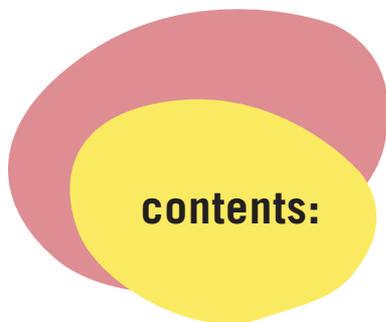




Making A Difference

Singapore Polytechnic
Annual Report 2009/10



Mission, Vision, Strategic Goals and Values	1
Chairman's Statement	2
Board of Governors	6
Standing Committees	8
Management Team	10
Facts and Figures	12
Highlights	13
Financial Report	17



MISSION

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



VISION

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



STRATEGIC GOALS

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



VALUES

- Self-Discipline
- Personal Integrity
- Care & Concern
- Openness
- Responsibility
- Excellence

**chairman's
statement**



T

his year, new challenges emerged on how to shape the future Singapore workforce. The Economic Strategies Committee's recommendations kicked off the national drive to make skills, innovation and productivity the basis of Singapore's global competitive edge. Along with it, is a much needed paradigm shift for a more versatile, multidisciplinary, well-rounded and creative worker, able to solve complex problems.

Once again, Singapore Polytechnic (SP) stands ready to evolve our curriculum in response to the nation's call. We had already, in recent years, begun to infuse creativity, innovation and enterprise into our curriculum, emphasising analytical, critical reasoning and communication skills across disciplines. This year, we went a step further by rolling out the Design Thinking Studio Programme, to allow students to acquire new skills through collaborative, multidisciplinary projects with students from different schools.

The foundation was also laid for our curriculum to embrace the attributes of a liberal arts education. Our goal is to produce T-shaped students – broad in general knowledge with deep expertise of their chosen areas of interest. By April 2011, we will introduce the General Education Modules for all students to develop broader perspectives, an ability to express an informed point of view, personal leadership skills and a deeper sense of social responsibility. This will allow them to acquire a breadth of general knowledge – in world affairs, culture, business and the arts to complement their core education and co-curricular activities, and enable them to be future-ready.

SP is stepping up our training and development to prepare our staff to apply these changes in the curriculum and course delivery. We are always seeking to embrace new teaching methodologies that make learning more effective.

The Innovations in Education Award introduced this year was one such effort in this direction. It provides seed funding for developmental projects that will improve teaching and learning, such as the use of new media and emerging technologies. These innovative methodologies will complement our Conceive-Design-Implement-Operate curriculum framework in developing creative and analytical skills across disciplines.

To further nurture creativity among staff and students, we want to immerse them in an environment which supports innovation-driven start-ups and spin-offs. This involves strengthening our capabilities in R&D and business incubation around the four key technology areas we have identified – sustainable solutions; lifestyle; applied science, and engineering solutions.

The opening of our innovation hub, InnoVillage, this year is timely in providing a physical space for academia, research and industry to come together to conceive, design, test-bed and transform ideas into projects with commercial potential. The building itself is an innovative icon in its adoption of green building technologies, earning it the Green Mark Platinum Award from the Building and Construction Authority.

For students seeking opportunities to innovate, we launched our SP Engineering Scholarship this year. The inaugural batch of 29 scholars will be given greater opportunities to join local and overseas R&D attachments, attend engineering conferences and take part in activities to help them keep abreast with the latest developments in the engineering fields.

Forging industry collaborations has been key in our efforts to allow students to apply their skills in real-life scenarios in addition to building our internal capabilities. Resulting from our industry alliances, our students benefit from live projects while our staff work closely with industry partners on research, development and consultancy projects. For example, our Diploma in Media and Communication students worked with the Singapore Sports Council in the Asian Youth Games 2009, serving as journalists, photographers, production assistants and media relations officers. New alliances inked during the year with Pratt & Whitney, Microsoft and CyanSYS, among others, will provide further collaborative opportunities for staff and students in the future.

