

The  
**SP**IRIT  
of Excellence

**FIRST POLY, FUTURE READY**  
ANNUAL REPORT 2014/2015



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## **Our Mission**

Life-Ready • Work-Ready • World-Ready

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

## **Our Vision**

Inspired Learner • Serve with Mastery • Caring Community

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

## **Our Core Values**

Self-Discipline  
Personal Integrity  
Care & Concern  
Openness  
Responsibility  
Excellence



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

2014 was a jubilant year for Singapore Polytechnic as we celebrated our 60th anniversary, a significant milestone in our history. It was a memorable occasion where our past and present SP students and staff strengthened relationships and participated in year-long revelries.

A notable event was the 17 km Heritage Trail where some 600 students, staff and alumni walked from SP's first administrative office at the Bank of China building to the former Prince Edward Campus. They then continued their journey to the other campuses such as Labrador and Ayer Rajah before finishing at Dover Campus.

The Poly 60 Campus Relay also garnered the participation of over 1,000 participants comprising staff, students and some of our Board members. The SP@60 Alumni Homecoming Dinner, an original SP@60 fragrance created by the students from the Diploma in Perfumery and Cosmetic Science, and a coffee table book, Campus in a Garden, put together by students and staff, were among the highlights.

The campus also welcomed new facilities in the past year – the new Design School building, Singapore Institute of Technology and the Sports Arena as a part of SP's rejuvenation project to provide fresh learning and social spaces for our students. Others like the Aero Hub and new Business School building are expected to be ready by end 2015.

We also added a feather to our cap when the polytechnic bagged the Singapore Quality Class Star award, in recognition of our all-round business excellence over the past year.

Moving on, I would like to encourage everyone to continue with our mission and strive towards the goal of nurturing more outstanding young men and women for society, and for the world.

## NEW MOVEMENTS TAKING SHAPE

A major movement that impacted the education sector was the recommendations proposed by the Applied Study in Polytechnics and ITE Review (ASPIRE) Committee, formed to review and recommend enhancements to the education model in the Polytechnics and ITE. Following these recommendations, the SkillsFuture Council, chaired by Deputy Prime Minister Tharman Shanmugaratnam, was set up to drive these efforts to help Singaporeans develop their fullest potential throughout life.

SP has since played an active role in supporting this shift towards enhancing applied learning and lifelong learning. Several SkillsFuture initiatives were implemented. We introduced Education and Career Guidance (ECG) modules in the curriculum, starting with Year 1 students.

Together with Workforce Development Agency and the food industry, SP launched the first SkillsFuture Earn and Learn Programme for 20 diploma graduates who would join the food industry to deepen their skills in food manufacturing and innovation.

SP has also taken steps to contribute towards the Smart Nation initiative. Leveraging on data analytics, we have initiated across a few academic schools online teaching and learning, monitoring and tracking of student's performance, and differentiated learning via direct interventions.

We are also working with industry partners to build Singapore's tech talent in the area of Cyber Security by providing Pre-Employment Training and upgrading industry practitioners with up-to-date skills and knowledge. To nurture a 'build' culture and develop computational thinking among youth, SP has partnered Infocomm Development Authority of Singapore to set up the Robotics & Maker Academy (RMA). This academy will reach out to 10,000 primary and secondary students and encourage them to think and explore what they can create and build with technology.

To enhance campus life, we have developed a suite of mobile applications for students and staff to learn, work, and live more effectively.

## LEGACY OF LATE LEE KUAN YEW LIVES IN OUR VISION

In March 2015, the nation mourned the passing of Founding Prime Minister Lee Kuan Yew. Particularly to SP, he has become a monumental part of our history. The late Mr Lee left his footprints on our Dover campus on 7 July 1979 when he graced the opening of Singapore's first polytechnic.

More significantly, he recognised SP's role in Singapore's early development and was instrumental in the growth of our polytechnic.

He emphasised the importance of polytechnic education, saying "This new campus marks our resolve to provide our young with the opportunities to climb higher up the technological ladder. The never-ending search of new knowledge, new skills and the perfection of old skills is what ensure that we progress."

Fifty-six years on, the institution continues to thrive while building on his words. Every year, more than 5,000 freshmen join SP, and they are given opportunities to develop industry-relevant skills and knowledge as well as soft skills and good values.

This underscores SP's new vision to be "a caring community of inspired learners committed to serve with mastery".

## **NURTURING INSPIRED LEARNERS**

We have seen many students who have demonstrated a strong sense of purpose and passion about what they learn. Some have also overcome obstacles and challenges and done us proud.

An exemplary student, Tan Sze Meng graduated from the Diploma in Engineering with Business, with an impressive GPA score of 3.9. She was also a recipient of SP's Model Student Award 2015. Sze Meng had turned down a government scholarship in Malaysia to pursue her diploma at SP.

During her studies, she was unfortunately diagnosed with an intestinal problem that resulted in eight months of hospitalisation and absence from school. Despite undergoing four major operations, she returned to SP to pursue her studies and devoted time to community service. With determination, Sze Meng pulled through the exams, and she hopes to return to SP as a teacher and continue to inspire the next generation.

Another inspired learner is Jonathan Peh, our 2015 Institutional Medallist who graduated with a Diploma in Civil Engineering with Business with a perfect GPA of 4.0. He has been offered a Land Transport Authority (LTA) scholarship to read Civil Engineering with a prestigious university overseas.

In secondary school, he was an unmotivated student who indulged in video gaming. As a result, his GCE "O" Level results barely met the requirements to enter the course of his choice in SP. But he was eventually accepted into the Diploma in Civil Engineering with Business after making an appeal. Life took a radical turn for him in SP thereafter.

He studied hard and was awarded the LTA Engineering Award for his academic excellence. Grateful for a second chance to learn and excel, Jonathan paid it forward by tutoring his SP juniors under the Peer Tutoring Scheme and returned to his alma mater to coach students who were weak in Physics. He also volunteered in overseas community projects, where he used his Civil Engineering skills to help construct a wooden jetty in an Indonesian village and an in-situ courtyard for a primary school in rural Vietnam. He volunteered with a senior citizens' home locally too.

Jonathan also rose from being a trombonist in the SP Symphonic Band to become a Concert Master. He conducted the band in its annual concert series and arranged pieces for the band. He has shared that he plans to return to SP as a lecturer in the later part of his life, as "SP has made it possible for me, and I hope to make it possible for others who want a second chance too."

## **SERVING WITH MASTERY**

We hope to see our graduates and staff achieve mastery in their chosen course and profession, and use their expertise to serve and make an impact on society.

One such example is alumnus Dr Jonathan Loh, who graduated in 1997 with a Diploma in Biotechnology. He is currently a renowned scientist at A\*STAR's Institute of Molecular and Cell Biology and played a role in discovering the world's first method of growing stem cells from a drop of blood.

To give future generations an opportunity to excel, he helped secure internship placements for SP students with Harvard Medical School, Yale University and the Massachusetts Institute of Technology. Dr Loh's unrelenting passion in bringing research to new heights and inspiring young minds truly lives up to SP's vision of serving with mastery.

An exemplary staff, Mr Steven Chew, a Senior Lecturer with the School of Electrical and Electronic Engineering, led a multi-disciplinary team of students and staff to build solar cars that have participated in international competitions. SP won first place in the solar category of Shell Eco Marathon Asia in 2012. Under his leadership and management, the team was able to assimilate and think out of the box to design better cars and compete in the World Solar Challenge amid arduous conditions.

As an institution, SP has also forged strong partnerships with industry experts. Earlier this year, SP signed an MOU

# CHAIRMAN'S STATEMENT

SINGAPORE POLYTECHNIC ANNUAL REPORT 2014/2015

with SingTel to launch the SingTel Cadet Scholarship Programme. This corporate programme aims to help polytechnic students acquire relevant skills and align them better with the industry.

Our team of lecturers and students also collaborated with the National Library Board, where they applied their design thinking skills to help design the new library@orchard which opened last year.

A team of SP students partnered A\*STAR and developed the HuGGler, an interactive pet robot which won them the Best Prototype Award at the Assistive and Rehabilitation Technologies Student Innovation Challenge.

Besides local industrial partnerships, SP has been active internationally too. Over the 12 months, 560 students travelled to 20 countries for the Overseas Industrial Training Programme. Another 400 students were sent for immersion programmes. Such exposure provided our students with valuable global learning experience.

## CREATING A CARING COMMUNITY

Starting from a local scale, initiatives such as "Return Your Tray" and "A Cleaner Campus" have been put in place to instil a sense of belonging in students and colleagues by constantly reminding them of their role in creating a caring community.

At community level, an ongoing programme, Go Serve, by SP provides opportunities for students and staff to play a dynamic role in helping the less fortunate, enhancing social cohesion and improving the environment locally and overseas.

Congratulations to the students and staff from the School of Chemical and Life Sciences for achieving the highest participation rate in both local and overseas community service initiatives. This has won them the Go Serve Excellence Award for two consecutive years.

On a global scale, 272 students were sent overseas for community services over the past year. In an annual project by SP Optometry, 25 students led by two lecturers from the Diploma in Optometry, were sent to Surabaya, Indonesia last year as a part of Gift of Sight 2014. This opportunity allowed students to gain exposure to a different environment and provide primary eye care in rural settings.

## CONCLUSION

The education landscape is ever-changing. Hence, the key to sustainability goes beyond the resources we have.

What's more significant is our attitude – the willingness to adapt and respond to the changing circumstances.

I look forward to forging more collaborations and strengthening relationships with our industry partners to better align ourselves with SkillsFuture Council's emphasis on skills-based learning.

Through the Enhanced Internships and Earn and Learn initiatives to be rolled out over the next two years by the SkillsFuture Council, I believe students will greatly benefit as they continually prepare and upgrade themselves to be life-ready, work-ready and world-ready.

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

The past year has been a rewarding one and I look forward to another year of bountiful possibilities and achievements with all of you.



