

FUTURE READY

WITH SP, IT'S SO POSSIBLE

Singapore Polytechnic | Annual Report 2012/13



An artist impression of the upcoming SP Design School building

MISSION

To educate and nurture our students to excel in work and in life, and to equip adult learners with skills and knowledge to enhance their employability.

STRATEGIC GOALS

Providing Holistic Education
Fostering Global Orientation
Creating Learning and Social Spaces
Building Capabilities

VISION

A leading institution that prepares our students to be work-ready, life-ready and world-ready.

VALUES

Self-Discipline
Personal Integrity
Care and Concern
Openness
Responsibility
Excellence

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TEACHING OUR PASSION

STAFF OUR ASSET

ALUMNI OUR PRIDE

EXCELLENCE OUR CREED

Chairman's Statement

GROWING WITH SINGAPORE POLYTECHNIC

In April 2012, I was appointed Chairman of the Board of Governors. Over the past year, I was privileged to be given the exciting opportunity to be part of this vibrant institution.

As Singapore's first polytechnic, we have always demonstrated the distinct ability to grow and adapt to a rapidly changing environment.

Many of our graduates have, in the six decades since our inception, supported the technological and economic development of Singapore. As an institution, we have advanced the profile of polytechnic education by being current and adaptable to the fast changing trends and needs of our industries. We impart relevant and specific skills to our students, giving them the competitive edge and bringing greater value to Singapore's economy.

DEVELOPING VALUABLE INDUSTRY LEADERS

Our goal is to take our students into the future by offering them a holistic education, to enable them to step into the industry as value-adding and confident professionals. To reach our goal, we have been nurturing T-shaped individuals, equipping them with mastery in their discipline, and adding versatility with broader knowledge in other areas. These encompass the emotional, social, physical and intellectual aspects of their lives.

Mr Bill Chang York Chye

Chairman
Board of Governors
Singapore Polytechnic



We build employability and confidence by offering our students programmes that involve authentic learning. In a tie-up with the Singapore Tourism Board, our students from the School of Architecture and the Built Environment worked on the redesign of Chinatown to encourage more vibrancy and thus, boost tourism. Employing the Design Thinking process, our students also partnered with the National Library Board to develop the new *library@orchard*.

We embark on projects that not only benefit our students, but the community as well. The Singapore Polytechnic Centre for Applications in Rehabilitation Engineering (SP CARE) has been tapping on technology to develop practical solutions for the disabled and less fortunate. Real-life learning experiences such as these empower our students, and allow them to build credible portfolios for future employment.

CULTIVATING RELATIONSHIPS, LOCAL AND GLOBAL

Our strong connections and partnerships formed with the industries have allowed both our students and corporate partners to benefit. Numerous visits, project work and internships give our students the opportunity to get in touch with corporations and industry professionals so they can gain better insights into the world that awaits them upon graduation.

SP also collaborated with technology giant IBM and local transport operator SMRT to launch a new Diploma in Engineering Systems. Another collaborative effort with industry saw the setting up of the Cyber Wargame Centre with e-Cop, ST Electronics and Paraben as key partners.

In this globalised economy, we have continued to adopt an international outlook to widen our students' perspectives. Last year, we had many student teams from various disciplines heading into the global arena, taking part in competitions, internships and social work projects.

For example, our Experience & Product Design students participated in the prestigious Milan Design Week, and a community project group travelled to Nannieshui Village in China to help construct a water sanitation facility.

Our global links were also enhanced through other initiatives. In March 2013, over 140 participants from around the region attended the Conceive – Design – Implement – Operate (CDIO) Asian Regional Meeting, jointly organised by SP and Singapore Polytechnic

International (SPI). The meeting was aimed at providing opportunities for CDIO collaborators and educators to actively build partnerships, exchange ideas and experiences, and further refine curricula and pedagogical practices. Held in conjunction with the event, a workshop on Engineering Education and Policies for Regional Leaders provided participants with a first-hand glimpse into our implementation of the CDIO framework.

SPI has continued to remain active internationally – strengthening our global mindshare and providing students with global learning opportunities. In the past year, the Overseas Programme supported 130 Overseas Industrial Training Programmes, Overseas Immersion Programmes and study trips.

Under the Global Learning initiative, SPI pioneered the Overseas Social Innovation Project, with its first undertaking being a collaboration between various colleges in Vietnam and SP Business School and School of Architecture and the Built Environment. Also, seven of our graduates were given an opportunity to gain behind-the-scenes insights at Walt Disney World in Orlando through the Academic Learning and Internship Programme.

DEVELOPING OUR STAFF, PRODUCING OUTSTANDING STUDENTS

We recognise that creating a holistic educational environment does not happen overnight. This is why we engage our staff actively to fulfill our shared vision and mission. Our ongoing leadership development programme ensures we continue to identify and groom future leaders from amongst our staff. In addition, training workshops and our academic mentorship scheme for staff promote a culture of active learning and innovative thinking.

Indeed, our staff have played a crucial role in producing top-quality students who are now contributing to industry. At our 52nd graduation ceremony in May 2012, we welcomed 5,900 graduates to our 160,000-strong alumni network.

Our graduates continue to do us proud. Ms Koh Shi Min, graduate of the Diploma in Biomedical Science became the third SP graduate to be admitted into the National University of Singapore's Yong Loo Lin School of Medicine. The inaugural Tan Kay Yong Gold Medal, introduced in honour of our former Chairman, was awarded to Ms Amanda Yeo from the Diploma in Architecture course for her outstanding portfolio and academic performance.

The pioneering batch from Business Innovation & Design has also excelled, with five students receiving the MND EDGE Business Innovation & Design Scholarship from the Ministry of National Development. This scholarship covers the expenses for a boot camp at Canada's Rotman DesignWorks – a global leader in business design. Our students and graduates from the Singapore Maritime Academy hauled in an impressive 30 local and overseas study scholarships. Fifteen first-year students were granted the Infocomm Development Authority's Integrated Infocomm Scholarship, and six top engineering students received the new LTA Engineering Award, which included internships with the Land Transport Authority.

As the adage goes, "all work and no play makes Jack a dull boy". At SP, our students have excelled beyond the halls of academia. Students from Visual Communication & Media Design bagged a gold award and our Digital Media students took home silver and bronze awards at the annual competition, the Crowbar Awards. Our Infocomm Technology students also garnered the gold award at the Singapore Infocomm Technology Federation Awards. In sports, Ms Audrey Yong Pei Lin was awarded the Singapore Olympic Foundation – Peter Lim Scholarship 2012.

We continue to push for lifelong learning among our graduates and adult learners. New programmes were constantly explored in close cooperation with the Ministry of Education (MOE), the Singapore Workforce Development Agency and industry groups to provide relevant Continuing Education and Training (CET) programmes to upgrade the skills and knowledge of our workforce. SP's Professional and Adult Continuing Education (PACE) Academy has started to offer courses under MOE's new CET Qualification Framework and is continuously reviewing the courses offered under the Workforce Skills Qualification (WSQ) Framework. The new CET initiatives provide accessibility to adult learners to complete their courses in a shorter duration. The modular nature of the courses allows the adult learners to study at their own pace and rewards them with modular certificates to mark their progress.

FORGING AHEAD WITH OUR CONTINUAL DEVELOPMENT

At SP, we believe in sparking innovation and creativity. That is why, we have redesigned our learning and social spaces, injecting personality to idea incubators such as the Accounting Collaboration Studio for students in the accountancy course, the Fabrication Lab for students in the engineering courses, and

the International Business Active Learning Lab for students in the International Business course.

In 2014, we will see refreshing additions to SP. In fact, work has already commenced on the new Sports Hub, AeroHub, Business School and Design School. The enhanced Sports Hub will boast facilities such as an indoor running track, a 30-metre rock climbing and abseiling wall, and an indoor arena for badminton, volleyball and basketball. The state-of-the-art AeroHub will house several operational fixed- and rotary-wing aircraft, a full-motion flight simulator, as well as the Unmanned Aerial Vehicle Centre for research and development.