And as the world becomes more globalised, it is important for our staff and students to develop a global mindset and an eagerness to keep discovering new perspectives. We will continue to give them opportunities to engage the world through overseas programmes, the export of SP niche training courses and consultancy services to other countries through the efforts of Singapore Polytechnic International. Partnerships with overseas institutions like the agreements sealed with the Beijing Technology and Business University in China and Chuo University in Japan during the year, pave the way for more overseas exposure. At the same time, our ability to keep attracting quality international students adds to the cosmopolitan vibrancy of our campus.

Underpinning all these efforts is the rejuvenation of our campus environment with new facilities and upgrading projects such as the upgrading of the main library and the opening of a new business and IT library. A new building to house the food science, fragrance and chemistry laboratories, and the expansion of two food courts are also in the works to create more learning and social spaces.

These efforts aim to provide students with a holistic educational experience to develop them physically, intellectually, emotionally and socially.

Reflecting on the achievements of the year, I am proud to note that we achieved a milestone in graduating our 50th batch of students, including our 150,000th graduate. Among them was our first batch of SP Scholars; graduates from the Diploma in Integrated Events and Project Management; Diploma in Environmental Management and Water Technology, and Diploma in Experience and Product Design.

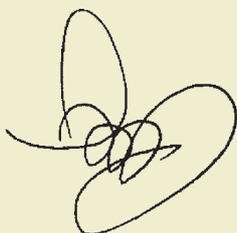
Some of our graduates performed outstandingly and were accepted into local and top foreign universities. Desmond Thiam, this year's Lee Kuan Yew Award winner, gained admission to NUS' Yong Loo Lin School of Medicine. One of our top graduates last year, Kuriakin Zeng, was the first SP student to score distinctions in all his modules and is the first SP graduate to be accepted to Harvard College, part of Harvard University's Faculty of Arts and Sciences. Another recent graduate, Chua Koon Ting, became the first polytechnic graduate to be admitted to NUS' Faculty of Dentistry.

In addition to graduating diploma holders, SP is also positioning itself as a leading continuing education provider. Our Professional and Adult Continuing Education (PACE) Academy replaced the Department of Continuing Education and Training, in our effort to fulfil the new mission to build our continuing education and training (CET) capacity for adult learners and to support the National CET Masterplan. This year, we succeeded in being appointed to train professionals in areas like precision engineering, retail and workplace safety and trained 37,518 adult learners.

The road ahead is challenging for SP and we will put in our best effort to support Singapore's goal of becoming a distinctive global city with highly skilled people and a vibrant environment for innovation. As we look ahead to the future, we embrace the opportunity to shape young minds so that they are work-ready, life-ready and world-ready.

I would like to take this opportunity to welcome Dr Michael Edward Brown, Col Chan Weng Yip, Prof Pang Yang Hoong, Mr Sew Chee Jhuen and Mr Johnny Tan Cheng Hye to the Board of Governors.

On behalf of the board, I would like to thank management and staff of SP for their hard work and dedication. We are proud to be part of this great team.

A handwritten signature in black ink, consisting of several loops and flourishes, representing the name Tan Kay Yong.

Tan Kay Yong
Chairman

board of governors

The new three-year term of the Board of Governors commenced on 1 April 2009. Five new members joined the Board: Dr Michael Edward Brown, COL Chan Weng Yip, Prof Pang Yang Hoong, Mr Sew Chee Jhuen and Mr Johnny Tan Cheng Hye. The following members left the Board upon completing their term: Mr Leong Charn Huen, Mr Stephen Robert Dearnley, Dr Finian Tan Seng Chin, BG Tan Meng Dui and Mr R Sinnakaruppan.



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Chairman

01. Mr Tan Kay Yong

Vice President
China & India Sourcing & Supply, RPS
GlaxoSmithKline PLC

Deputy Chairman

02. Mr Bill Chang York Chye

Executive Vice President (Business)
Singapore Telecommunications Ltd

Members

03. Dr Michael Edward Brown

Vice President
Singapore Operations
Lonza Biologics Singapore Pte Ltd

04. COL Chan Weng Yip

Head, SAF Current Operations Group
Joint Operations
Ministry of Defence

05. Prof Chou Siaw Kiang

Professor
Department of Mechanical Engineering
National University of Singapore

06. Prof Er Meng Hwa

Senior Associate Provost
Nanyang Technological University

07. Mr Gan Boon San

President, Asia South
Sun Microsystems Pte Ltd

08. Mr Liew Choon Boon

Senior Director (Industry and the Arts)
Ministry of Information, Communications and
the Arts