Mr Bill Chang York Chye  
Chairman  
Board of Governors  
Singapore Polytechnic

# BOARD OF GOVERNORS

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

- (1) RADM Chan Weng Yip, Future Systems & Technology Architect, Ministry of Defence
- (2) Prof Chou Siaw Kiang, Professor, Department of Mechanical Engineering, National University of Singapore
- (3) A/Prof Muhammad Faishal Bin Ibrahim, Parliamentary Secretary, Ministry of Health & Ministry of Transport
- (4) Prof Pang Yang Hoong, Vice Provost (Undergraduate) & Dean, School of Accountancy, Singapore Management University

- 1. MR BILL CHANG YORK CHYE**  
(Chairman)  
Country Chief Officer for Singapore and  
Chief Executive Officer of Group Enterprise  
Singapore Telecommunications Ltd
- 2. MR JOHNNY TAN CHENG HYE**  
(Deputy Chairman)  
Principal Partner  
LT&T Architects
- 3. MR CHIA BOON KUAH**  
(Member)  
Group President & Chief Executive Officer  
GuocoLand Limited
- 4. MS CHONG PHIT LIAN**  
(Member)  
Advisor  
Singbridge Group
- 5. MR GOH TEIK POH**  
(Member)  
Director  
Singapore Maritime Foundation
- 6. DR LEE SHIANG LONG**  
(Member)  
Executive Director  
Institute for Infocomm Research  
Agency for Science, Technology & Research
- 7. MR JOHN LIM HUA ERN**  
(Member)  
Divisional Director, Higher Education  
Ministry of Education
- 8. MR MAX LOH KHUM WHAI**  
(Member)  
Country Managing Partner, Singapore  
Regional Managing Partner, ASEAN  
Ernst & Young LLP
- 9. COL DAVID NEO CHIN WEE**  
(Member)  
Head, Joint Plans & Transformation Department  
Singapore Armed Forces  
Ministry of Defence
- 10. PROF NG WUN JERN**  
(Member)  
Dean, College of Engineering  
Nanyang Technological University  
Nanyang Environment & Water Research Institute
- 11. DR NOORUL FATHA AS'ART**  
(Member)  
Assistant Director (Non-Communicable Diseases)  
Epidemiology & Disease Control Division  
Ministry of Health
- 12. MR SEW CHEE JHUEN**  
(Member)  
President, Special Projects  
Singapore Technologies Engineering Ltd
- 13. MR TAN CHOON SHIAN**  
(Member)  
Principal & CEO  
Singapore Polytechnic
- 14. DC TAN CHYE HEE**  
(Member)  
Deputy Commissioner of Police  
(Investigations and Intelligence)  
Concurrent Director  
Criminal Investigation Department  
Singapore Police Force
- 15. MS AMANDA TAN HWEI LING**  
(Member)  
Managing Director  
Deputy Head of Wealth Management  
Asia ex-Japan  
Nomura Singapore Limited
- 16. MR WHANG SHANG YING**  
(Member)  
Executive Director  
Lam Soon Singapore Pte Ltd
- 17. MR WONG KIM YIN**  
(Member)  
Group Chief Executive Officer  
Singapore Power Limited
- 18. MR ALLAN YEO HWEE TIONG**  
(Member)  
Principal Advisor  
KPMG Services Pte Ltd
- MS JEANNE LIEW (till 30 June 2015)**  
(Secretary)  
Registrar  
Singapore Polytechnic
- MR CHOO KENG HUI (from 1 July 2015)**  
(Secretary)  
Registrar  
Singapore Polytechnic

## ADMINISTRATION & DEVELOPMENT COMMITTEE

Chairman: Mr Johnny Tan Cheng Hye  
Members: Mr Sew Chee Jhuen  
Mr Tan Choon Shian  
DC Tan Chye Hee  
Mr Allan Yeo Hwee Tiong  
Secretary: Mr C. Pannirselvam  
Ms Jenny Wong Siow Ching

## AUDIT COMMITTEE

Chairman: Mr Max Loh Khum Whai  
Members: Ms Chong Phit Lian  
Mr Goh Teik Poh  
Secretary: Mr Ronnie Chan Chin Sing

## INVESTMENT COMMITTEE

Chairman: Ms Amanda Tan Hwei Ling  
Members: Mr Chia Boon Kuah  
Mr Whang Shang Ying  
Mr Tan Choon Shian  
Secretary: Ms Jenny Wong Siow Ching

## NOMINATING COMMITTEE

Chairman: Mr Bill Chang York Chye  
Members: Mr Johnny Tan Cheng Hye  
Mr Tan Choon Shian

## STAFF DISCIPLINARY COMMITTEE & STUDENT DISCIPLINARY APPEAL COMMITTEE

Chairman: DC Tan Chye Hee  
Members: Dr Noorul Fatha As'art  
COL David Neo Chin Wee  
Dr Lee Shiang Long  
Prof Ng Wun Jern  
Secretary: Mrs Elizabeth Ann Khoo-Lee May Yong  
Mrs Yeung-Ng Geak Hong

## HUMAN RESOURCE COMMITTEE

Chairman: Mr Bill Chang York Chye  
Members: Mr John Lim Hua Ern  
Mr Tan Choon Shian  
Mr Wong Kim Yin  
Secretary: Mrs Yeung-Ng Geak Hong

# BOARD OF STUDIES

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## CHAIRMAN

Mr Tan Choon Shian

Principal & Chief Executive Officer

## PERMANENT MEMBERS

Mr Lim Peng Hun

Deputy Principal (Technology & Industry) /  
Senior Director, Engineering Cluster

Mr Hee Joh Liang

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

Ms Jeanne Liew (Secretary)

Deputy Principal (Student & Academic Affairs) /  
Registrar (till 30 June 2015)

Dr Chai Min Sen

Senior Director, Communication, Mathematics & Science Cluster

Mr Henry Tan Hin Teck

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

Mr Tan Peng Ann

Senior Director, Administration Cluster

Ms Georgina Phua Hwee Choo

Senior Director, Business, Infocomm & Media Cluster /  
Director, Business (from 1 October 2014)

Mr Choo Keng Hui (Secretary)

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

Mr Daniel Tan Kim Soon

Director, Architecture & the Built Environment

Mrs Elizabeth Ann Khoo-Lee May Yong

Director, Academic Services

Mr Tan Yew Meng

Director, Communication, Arts & Social Sciences (till 31 March 2015)

Ms Lim Lee Yee

Director, Communication, Arts & Social Sciences (from 1 April 2015)

Dr Adrian Yeo Chao Chuang

Director, Chemical & Life Sciences

Dr Faris Akbar Hajamaideen

Director, Digital Media & Infocomm Technology (from 1 October 2014)

Mrs Helene Leong-Wee Kwee Huay

Director, Educational Development

Mr Loh Yew Chiong

Director, Electrical & Electronic Engineering

Mr Loh Gin Chye

Director, Information & Digital Technology Services

Mrs Fang Sin Guek

Director, Library

Dr Ng Eng Hong

Director, Mechanical & Aeronautical Engineering (till 30 September 2014)

Dr Chong Chee Wei

Director, Mechanical & Aeronautical Engineering (from 1 October 2014)

Ms Chao Yunn Chyi

Director, Mathematics & Science

Mr Reginald Wee Siang Tze

Director, Business (till 30 September 2014)

Mr Roland Tan Keng Hock

Director, Singapore Maritime Academy (till 31 March 2015)

Capt Mohd Salleh Bin Ahmad Sarwan

Director, Singapore Maritime Academy (from 1 April 2015)

Mrs Yap Siew Lay

Deputy Director, Organisation Development

## ELECTED MEMBERS

Mr Dennis Goh Cheng Siang

Architecture & the Built Environment

Ms Doris Nga

Communication, Arts & Social Sciences

Mr Amos Goh Choon Ngee

Chemical & Life Sciences

Mr Alvin Tang Seng Chun

Digital Media & Infocomm Technology

Mr Kwa Teck Poey

Electrical & Electronic Engineering

Dr Lim Chee Kian

Mechanical & Aeronautical Engineering

Dr Edna Chan Sook Yee

Mathematics & Science

Mr Neo Chip Chuan

Business

Ms Lee Huei Hoon

Design

Capt Chatur Wahyu

Singapore Maritime Academy

# MANAGEMENT TEAM

SINGAPORE POLYTECHNIC ANNUAL REPORT 2014/2015

## PRINCIPAL & CHIEF EXECUTIVE OFFICER

Mr Tan Choon Shian

## DEPUTY PRINCIPAL (DEVELOPMENT)

Mr Hee Joh Liang

Director, Human Resource  
Mrs Yeung-Ng Geak Hong

## DEVELOPMENT

Deputy Principal  
Mr Hee Joh Liang

Director, Educational Development  
Mrs Helene Leong-Wee Kwee Huay

Director, Library  
Mrs Fang Sin Guek

## TECHNOLOGY & INDUSTRY

Deputy Principal  
Mr Lim Peng Hun

Director, Industry Services  
Mr Arthur Poh Heo Tat (till 31 October 2014)  
Dr Rajnish Gupta (from 1 November 2014)

Director, Professional & Adult Continuing Education  
(PACE) Academy  
Mr Suresh Punjabi

Chief Technology Officer, Technology, Innovation & Enterprise  
Mr Lance Lim Wei Seong

## ADMINISTRATION CLUSTER

Senior Director  
Mr Tan Peng Ann

Director, Information & Digital Technology Services  
Mr Loh Gin Chye

Director, Estates & Development  
Mr C. Pannirselvam

Director, Finance  
Ms Jenny Wong Siow Ching

## DEPUTY PRINCIPAL (TECHNOLOGY & INDUSTRY)

Mr Lim Peng Hun

## DEPUTY PRINCIPAL (STUDENT & ACADEMIC AFFAIRS)

Ms Jeanne Liew (till 30 June 2015)

Director, Internal Audit  
Mr Ronnie Chan Chin Sing

## STUDENT & ACADEMIC AFFAIRS (till 30 June 2015) STUDENT & ACADEMIC AFFAIRS CLUSTER (from 1 July 2015)

Deputy Principal / Registrar  
Ms Jeanne Liew (till 30 June 2015)

Senior Director / Registrar  
Mr Choo Keng Hui (from 1 July 2015)

Director, Academic Services  
Mrs Elizabeth Ann Khoo-Lee May Yong

Director, Student Development (till 31 October 2014),  
Student Development & Alumni Relations  
(from 1 November 2014)  
Mr Choo Keng Hui

Director, Student Services  
Mr Clarence Chua Eng Khye

Director, Alumni Relations  
Mr Arthur Poh Heo Tat (till 31 October 2014)

## CORPORATE PLANNING & COMMUNICATIONS CLUSTER

Senior Director  
Mr Henry Tan Hin Teck

Director, Organisation Development  
Mr Arthur Poh Heo Tat (till 31 October 2014)  
Mr Henry Tan Hin Teck (from 1 November 2014)

Director, Corporate Communications  
Ms Yvonne Chan Leng Leng

## ACADEMIC SCHOOLS

### APPLIED & HEALTH SCIENCES CLUSTER

Senior Director

Dr Chai Min Sen (till 30 September 2014)

Mr Hee Joh Liang (from 1 October 2014)

Director, Chemical & Life Sciences

Dr Adrian Yeo Chao Chuang

Director, Mathematics & Science \*

Ms Chao Yunn Chyi

### ARCHITECTURE, DESIGN & ENVIRONMENT CLUSTER

Senior Director

Mr Henry Tan Hin Teck

Director, Architecture & the Built Environment

Mr Daniel Tan Kim Soon

Director, Design

Dr Faris Akbar Hajamaideen (till 30 September 2014)

