 (2020 : \$5,158,000) increase/decrease in the fair value of financial assets at fair value through profit or loss and \$277,000 (2020 : \$2,699,000) increase/decrease in the fair value of financial assets at fair value through other comprehensive income.

### 31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

#### Fair value measurements

The following table shows an analysis of financial instruments carried at fair value by the different level of the value hierarchy:

	Note	Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs	Total
		Level 1	Level 2	Level 3	
The Group and The Polytechnic					
2021					
Financial assets, at fair value through profit or loss					
- Quoted equity securities managed by fund managers	8	113,290	-	-	113,290
Financial assets, at fair value through other comprehensive income					
- Quoted debt securities	9	5,546	-	-	5,546
2020					
Financial assets, at fair value through profit or loss					
- Quoted equity securities managed by fund managers	8	103,166	-	-	103,166
Financial assets, at fair value through other comprehensive income					
- Quoted debt securities	9	53,981	-	-	53,981

There was no transfer between the levels in the hierarchy during the year.

#### Determination of fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of the Group's quoted financial assets was determined on the basis set out in Note 2.10.

The fair values of quoted securities, if traded in active markets such as over-the counter securities, are based on quoted market prices at the end of the reporting period.

#### Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

##### Trade and other receivables, Student loans, Cash and cash equivalents, Trade and other payables and lease liabilities

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

##### Student loans and lease liabilities (non-current)

The carrying amounts of these financial assets and liabilities are not materially different from the fair values determined using discounted estimated cash flows.

### 31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

#### Capital management policies and objectives

The Group regularly reviews and manages its capital structure to ensure that the Group will be able to continue as a going concern. The capital structure of the Group comprises only accumulated surplus and endowment fund. The Group's overall strategy remains unchanged from prior year.

#### 32 IPC REGULATIONS

The Polytechnic has complied with the requirement that the total fund-raising and sponsorship expenses have not exceeded 30% of the total gross receipts from the fund raising and sponsorships for the financial year.

The donation monies received are used in accordance with the objective of the Fund.

To promote greater disclosure and accountability to the public, the Governance Evaluation Checklist of all IPCs will be published on the Charity Portal ([www.charities.gov.sg](http://www.charities.gov.sg)) from April 1, 2009. In line with the requirement, the Group's checklist can be found on the above website.

### 33 RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended in the statement of financial position and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

The items were reclassified as follows:

	Previously reported	Reclassification	After reclassification
	2020	2020	2020
	\$'000	\$'000	\$'000

#### Statement of financial position

##### The Group

Cash and cash equivalents	415,374	(602)	414,772
Property, plant and equipment	334,677	(51,941)	282,736
Right-of-use assets	125	46,749	46,874
Intangible assets	-	5,192	5,192
Trade and other receivables - Current	29,184	(18)	29,166
Student loans - Current	-	18	18
Trade and other payable	41,236	(6,094)	35,142
Contract liability - Current	-	5,492	5,492

##### The Polytechnic

Cash and cash equivalents	411,386	(602)	410,784
Property, plant and equipment	334,620	(51,941)	282,679
Right-of-use assets	125	46,749	46,874
Intangible assets	-	5,192	5,192
Trade and other receivables - Current	29,099	(18)	29,081
Student loans - Current	-	18	18
Trade and other payable	42,641	(6,094)	36,547
Contract liability - Current	-	5,492	5,492

### 33 RECLASSIFICATION AND COMPARATIVE FIGURES (CONT'D)

	Previously reported			Reclassification			After reclassification		
	General fund	Other fund	Total	General fund	Other fund	Total	General fund	Other fund	Total
	2020	2020	2020	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

#### Statement of comprehensive income

##### The Group

Depreciation of property, plant and equipment	(42,648)	(2,308)	(44,956)	4,922	157	5,079	(37,726)	(2,151)	(39,877)
Depreciation of right-of-use assets	(63)	-	(63)	(1,262)	-	(1,262)	(1,325)	-	(1,325)
Amortisation of intangible assets	-	-	-	(3,660)	(157)	(3,817)	(3,660)	(157)	(3,817)

	Previously reported	Reclassification	After reclassification
	2020	2020	2020
	\$'000	\$'000	\$'000

#### Statement of cash flows

##### The Group

#### Cash Flows from Operating Activities

Operating deficit before grants and tax	-	(223,905)	(223,905)
Operating deficit before grants and after tax	(223,939)	223,939	-

#### Adjustments for:

Income tax expense	34	(34)	-
Depreciation of property, plant and equipment	44,956	(5,079)	39,877
Depreciation of right-of-use assets	63	1,262	1,325
Amortisation of intangible assets	-	3,817	3,817

#### Cash Flows from Investing Activities

Purchase of property, plant and equipment	(27,292)	1,209	(26,083)
Addition of intangible assets	-	(1,209)	(1,209)





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