09

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09. A/Prof Muhammad Faishal Bin Ibrahim

Associate Professor
Department of Real Estate
School of Design & Environment
National University of Singapore

10. Prof Pang Yang Hoong

Vice Provost (Undergraduate) &
Dean, School of Accountancy
Singapore Management University

11. Mr Sew Chee Jhuen

President
Singapore Technologies Kinetics Ltd

12. Mr Johnny Tan Cheng Hye

Principal Partner
LT&T Architects

13. Ms Tan Gee Keow

Director (Higher Education)
Ministry of Education

14. Mr Tan Hang Cheong

Principal
Singapore Polytechnic

15. Mr Teh Kong Leong

Consultant

Secretary

Mr Tan Peng Ann

Registrar
Singapore Polytechnic

standing committees

Administration & Development Committee

Chairman	: Mr Tan Kay Yong
Dy Chairman	: Mr Bill Chang York Chye
Members	: Mr Tan Hang Cheong Prof Chou Siaw Kiang Mr Gan Boon San Mr Johnny Tan Cheng Hye Ms Tan Gee Keow
Secretary	: Miss Caroline Hu Wei Choo
Assistant Secretary	: Mrs Cheng Cheng Lin

Audit Committee

Chairman	: Mr Teh Kong Leong
Members	: Mr Liew Choon Boon Prof Er Meng Hwa

Endowment Fund Committee

Chairman	: Mr Liew Choon Boon
Members	: A/Prof Muhammad Faishal Bin Ibrahim Mr Tan Hang Cheong
Secretary	: Mrs Cheng Cheng Lin

Nominating Committee

Chairman	: Mr Tan Kay Yong
Members	: Mr Bill Chang York Chye Mr Tan Hang Cheong

Staff Disciplinary Committee

Chairman	: Prof Er Meng Hwa
Members	: COL Chan Weng Yip A/Prof Muhammad Faishal Bin Ibrahim
Secretary	: Miss Caroline Hu Wei Choo

Student Disciplinary Appeal Committee

Chairman	: Mr Sew Chee Jhuen
Members	: Prof Pang Yang Hoong Dr Michael Edward Brown
Secretary	: Mr Tan Peng Ann

Board of Studies

Chairman : Mr Tan Hang Cheong

Members : Mr Hee Joh Liang
Mr Lim Peng Hun
Mr Edward Quah Kok Wah
Dr Chai Min Sen
Dr Timothy Chan Wai Kuen
Mr Chang Boon Hai
Miss Chao Yunn Chyi
Dr Dave Chong Tad Weng
Mrs Fang Sin Guek
Mr Faris Akbar Hajamaideen
Mrs Lam Yoke Peng
Mr Lau Lee Yee
Mr Lim Cher Yam
Dr Ng Eng Hong (1 June 2009)
Mr Ng Weng Lam (1 June 2009)
Mr Ong Eng Chan
Miss Pee Suat Hoon (1 June 2009)
Mr Roland Tan Keng Hock
Mr V Maheantharan
Mr William Chan Weng Lin
Mr Lee Chee Whye
Mr Leong Chun Nam
Mr Lim Jit Cheng
Mr Caleb Lye Kok Choy
Mrs Helen Mok
Dr Robert A Straughan
Mrs Yap Siew Lay
Mr Yoong Yuen Soo
Dr Audrey A Yuen

Secretary : Mr Tan Peng Ann

management team

Principal

Mr Tan Hang Cheong

Deputy Principal (Services)

Mr Edward Quah Kok Wah

Deputy Principal (Corporate Development)

Mr Hee Joh Liang

Deputy Principal (Technology and Industry)

Mr Lim Peng Hun

ADMINISTRATIVE SUPPORT

Director, Computer and Information Systems

Mr Chang Boon Hai

Director, Internal Audit

Mr Ronnie Chan Chin Sing

**Director, Continuing Education and Training
(renamed Professional & Adult Continuing
Education (PACE) Academy from November
2009)**