Ms Tang Soo Yin (from 1 October 2014)

### BUSINESS, IT & HUMANITIES CLUSTER

(till 30 September 2014)

### BUSINESS, INFOCOMM & MEDIA CLUSTER

(from 1 October 2014)

Senior Director

Mr Hee Joh Liang (till 30 September 2014)

Ms Georgina Phua Hwee Choo (from 1 October 2014)

Director, Business

Mr Reginald Wee Siang Tze (till 30 September 2014)

Ms Georgina Phua Hwee Choo (from 1 October 2014)

Director, Communication, Arts & Social Sciences \*

Mr Tan Yew Meng (till 31 March 2015)

Ms Lim Lee Yee (from 1 April 2015)

Director, Digital Media & Infocomm Technology

Ms Georgina Phua Hwee Choo (till 30 September 2014)

Dr Faris Akbar Hajamaideen (from 1 October 2014)

### COMMUNICATION, MATHEMATICS & SCIENCE CLUSTER

(from 1 October 2014)

Senior Director

Dr Chai Min Sen

Director, Communication, Arts & Social Sciences

Mr Tan Yew Meng (till 31 March 2015)

Ms Lim Lee Yee (from 1 April 2015)

Director, Mathematics & Science

Ms Chao Yunn Chyi

### ENGINEERING CLUSTER

Senior Director

Mr Lim Peng Hun

Director, Electrical & Electronic Engineering

Mr Loh Yew Chiong

Director, Mechanical & Aeronautical Engineering

Dr Ng Eng Hong (till 30 September 2014)

Dr Chong Chee Wei (from 1 October 2014)

Director, Singapore Maritime Academy

Mr Roland Tan Keng Hock (till 31 March 2015)

Capt Mohd Salleh Bin Ahmad Sarwan (from 1 April 2015)

\* The School of Mathematics & Science and the School of Communication, Arts & Social Sciences were subsumed under the Communication, Mathematics & Science cluster from 1 October 2014.

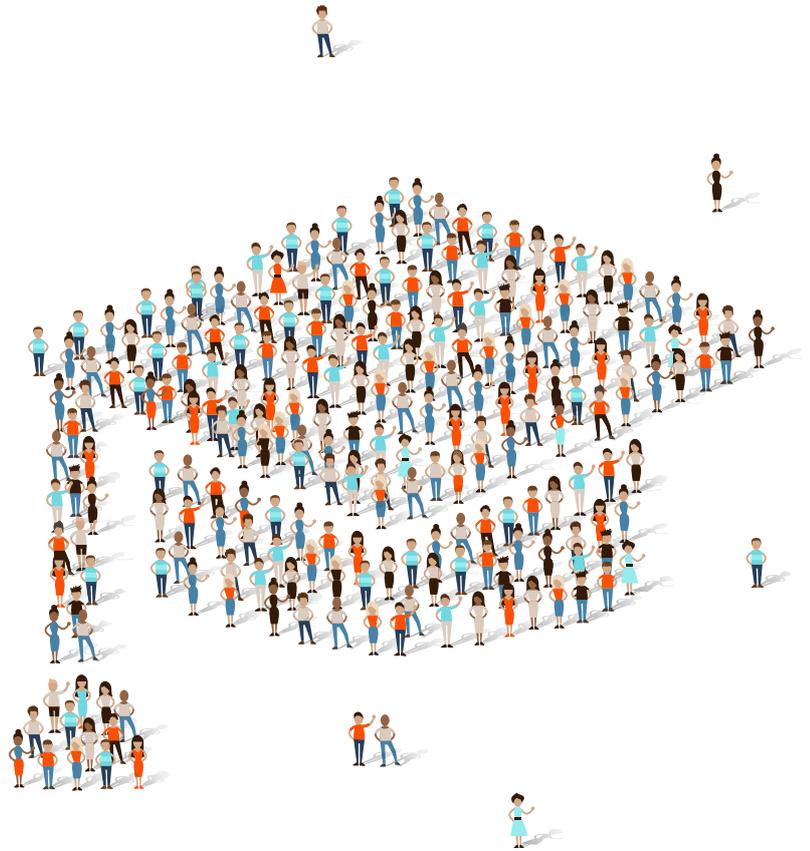
## STUDENT ENROLMENT

# 18,034

comprising 15,905 full-time diploma students, 219 part-time students, one specialist diploma student and 225 students admitted into the Polytechnic Foundation Programme (PFP).

Under the Continuing Education and Training (CET) framework, there were another 901 part-time diploma and 783 post-diploma students [161 advanced diploma, 267 specialist diploma and 355 Diploma (Conversion)].

In the academic year 2014/2015, SP had an intake of 5,537 students (5,312 full-time diploma and 225 PFP). There were also another 322 part-time diploma students and 597 post-diploma students [110 advanced diploma, 226 specialist diploma and 261 for Diploma (Conversion)] under the CET framework.



## STUDENT CCAs

# 119



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

## STAFF STRENGTH

# 1,705



comprising 902 academic staff and 803 non-teaching staff.

## GRADUATE OUTPUT / EMPLOYMENT

# 5,820



students graduated from Singapore Polytechnic in the academic year 2013/2014. Of these, 5,026 graduated from full-time courses and 794 from part-time courses. As of January 2015, 87.3% of fresh graduates found full-time permanent or part-time / temporary employment.

## CONTINUING EDUCATION PROGRAMMES

# 44,289



participants attended a total of 1,184 continuing education programmes offered by Singapore Polytechnic. The programmes included 73 Singapore Workforce Skills Qualification courses, 245 short courses, 162 tailor-made courses, 175 certification courses, 475 examinations, 27 e-learning courses, 5 part-time diplomas, 5 Diploma (Conversion) and 17 advanced diplomas and specialist diplomas.

# HIGHLIGHTS

SINGAPORE POLYTECHNIC ANNUAL REPORT 2014/2015



+ SP was presented the Best Practice Award (Organisation Development) at the Excellence in Public Service Awards Ceremony 2014 for the Staff Engagement Envisioning Project that effectively reflects the collaborative effort of staff in SP.



+ Singapore Maritime Academy was presented its fourth Education and Training Award at the Seatrade Asia Awards 2014 since its inaugural awards ceremony in 2011. Judging was based on criteria such as investment in new facilities and courses, and innovation in teaching techniques.



+ More than 5,500 graduates from full-time and part-time courses received their certificates over 14 sessions at SP's 54th Graduation Ceremony. On this joyous occasion, PCEO Mr Tan Choon Shian also unveiled SP's Vision Beyond 2014 to the public.



+ For its partnership with relevant stakeholders to create better jobs through improving productivity by up-skilling employees, facilitating good workplace practices and building a resilient and adaptable workforce, SP clinched its first NTUC May Day Model Partnership Award.

May 2014

April 2014



Photo credit: Infocomm Development Authority of Singapore

+ Together with Infocomm Development Authority of Singapore, SP launched a new S\$2.8 million Robotics and Maker Academy that is expected to benefit 10,000 primary and secondary school students, in particular schools with an interest in Robotics and Engineering.



+ A breakthrough innovation by SP's Advanced Materials Technology Centre won them recognition at the Institution of Engineers Singapore's Prestigious Engineering Achievement Awards 2014, making SP the first polytechnic to be awarded for its outstanding engineering skills.



+ A Memorandum of Understanding between the Institute of Chartered Accountants in England and Wales (ICAEW) and SP was inked to develop a Finance and Accounting Acceleration Programme – a new route for diploma students to become an ICAEW Chartered Accountant within three years from graduation.



+ As a part of SP's 60th anniversary year-long celebrations, a 120-page coffee table book titled 'Campus in a Garden' was published. In conjunction with the book launch, 15 trees were planted by the members of SP's Board of Governors, as a commitment to appreciate and sustain a green environment. Staff members and students further celebrated the occasion at Poly 60, where they ran 60 rounds around the campus.

July 2014

June 2014

# HIGHLIGHTS

SINGAPORE POLYTECHNIC ANNUAL REPORT 2014/2015



\* More than 700 SP alumni members, former staff members and principals gathered at the Grand Alumni Homecoming Dinner, the first ever combined homecoming event in SP, to celebrate its 60th anniversary. Forty-one SP graduates and two registered societies were awarded at the event for their distinguished contributions to SP over the years.



\* Envisioned as a living incubator, the new five-storey Design School building aims to provide conducive learning spaces for the students from its four diplomas to interact and co-create creative design ideas.



\* Some 600 staff members, students and alumni had a walk down the memory lane from SP's first administrative office in the Bank of China building to the former Prince Edward Road Campus and finally ended their Heritage Trail at Dover campus. The total distance covered was around 16 km.



\* Students from the Diploma in Aerospace Electronics won the third prize at the Autonomous Aerial Vehicle Challenge 2014, organised by the Royal Thai Air Force (RTAF), the only foreign team from a polytechnic to win an award.

September 2014

August 2014



\* The Student Agency from SP Design School designed and produced a charity calendar for partner organisation, Kidney Dialysis Foundation.



\* The new library@orchard unveiled the design spaces and features that SP and National Library Board collaborated on and developed to create a unique library experience for the public.



\* The grand finale of the SP@60 celebrations was the Staff Appreciation Dinner held at Fairmont Ballroom. About 1,400 enthusiastic staff members attended and dressed according to the 1960s theme. The winning design of the SP@60 cake design competition was also unveiled at the event.



Photo credit: National Climate Change Secretariat

\* SP's Environment Club was presented first prize under the Institutes of Higher Learning category in the National Climate Change Competition 2014 by Deputy Prime Minister Mr Teo Chee Hean, a platform for future film makers to share their thoughts on climate change.

November 2014

October 2014



\* SP achieved a new milestone when the Singapore Quality Class Star (SQC Star) was awarded to SP for the first time for attaining a score of at least 550 points and demonstrating high levels of performance in the assessment.



\* The first and only off-campus retail store that is fully run and managed by SP students, Singapore Polytechnic Entrepreneurship Living Laboratory (SPELL), was relaunched at Changi Airport Terminal 3 after considering shopping needs and preferences of customers through surveys conducted by SP students.



\* A Memorandum of Understanding was signed with SingTel to launch the SingTel Cadet Scholarship Programme that provides a total of 90 scholarships, worth over S\$2 million a year, to SP and Republic Polytechnic students.



\* At the third Youth Model ASEAN Conference held at SP, over 200 students from 10 ASEAN countries who attended were encouraged to work towards strengthening global relationships and to value the opportunities available in the region.



\* Students from the Diploma in Media and Communication conducted a survey with 820 youths to find out about their behaviour online. The results were published in local newspapers and online news.