SP is set to grow from strength to strength. As a forward-thinking institution, we have been working diligently to envision the next phase of our institution. We embarked on a four-step process: Discovery, Definition, Development and Delivery to evaluate our future beyond 2014. The redefined vision will be our springboard to reinforce SP's position as a progressive organisation that is ready for the future.

I would like to express my heartfelt gratitude and appreciation to my fellow Board members, management, staff, partners and stakeholders for all their dedication and hard work in SP's on-going development. This allows us to fulfill our purpose in developing our students to make them work-ready, life-ready and world-ready. They will in turn, support the industries and help build our nation's competitive edge.

As we move towards our 60th Anniversary in 2014, we invite you to take ownership of SP with pride and gusto.



Mr Bill Chang York Chye
Chairman
Board of Governors
Singapore Polytechnic

Board of Governors

The new three-year term of the Board of Governors commenced on 1 April 2012. Six new members joined the Board: Ms Amanda Tan Hwei Ling, Mr Chia Boon Kuah, Ms Chong Phit Lian, Mr Goh Teik Poh, SAC Tan Chye Hee and Mr Allan Yeo Hwee Tiong. The following members left the Board upon the expiry of their term: Mr Tan Kay Yong, Prof Er Meng Hwa, Mr Gan Boon San, Mr Liew Choon Boon and Mr Teh Kong Leong. Ms Tan Gee Keow left the Board upon her transfer from Ministry of Education to Ministry of Environment and Water Resources on 24 September 2012 and was replaced by Mr John Lim Hua Ern, Director (Higher Education), Ministry of Education. Mr Tan Hang Cheong (Principal) left the Board on 31 December 2012 upon retirement from Singapore Polytechnic and was replaced by Mr Tan Choon Shian from 1 January 2013.



Mr Bill Chang York Chye
CEO, Group ICT
Singapore Telecommunications Ltd
CHAIRMAN



Dr Michael Edward Brown
Vice President
Singapore Operations
Lonza Biologics Tuas Pte Ltd
MEMBER



RADM Chan Weng Yip
Commander
Maritime Security Task Force
Ministry of Defence
MEMBER



Mr Chia Boon Kuah
Chief Operating Officer & Executive Director
(Property Sales Business Group)
Far East Organization
MEMBER



Prof Pang Yang Hoong
Vice Provost (Undergraduate) &
Dean, School of Accountancy
Singapore Management University
MEMBER



A/Prof Muhammad Faishal Bin Ibrahim
Parliamentary Secretary
Ministry of Health & Ministry of Transport
MEMBER



Mr Sew Chee Jhuen
President
Singapore Technologies Kinetics Ltd
MEMBER



Mr Johnny Tan Cheng Hye
Principal Partner
LT&T Architects
MEMBER



Ms Chong Phit Lian
Chief Executive Officer
Singbridge Holdings Pte Ltd
MEMBER



Mr Goh Teik Poh
Director
Singapore Maritime Foundation
MEMBER



Mr John Lim Hua Ern
Director (Higher Education)
Ministry of Education
MEMBER



Prof Chou Siaw Kiang
Professor
Department of Mechanical Engineering
National University of Singapore
MEMBER



Mr Tan Choon Shian
Principal & CEO
Singapore Polytechnic
MEMBER



Ms Amanda Tan Hwei Ling
Managing Director
Bank Morgan Stanley AG
MEMBER



Mr Allan Yeo Hwee Tiong
Managing Director
Paeon Medical Group Pte Ltd
MEMBER



SAC Tan Chye Hee
Director, Police Intelligence Department
Singapore Police Force
MEMBER

Mr Tan Peng Ann
Registrar
Singapore Polytechnic
SECRETARY

Standing Committees

Administration & Development Committee

Chairman: Mr Bill Chang York Chye
Dy Chairman: Mr Johnny Tan Cheng Hye
Members: Mr John Lim Hua Ern
Prof Pang Yang Hoong
Mr Sew Chee Jhuen
Mr Tan Choon Shian (from 1 Jan 2013)
Mr Tan Hang Cheong (till 31 Dec 2012)
Mr Allan Yeo Hwee Tiong
Secretary: Mrs Yeung-Ng Geak Hong
Ms Jenny Wong Siow Ching

Audit Committee

Chairman: Prof Chou Siaw Kiang
Members: RADM Chan Weng Yip
Mr Goh Teik Poh
Secretary: Mr Ronnie Chan Chin Sing

Investment Committee

Chairman: Prof Pang Yang Hoong
Members: Mr Chia Boon Kuah
Mr Tan Choon Shian (from 1 Jan 2013)
Mr Tan Hang Cheong (till 31 Dec 2012)
Ms Amanda Tan Hwei Ling
Secretary: Ms Jenny Wong Siow Ching

Nominating Committee

Chairman: Mr Bill Chang York Chye
Members: Mr Tan Choon Shian (from 1 Jan 2013)
Mr Tan Hang Cheong (till 31 Dec 2012)

Staff Disciplinary Committee

Chairman: RADM Chan Weng Yip
Members: A/Prof Muhammad Faishal Bin Ibrahim
SAC Tan Chye Hee
Secretary: Mrs Yeung-Ng Geak Hong

Student Disciplinary Appeal Committee

Chairman: A/Prof Muhammad Faishal Bin Ibrahim
Members: Dr Michael Edward Brown
SAC Tan Chye Hee
Secretary: Mrs Elizabeth A Khoo-Lee May Yong

Board of Studies

The Board's new two-year term commenced on 1 April 2012. A total of eight academic staff members were elected as new members to serve on the Board: Ms Chong Li Min, Mr Amos Goh Choon Ngee, Dr Tan Kwee Teck, Mr Liew Chin Chuan, Dr Jaya Shreeram S Jayaram, Mr Neo Chip Chuan, Ms Lee Huei Hoon and Capt Chatur Wahyu. Mdm Lee Keng Keng and Mr Ho Sum Lim were re-elected to the Board.

Chairman: Mr Tan Choon Shian (from 1 Jan 2013)
Mr Tan Hang Cheong (till 31 Dec 2012)

Members: Mr Hee Joh Liang
Mr Lim Peng Hun
Dr Chai Min Sen
Dr Dave Chong Tad Weng (till 31 Oct 2012)
Mr Lim Cher Yam
Dr Timothy Chan Wai Kuen (till 31 Jul 2012)
Mr Chang Boon Hai
Miss Chao Yunn Chyi
Mrs Fang Sin Guek
Mr Faris Akbar Hajamaideen

Mrs Lam Yoke Peng (till 31 May 2012)
Mr Lau Lee Yee
Mrs Helene Leong-Wee Kwee Huay (from 4 Mar 2013)
Dr Ng Eng Hong
Mr Ng Weng Lam
Miss Pee Suat Hoon (till 3 Mar 2013)
Ms Georgina Phua Hwee Choo
Mr Daniel Tan Kim Soon (from 1 Jun 2012)
Mr Roland Tan Keng Hock
Mr Tan Yew Meng
Mr Reginald Wee Siang Tze (from 8 Oct 2012)
Dr Adrian Yeo Chao Chuang (from 1 May 2012)
Ms Chong Li Min
Mr Amos Goh Choon Ngee
Mr Ho Sum Lim
Dr Jaya Shreeram S Jayaram
Ms Lee Huei Hoon
Mdm Lee Keng Keng
Mr Liew Chin Chuan
Mr Neo Chip Chuan
Dr Tan Kwee Teck
Capt Chatur Wahyu
Mrs Yap Siow Lay

Secretary: Mr Tan Peng Ann

Management Team

PRINCIPAL AND CHIEF EXECUTIVE OFFICER

Mr Tan Choon Shian (from 1 Jan 2013)

Mr Tan Hang Cheong (till 31 Dec 2012)