Mr Peter Lee Hoong Fatt

Director, Library

Mrs Fang Sin Guek

Director, Organisation Development

Mrs Yeung-Ng Geak Hong

Director, Corporate Communications

Mrs Kai Tamin-Goh

**STUDENT AND ACADEMIC SERVICES
CLUSTER****Senior Director**

Mr Tan Peng Ann

Director, Educational Development

Mr Lau Lee Yee (till 31 May 2009)

Miss Pee Suat Hoon (from 1 June 2009)

Director, Academic Programmes

Mr Liao Kuo Tang (till 31 May 2009)

Mr Lau Lee Yee (from 1 June 2009)

Director, Estates and Development

Mr C Pannirselvam

Registrar/Director, Academic Services

Mr Tan Peng Ann

Director, Finance

Mrs Cheng Cheng Lin

Director, International and Student Services

Mr Chew Cheah Boon

Director, Human Resource

Miss Caroline Hu Wei Choo

Director, Student and Alumni Affairs

Mr Liew Beng Keong

Director, Industry Services

Mr Song Nay Hay

ACADEMIC

APPLIED AND HEALTH SCIENCES CLUSTER

Senior Director

Dr Chai Min Sen

Director, Chemical and Life Sciences

Dr Chai Min Sen

Director, Mathematics and Science

Miss Chao Yunn Chyi

ARCHITECTURE, DESIGN AND ENVIRONMENT CLUSTER

Director

Mr Lim Cher Yam

Director, Architecture and the Built Environment

Mr Lim Cher Yam

Director, Design

Mr Jeffrey Ho Kiat (till 28 February 2010)

Mr Faris Akbar Hajamaideen (from 1 March 2010)

BUSINESS, IT AND HUMANITIES CLUSTER

Senior Director

Mr Lim Peng Hun

Director, Business

Mr V Maheantharan

Director, Communication, Arts and Social Sciences

Mrs Lam Yoke Peng

Director, Digital Media and Infocomm Technology

Dr Timothy Chan Wai Kuen

ENGINEERING CLUSTER

Senior Director

Dr Dave Chong Tad Weng

Director, Electrical and Electronic Engineering

Dr Dave Chong Tad Weng (till 31 May 2009)

Mr Ng Weng Lam (from 1 June 2009)

Director, Mechanical and Manufacturing Engineering (renamed School of Mechanical & Aeronautical Engineering from 1 June 2009)

Mr Ong Eng Chan (till 31 May 2009)

Dr Ng Eng Hong (from 1 June 2009)

Director, Singapore Maritime Academy

Mr Roland Tan Keng Hock

facts and figures

(Academic Year 2009/10)

Student Enrolment

17,825

comprising 15,537 full-time and 2,288 part-time students. The new intake of 6,662 students was made up of 5,303 full-time and 1,359 part-time students.

Staff Strength

1,534

comprising 891 academic staff and 643 administrative staff.

Continuing Education Programmes

37,518

participants attended a total of 1,002 continuing education programmes offered by Singapore Polytechnic. The programmes included 124 Singapore Workforce Skills Qualification courses, 334 short courses, 84 tailor-made courses and 271 certification courses.

Graduate Output

5,012

students graduated from Singapore Polytechnic in the academic year 2008/09. Of these, 4,524 graduated from diploma courses and 488 from advanced, specialist and post-diploma courses.

Student Clubs

139

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

highlights

April 2009

Four Singapore Polytechnic (SP) students won a total of US\$50,000 at the MOTODEV Widget Developer Challenge, a software programming competition organised by Motorola. The students clinched a total of six prizes, including the top "Best Overall Widget" prize, for the two widgets they developed: "Live Soccer Score" and "Stocks Alive".

67 students from the School of Chemical and Life Sciences and School of Design went on a term-long Immersion Programme in Da Lian, China. It was the first time SP's academic curriculum has been relocated to a satellite campus.

'Colours', an extension to the main library was completed. The new social space features a cafe, a new magazine section, Funtasia room (where students can indulge in board games) and DVD stations.

Foodcourt 5 was revamped, complete with chic interiors and air-conditioning. Popular sandwich chain, Subway, completes the list of fast-food eateries offered on campus.