January 2015

December 2014

# HIGHLIGHTS

SINGAPORE POLYTECHNIC ANNUAL REPORT 2014/2015



\* A team represented by members of SP's Aviation Club, emerged winners in the Best Performance (Freestyle) and Best Performance (Air Race) categories at the Singapore Amazing Flying Machine Competition organised by DSO National Laboratories and Science Centre Singapore.



\* SP and Temasek Foundation, Singapore launched a new training programme with National Skill Standards Authority of the Republic of the Union of Myanmar, to help Myanmar achieve ASEAN's standards in terms of their national vocational qualifications.



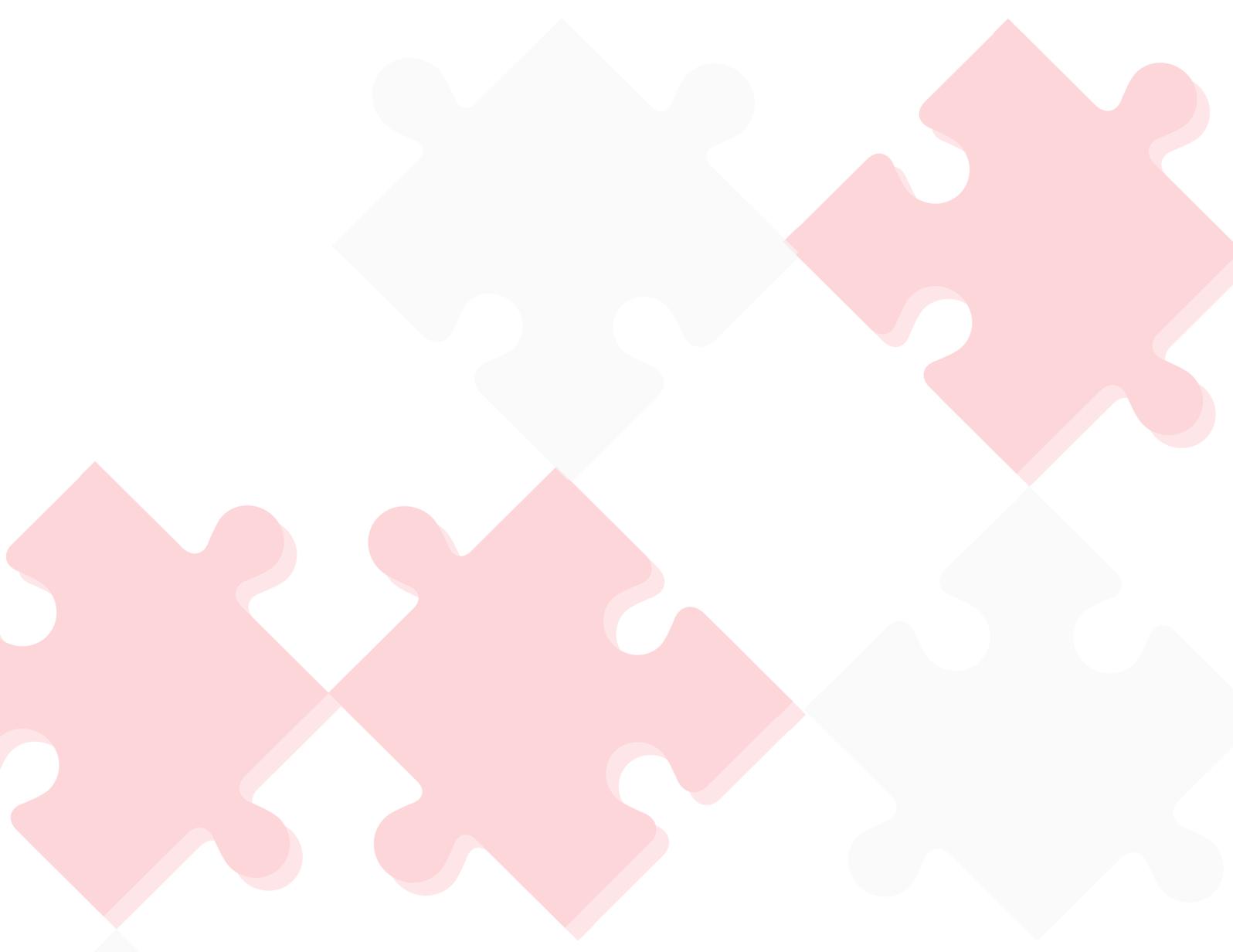
\* A Memorandum of Understanding with Singapore Furniture Industries Council was inked to allow for an exchange of information in fields of interest to both parties as well as future collaboration on projects to meet industry needs.



\* The HuGgler, an interactive companion developed for the intention of pet therapy and monitoring mental well-being, clinched the Silver Award and the Best Prototype Award at the Assistive and Rehabilitation Technologies Student Innovation Challenge. The project was a joint effort by a team of SP students and A\*STAR.

March 2015

February 2015



# **FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**STATEMENT BY BOARD OF GOVERNORS***For the financial year ended 31 March 2015*

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In the opinion of the Board of Governors,

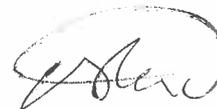
- (a) the accompanying financial statements of the Polytechnic and its subsidiaries (the “Group”) set out on pages 23 to 65 are drawn up so as to present fairly, the state of affairs of the Group and of the Polytechnic as at 31 March 2015 and the results and changes in funds and reserves of the Group and the Polytechnic and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Polytechnic will be able to pay its debts as and when they fall due.

On behalf of the Board



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Bill Chang  
Chairman



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Tan Choon Shian  
Principal and Chief Executive Officer

30 June 2015

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Singapore Polytechnic (the "Polytechnic") and its subsidiaries (the "Group") set out on pages 23 to 65, which comprise the balance sheets of the Group and the Polytechnic as at 31 March 2015, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Polytechnic and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinion*

In our opinion, the consolidated financial statements of the Group and the balance sheet, statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material aspects, the state of affairs of the Group and the Polytechnic as at 31 March 2015 and of the results and the changes in funds and reserves of the Group and Polytechnic and cash flows of the Group for the financial year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

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

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

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

**Report on Other Legal and Regulatory Requirements (continued)**

*Auditor's Responsibility*

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

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

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

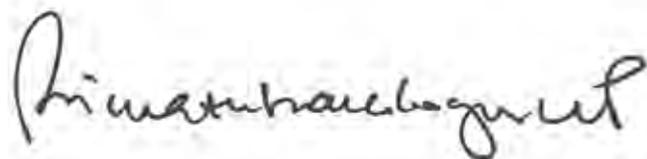
*Opinion*

In our opinion:

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

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

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



PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants

Singapore, 30 June 2015

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the financial year ended 31 March 2015*

The Group	Note	General fund		Other funds		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Operating income</b>							
Course fees		48,692	47,450	10,711	12,938	59,403	60,388
Consultancy fees		-	-	4,202	-	4,202	-
Other fees		883	916	-	-	883	916
		<b>49,575</b>	<b>48,366</b>	<b>14,913</b>	<b>12,938</b>	<b>64,488</b>	<b>61,304</b>
<b>Operating expenditure</b>							
Staff costs	3	(196,835)	(195,243)	(10,297)	(9,040)	(207,132)	(204,283)
Teaching materials		(7,599)	(7,427)	(679)	(782)	(8,278)	(8,209)
Repairs and maintenance		(13,348)	(13,266)	(1)	-	(13,349)	(13,266)
Depreciation of property, plant and equipment	10	(36,016)	(33,772)	(1,249)	(1,207)	(37,265)	(34,979)
Development expenses expensed-off		(13,047)	(9,847)	-	-	(13,047)	(9,847)
Staff development and benefits		(4,210)	(4,156)	(10)	(6)	(4,220)	(4,162)
Other expenditure	4	(27,678)	(28,064)	(12,372)	(10,499)	(40,050)	(38,563)
		<b>(298,733)</b>	<b>(291,775)</b>	<b>(24,608)</b>	<b>(21,534)</b>	<b>(323,341)</b>	<b>(313,309)</b>
<b>Operating deficit</b>		<b>(249,158)</b>	<b>(243,409)</b>	<b>(9,695)</b>	<b>(8,596)</b>	<b>(258,853)</b>	<b>(252,005)</b>
<b>Non-operating income</b>							
Donations		-	-	1,128	931	1,128	931
Interest income		746	825	693	590	1,439	1,415
Rental income		507	225	2,473	2,255	2,980	2,480
Fair value gains / (losses) - financial assets at fair value through profit or loss		2,089	(296)	2,040	365	4,129	69
Other income	5	3,414	2,333	4,376	8,207	7,790	10,540
<b>(Deficit) / Surplus before tax and grants</b>		<b>(242,402)</b>	<b>(240,322)</b>	<b>1,015</b>	<b>3,752</b>	<b>(241,387)</b>	<b>(236,570)</b>
Grants	6	265,044	262,028	56	200	265,100	262,228
Surplus before income tax		22,642	21,706	1,071	3,952	23,713	25,658
Income tax expense	7	-	-	(53)	(11)	(53)	(11)
<b>Net surplus for the year</b>		<b>22,642</b>	<b>21,706</b>	<b>1,018</b>	<b>3,941</b>	<b>23,660</b>	<b>25,647</b>
<b>Other comprehensive loss:</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Net change in fair value of available-for-sale financial assets		(37)	-	(175)	(150)	(212)	(150)
<b>Total comprehensive income</b>		<b>22,605</b>	<b>21,706</b>	<b>843</b>	<b>3,791</b>	<b>23,448</b>	<b>25,497</b>