DEPUTY PRINCIPAL (ACADEMIC PLANNING)

Mr Hee Joh Liang

DEPUTY PRINCIPAL (TECHNOLOGY AND INDUSTRY)

Mr Lim Peng Hun

ACADEMIC PLANNING

Deputy Principal

Mr Hee Joh Liang

Director, Academic Programmes

Mr Lau Lee Yee

Director, Educational Development

Mrs Helene Leong-Wee Kwee Huay (from 4 Mar 2013)

Miss Pee Suat Hoon (till 3 Mar 2013)

Director, Library

Mrs Fang Sin Guek

CORPORATE PLANNING AND COMMUNICATIONS

Senior Director

Mr Henry Tan Hin Teck

Director, Corporate Communications

Ms Yvonne Chan Leng Leng (from 11 Jun 2012)

Mrs Kai Tamin-Goh (till 23 Feb 2012)

Director, Organisation Development

Mr Henry Tan Hin Teck

TECHNOLOGY AND INDUSTRY

Deputy Principal

Mr Lim Peng Hun

Director, Alumni Relations Office

Mr Song Nay Hay

Director, Industry Services

Mr Song Nay Hay

Director, Professional & Adult Continuing Education (PACE) Academy

Mr V Maheantharan

Director, Technology Development Office

Mr Lance Lim Wei Seong (from 28 May 2012)

Mr Lim Peng Hun (till 27 May 2012)

Director, Finance

Ms Jenny Wong Siow Ching

Director, Human Resource

Mrs Yeung-Ng Geak Hong

Director, Internal Audit

Mr Ronnie Chan Chin Sing

INFRASTRUCTURE AND ENVIRONMENT

Senior Director

Mr Lim Cher Yam

Director, Estates & Development

Mr C Pannirselvam

Director, Green Energy & Environment Project Office

Mr Lim Cher Yam

Director, Information & Digital Technology Services

Mr Chang Boon Hai

STUDENT AND ACADEMIC SERVICES

Senior Director/Registrar

Mr Tan Peng Ann

Director, Academic Services

Mrs Elizabeth A Khoo-Lee May Yong

Director, Student Development

Mr Choo Keng Hui (from 18 Apr 2012)

Mr Arthur Poh Heo Tat (till 17 Apr 2012)

ACADEMIC SCHOOLS

APPLIED AND HEALTH SCIENCES

Senior Director

Dr Chai Min Sen

Director, Chemical & Life Sciences

Dr Adrian Yeo Chao Chuang (from 1 May 2012)

Dr Chai Min Sen (till 30 Apr 2012)

Director, Mathematics & Science

Miss Chao Yunn Chyi

ARCHITECTURE, DESIGN AND ENVIRONMENT

Senior Director

Mr Lim Cher Yam

Director, Architecture & the Built Environment

Mr Daniel Tan Kim Soon (from 1 Jun 2012)

Mr Tan Yew Meng (till 31 May 2012)

Director, Design

Mr Faris Akbar Hajamaideen

BUSINESS, IT AND HUMANITIES

Senior Director

Mr Hee Joh Liang

Director, Business

Mr Reginald Wee Siang Tze (from 8 Oct 2012)

Dr Timothy Chan Wai Kuen (till 31 Jul 2012)

Director, Communication, Arts & Social Sciences

Mr Tan Yew Meng (from 1 Jun 2012)

Mrs Lam Yoke Peng (till 31 May 2012)

Director, Digital Media & Infocomm Technology

Ms Georgina Phua Hwee Choo

ENGINEERING

Senior Director

Mr Lim Peng Hun

Director, Electrical & Electronic Engineering

Mr Ng Weng Lam

Director, Mechanical & Aeronautical Engineering

Dr Ng Eng Hong

Director, Singapore Maritime Academy

Mr Roland Tan Keng Hock

Facts and Figures

17,542

Student Enrolment

comprising 15,988 full-time and 1,554 part-time students. The new intake of 6,060 students was made up of 5,410 full-time and 650 part-time students in the academic year 2012/2013.

5,900

Graduate Output / Employment

students graduated from Singapore Polytechnic in the academic year 2011/2012. Of these, 5,016 graduated from full-time diploma courses, 181 from part-time diploma courses and 703 from advanced, specialist and post-diploma courses. As of October 2012, 89.7% of fresh graduates found full-time permanent or part-time/temporary employment.

121

Student Clubs

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

40,310

Continuing Education Programmes

participants attended a total of 1,061 continuing education programmes offered by Singapore Polytechnic. The programmes included 52 Singapore Workforce Skills Qualification courses, 162 short courses, 172 tailor-made courses, 146 certification courses, 496 examinations, 28 e-Learning courses and 5 new part-time diploma programmes.

1,684

Staff Strength

comprising 920 academic staff, 604 non-teaching staff, and 160 research, project and other staff members.

Highlights

**APR
2012**



National diver Timothy Lee emerged champion in the Open Men 3m Springboard and Open Men 3m Synchronised Springboard events of the Macau International Diving Invitational.

Nineteen staff received the Excellent Service Award during the Public Service Week Observance Day, up from eight in the previous year.

Students from the Experience & Product Design course participated in the Milan Design Week, the world's biggest stage for design, with one of their pieces, a study lamp, catching the attention of Swedish light manufacturer Wastberg.

School of Architecture and the Built Environment students did SP proud by emerging tops in the Biodiversity and Sensitive Development category of the Journey of Possibilities - Ideas Competition for the Rail Corridor, organised by Urban Redevelopment Authority of Singapore.

**MAY
2012**

Gaming software company Unity Technologies signed a Memorandum of Understanding with SP which saw SP incorporating the company's game engine in its game development curriculum and the setting up of a centre of excellence to teach Unity's visualisation and simulation capabilities.



Hotel Learning Centre for School of Architecture and the Built Environment that houses a mock hotel room, front desk, and food and beverage area, was completed.



SP's 52nd Graduation Ceremony saw 5,900 students graduating. A new award, the Tan Kay Yong Gold Medal, named after the former Board of Governors Chairman, was also presented.

Diploma in Biomedical Science graduate Koh Shi Min became the third graduate from SP to be admitted to National University of Singapore's Yong Loo Lin School of Medicine.

SP inked agreements with two Malaysian universities, Universiti Teknologi MARA and Universiti Teknologi Malaysia, to train their staff on implementing the Conceive-Design-Implement-Operate (CDIO) framework, with funding from Temasek Foundation.

JUN 2012

SP Business School's Entrepreneurial Leadership Club clinched the Best in Digital Marketing & Social Media title as well as the first runner-up spot in the Youth Entrepreneurs Competition 2012, organised by Singapore Discovery Centre.

Teams from the Integrated Events & Project Management course took first and runner-up spots at the Short Film category of the National Climate Change Competition 2012.



Elaine Sam from School of Architecture and the Built Environment received the HSBC/NYAA Youth Environmental Award 2012 and had the opportunity to participate in a fully sponsored overseas study trip to study climate change in the Borneo rainforests with world-renowned scientists.

JUL 2012



SP's SUNSPEC solar car won the Solar Prize (Prototype) in the Shell Eco-Marathon Asia 2012 held at Sepang International Circuit, Malaysia.

The pioneer batch of five Business Innovation & Design students received the MND EDGE Business Innovation & Design Scholarship from Ministry of National Development, which also covered expenses for a boot camp at Canada's Rotman DesignWorks - a global leader in business design.

Construction of the Fabrication Laboratory or Fab Lab at T11, which links facilities distributed across the campus and houses core equipment for digital fabrication of prototypes to support engineering education, was completed.

National bowler Basil Low bagged a team silver and a singles bronze at the World Youth Championships in Bangkok.

SP Optometry Centre underwent upgrading works to provide a world-class training environment for students.

Six top engineering students were awarded the new LTA Engineering Award which also included internships with Land Transport Authority.