May 2009

SP students swept 11 out of a possible 20 scholarships offered by the Infocomm Development Authority (IDA). The Integrated Infocomm Scholarship was open to outstanding 'O' Level students who chose to pursue a diploma in the field of information technology.

Jasmine Yeong-Nathan, Diploma in Media and Communication graduate, was crowned Singapore's Sportswoman of the Year.

Kuriakin Zeng, Diploma in Electronics, Computer & Communication Engineering graduate, became the first SP student to score distinctions in all his modules.

SP hosted 15 Republic of Rwanda teachers for seven weeks to attend an Infocomm Technology Programme organised by Singapore Polytechnic International. The training programme is one of several initiatives planned under the Memorandum of Understanding signed between the Rwandan Ministry of Education and Singapore Polytechnic International.



June 2009

SP was appointed as a Continuing Education Training Centre for the Infocomm Sector by the Singapore Workforce Development Agency and the Infocomm Development Authority of Singapore. The centre will provide infocomm professionals with the opportunity to upgrade their skills under the National Infocomm Competency Framework of the Singapore Workforce Skills Qualification.

SP and 21 secondary schools officially adopted Marina Reservoir at the launch of the Singapore International Water Festival. Mayor (Northwest CDC) and Member of Parliament for Bukit Panjang Mr Teo Ho Pin, SP Principal Mr Tan Hang Cheong and PUB Chief Executive Mr Khoo Teng Chye launched the adoption.

The Flame Igniting System concept designed by the School of Mechanical and Aeronautical Engineering and Centre for Experience Design won SP the top honours at the first-ever Asian Youth Games torch design competition.



July 2009

His Excellency (HE) Sheikh Hisham, Undersecretary, Ministry of Education, Bahrain and the Honourable Dave Hancock, Minister of Education, Canada visited SP on two separate occasions.

Duo from Diploma in Creative Media Design course clinched second place at the Imagine Cup World Finals (Photography category) in Cairo, Egypt.

Chua Koon Ting, Diploma in Biomedical Science graduate, became the first polytechnic student to be accepted to read Dentistry in National University of Singapore under the Faculty's Exceptional Individual Scheme.

August 2009

For their "Love IT, Love Timor Leste" project, eight SP students were invited to the Presidential Palace to meet HE President Jose Ramos-Horta for the symbolic handover of the computer laboratory and launch of the International Award for Young People in Timor Leste.

Five SP students were awarded the National Infocomm Scholarship out of the 12 scholarships presented to polytechnic students. It recognises exceptional students and nurtures them as top talents for Singapore's infocomm industry.



Chua Koon Ting

September 2009

Diploma in Electrical and Electronic Engineering graduate, Lee Xun Yong, received the Defence Science and Technology Agency scholarship.

The first Games Resource Centre (Unreal Technology Lab) was launched on campus in collaboration with Epic Games China. The facility is an extension of the Connected Games Programme initiated by IDA to serve as an incubator for game development in Singapore and the region.

Cathleen Cheong Mun Ngah gained entry to the prestigious Massachusetts Institute of Technology (MIT). The Diploma in Civil and Structural Engineering graduate enrolled for the Bachelor in Civil Engineering course and was offered an MIT scholarship.

SP swept the top three positions at the National Management Competition, a national business strategy contest.



October 2009

A multi-disciplinary team of SP students, representing Singapore, was the only team from a polytechnic to make it to the semi-finals of the Students in Free Enterprise (SIFE) World Cup competition in Berlin, Germany.

The first of its kind in a tertiary institution, the Civil Defence Lionhearters Club was launched on 27 October. Members of the club learn, among other things, to prepare for emergencies and life-saving skills. They also get deployed overseas to undertake humanitarian projects and development programmes.

For the second year running, SP's Media and Communication students were responsible for conceptualising, executing and co-producing *oktoLIVE!* television show specially for children.



November 2009

Dr Jonathan Loh Yui-Han, Diploma in Biotechnology graduate, was awarded the Young Scientist Award (Biological & Biomedical Science) 2009 and is now a research fellow at Harvard Medical School.