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

**STATEMENT OF COMPREHENSIVE INCOME**

*For the financial year ended 31 March 2015*

<b>The Polytechnic</b>		<b>General fund</b>		<b>Other funds</b>		<b>Total</b>	
Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	
<b>Operating income</b>							
Course fees	48,692	47,522	10,711	12,868	59,403	60,390	
Other fees	883	916	-	-	883	916	
	<b>49,575</b>	<b>48,438</b>	<b>10,711</b>	<b>12,868</b>	<b>60,286</b>	<b>61,306</b>	
<b>Operating expenditure</b>							
Staff costs	3 (196,835)	(195,243)	(9,474)	(8,419)	(206,309)	(203,662)	
Teaching materials	(7,599)	(7,427)	(679)	(782)	(8,278)	(8,209)	
Repairs and maintenance	(13,348)	(13,266)	-	-	(13,348)	(13,266)	
Depreciation of property, plant and equipment	10 (36,016)	(33,771)	(1,243)	(1,200)	(37,259)	(34,971)	
Development expenses expensed-off	(13,047)	(9,847)	-	-	(13,047)	(9,847)	
Staff development and benefits	(4,210)	(4,156)	-	-	(4,210)	(4,156)	
Other expenditure	4 (27,678)	(28,066)	(10,011)	(9,036)	(37,689)	(37,102)	
	<b>(298,733)</b>	<b>(291,776)</b>	<b>(21,407)</b>	<b>(19,437)</b>	<b>(320,140)</b>	<b>(311,213)</b>	
<b>Operating deficit</b>	<b>(249,158)</b>	<b>(243,338)</b>	<b>(10,696)</b>	<b>(6,569)</b>	<b>(259,854)</b>	<b>(249,907)</b>	
<b>Non-operating income</b>							
Donations	-	-	1,128	931	1,128	931	
Interest income	746	825	693	590	1,439	1,415	
Rental income	507	312	2,566	2,255	3,073	2,567	
Fair value gains / (losses) - financial assets at fair value through profit or loss	2,089	(296)	2,040	365	4,129	69	
Other income	5 3,414	2,333	4,568	5,640	7,982	7,973	
<b>(Deficit) / Surplus before tax and grants</b>	<b>(242,402)</b>	<b>(240,164)</b>	<b>299</b>	<b>3,212</b>	<b>(242,103)</b>	<b>(236,952)</b>	
Grants	6 265,044	262,028	56	200	265,100	262,228	
Surplus before income tax	22,642	21,864	355	3,412	22,997	25,276	
Income tax expense	7 -	-	-	-	-	-	
<b>Net surplus for the year</b>	<b>22,642</b>	<b>21,864</b>	<b>355</b>	<b>3,412</b>	<b>22,997</b>	<b>25,276</b>	
<b>Other comprehensive loss:</b>							
<b>Item that may be reclassified subsequently to profit or loss:</b>							
Net change in fair value of available-for-sale financial assets	(37)	-	(175)	(150)	(212)	(150)	
<b>Total comprehensive income</b>	<b>22,605</b>	<b>21,864</b>	<b>180</b>	<b>3,262</b>	<b>22,785</b>	<b>25,126</b>	

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

## BALANCE SHEETS

As at 31 March 2015

	Note	The Group		The Polytechnic	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Endowment fund (Capital)	9	30,650	23,205	30,650	23,205
Accumulated surplus					
- General fund		201,645	179,003	201,971	179,329
- Other funds	9	111,661	110,643	109,423	109,068
- Fair value reserve		213	425	213	425
<b>Total capital and other funds</b>		<b>344,169</b>	<b>313,276</b>	<b>342,257</b>	<b>312,027</b>
<b>Represented by:</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	403,344	339,004	403,331	338,993
Investment in subsidiaries	11	-	-	1,100	1,100
Financial assets, at fair value through profit or loss	12	104,496	94,512	104,496	94,512
Available-for-sale financial assets	14	10,393	9,600	10,187	9,400
Loan to Singapore Polytechnic Graduates' Guild	15	-	-	-	-
Staff and student loans	16	371	245	371	245
Deferred income tax assets	17	3	4	-	-
		<b>518,607</b>	<b>443,365</b>	<b>519,485</b>	<b>444,250</b>
<b>Current assets</b>					
Trade and other receivables	18	38,003	25,944	38,125	25,919
Cash and cash equivalents	19	297,711	274,327	294,495	273,598
		<b>335,714</b>	<b>300,271</b>	<b>332,620</b>	<b>299,517</b>
<b>Total assets</b>		<b>854,321</b>	<b>743,636</b>	<b>852,105</b>	<b>743,767</b>
<b>Current liabilities</b>					
Trade and other payables	20	55,534	52,120	55,281	53,531
Government grants received in advance	22	60,075	30,746	60,075	30,746
Current income tax liabilities		51	31	-	-
		<b>115,660</b>	<b>82,897</b>	<b>115,356</b>	<b>84,277</b>
<b>Net current assets</b>		<b>220,054</b>	<b>217,374</b>	<b>217,264</b>	<b>215,240</b>
<b>Non-current liabilities</b>					
Deferred capital grants	23	373,075	332,869	373,075	332,869
Advances received	21	21,417	14,594	21,417	14,594
		<b>394,492</b>	<b>347,463</b>	<b>394,492</b>	<b>347,463</b>
<b>Total liabilities</b>		<b>510,152</b>	<b>430,360</b>	<b>509,848</b>	<b>431,740</b>
<b>Net assets</b>		<b>344,169</b>	<b>313,276</b>	<b>342,257</b>	<b>312,027</b>
<b>Net assets of funds managed on behalf of the Ministry</b>	24	<b>5,199</b>	<b>6,785</b>	<b>5,199</b>	<b>6,785</b>

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

**STATEMENTS OF CHANGES IN FUNDS AND RESERVES**

*For the financial year ended 31 March 2015*

<b>The Group</b>	<b>Endowment fund (Capital) (Note 9) \$'000</b>	<b>General fund \$'000</b>	<b>Other funds (Note 9) \$'000</b>	<b>Fair value reserve \$'000</b>	<b>Total \$'000</b>
At 1 April 2014	23,205	179,003	110,643	425	313,276
Total comprehensive income	-	22,642	1,018	(212)	23,448
Contributions and donations received for the endowment fund (capital)	7,445	-	-	-	7,445
<b>At 31 March 2015</b>	<b>30,650</b>	<b>201,645</b>	<b>111,661</b>	<b>213</b>	<b>344,169</b>
At 1 April 2013	21,480	157,297	106,702	575	286,054
Total comprehensive income	-	21,706	3,941	(150)	25,497
Contributions and donations received for the endowment fund (capital)	1,725	-	-	-	1,725
<b>At 31 March 2014</b>	<b>23,205</b>	<b>179,003</b>	<b>110,643</b>	<b>425</b>	<b>313,276</b>
<b>The Polytechnic</b>					
At 1 April 2014	23,205	179,329	109,068	425	312,027
Total comprehensive income	-	22,642	355	(212)	22,785
Contributions and donations received for the endowment fund (capital)	7,445	-	-	-	7,445
<b>At 31 March 2015</b>	<b>30,650</b>	<b>201,971</b>	<b>109,423</b>	<b>213</b>	<b>342,257</b>
At 1 April 2013	21,480	157,465	105,656	575	285,176
Total comprehensive income	-	21,864	3,412	(150)	25,126
Contributions and donations received for the endowment fund (capital)	1,725	-	-	-	1,725
<b>At 31 March 2014</b>	<b>23,205</b>	<b>179,329</b>	<b>109,068</b>	<b>425</b>	<b>312,027</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
Deficit before grants and after tax		(241,440)	(236,581)
Adjustments for:			
Depreciation of property, plant and equipment	10	37,265	34,979
Interest income		(1,439)	(1,415)
(Gain)/Loss on disposal of property, plant and equipment		(107)	115
Fair value gains of financial assets, at fair value through profit or loss		(4,129)	(69)
Income tax expense		53	11
		<u>(209,797)</u>	<u>(202,960)</u>
Changes in working capital:			
Trade and other receivables		(1,499)	(2,189)
Staff and student loans		(126)	(53)
Trade and other payables		10,237	21,149
		<u>(201,185)</u>	<u>(184,053)</u>
Income tax paid		(33)	(43)
<b>Net cash used in operating activities</b>		<u>(201,218)</u>	<u>(184,096)</u>
<b>Cash flows from investing activities</b>			
Interest received		1,439	1,415
Purchases of property, plant and equipment		(101,684)	(83,778)
Purchases of financial assets, at fair value through profit or loss		(5,855)	(18,946)
Purchase of available-for-sale financial assets		(1,005)	(4,050)
Proceeds from disposals of property, plant and equipment		187	7
<b>Cash flows used in investing activities</b>		<u>(106,918)</u>	<u>(105,352)</u>
<b>Cash flows from financing activities</b>			
Development grants received from Government		63,906	37,381
IT and F & E grants received from Government		25,436	25,572
Innovation grants received from Government		3,256	3,332
Polytechnic baseline grants received from Government		1,000	500
Operating grants received from Government		225,293	224,073
Operating grants received from non-government organisations		3,779	2,769
Contributions and donations received for the endowment fund (capital)		8,850	2,784
<b>Net cash provided by financing activities</b>		<u>331,520</u>	<u>296,411</u>
<b>Net increase in cash and cash equivalents</b>		<b>23,384</b>	<b>6,963</b>
Cash and cash equivalents at beginning of the year		<u>274,327</u>	<u>267,364</u>
<b>Cash and cash equivalents at end of the year</b>	19	<u>297,711</u>	<u>274,327</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

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

### **1. General information**

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

500 Dover Road  
Singapore 139651

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

### **2. Significant accounting policies**

#### **2.1 Basis of preparation**

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

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

#### ***Interpretations and amendments to published standards effective in 2014***

On 1 April 2014, the Group adopted the new or amended SB-FRS and Interpretations to SB-FRS (“INT SB-FRS”) that are mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS.

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

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015*

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**2. Significant accounting policies (continued)****2.2 Revenue recognition**

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

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

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

Donations are recognised in the year of receipt.

**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.

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015*

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**2. Significant accounting policies** (continued)**2.4 Income taxes**

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

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

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

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

**2.5 Group accounting***(i) Consolidation*

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

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

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015***2. Significant accounting policies** (continued)**2.5 Group accounting** (continued)*(ii) Disposals*

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

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

**2.6 Funds***(i) General Fund*

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

*(ii) Other Funds*

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

*(iii) Endowment Fund*

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

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### **2. Significant accounting policies (continued)**

#### **2.7 Funds managed on behalf of others**

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

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

#### **2.8 Impairment of non-financial assets**

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015***2. Significant accounting policies (continued)****2.9 Loans and receivables**

Bank balances

Trade and other receivables

Loan to Singapore Polytechnic Graduates' Guild

Staff and student loans

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

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

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

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

**2.10 Property, plant and equipment***(a) Measurement*

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

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

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015***2. Significant accounting policies** (continued)**2.10 Property, plant and equipment** (continued)*(a) Measurement (continued)*

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

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

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

*(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 2015*

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### **2. Significant accounting policies (continued)**

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

*(d) Disposal*

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

#### **2.11 Investment in subsidiaries**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015*

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**2. Significant accounting policies** (continued)**2.12 Financial assets at fair value through profit or loss** (continued)

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

**2.13 Available-for-sale financial assets**

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015*

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**2. Significant accounting policies (continued)****2.14 Trade and other payables**

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

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

**2.15 Fair value estimation of financial assets and liabilities**

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

**2.16 Employee compensation**

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

*(a) Defined contribution plans*

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

*(b) Employee leave entitlement*

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

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015*

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**2. Significant accounting policies (continued)****2.17 Operating leases****(a) When the Group is the lessee:**