SP and the MoneySENSE Financial Education Steering Committee launched the MoneySENSE-SP Institute for Financial Literacy which aims to build core financial capabilities across a broad spectrum of the Singapore population.

An agreement was signed between SP and Myanmar's Ministry of Labour on the training of policy makers and senior management from Myanmar's National Skill Standard Authority as part of the country's efforts to develop its skills development framework, with the project receiving funding from Temasek Foundation.



The perseverance and tender loving care of staff in maintaining the community gardens on campus helped SP win the Community in Bloom Platinum Award 2012.

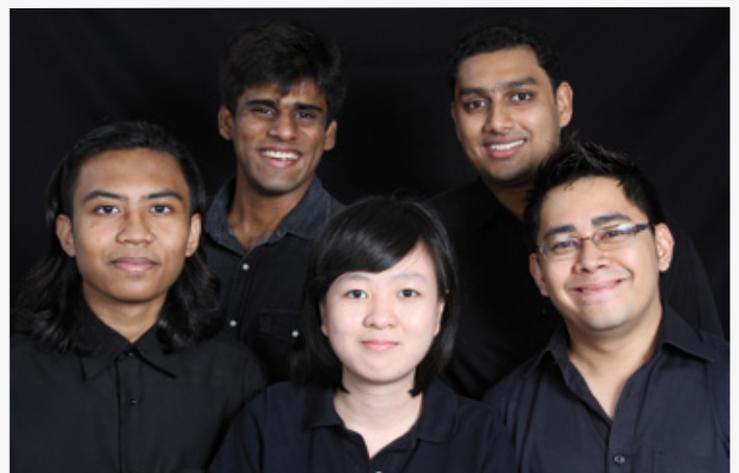
AUG 2012



At the Crowbar Awards, Visual Communication & Media Design students achieved a gold award in the Advertising (Direct Mail) category. Digital Media graduates bagged silver awards in the 2D Animation and Sound Track & Music categories, and bronze awards in the Short Film and 3D Animation categories.

Our students and graduates from Singapore Maritime Academy hauled in an impressive 30 local and overseas study scholarships.

Fifteen first-year students received Infocomm Development Authority's Integrated Infocomm Scholarships which allowed them to pursue infocomm-related diploma and degree courses.



A team of Infocomm Technology students created a life-saving mobile application LifeLine which won the SiTF Gold Award in the tertiary student category at the Singapore Infocomm Technology Federation (SiTF) Awards 2012.

**SEP
2012**



Four Diploma in Information Technology students won first prize in the Helping Humans category of the Now You Can Leadership Series Season 2 challenge, which encourages youths to come up with world-changing project ideas.

Eight SP students from the Diploma in Environmental Management & Water Technology course received Special Awards for Oral and Poster Presentations at the 5th International Conference on Challenges in Environmental Science and Engineering in Australia.

Members of SP Civil Defence Lionhearters Club travelled to Nannieshui Village in China for a 14-day community service project, Water4Life, to construct a water sanitation facility in collaboration with Mercy Relief.

For their Social Innovation Projects, over 200 students used Design Thinking to develop innovative ideas to tackle more than 50 community-related issues, in partnership with People's Association.

**OCT
2012**



SP announced its intention to use the Microsoft Unified Communications system - a first for local institutions of higher learning - to organise its diverse communication systems into a single platform for an enhanced teaching, learning and working experience for staff and students.

SP's Students In Free Enterprise (SIFE) team represented Singapore at SIFE World Cup held in USA after winning the SIFE National Competition.



A groundbreaking ceremony was held to lay the foundation for the new Sports Hub, which will have among other facilities, a bouldering wall, rooftop tennis courts, and an indoor running track when completed in 2014.

The inaugural Excellence in Teaching for Adult Educator Conference 2012 was organised by SP's Professional and Adult Continuing Education (PACE) Academy to keep adjunct lecturers updated with new teaching methods and to recognise good lecturers.

**NOV
2012**

SP was awarded the Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award (Gold) by Health Promotion Board – the fifth consecutive time SP has won the biennial award since 2004.

The Innovation and Quality Circle (IQC) team FineTuners from School of Electrical and Electronic Engineering bagged the Gold Award for Best PS21 Project at the PS21 ExCEL Awards & Convention and achieved Gold at NUS' Learning Institutions Quality Conference (LIQC).

In conjunction with its first anniversary, the Singapore Polytechnic Entrepreneurship Living Lab or SPELL, an off-campus retail store at Changi Airport Terminal 3, launched a new line of exclusive ladies apparel, the creation of SP Business School students working with a local fashion designer.



A groundbreaking ceremony for the new five-story building housing SP Design School and a foodcourt was held, with completion expected to be in the first quarter of 2014.

Two new learning spaces at SP Business School, the Accounting Collaboration Studio and International Business Active Learning Lab (iBall), were completed.

Eight student productions were put up for SP Arts Fiesta 2012, which saw 672 students performing before an audience of over 6,500 at external performing art centres like The Esplanade and Kallang Theatre.

School of Chemical and Life Sciences' Perfumery and Cosmetic Science Centre, with facilities for showcasing perfumes and cosmetics, including in-house creations, and an analysis laboratory housing state-of-the-art scientific equipment, was unveiled.



Advertising legend Ian Batey and his former colleagues at Batey Advertising, with a matching grant from Ministry of Education, donated \$250,000 to SP to create the Batey Scholar Award to fund the education of Media & Communication students.

DEC 2012



President of Kanazawa Technical College of Japan, Dr Hirofumi Yamada paid a special visit to mark 30 years of ties with SP.

A range of food with additional health properties created by lecturer-student teams was showcased at the Food Innovation Showcase organised by School of Chemical and Life Sciences, including healthier gourmet sausages which were commercialised by Wang Foong Foodstuffs Suppliers.

Business Innovation & Design student Gene Png attended the US-ASEAN Young Leaders Summit 2012 held in Indonesia to discuss global issues and establish new friendships.

National Library Board and SP teamed up to develop a new library@orchard using Design Thinking, a user-focused approach, with the public giving feedback on a range of ideas on space design which will help shape the library-going experience.

**JAN
2013**



Mr Tan Choon Shian took over Mr Tan Hang Cheong as Principal and Chief Executive Officer of SP. Prior to joining SP, he spent nearly 20 years with the Economic Development Board.

SP collaborated with IBM and local transport operator SMRT to launch a new Diploma in Engineering Systems, which combines Social Sciences, Management and Engineering.



The new Cyber Wargame Centre was launched to provide a more authentic learning environment to train Infocomm Security Management students in dealing with real-world security scenarios.

FEB 2013



To boost the skills of investment professionals, SP signed a Memorandum of Cooperation with Singapore Exchange to launch the SGX-SP Certificate of Performance in Securities Trading & Distribution which would be marketed in the ASEAN region too.

First-year students from School of Digital Media and Infocomm Technology clinched the first runner-up position at the Isobar Create 32 Hackathon, which challenged participants to create innovative new apps featuring Near Field Communication technology.



Four dialogue sessions of Our Singapore Conversation saw 91 students and 104 staff sharing their vision of the future of education.

**MAR
2013**



Singapore Polytechnic Centre for Applications in Rehabilitation Engineering (SP CARE) marked its 20th anniversary at a projects handover ceremony where 14 projects were donated to organisations like Khoo Teck Puat Hospital and Institute of Mental Health.

SP formalised its partnership with Myanmar's National Skill Standard Authority on a capability development programme that aims to support Myanmar's vocational training system with the signing of a Memorandum of Understanding, in an initiative that has funding support from Temasek Foundation.



Over 200 participants attended the CDIO (Conceive-Design-Implement-Operate) Asian Regional Meeting, which had the theme Building Collaboration, organised by Singapore Polytechnic.



SP signed a Memorandum of Understanding with University of Muhammadiyah Surakarta and University of Muhammadiyah Yogyakarta to embark on the Conceive-Design-Implement-Operate framework to enhance engineering education in Yogyakarta, Indonesia, with support from Temasek Foundation.