SP topped the education section of the Customer Satisfaction Index of Singapore survey conducted by the Institute of Service Excellence at Singapore Management University.

SP's School of Digital Media and Infocomm Technology (DMIT) sealed a strategic partnership with the Faculty of Economics of Japan's Chuo University (CU). Undergraduates from the university will undertake an IT and E-Commerce module from the Specialist Diploma in E-Commerce Technology offered by DMIT. The module will be offered as an elective in CU's bachelor degree programmes from April 2010.

December 2009

An eye examination project for 168 students from Northlight School was conducted by a group of students from the University of Manchester's optometry degree programme, in collaboration with SP and NHG Eye Institute@TTSH.

January 2010

SP became the first polytechnic to sign a formal agreement with A*STAR's Institute of Bioengineering and Nanotechnology to develop future scientists and technopreneurs.

Minister for Education and Higher Education of Qatar, HE Mr Saad Bin Ibrahim Al-Mahmoud, visited SP.

A new joint degree programme offered by the Building and Construction Authority, SIM University and SP was launched. The Bachelor of Science in Events and Sustainable Facilities Management will commence in July 2010.

The Singapore Polytechnic Students' Union celebrated its 50th anniversary on 30 January.

Five new courses, Diploma in Digital Animation, Diploma in International Business, Diploma in Materials Science, Diploma in Perfumery and Cosmetic Science, Diploma in Visual Effects and Motion Graphics, and the Common Engineering Programme were launched.



February 2010

An agreement with Pratt & Whitney was sealed to allow SP's engineering students with an interest in aviation studies to travel to Beijing for their Overseas Industrial Training Programme.

SP and the Beijing Technology and Business University sealed an agreement to pave the way for greater overseas exposure for SP students.



March 2010

A new and healthy snack for the elderly was created by three Diploma in Food Science and Technology students. Orensures was formulated with nutrients, fibre and other essentials that the body requires.



**Financial
Report**

Statement by Board of Governors

In our opinion, the financial statements set out on pages 21 to 47 are drawn up so as to give a true and fair view of the state of affairs of the Polytechnic as at 31 March 2010 and the results, changes in equity and cash flows of the Polytechnic for the year ended on that date, in accordance with the provisions of the Singapore Polytechnic Act, Chapter 303 (the "Act") and Statutory Board Financial Reporting Standards.

On behalf of the Board



Tan Kay Yong
Chairman



Tan Hang Cheong
Principal

30 June 2010

Independent Auditors' Report

Members of the Board of Governors

Report on the financial statements

We have audited the financial statements of (the "Polytechnic"), which comprise the balance sheet as at 31 March 2010, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 21 to 47.

Management's responsibility for the financial statements

The Polytechnic's 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.

Management has acknowledged that its responsibility includes:

- (a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' 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 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, 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:

- (a) the financial statements of the Polytechnic are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards to present fairly, in all material respects, the state of affairs of the Polytechnic as at 31 March 2010 and the results, changes in equity and cash flows of the Polytechnic for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Polytechnic have been properly kept in accordance with the provisions of the Act, including records of all assets of the Polytechnic whether purchased, donated or otherwise.

Report on other legal and statutory requirements

During the course of our audit, nothing came to our notice that caused us to believe that:

- (a) the receipt, expenditure and investment of monies and the acquisition and disposal of assets by the Polytechnic during the financial year have not been made in accordance with the provisions of the Act; and
- (b) in relation to the Singapore Polytechnic Endowment Fund,
 - (i) the use of donations monies was not in accordance with the objectives of the fund; and
 - (ii) the Fund did not comply with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations 2007 during the financial year.



KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore
30 June 2010

Balance Sheet

As at 31 March 2010

	Note	2010 \$'000	2009 \$'000
Endowment fund (Capital)			
Accumulated surplus	4	13,083	13,078
General fund		91,723	72,866
Other funds	5	85,433	79,742
Fair value reserve		517	575
Total capital and other funds		190,756	166,261
Funds managed on behalf of the Ministry	6	5,478	5,224
Funds' net assets managed on behalf of the Ministry	6	(5,478)	(5,224)
		-	-
Non-current assets			
Property, plant and equipment	7	273,969	251,520
Investment in subsidiaries	8	1,100	1,100
Available-for-sale financial assets	9	5,400	8,500
Loan to Singapore Polytechnic Graduates' Guild	10	-	-
Staff and student loans	12	327	283
		280,796	261,403
Current assets			
Available-for-sale financial assets	9	3,042	-
Trade and other receivables	11	19,310	59,998
Cash and cash equivalents	13	228,126	155,391
		250,478	215,389
Current liabilities			
Trade and other payables	14	38,209	35,715
Government grants received in advance	15	32,268	27,498
		70,477	63,213
Net current assets		180,001	152,176
Non-current liabilities			
Deferred capital grants	16	270,041	247,318
Net assets		190,756	166,261

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

Statement of Comprehensive Income

Year ended 31 March 2010

	Note	General fund		Other funds		Total	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Operating income							
Course fees		38,015	37,170	12,095	9,949	50,110	47,119
Other fees		916	894	-	-	916	894
		<u>38,931</u>	<u>38,064</u>	<u>12,095</u>	<u>9,949</u>	<u>51,026</u>	<u>48,013</u>
Operating expenditure							
Staff costs		152,114	154,239	5,981	4,888	158,095	159,127
Teaching materials		7,717	8,539	870	535	8,587	9,074
Repairs and maintenance		14,064	14,766	-	-	14,064	14,766
Depreciation of property, plant and equipment		28,003	28,603	568	364	28,571	28,967
Development expenses written off		10,996	6,632	-	-	10,996	6,632
Staff development and benefits		3,603	3,545	-	-	3,603	3,545
Other expenditure		21,547	18,631	7,580	6,633	29,127	25,264
		<u>238,044</u>	<u>234,955</u>	<u>14,999</u>	<u>12,420</u>	<u>253,043</u>	<u>247,375</u>
Operating deficit		(199,113)	(196,891)	(2,904)	(2,471)	(202,017)	(199,362)
Non-operating income							
Donations		-	-	672	670	672	670
Interest income – banks		283	553	616	1,091	899	1,644
Rental income – operating leases		240	245	1,638	1,659	1,878	1,904
Other income		1,294	939	4,518	4,303	5,812	5,242
		<u>(197,296)</u>	<u>(195,154)</u>	<u>4,540</u>	<u>5,252</u>	<u>(192,756)</u>	<u>(189,902)</u>
(Deficit)/Surplus before grants	17	(197,296)	(195,154)	4,540	5,252	(192,756)	(189,902)
Grants	18	216,153	207,010	1,151	894	217,304	207,904
		<u>18,857</u>	<u>11,856</u>	<u>5,691</u>	<u>6,146</u>	<u>24,548</u>	<u>18,002</u>
Surplus for the year							
Other comprehensive income							
Net change in fair value of available-for-sale financial assets		-	-	(58)	(190)	(58)	(190)
		<u>18,857</u>	<u>11,856</u>	<u>5,633</u>	<u>5,956</u>	<u>24,490</u>	<u>17,812</u>
Total comprehensive income for the year							

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

Statement of Changes in Equity

Year ended 31 March 2010

	Endowment fund (Capital) (Note 3) \$'000	General fund \$'000	Other funds (Note 4) \$'000	Fair value reserve \$'000	Total \$'000
At 1 April 2008	11,884	61,010	73,596	765	147,255
Total comprehensive income for the year					
Net surplus for the year	-	11,856	6,146	-	18,002
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	-	-	-	(190)	(190)
Total comprehensive income	-	11,856	6,146	(190)	17,812
Contributions and donations received for the endowment fund (capital)	1,194	-	-	-	1,194
At 31 March 2009	13,078	72,866	79,742	575	166,261
At 1 April 2009	13,078	72,866	79,742	575	166,261
Total comprehensive income for the year					
Net surplus for the year	-	18,857	5,691	-	24,548
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	-	-	-	(58)	(58)
Total comprehensive income	-	18,857	5,691	(58)	24,490
Contributions and donations received for the endowment fund (capital)	5	-	-	-	5
At 31 March 2010	13,083	91,723	85,433	517	190,756