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

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015*

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**2. Significant accounting policies (continued)****2.18 Foreign currency translation**

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

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

**2.19 Cash and cash equivalents**

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

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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**3. Staff costs**

	The Group		The Polytechnic	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	186,100	184,761	185,371	184,219
Employer's contribution to Central Provident Fund	19,012	18,056	18,931	17,985
Other staff benefits	2,020	1,466	2,007	1,458
	<b>207,132</b>	<b>204,283</b>	<b>206,309</b>	<b>203,662</b>

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

	The Group and the Polytechnic	
	2015	2014
	\$'000	\$'000
Wages and salaries	7,140	7,096
Employer's contribution to defined contribution plans, including Central Provident Fund	423	380
	<b>7,563</b>	<b>7,476</b>

**4. Other expenditure**

	The Group		The Polytechnic	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Water and electricity	8,235	9,127	8,235	9,127
IT support and other services	1,021	1,163	1,021	1,163
IT related expenditure	5,394	4,486	5,394	4,486
Consultancy services	3,016	2,452	807	1,165
Vocational training for student	1,325	1,370	1,325	1,370
Campus events and activities	4,055	3,237	4,055	3,237
Bursaries and scholarships	1,394	1,436	1,394	1,436
Maintenance and upgrading of facilities	2,000	1,815	2,000	1,815
(Gain)/loss on disposal of property, plant and equipment	(107)	115	(107)	115
Other expenses	13,717	13,362	13,565	13,188
	<b>40,050</b>	<b>38,563</b>	<b>37,689</b>	<b>37,102</b>

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**5. Other income**

	The Group		The Polytechnic	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Funding for Research & Development projects	1,205	915	1,205	915
Student welfare fund	647	983	647	983
Income from use of campus, sports facilities	673	899	673	899
Fee for research and development and other consulting fee	322	3,499	562	870
Miscellaneous income	4,943	4,244	4,895	4,306
	<b>7,790</b>	<b>10,540</b>	<b>7,982</b>	<b>7,973</b>

**6. Grants**

	General Fund		The Group and the Polytechnic Other Funds		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Operating grants received from						
- Government (Note 8)	212,986	215,933	-	-	212,986	215,933
- Non-government	3,274	2,355	-	-	3,274	2,355
Development and other grants utilised (Note 22)	13,047	9,847	-	-	13,047	9,847
Deferred capital grants amortised						
- Government (Note 23)	34,405	32,118	56	200	34,461	32,318
- Non-government (Note 23)	1,332	1,775	-	-	1,332	1,775
	<b>265,044</b>	<b>262,028</b>	<b>56</b>	<b>200</b>	<b>265,100</b>	<b>262,228</b>

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**7. Income taxes**

Income tax expense

	<u>The Group</u>	
	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Tax expense attributable to surplus is made up of:		
- Current income tax	<b>50</b>	31
- Deferred income tax (Note 17)	<b>1</b>	(3)
	<b>51</b>	28
Under/(Over) provision in prior financial years		
- Current income tax	<b>2</b>	(17)
	<b>53</b>	11

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

	<u>The Group</u>	
	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Surplus before income tax	<b>23,713</b>	25,658
Tax calculated at tax rate of 17% (2014: 17%)	<b>4,031</b>	4,362
Effects of:		
- surplus of the Polytechnic exempted from tax	<b>(3,911)</b>	(4,296)
- expenses not deductible for tax purposes	<b>1</b>	2
- tax incentives	<b>(69)</b>	(39)
- others	<b>(1)</b>	(1)
- Under / (over) provision of tax in prior year	<b>2</b>	(17)
Tax charge	<b>53</b>	11

**8. Operating grants - Government**

	<u>The Group and the Polytechnic</u>	
	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Operating grants received/receivable during the year	<b>239,723</b>	242,388
Less :		
Grants utilised on property, plant and equipment transferred to Deferred Capital Grants (Note 23)	<b>(6,965)</b>	(7,563)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	<b>(19,772)</b>	(18,892)
Operating grants taken to profit or loss	<b>212,986</b>	215,933

Operating grants received from Government since 1 April 1980 amount to \$4,369.3 million (2014: \$4,129.6 million) which include the cumulative operating grants for GST subsidy of \$202.5 million (2014: \$182.7 million).

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**9. Other funds**

Details of other funds are as follows:

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

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

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

	<u>The Group and the Polytechnic</u>	
	2015	2014
	\$'000	\$'000
At beginning of financial year	23,205	21,480
MOE matching donation grant	4,863	1,405
Donations received from third parties	2,582	320
At end of financial year	<b>30,650</b>	23,205
Represented by:		
Financial assets, at fair value through profit or loss	18,673	18,673
Available-for-sales financial assets	1,000	-
Amount due from Ministry	-	1,405
Cash at bank	6,114	662
Other current assets	4,863	2,465
	<b>30,650</b>	23,205

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

(iii) Miscellaneous Funds provides funding for:

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**9. Other funds (continued)**

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

	Endowment Fund (non-capital)		Student Welfare & Development Fund		Miscellaneous Funds		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<i>The Group</i>								
<b>Operating income</b>								
Course fees	-	-	-	-	10,711	12,938	10,711	12,938
Consultancy fees	-	-	-	-	4,202	-	4,202	-
	-	-	-	-	14,913	12,938	14,913	12,938
<b>Operating expenditure</b>								
Staff costs	-	-	-	-	(10,297)	(9,040)	(10,297)	(9,040)
Teaching materials	-	-	-	-	(679)	(782)	(679)	(782)
Repairs and maintenance	-	-	-	-	(1)	-	(1)	-
Depreciation of property, plant and equipment	-	-	(61)	(66)	(1,188)	(1,141)	(1,249)	(1,207)
Staff development and benefits	-	-	-	-	(10)	(6)	(10)	(6)
Other expenditure	(1,394)	(1,436)	(646)	(625)	(10,332)	(8,438)	(12,372)	(10,499)
	(1,394)	(1,436)	(707)	(691)	(22,507)	(19,407)	(24,608)	(21,534)
<b>Operating (deficit)</b>	(1,394)	(1,436)	(707)	(691)	(7,594)	(6,469)	(9,695)	(8,596)
<b>Non-operating income</b>								
Donations	1,128	931	-	-	-	-	1,128	931
Interest income	110	48	20	16	563	526	693	590
Rental income	-	-	-	-	2,473	2,255	2,473	2,255
Other income	454	378	647	983	3,275	6,846	4,376	8,207
Fair value gains – financial assets at fair value through profit or loss	523	148	-	-	1,517	217	2,040	365
<b>Surplus / (Deficit) before tax and grants</b>	821	69	(40)	308	234	3,375	1,015	3,752
Grants	-	-	-	-	56	200	56	200
Income tax expense	-	-	-	-	(53)	(11)	(53)	(11)
<b>Net surplus / (deficit) for the year</b>	821	69	(40)	308	237	3,564	1,018	3,941

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**9. Other funds (continued)**

	Endowment Fund (non-capital)		Student Welfare & Development Fund		Miscellaneous Funds		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Polytechnic</u>								
<b>Operating income</b>								
Course fees	-	-	-	-	10,711	12,868	10,711	12,868
	-	-	-	-	10,711	12,868	10,711	12,868
<b>Operating expenditure</b>								
Staff costs	-	-	-	-	(9,474)	(8,419)	(9,474)	(8,419)
Teaching materials	-	-	-	-	(679)	(782)	(679)	(782)
Repairs and maintenance	-	-	-	-	-	-	-	-
Depreciation of property, plant and equipment	-	-	(61)	(66)	(1,182)	(1,134)	(1,243)	(1,200)
Staff development and benefits	-	-	-	-	-	-	-	-
Other expenditure	(1,394)	(1,436)	(646)	(625)	(7,971)	(6,975)	(10,011)	(9,036)
	(1,394)	(1,436)	(707)	(691)	(19,306)	(17,310)	(21,407)	(19,437)
<b>Operating (deficit)</b>	<b>(1,394)</b>	<b>(1,436)</b>	<b>(707)</b>	<b>(691)</b>	<b>(8,595)</b>	<b>(4,442)</b>	<b>(10,696)</b>	<b>(6,569)</b>
<b>Non-operating income</b>								
Donations	1,128	931	-	-	-	-	1,128	931
Interest income	110	48	20	16	563	526	693	590
Rental income	-	-	-	-	2,566	2,255	2,566	2,255
Other income	454	378	647	983	3,467	4,279	4,568	5,640
Fair value gains – financial assets at fair value through profit or loss	523	148	-	-	1,517	217	2,040	365
<b>Surplus / (Deficit) before tax and grants</b>	<b>821</b>	<b>69</b>	<b>(40)</b>	<b>308</b>	<b>(482)</b>	<b>2,835</b>	<b>299</b>	<b>3,212</b>
Grants	-	-	-	-	56	200	56	200
Income tax expense	-	-	-	-	-	-	-	-
<b>Net surplus / (deficit) for the year</b>	<b>821</b>	<b>69</b>	<b>(40)</b>	<b>308</b>	<b>(426)</b>	<b>3,035</b>	<b>355</b>	<b>3,412</b>

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**9. Other funds (continued)**

Other funds comprise the following:

	Endowment Fund (non-capital)		Student Welfare & Development Fund		Miscellaneous Funds		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>The Group</i>								
Accumulated surplus at 31 March	<b>9,037</b>	8,216	<b>4,668</b>	4,708	<b>97,956</b>	97,719	<b>111,661</b>	110,643
Represented by:								
Property, plant and equipment	-	-	<b>466</b>	527	<b>5,687</b>	5,664	<b>6,153</b>	6,191
Staff and student loans	-	-	<b>356</b>	385	<b>46</b>	11	<b>402</b>	396
Financial assets, at fair value through profit or loss	<b>2,032</b>	1,509	-	-	<b>37,051</b>	35,534	<b>39,083</b>	37,043
Available-for-sale financial assets	-	-	-	-	<b>5,381</b>	5,550	<b>5,381</b>	5,550
Fair value reserve	-	-	-	-	<b>(250)</b>	(425)	<b>(250)</b>	(425)
Cash and cash equivalents	<b>6,975</b>	6,721	<b>3,846</b>	3,813	<b>52,778</b>	50,899	<b>63,599</b>	61,433
Receivables, deposits and prepayments	<b>46</b>	15	-	-	<b>1,041</b>	1,760	<b>1,087</b>	1,775
Payables, deposits and accruals	<b>(16)</b>	(29)	-	(17)	<b>(3,730)</b>	(1,187)	<b>(3,746)</b>	(1,233)
Current income tax liabilities	-	-	-	-	<b>(51)</b>	(31)	<b>(51)</b>	(31)
Deferred income tax assets	-	-	-	-	<b>3</b>	-	<b>3</b>	-
Deferred Capital Grants	-	-	-	-	-	(56)	-	(56)
	<b>9,037</b>	8,216	<b>4,668</b>	4,708	<b>97,956</b>	97,719	<b>111,661</b>	110,643