SP, Technical University of Munich (TUM), German Institute of Science and Technology–TUM Asia and ST Kinetics signed an agreement with nine other local and international companies to promote composite technology, focusing on education and training, technology development, services for industrial projects and entrepreneurship.

Seated from left to right: Dr Markus Wächter, Managing Director, TUM Asia; Professor Klaus Drechsler, Managing Director, TUM Institute of Carbon Composites; Professor Liqiu Meng, Senior Vice President for International Alliances and Alumni, TUM; Her Excellency Angelika Viets, the Ambassador of the Federal Republic of Germany to Singapore; Dr Wolfgang Heubisch, State Minister of the Bavarian State Ministry of Sciences; Ms Sim Ann, Senior Parliamentary Secretary, Ministry of Communications and Information & Ministry of Education; Mr Tan Choon Shian, Principal and CEO, Singapore Polytechnic; Mr Sew Chee Jhuen, President, ST Kinetics.

FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

STATEMENT BY BOARD OF GOVERNORS

For the financial year ended 31 March 2013

In the opinion of the Board of Governors,

- (a) the financial statements as set out on pages 27 to 57 are properly drawn up so as to present fairly the state of affairs of the Polytechnic as at 31 March 2013 and the results, changes in funds and reserves and cash flows of Singapore Polytechnic (the "Polytechnic") for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Polytechnic will be able to pay its debts as and when they fall due.

On behalf of the Board



Bill Chang
Chairman



Tan Choon Shian
Principal and Chief Executive Officer

28 June 2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Polytechnic (the "Polytechnic") set out on pages 27 to 57, which comprise the balance sheet of the Polytechnic as at 31 March 2013, the statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the Polytechnic are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material aspects, the state of affairs of the Polytechnic as at 31 March 2013, and of the results, changes in funds and reserves and cash flows of the Polytechnic for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance with Legal and Regulatory Requirements

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

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

Auditor's Responsibility

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

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

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

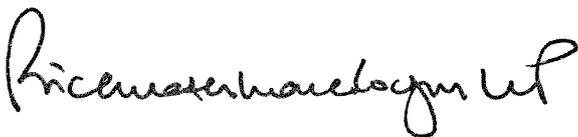
Opinion

In our opinion:

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

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

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



PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 28 June 2013

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

	Note	General fund		Other funds		Total	
		2013	2012	2013	2012	2013	2012
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income							
Course fees		44,797	40,940	13,117	16,053	57,914	56,993
Other fees		940	911	-	-	940	911
		45,737	41,851	13,117	16,053	58,854	57,904
Operating expenditure							
Staff costs	3	(183,285)	(170,473)	(6,705)	(7,004)	(189,990)	(177,477)
Teaching materials		(8,419)	(8,677)	(438)	(414)	(8,857)	(9,091)
Repairs and maintenance		(15,294)	(14,601)	-	-	(15,294)	(14,601)
Depreciation of property, plant and equipment	9	(33,304)	(31,797)	(1,059)	(865)	(34,363)	(32,662)
Development expenses expensed-off		(9,442)	(13,617)	-	-	(9,442)	(13,617)
Staff development and benefits		(4,211)	(4,682)	(3)	(14)	(4,214)	(4,696)
Other expenditure	4	(29,450)	(26,441)	(9,302)	(10,117)	(38,752)	(36,558)
		(283,405)	(270,288)	(17,507)	(18,414)	(300,912)	(288,702)
Operating deficit		(237,668)	(228,437)	(4,390)	(2,361)	(242,058)	(230,798)
Non-operating income							
Donations		-	-	951	840	951	840
Interest income – banks		780	800	787	606	1,567	1,406
Rental income – operating leases		206	197	1,888	1,824	2,094	2,021
Fair value gains							
- financial assets at fair value through profit or loss	11	308	-	352	-	660	-
Other income	5	3,731	2,222	6,195	5,358	9,926	7,580
(Deficit)/Surplus before grants		(232,643)	(225,218)	5,783	6,267	(226,860)	(218,951)
Grants	6	249,889	249,830	236	255	250,125	250,085
Surplus for the year		17,246	24,612	6,019	6,522	23,265	31,134
Other comprehensive income							
Net change in fair value of available-for-sale financial assets		-	-	-	50	-	50
Total comprehensive income		17,246	24,612	6,019	6,572	23,265	31,184

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

BALANCE SHEET

As at 31 March 2013

	Note	2013 \$'000	2012 \$'000
Endowment fund (Capital)	8	21,480	18,242
Accumulated surplus			
- General fund		157,465	140,219
- Other funds	8	105,656	99,607
- Fair value reserve		575	575
Total capital and other funds		285,176	258,643
Represented by:			
Non-current assets			
Property, plant and equipment	9	290,315	285,462
Investment in subsidiaries	10	1,100	1,100
Financial assets, at fair value through profit or loss	11	75,497	-
Available-for-sale financial assets	13	5,500	5,500
Loan to Singapore Polytechnic Graduates' Guild	14	-	-
Staff and student loans	15	192	273
		372,604	292,335
Current assets			
Trade and other receivables	16	25,557	25,363
Cash and cash equivalents	17	266,060	308,493
		291,617	333,856
Total assets		664,221	626,191
Current liabilities			
Trade and other payables	18	45,835	41,888
Government grants received in advance	19	48,195	45,088
		94,030	86,976
Net current assets		197,587	246,880
Non-current liability			
Deferred capital grants	20	285,015	280,572
Total liabilities		379,045	367,548
Net assets		285,176	258,643
Net assets of funds managed on behalf of the Ministry	21	6,514	5,497

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

STATEMENT OF CHANGES IN FUNDS AND RESERVES

For the financial year ended 31 March 2013

	Endowment fund (Capital) (Note 8) \$'000	General fund \$'000	Other funds (Note 8) \$'000	Fair value reserve \$'000	Total \$'000
At 1 April 2012	18,242	140,219	99,607	575	258,643
Total comprehensive income	-	17,246	6,019	-	23,265
Transfer from endowment fund (capital) to other funds	(30)	-	30	-	-
Contributions and donations received for the endowment fund (capital)	3,268	-	-	-	3,268
At 31 March 2013	21,480	157,465	105,656	575	285,176
At 1 April 2011	17,817	115,607	92,686	525	226,635
Total comprehensive income	-	24,612	6,522	50	31,184
Transfer from endowment fund (capital) to other funds	(399)	-	399	-	-
Contributions and donations received for the endowment fund (capital)	824	-	-	-	824
At 31 March 2012	18,242	140,219	99,607	575	258,643

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

	Note	2013 \$'000	2012 \$'000
Cash flows from operating activities			
Deficit before grants		(226,860)	(218,951)
Adjustments for:			
Depreciation of property, plant and equipment	9	34,363	32,662
Interest income		(1,567)	(1,406)
Loss on disposal of property, plant and equipment		3,649	74
Fair value gains of financial assets, at fair value through profit or loss		(660)	-
		(191,075)	(187,621)
Changes in working capital:			
Trade and other receivables		3,379	(3,349)
Staff and student loans		81	106
Trade and other payables		3,947	(3,791)
Net cash used in operating activities		(183,668)	(194,655)
Cash flows from investing activities			
Interest received		1,567	1,406
Purchases of property, plant and equipment		(43,000)	(33,235)
Purchases of financial assets, at fair value through profit or loss		(74,837)	-
Proceeds from disposals of property, plant and equipment		135	26
Cash flows used in investing activities		(116,135)	(31,803)
Cash flows from financing activities			
Development grants received from Government		16,076	11,183
IT and F & E grants received from Government		25,856	25,791
Innovation grants received from Government		2,091	902
Operating grants received from Government		209,786	212,897
Operating grants received from non-government organisations		2,757	3,814
Contributions and donations received for the endowment fund (capital)		804	-
Net decrease/(increase) in fixed deposits with more than three months maturity		76,297	21,052
Net cash provided by financing activities		333,667	275,639
Net increase in cash and cash equivalents		33,864	49,181
Cash and cash equivalents at beginning of the year		232,196	183,015
Cash and cash equivalents at end of the year	17	266,060	232,196

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

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

1. General information

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

500 Dover Road
Singapore 139651

The Polytechnic is principally engaged in providing studies, training and research in technology, science, commerce and arts. The principal activities of its subsidiaries are disclosed in Note 10.