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**9. Other funds (continued)**

	Endowment Fund (non-capital)		Student Welfare & Development Fund		Miscellaneous Funds		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Polytechnic</u>								
Accumulated surplus at 31 March	<b>9,037</b>	8,216	<b>4,668</b>	4,708	<b>95,718</b>	96,144	<b>109,423</b>	109,068
Represented by:								
Property, plant and equipment	-	-	<b>466</b>	527	<b>5,675</b>	5,653	<b>6,141</b>	6,180
Staff and student loans	-	-	<b>356</b>	385	<b>46</b>	11	<b>402</b>	396
Investment in subsidiaries	-	-	-	-	<b>1,100</b>	1,100	<b>1,100</b>	1,100
Financial assets, at fair value through profit or loss	<b>2,032</b>	1,509	-	-	<b>37,051</b>	35,534	<b>39,083</b>	37,043
Available-for-sale financial assets	-	-	-	-	<b>5,175</b>	5,350	<b>5,175</b>	5,350
Fair value reserve	-	-	-	-	<b>(250)</b>	(425)	<b>(250)</b>	(425)
Cash and cash equivalents	<b>6,975</b>	6,721	<b>3,846</b>	3,813	<b>49,235</b>	49,844	<b>60,056</b>	60,378
Receivables, deposits and Prepayments	<b>46</b>	15	-	-	<b>1,163</b>	1,731	<b>1,209</b>	1,746
Payables, deposits and accruals	<b>(16)</b>	(29)	-	(17)	<b>(3,477)</b>	(2,598)	<b>(3,493)</b>	(2,644)
Deferred Capital Grants	-	-	-	-	-	(56)	-	(56)
	<b>9,037</b>	8,216	<b>4,668</b>	4,708	<b>95,718</b>	96,144	<b>109,423</b>	109,068

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**10. Property, plant and equipment**

<u>The Group</u>	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
<b>2015</b>							
<u>Cost</u>							
Beginning of financial year	56,518	261,692	109,401	281,855	142	52,719	762,327
Additions	19,100	41,170	15,208	25,070	-	1,136	101,684
Disposals	-	-	(990)	(12,611)	-	-	(13,601)
End of financial year	75,618	302,862	123,619	294,314	142	53,855	850,410
<u>Accumulated depreciation</u>							
Beginning of financial year	21,396	117,708	67,476	216,633	110	-	423,323
Depreciation charge	1,163	5,785	9,659	20,630	28	-	37,265
Disposals	-	-	(990)	(12,532)	-	-	(13,522)
End of financial year	22,559	123,493	76,145	224,731	138	-	447,066
<u>Net book value</u>							
End of financial year	53,059	179,369	47,474	69,583	4	53,855	403,344
<b>2014</b>							
Beginning of financial year	56,518	261,423	104,378	279,786	142	9,435	711,682
Additions	-	269	13,271	26,954	-	43,284	83,778
Disposals	-	-	(8,248)	(24,885)	-	-	(33,133)
End of financial year	56,518	261,692	109,401	281,855	142	52,719	762,327
<u>Accumulated depreciation</u>							
Beginning of financial year	20,587	112,191	66,289	222,206	82	-	421,355
Depreciation charge	809	5,517	9,435	19,190	28	-	34,979
Disposals	-	-	(8,248)	(24,763)	-	-	(33,011)
End of financial year	21,396	117,708	67,476	216,633	110	-	423,323
<u>Net book value</u>							
End of financial year	35,122	143,984	41,925	65,222	32	52,719	339,004

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**10. Property, plant and equipment**

<u>The Polytechnic</u>	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
<b>2015</b>							
<u>Cost</u>							
Beginning of financial year	56,518	261,692	109,401	281,823	142	52,719	762,295
Additions	19,100	41,170	15,208	25,062	-	1,136	101,676
Disposals	-	-	(990)	(12,611)	-	-	(13,601)
End of financial year	75,618	302,862	123,619	294,274	142	53,855	850,370
<u>Accumulated depreciation</u>							
Beginning of financial year	21,396	117,708	67,476	216,612	110	-	423,302
Depreciation charge	1,163	5,785	9,659	20,624	28	-	37,259
Disposals	-	-	(990)	(12,532)	-	-	(13,522)
End of financial year	22,559	123,493	76,145	224,704	138	-	447,039
<u>Net book value</u>							
End of financial year	53,059	179,369	47,474	69,570	4	53,855	403,331
<b>2014</b>							
Beginning of financial year	56,518	261,423	104,378	279,761	142	9,435	711,657
Additions	-	269	13,271	26,947	-	43,284	83,771
Disposals	-	-	(8,248)	(24,885)	-	-	(33,133)
End of financial year	56,518	261,692	109,401	281,823	142	52,719	762,295
<u>Accumulated depreciation</u>							
Beginning of financial year	20,587	112,191	66,289	222,193	82	-	421,342
Depreciation charge	809	5,517	9,435	19,182	28	-	34,971
Disposals	-	-	(8,248)	(24,763)	-	-	(33,011)
End of financial year	21,396	117,708	67,476	216,612	110	-	423,302
<u>Net book value</u>							
End of financial year	35,122	143,984	41,925	65,211	32	52,719	338,993

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**11. Investment in subsidiaries**

		<u>The Polytechnic</u>	
		2015	2014
		\$'000	\$'000
<i>Equity investments at cost</i>			
Beginning and end of financial year		<b>1,100</b>	1,100
<u>Name of companies</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Equity holding</u>
			2015      2014
			%          %
Innomart Pte Ltd	Investment holding company to exploit the technologies developed within Polytechnic, assist academic staff to commercialise their inventions and to promote technopreneurship among staff and students.	Singapore	<b>100</b> 100
Singapore Polytechnic International Pte Ltd	Provision of training, education and education-related services.	Singapore	<b>100</b> 100

**12. Financial assets, at fair value through profit or loss**

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

		<u>The Group and the Polytechnic</u>	
		2015	2014
		\$'000	\$'000
Financial assets at fair value through profit or loss			
Quoted unit trusts		<b>63,448</b>	60,365
Quoted equity securities		<b>3,289</b>	2,691
Quoted debt securities		<b>37,787</b>	31,309
Foreign currency contracts (Note 13)		<b>(28)</b>	147
		<b>104,496</b>	94,512
Dividends receivable on investments (Note 18)		<b>5</b>	5
Cash and fixed deposits (Note 19)		<b>357</b>	5,712
Receivable on sale of investments (Note 18)		<b>-</b>	500
		<b>104,858</b>	100,729

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

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

The quoted debt securities earn fixed interest rates ranging from 0% to 5.75% (2014: 0.8% to 5.8%) per annum as at the balance sheet date. The maturity dates range from April 2015 to August 2016 (2014: April 2014 to September 2016).

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

**13. Financial derivatives**

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

	Notional amounts \$'000	Fair Value	
		Assets \$'000	Liabilities \$'000
<b>2015</b>			
Foreign currency contracts	23,145	209	237
<b>2014</b>			
Foreign currency contracts	18,845	149	2

**14. Available-for-sale financial assets**

	The Group		The Polytechnic	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Beginning of financial year	9,600	5,700	9,400	5,500
Additions	1,005	4,050	999	4,050
Fair value loss recognised in other comprehensive loss	(212)	(150)	(212)	(150)
End of financial year	<b>10,393</b>	9,600	<b>10,187</b>	9,400

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**14. Available-for-sale financial assets (continued)**

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

	<u>The Group</u>		<u>The Polytechnic</u>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Quoted debt securities-Singapore	10,187	9,400	10,187	9,400
Unquoted equity securities, measured at cost	206	200	-	-
	<b>10,393</b>	<b>9,600</b>	<b>10,187</b>	<b>9,400</b>

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

	<u>The Group</u>		<u>The Polytechnic</u>	
	2015	2014	2015	2014
Interest rates	1.875% - 4.17%	1.875% - 4.17%	1.875% - 4.17%	1.875% - 4.17%
Maturity dates	2016-2019	2016-2018	2016-2019	2016-2018

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

	<u>The Group and the Polytechnic</u>	
	2015 \$'000	2014 \$'000
Loan	1,215	1,575
Allowance for doubtful receivables	<b>(1,215)</b>	<b>(1,575)</b>
	<b>-</b>	<b>-</b>

*Movements in allowance for doubtful receivables are as follows:*

	<u>The Group and the Polytechnic</u>	
	2015 \$'000	2014 \$'000
At beginning of financial year	1,575	1,935
Allowance written back	<b>(360)</b>	<b>(360)</b>
At end of financial year	<b>1,215</b>	<b>1,575</b>

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"). In 2013, SPGG had fully repaid its loan from OCBC and commenced repayment of the loan from the Polytechnic.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

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

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 at the balance sheet date.

**16. Staff and student loans**

	<u>The Group and the Polytechnic</u>	
	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Repayable after 12 months:		
Staff loans	44	8
Student loans	327	237
	<b>371</b>	245
Repayable within 12 months (Note 18):		
Staff loans	2	3
Student loans	29	148
	<b>31</b>	151
Total		
Staff loans	46	11
Student loans	356	385
	<b>402</b>	396

Staff loans are repayable with interest at 0% to 4.25% (2014: 0% to 4.25%) per annum by monthly installments, over periods of up to 4 years (2014: 4 years).

Student loans are interest-free and are repayable by monthly installments over the period of 2 years (2014: 2 years) after their graduation.

**17. Deferred income tax assets**

	<u>The Group</u>	
	<u>Provisions</u>	
	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Beginning of financial year	4	1
(Credited)/charged to profit or loss	(1)	3
End of financial year	<b>3</b>	4

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**18. Trade and other receivables**

	<u>The Group</u>		<u>The Polytechnic</u>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Grants receivables				
- Government	24,713	14,153	24,713	14,153
- Others	5,373	3,204	5,373	3,204
Fees receivables	717	1,199	717	1,199
Goods and services tax receivable	-	1,019	-	1,019
Staff and student loans (Note 16)	31	151	31	151
Other receivables	5,482	3,489	5,615	3,472
Deposits	94	61	94	61
Receivable on sale of investments (Note 12)	-	500	-	500
Dividends receivable on investments (Note 12)	5	5	5	5
Loans and receivables	36,415	23,781	36,548	23,764
Prepayments	1,588	2,163	1,577	2,155
	<b>38,003</b>	<b>25,944</b>	<b>38,125</b>	<b>25,919</b>

Included in trade and other receivables are operating grant and donations matching grant receivable from the Ministry of Education of \$24,713,000 (2014: \$14,153,000).