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2012

On 1 April 2012, the Polytechnic adopted the new or amended SB-FRS and Interpretations to SB-FRS ("INT SB-FRS") that are mandatory for application from that date. Changes to the Polytechnic's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS.

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

2.2 Revenue recognition

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

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

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

Donations are recognised in the year of receipt.

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.3 Grants

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

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

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

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

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

2.4 Funds

(i) *General Fund*

Income and expenditure relating to the main activities of the Polytechnic are accounted for in the "General Fund" column in the profit or loss.

(ii) *Other Funds*

Income and expenditure relating to the funds set up for specific purpose are accounted for in the "Other Funds" column in profit or loss and disclosed separately in the notes to the financial statements.

(iii) *Endowment Fund*

Donations, which donors have specified to be kept intact, are taken directly to the Endowment Fund (Capital). Other donations together with other income and expenditure of the Endowment Fund are taken to the Fund's operating account under "Other Funds – Endowment Fund (non-capital)" in profit or loss.

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

2.5 Funds managed on behalf of others

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.6 Impairment of non-financial assets

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

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

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

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

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

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

2.7 Loans and receivables

Bank balances

Trade and other receivables

Loan to Singapore Polytechnic Graduates' Guild

Staff and student loans

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

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

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

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.8 Property, plant and equipment

(a) *Measurement*

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

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

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

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

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

(b) *Depreciation*

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.8 Property, plant and equipment (continued)

(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 Polytechnic and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(d) Disposal

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

2.9 Financial assets at fair value through profit or loss

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

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

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.10 Available-for-sale financial assets

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

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

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

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

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

2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Polytechnic prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

2.12 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

2.13 Employee compensation

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

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.14 Operating lease payments

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

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

2.15 Foreign currency translation

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

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

2.16 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.4/2012 dated 2 November 2010. Selected bank accounts of the Polytechnic maintained with selected banks are linked up with the Accountant-General's Department's ("AGD") bank accounts for available excess cash to be automatically aggregated for central management on a daily basis. The deposits held with AGD are short-term highly liquid investments that are readily convertible to known amounts of cash and are classified in cash and cash equivalents as "Cash with AGD".

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

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

3. Staff costs

	2013	2012
	\$'000	\$'000
Wages and salaries	171,398	161,281
Employer's contribution to Central Provident Fund	17,236	14,849
Other staff benefits	1,356	1,347
	189,990	177,477

Included in staff costs is key management's remuneration. Key management's remuneration includes fees, salary, bonus, commission and emoluments (including benefit-in-kind) computed based on the cost included by the Polytechnic and where the Polytechnic did not incur any costs, the value of the benefit. The key management's remuneration is as follows:

	2013	2012
	\$'000	\$'000
Wages and salaries	6,333	6,458
Employer's contribution to defined contribution plans, including Central Provident Fund	356	304
	6,689	6,762

4. Other expenditure

	2013	2012
	\$'000	\$'000
Water and electricity	9,825	10,446
IT support and other services	1,274	1,268
Consultancy services	1,492	1,741
Vocational training for student	1,481	2,232
Campus events and activities	3,180	3,769
Bursaries and scholarships	1,351	1,025
Maintenance and upgrading of facilities	2,467	3,076
Loss on disposal of property, plant and equipment	3,649	74
Other expenses	14,033	12,927
	38,752	36,558

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

5. Other income

	2013	2012
	\$'000	\$'000
Funding for Research & Development projects	2,029	1,071
Student welfare fund	1,090	595
Income from use of campus, sports facilities	1,016	1,436
Consultancy income	1,885	1,589
Miscellaneous income	3,906	2,889
	9,926	7,580

6. Grants

	<u>General Fund</u>		<u>Other Funds</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating grants received from						
- Government (Note 7)	201,819	202,400	-	-	201,819	202,400
- Non-government	1,547	1,918	-	-	1,547	1,918
Development grants utilised (Note 19)	9,442	13,617	-	-	9,442	13,617
Deferred capital grants amortised						
- Government (Note 20)	34,976	29,890	236	255	35,212	30,145
- Non-government (Note 20)	2,105	2,005	-	-	2,105	2,005
	249,889	249,830	236	255	250,125	250,085

7. Operating grants - Government

	2013	2012
	\$'000	\$'000
Operating grants received/receivable during the year	229,666	227,358
Less :		
Grants utilised on property, plant and equipment transferred to Deferred Capital Grants (Note 20)	(9,086)	(6,792)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	(18,761)	(18,166)
Operating grants taken to profit or loss	201,819	202,400

Operating grants received from Government since 1 April 1980 amount to \$3,887.2 million (2012: \$3,647.5 million) which include the cumulative operating grants for GST subsidy of \$163.8 million (2012: \$145.0 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

8. Other funds

Other funds comprise the following funds:

	Endowment Fund (non-capital)		Student Welfare & Development Fund		Miscellaneous Funds		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Operating income								
Course fees	-	-	-	-	13,117	16,053	13,117	16,053
Operating expenditure								
Staff costs	-	-	-	-	(6,705)	(7,004)	(6,705)	(7,004)
Depreciation of property, plant and equipment	-	-	(64)	(63)	(995)	(802)	(1,059)	(865)
Teaching materials	-	-	-	-	(438)	(414)	(438)	(414)
Staff development and benefits	-	-	-	-	(3)	(14)	(3)	(14)
Other expenditure	(1,351)	(1,025)	(824)	(768)	(7,127)	(8,324)	(9,302)	(10,117)
	(1,351)	(1,025)	(888)	(831)	(15,268)	(16,558)	(17,507)	(18,414)
Operating (deficit)	(1,351)	(1,025)	(888)	(831)	(2,151)	(505)	(4,390)	(2,361)
Non-operating income								
Donations	951	840	-	-	-	-	951	840
Interest income – banks	125	79	19	10	643	517	787	606
Rental income – operating leases	-	-	-	-	1,888	1,824	1,888	1,824
Other income	72	206	1,090	594	5,033	4,558	6,195	5,358
Fair value gains – financial assets at fair value through profit or loss	34	-	-	-	318	-	352	-
(Deficit)/surplus before grants	(169)	100	221	(227)	5,731	6,394	5,783	6,267
Grants	-	-	-	-	236	255	236	255
(Deficit)/surplus for the year	(169)	100	221	(227)	5,967	6,649	6,019	6,522
Accumulated surplus at 1 April	8,286	4,787	4,179	4,406	87,142	83,493	99,607	92,686
Inter-fund transactions	-	3,000	-	-	-	(3,000)	-	-
Transfer from endowment fund (capital)	30	399	-	-	-	-	30	399
Accumulated surplus at 31 March	8,147	8,286	4,400	4,179	93,109	87,142	105,656	99,607

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

8. Other funds (continued)

	Endowment Fund (non-capital)		Student Welfare & Development Fund		Miscellaneous Funds		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Represented by:								
Property, plant and equipment	-	-	591	633	4,965	4,749	5,556	5,382
Staff and student loans	-	-	355	395	14	9	369	404
Investment in subsidiaries	-	-	-	-	1,100	1,100	1,100	1,100
Financial assets, at fair value through profit or loss	1,361	-	-	-	35,317	-	36,678	-
Available-for-sale financial assets	-	-	-	-	5,500	5,500	5,500	5,500
Fair value reserve	-	-	-	-	(575)	(575)	(575)	(575)
Cash and cash equivalents	6,928	8,272	3,454	3,151	47,888	78,275	58,270	89,698
Receivables, deposits and prepayments	37	31	-	-	1,628	2,484	1,665	2,515
Payables, deposits and accruals	(179)	(17)	-	-	(2,472)	(3,908)	(2,651)	(3,925)
Deferred Capital Grants	-	-	-	-	(256)	(492)	(256)	(492)
	8,147	8,286	4,400	4,179	93,109	87,142	105,656	99,607