**19. Cash and cash equivalents**

	<u>The Group</u>		<u>The Polytechnic</u>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash at bank and in hand	76,327	37,284	73,111	36,555
Cash with Accountant-General's Department	221,027	231,331	221,027	231,331
Cash and fixed deposits managed by a fund manager (Note 12)	357	5,712	357	5,712
Cash and cash equivalents	<b>297,711</b>	<b>274,327</b>	<b>294,495</b>	<b>273,598</b>

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 \$907,000 (2014: \$636,000), comprising cash at bank of \$397,000 (2014: \$128,000) and fixed deposit of \$510,000 (2014: \$508,000), has not been included in the cash and cash equivalents of the Polytechnic.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

#### 20. Trade and other payables

	<u>The Group</u>		<u>The Polytechnic</u>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Sundry creditors	2,755	5,466	2,749	5,375
Advances received – SIT (Note 21)	881	-	881	-
Advances received - others	6,960	6,743	6,960	6,743
Deposits	566	594	566	594
Provision for unutilised leave	9,155	9,025	9,155	9,025
Accruals for operating expenses and capital expenditures	26,393	30,292	25,646	30,026
Goods and services tax payable	8,824	-	8,793	-
Amount due to a subsidiary	-	-	531	1,768
	<b>55,534</b>	<b>52,120</b>	<b>55,281</b>	<b>53,531</b>

#### 21. Advances received - SIT

	<u>The Group and the Polytechnic</u>	
	2015 \$'000	2014 \$'000
Current	881	-
Non-current	21,417	14,594
	<b>22,298</b>	<b>14,594</b>

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

#### 22. Government grants received in advance

	Note	<u>The Group and the Polytechnic</u>	
		2015 \$'000	2014 \$'000
At beginning of financial year		30,746	48,195
Grants received/receivable during the year			
- Government development grants		80,951	37,381
- Government IT and F & E grants		25,436	25,572
- Government innovation grants		3,517	2,915
- Government polytechnic baseline		1,000	500
Transfer to deferred capital grants (Government)	23	(68,528)	(73,970)
Amount taken to profit or loss	6	(13,047)	(9,847)
At end of financial year		<b>60,075</b>	<b>30,746</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

### 23. Deferred capital grants

The Group and the Polytechnic

	Government		Non-Government		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At beginning of financial year	329,619	280,404	3,250	4,611	332,869	285,015
Add :						
Development grants from MOE (Note 22)	68,528	73,970	-	-	68,528	73,970
Transfer from operating grants (Note 8)	6,965	7,563	-	-	6,965	7,563
Grants received	-	-	506	414	506	414
	<u>75,493</u>	<u>81,533</u>	<u>506</u>	<u>414</u>	<u>75,999</u>	<u>81,947</u>
Less: Amortisation to profit or loss (Note 6)	(34,461)	(32,318)	(1,332)	(1,775)	(35,793)	(34,093)
At end of financial year	<u>370,651</u>	<u>329,619</u>	<u>2,424</u>	<u>3,250</u>	<u>373,075</u>	<u>332,869</u>

Total development grants received from Government for purchases of property, plant and equipment since 1 April 1980 is \$876.3 million (2014: \$807.8 million).

### 24. 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.

	The Group and the Polytechnic	
	2015 \$'000	2014 \$'000
<b>Advances from the Ministry</b>		
At beginning of financial year	6,785	6,514
Add:		
Advances received	-	1,889
Interest income	154	98
Less:		
Written off	(27)	-
Advances repaid	(1,713)	(1,716)
At end of financial year	<u>5,199</u>	<u>6,785</u>
<b>Represented by:</b>		
Cash and bank balances	318	333
Tuition fees and study loans	7,460	6,669
Staff housing loans	140	160
Trade and other payables	(2,719)	(377)
Net assets	<u>5,199</u>	<u>6,785</u>

#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

#### 24. Funds managed on behalf of the Ministry of Education (“Ministry”) (continued)

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% (2014: 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 repayment of these staff loans amounting to \$1,713,000 (2014: \$1,716,000) 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.

#### 25. Capital commitments

Capital expenditure approved but not provided for in the accounts:

	The Group and the Polytechnic	
	2015	2014
	\$’000	\$’000
Amount approved and contracted for	<b>44,911</b>	96,939
Amount approved but not contracted for	<b>68,675</b>	89,904

The above capital commitments are funded by Government grants.

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015***26. Financial risk management****Overview**

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

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

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

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

**Credit risk**

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

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

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

At the balance sheet date, the Group's grants and fees receivables include 4 debtors (2014: 4 debtors) that individually represented 5-36% (2014: 5-30%) 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 2015

### 26. Financial risk management (continued)

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

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

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

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

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

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

	<u>The Group and the Polytechnic</u>	
	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Past due one month	<b>563</b>	578
Past due two months	<b>74</b>	218
Past due over two months	<b>1,618</b>	839
	<b>2,255</b>	1,635

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 Group for managing liquidity risk included cash and short-term deposits as disclosed in Note 19.

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

#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

#### 26. Financial risk management (continued)

##### *Liquidity risk* (continued)

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

	Less than <u>1 year</u> \$'000	Between <u>1 and 2</u> <u>years</u> \$'000	Between <u>2 and 5</u> <u>years</u> \$'000
<u>The Group</u>			
<b>At 31 March 2015</b>			
Trade and other payables	47,693	-	-
<b>At 31 March 2014</b>			
Trade and other payables	45,377	-	-
<u>The Polytechnic</u>			
<b>At 31 March 2015</b>			
Trade and other payables	47,440	-	-
<b>At 31 March 2014</b>			
Trade and other payables	46,788	-	-

The above trade and other payables exclude advances received.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

**26. Financial risk management (continued)**

***Interest rate risk***

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

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

	<u>The Group</u>		<u>The Polytechnic</u>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Fixed rate instruments</b>				
Quoted fixed income securities managed by a fund manager	<b>37,787</b>	31,309	<b>37,787</b>	31,309
Available-for-sale financial assets	<b>10,187</b>	9,400	<b>10,187</b>	9,400
	<b>47,974</b>	40,709	<b>47,974</b>	40,709
<b>Variable rate instruments</b>				
Cash at bank and in hand	<b>76,327</b>	37,284	<b>73,111</b>	36,555
Cash with AGD	<b>221,027</b>	231,331	<b>221,027</b>	231,331
Cash and fixed deposits managed by a fund manager	<b>357</b>	5,712	<b>357</b>	5,712
	<b>297,711</b>	274,327	<b>294,495</b>	273,598

*Fair value sensitivity analysis for fixed rate instruments*

An increase in 50 basis points ("bp") (0.5%) (2014: 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 (2014: 50 bp) in interest rates at the reporting date would increase surplus or deficit by \$1,489,000 (2014: \$1,372,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A decrease in 50 bp (2014: 50 bp) would have the equal but opposite effect on the basis that all other variables remain constant.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

26. **Financial risk management** (continued)

**Foreign currency risk**

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

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

	SGD \$'000	RM \$'000	HKD \$'000	AUD \$'000	Others \$'000	Total \$'000
<u>The Group and the Polytechnic</u>						
<u>2015</u>						
Quoted equity securities	641	106	168	-	2,374	3,289
Quoted fixed income securities	5,950	4,865	3,606	3,754	19,612	37,787
	6,591	4,971	3,774	3,754	21,986	41,076
Less: Foreign currency contracts	-	-	-	-	(23,145)	(23,145)
Less: Denominated in the functional currency	(6,591)	-	-	-	-	(6,591)
Currency exposure	-	4,971	3,774	3,754	(1,159)	11,340
<u>2014</u>						
Quoted equity securities	556	113	116	-	1,906	2,691
Quoted fixed income securities	4,404	3,888	1,236	3,485	18,296	31,309
	4,960	4,001	1,352	3,485	20,202	34,000
Less: Foreign currency contracts	-	-	-	-	(18,845)	(18,845)
Less: Denominated in the functional currency	(4,960)	-	-	-	-	(4,960)
Currency exposure	-	4,001	1,352	3,485	1,357	10,195

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2015***26. Financial risk management** (continued)***Foreign currency risk*** (continued)

If the Malaysian Ringgit (“RM”), Hong Kong Dollar (“HKD”) and Australian Dollar (“AUD”) strengthen/weaken against the SGD by 5% (2014: 5%) with all other variables including the tax rate being held constant, there would not be a material impact on the net surplus for the year.

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

***Price risk***

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

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

***Fair value measurements***

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

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

#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

#### 26. Financial risk management (continued)

##### *Fair value measurements* (continued)

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
<u>The Group and the Polytechnic</u>				
<b>2015</b>				
Available-for-sale financial assets	10,187	-	-	10,187
Financial assets, at fair value through profit or loss	104,524	-	-	104,524
Financial derivatives	-	(28)	-	(28)
<b>2014</b>				
Available-for-sale financial assets	9,400	-	-	9,400
Financial assets, at fair value through profit or loss	94,365	-	-	94,365
Financial derivatives	-	147	-	147

##### *Financial instruments by category*

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

	<u>The Group</u>		<u>The Polytechnic</u>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets at fair value through profit or loss	<b>104,496</b>	94,512	<b>104,496</b>	94,512
Available-for-sale financial assets	<b>10,393</b>	9,600	<b>10,187</b>	9,400
Loans and receivables				
Staff and student loans (Note 16)	<b>371</b>	245	<b>371</b>	245
Trade and other receivables excluding prepayments (Note 18)	<b>36,415</b>	23,781	<b>36,548</b>	23,764
Cash and cash equivalents (Note 19)	<b>297,711</b>	274,327	<b>294,495</b>	273,598
	<b>334,497</b>	298,353	<b>331,414</b>	297,607
Financial liabilities at amortised cost	<b>47,693</b>	45,377	<b>47,440</b>	46,788

## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2015*

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### **27. Related party transactions**

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

(a) Sales and purchase of goods and services

The Polytechnic provides continuing education training to various Ministries, Organs of States and other Statutory Boards. The Polytechnic also engages IT services from various Ministries, Organs of States and other Statutory Boards. These transactions are conducted in the ordinary course of business at market terms.

(b) Key management's remuneration

Key management personnel remuneration as disclosed in Note 3 relates to those persons having the authority and responsibility for planning, directing, and controlling the activities of the entity. Directors and heads of departments are considered key management personnel.

### **28. New or revised accounting standards and interpretations**

The Group has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Group's accounting periods beginning on or after 1 April 2015. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

### **29. Authorisation of financial statements**

These financial statements were authorised for issue by the Board of Governors of Singapore Polytechnic and its subsidiaries on 30 June 2015.

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