Details of other funds are as follows:

(i) Name of Fund Purpose

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

8. Other funds (continued)

The seed capital of this Fund is kept intact and it comprises the following:

	2013	2012
	\$'000	\$'000
At beginning of financial year	18,242	17,817
Transfer to endowment fund (non-capital)	(30)	(399)
MOE matching donation grant	2,185	824
Donations received from third parties	1,083	-
At end of financial year	21,480	18,242
Represented by:		
Fixed deposits	-	16,699
Financial assets, at fair value through profit or loss	18,673	-
Amount due from Ministry	2,464	1,543
Cash at bank	343	-
	21,480	18,242

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

(iii) Miscellaneous Funds provides funding for:

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

9. Property, plant and equipment

	Leasehold land \$'000	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Motor vehicles \$'000	Construction -in-progress \$'000	Total \$'000
2013							
<u>Cost</u>							
Beginning of financial year	56,518	272,547	91,184	281,024	142	197	701,612
Additions	-	884	13,989	18,889	-	9,238	43,000
Disposals	-	(12,008)	(795)	(20,152)	-	-	(32,955)
End of financial year	56,518	261,423	104,378	279,761	142	9,435	711,657
<u>Accumulated depreciation</u>							
Beginning of financial year	19,778	114,714	59,500	222,104	54	-	416,150
Depreciation charge	809	5,801	7,584	20,141	28	-	34,363
Disposals	-	(8,324)	(795)	(20,052)	-	-	(29,171)
End of financial year	20,587	112,191	66,289	222,193	82	-	421,342
<u>Net book value</u>							
End of financial year	35,931	149,232	38,089	57,568	60	9,435	290,315
2012							
Beginning of financial year	56,518	271,345	79,388	276,425	142	-	683,818
Additions	-	1,202	12,300	19,536	-	197	33,235
Disposals	-	-	(504)	(14,937)	-	-	(15,441)
End of financial year	56,518	272,547	91,184	281,024	142	197	701,612
<u>Accumulated depreciation</u>							
Beginning of financial year	18,969	108,922	53,933	216,979	26	-	398,829
Depreciation charge	809	5,792	6,071	19,962	28	-	32,662
Disposals	-	-	(504)	(14,837)	-	-	(15,341)
End of financial year	19,778	114,714	59,500	222,104	54	-	416,150
<u>Net book value</u>							
End of financial year	36,740	157,833	31,684	58,920	88	197	285,462

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

10. Investment in subsidiaries

	2013	2012
	\$'000	\$'000
<i>Equity investments at cost</i>		
Beginning and end of financial year	1,100	1,100

<u>Name of companies</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Equity holding</u>	
			2013	2012
			%	%
Innomart Pte Ltd	Investment holding company	Singapore	100	100
Singapore Polytechnic International Pte Ltd	Recruitment of full-fee paying foreign students to study in the Polytechnic and licensing local and overseas education institutions to conduct in whole and in part of the Polytechnic's diploma courses offshore	Singapore	100	100

The results of the subsidiaries have not been consolidated as they are not material to the Polytechnic's financial statements.

11. Financial assets, at fair value through profit or loss

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

	2013	2012
	\$'000	\$'000
Financial assets at fair value through profit or loss		
Quoted unit trusts	60,592	-
Quoted equity securities	2,668	-
Quoted fixed income securities	12,235	-
Foreign currency contracts (Note 12)	2	-
	75,497	
Dividends receivable on investments (Note 16)	4	-
Cash and fixed deposits (Note 17)	25,656	-
Payable on purchase of investments (Note 18)	(497)	-
	100,660	-

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

11. Financial assets, at fair value through profit or loss (continued)

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

12. Financial derivatives

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

	Notional amounts \$'000	Fair Value	
		Assets \$'000	Liabilities \$'000
2013			
Foreign currency contracts	5956	12	10
2012			
Foreign currency contracts	-	-	-

13. Available-for-sale financial assets

	2013 \$'000	2012 \$'000
<i>Quoted bonds, at fair value</i>		
Beginning of financial year	5,500	5,450
Fair value gains recognised in other comprehensive income	-	50
End of financial year	5,500	5,500

The bonds earn an interest rate of 4.17% (2012: 4.17%) per annum. The bonds will mature on 10 May 2016.

14. Loan to Singapore Polytechnic Graduates' Guild ("SPGG")

	2013 \$'000	2012 \$'000
Loan	1,935	2,275
Interest receivable	-	246
	1,935	2,521
Allowance for interest receivable	-	(246)
Allowance for doubtful receivables	(1,935)	(2,275)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

14. Loan to Singapore Polytechnic Graduates' Guild ("SPGG") (continued)

Movements in allowance for doubtful receivables are as follows:

	2013	2012
	\$'000	\$'000
At beginning of financial year	2,275	2,500
Allowance written back	(340)	(225)
At end of financial year	1,935	2,275

The loan to Singapore Polytechnic Graduates' Guild ("SPGG"), which is denominated in Singapore dollars, has a mortgage in escrow over the SPGG's clubhouse subject to the security interest created by SPGG in favour of OCBC Bank Limited ("OCBC"). During the year ended 31 March 2012, SPGG has fully repaid its loan from OCBC and commenced repayment of the loan from the Polytechnic.

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

15. Staff and student loans

	2013	2012
	\$'000	\$'000
<i>Repayable after 12 months:</i>		
Staff loans	3	6
Student loans	189	267
	192	273
<i>Repayable within 12 months (Note 15):</i>		
Staff loans	11	4
Student loans	166	128
	177	132

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

15. Staff and student loans (continued)

	2013	2012
	\$'000	\$'000
Total		
Staff loans	14	10
Student loans	355	395
	369	405

Staff loans are repayable with interest at 0% to 4.25% (2012: 0% to 4.25%) per annum by monthly instalments, over periods of up to 4 years (2012: 4 years).

Student loans are interest-free and are repayable by monthly instalments over the period of 2 years (2012: 2 years) after their graduation.

16. Trade and other receivables

	2013	2012
	\$'000	\$'000
Grants receivables		
- Government	16,317	15,221
- Others	2,795	3,952
Fees receivables	1,162	601
Goods and services tax receivable	884	866
Staff and student loans (Note 15)	177	132
Other receivables	2,122	1,993
Deposits	361	1,140
Dividends receivable on investments (Note 11)	4	-
Loans and receivables	23,822	23,905
Prepayments	1,735	1,458
	25,557	25,363

Included in trade receivables are operating grant receivables and donations receivables from the Ministry of Education of \$16,317,000 (2012: \$15,221,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

17. Cash and cash equivalents

	2013	2012
	\$'000	\$'000
Cash at bank and in hand	31,609	81,084
Cash with Accountant-General's Department	208,795	127,157
Fixed deposits	-	100,252
Cash and fixed deposits managed by a fund manager (Note 11)	25,656	-
Cash and cash equivalents	266,060	308,493
Fixed deposits with more than 3 months maturity	-	(76,297)
Cash and cash equivalents per cash flow statement	266,060	232,196

There are no fixed deposits as at 31 March 2013. For financial year ended 31 March 2012, fixed deposits bear average effective interest rate of 0.41% and has a tenure of 3 to 12 months.

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

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at balance sheet date, the bank balance of \$529,000 (2012: \$540,000), comprising cash at bank of \$23,000 (2012: \$36,000) and fixed deposit of \$506,000 (2012: \$504,000), has not been included in the cash and cash equivalents of the Polytechnic.

18. Trade and other payables

	2013	2012
	\$'000	\$'000
Sundry creditors	1,848	1,850
Advances received	7,439	6,321
Deposits	574	532
Provision for unutilised leave	8,531	8,233
Accruals for operating expenses	26,280	24,129
Amount due to a subsidiary	666	823
Payable on purchase of investments (Note 11)	497	-
	45,835	41,888

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

19. Government grants received in advance

	Note	2013 \$'000	2012 \$'000
At beginning of financial year		45,088	43,656
Grants received/receivable during the year			
- Government development grants		16,076	11,183
- Government IT and F & E grants		25,856	25,791
- Government innovation grants		2,081	1,599
Transfer to deferred capital grants (Government)	20	(31,464)	(23,524)
Amount taken to profit or loss	6	(9,442)	(13,617)
At end of financial year		48,195	45,088

20. Deferred capital grants

	Government		Non-Government		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
At beginning of financial year	275,066	274,895	5,506	5,614	280,572	280,509
Add :						
Development grants from MOE (Note 19)	31,464	23,524	-	-	31,464	23,524
Transfer from operating grants (Note 7)	9,086	6,792	-	-	9,086	6,792
Grants received	-	-	1,210	1,897	1,210	1,897
	40,550	30,316	1,210	1,897	41,760	32,213
Less: Amortisation to profit or loss (Note 6)	(35,212)	(30,145)	(2,105)	(2,005)	(37,317)	(32,150)
At end of financial year	280,404	275,066	4,611	5,506	285,015	280,572

Total development grants received from Government for purchases of property, plant and equipment since 1 April 1980 is \$733.8 million (2012: \$702.3 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

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

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

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

	2013 \$'000	2012 \$'000
Advances from the Ministry		
At beginning of financial year	5,497	5,709
Add:		
Advances received	2,288	-
Interest income	212	25
Less:		
Advances repaid	(1,483)	(237)
At end of financial year	6,514	5,497
Represented by:		
Trade and other receivables	101	67
Cash and bank balances	234	121
Tuition fees and study loans	5,826	5,034
Staff housing loans	353	402
Trade and other payables	-	(127)
Net assets	6,514	5,497

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

Loans given to students are interest-free until 1 June or 1 December in the year of their graduation, or for those with National Service obligation, in the year in which they finish their National Service. Thereafter, loans are repayable by monthly instalments with interest at 4.75% (2012: 4.75%) per annum which is based on the average prime rates of banks or such other rates as may be determined by the Polytechnic from time to time. The interest on the tuition fee loans is remitted in full to the Ministry. The students are given an option to repay by monthly instalments over a period of up to 10 years after the borrowers' graduation.

Loans to staff consist of housing loan made in accordance with the regulations of the Polytechnic. With effect from January 2002, housing loan benefit is no longer provided and the unutilised grants as well as the repayment of these staff loans amounting to \$1,483,000 (2012: \$237,000) were refunded to the Ministry. Existing housing loans will continue to be funded.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

22. Capital commitments

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

	2013	2012
	\$'000	\$'000
Amount approved and contracted for	121,818	16,881
Amount approved but not contracted for	107,091	46,119

The above capital commitments are funded by Government grants.

23. Financial risk management

Overview

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

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

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

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

Credit risk

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

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

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

At the balance sheet date, the Polytechnic's grants and fees receivables include 5 debtors (2012: four debtors) that individually represented 5-18% (2012: 6-39%) of the grants and fees receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

23. Financial risk management

Credit risk (continued)

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

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

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

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

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

	2013	2012
	\$'000	\$'000
Past due one month	486	1,086
Past due two months	470	88
Past due over two months	860	511
	1,816	1,685

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

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Polytechnic for managing liquidity risk included cash and short-term deposits as disclosed in Note 16.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

23. Financial risk management (continued)

Liquidity risk (continued)

The table below analyses non-derivative financial liabilities of the Polytechnic into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000
At 31 March 2013			
Trade and other payables	38,396	-	-
<hr/>			
At 31 March 2012			
Trade and other payables	35,567	-	-
<hr/>			

The above trade and other payables exclude advances received.

Interest rate risk

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

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

	2013 \$'000	2012 \$'000
Fixed rate instruments		
Quoted fixed income securities managed by a fund manager	12,235	-
Available-for-sale financial assets	5,500	5,500
	<hr/> 17,735	<hr/> 5,500
Variable rate instruments		
Cash at bank and in hand	31,609	81,084
Cash with AGD	208,795	127,157
Fixed deposits	-	100,252
Cash and fixed deposits managed by a fund manager	25,656	-
	<hr/> 266,060	<hr/> 308,493

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

23. Financial risk management (continued)

Interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

An increase in 50 bp (2012: 100 bp) 0.5% (2012: 1%) in interest rates at the reporting date would increase surplus or deficit by \$1,330,000 (2012: \$3,085,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A decrease in 50 bp (2012: 100 bp) would have the equal but opposite effect on the basis that all other variables remain constant.

Foreign currency risk

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

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

	SGD \$'000	RM \$'000	HKD \$'000	AUD \$'000	Others \$'000	Total \$'000
Quoted equity securities	1,143	-	-	-	1,525	2,668
Quoted fixed income securities	648	1,809	1,602	1,543	6,633	12,235
	1,791	1,809	1,602	1,543	8,158	14,903
Less: Foreign currency contracts	-	-	-	-	(5,956)	(5,956)
Less: Denominated in the functional currency	(1,791)	-	-	-	-	(1,791)
	-	1,809	1,602	1,543	2,202	7,156

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

23. Financial risk management (continued)

Price risk

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

The Polytechnic is exposed to equity price risk through its investments with the fund managers as disclosed in Note 11. The market risk associated within these investments is the potential loss in fair value due to a fall in market prices of these investments. Such market risk is reviewed regularly by the Polytechnic's Investment Committee.

Fair value measurements

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2013				
Available-for-sale financial assets	5,500	-	-	5,500
Financial assets, at fair value through profit or loss	75,497	-	-	75,497
2012				
Available-for-sale financial assets	5,500	-	-	5,500

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date (current bid price). These instruments are included in Level 1.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

23. Financial risk management (continued)

Financial instruments by category

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

	2013	2012
	\$'000	\$'000
Financial assets at fair value through profit or loss	75,497	-
Available-for-sale financial assets	5,500	5,500
Loans and receivables		
Staff and student loans (Note 15)	192	273
Trade and other receivables excluding prepayments (Note 16)	23,822	23,905
Cash and cash equivalents (Note 17)	266,060	308,493
	290,074	332,671
Financial liabilities at amortised cost	38,396	35,567

24. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Polytechnic's accounting periods beginning on or after 1 April 2013 or later periods and which the Polytechnic has not early adopted:

- Amendments to SB-FRS 1 – *Presentation of Items of Other Comprehensive Income* (effective for annual periods beginning on or after 1 July 2012)
- Amendments to SB-FRS 19 – *Employee Benefits* (effective for annual periods beginning on or after 1 January 2013)
- SB-FRS 27 - *Separate Financial Statements* (effective for annual periods beginning on or after 1 January 2014)
- SB-FRS 28 - *Investments in Associates and Joint Ventures* (effective for annual periods beginning on or after 1 January 2014)
- Amendments to SB-FRS 32 - *Offsetting of Financial Assets and Financial Liabilities* (effective for annual periods beginning on or after 1 January 2014)
- SB-FRS 110 - *Consolidated Financial Statements* (effective for annual periods beginning on or after 1 January 2014)
- SB-FRS 111 - *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2014)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

24. New or revised accounting standards and interpretations (continued)

- SB-FRS 112 - *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2014)

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

25. Authorisation of financial statements

These financial statements were authorised for issue by the Board of Governors of Singapore Polytechnic on 28 June 2013.

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