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

Cash Flow Statement

Year ended 31 March 2010

	Note	2010 \$'000	2009 \$'000
Operating activities			
Deficit before grants		(192,756)	(189,902)
Adjustment for:			
Depreciation of property, plant and equipment	7	28,571	28,967
Interest income		(899)	(1,644)
Loss on disposal of property, plant and equipment		11	86
		(165,073)	(162,493)
Changes in working capital:			
Trade and other receivables		649	5,897
Staff and student loans		(55)	(45)
Trade and other payables		726	3,957
Cash flows from operating activities		(163,753)	(152,684)
Investing activities			
Interest received		899	1,644
Purchases of property, plant and equipment		(51,046)	(36,300)
Proceeds from disposals of property, plant and equipment		15	64
Cash flows from investing activities		(50,132)	(34,592)
Financing activities			
Development grants received from Government		34,943	16,366
IT and F & E grants received from Government		22,945	17,858
Innovation grants received from Government		660	-
Operating grants received from Government		225,474	169,024
Operating grants received from non-government organisations		2,593	3,147
Contributions and donations received for the endowment fund (capital)		5	1,194
Net (increase) / decrease in fixed deposits with more than three months maturity		(40,243)	3,696
Cash flows from financing activities		246,377	211,285
Net increase in cash and cash equivalents		32,492	24,009
Cash and cash equivalents at beginning of the year		154,977	130,968
Cash and cash equivalents at end of the year	13	187,469	154,977

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Governors on 30 June 2010.

1 Domicile and Activities

The (the “Polytechnic”) was established under the Act, Chapter 303, and is domiciled in Singapore. The Polytechnic’s 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 the subsidiaries are set out in note 8 to the financial statements.

The Polytechnic also acts as the administrator for the staff housing loan and tuition fee and study loan for Ministry of Education (the “Ministry”).

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Singapore Polytechnic Act, Chapter 303 and Statutory Board Financial Reporting Standards (SB-FRS). SB-FRS include Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are stated at fair value.

2.3 Functional currency

The financial statements are presented in Singapore dollars which is the Polytechnic’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Uses of estimates and judgements

The preparation of financial statements in conformity with SB-FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 7 – Measurement of recoverable amount of property, plant and equipment.

Note 9 – Measurement of valuation of financial instruments.

Note 11 – Measurement of valuation of trade receivables.

2.5 Changes in accounting policies

Overview

Starting as of 1 January 2009 on adoption of new/revised SB-FRSs, the Polytechnic has changed its accounting policies in the presentation of financial statements.

Presentation of financial statements

The Polytechnic applies revised SB-FRS 1 Presentation of Financial Statements (2008), which became effective as of 1 January 2009. As a result, the Polytechnic presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only affects presentation, there is no impact on comprehensive income for the year.

Financial instruments: Improving disclosures about financial instruments

The Polytechnic also applies amendments to SB-FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments, which became effective as of 1 January 2009. The amendments require disclosures of financial instruments measured at fair value to be based on a “three-level” fair value hierarchy that reflects the significance of the input in such fair value measurements. The amendments also require additional qualitative and quantitative disclosures of liquidity risks. The additional disclosures required are shown in Note 23 to the financial statements. In accordance with the transitional rules under the standard, comparative information is not required.

3 Significant accounting policies

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Polytechnic at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.2 Funds

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 Fund are taken to the Fund's operating account under "Other Funds – Endowment Fund" of the statement of comprehensive income.

General fund

Income and expenditure relating to the main activities of the Polytechnic are accounted for in the "General Fund" column of the statement of comprehensive income.

Other funds

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

3.3 Funds managed / held on behalf for others

Funds are 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 as a line item under the capital and other funds section on the face of the balance sheets as prescribed by SB-FRS Guidance Note 1. Income and expenditure relating to these funds are accounted for directly in these funds. Details of income, expenditure, assets and liabilities are disclosed in the notes to the financial statements.

3.4 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Donated assets are recorded at valuation.

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.

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.

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 income in the statement of comprehensive income.

Subsequent costs

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

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are 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

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

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

3.5 Subsidiaries

A subsidiary is a company controlled by the Polytechnic. Control exists when the Polytechnic has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investment in subsidiaries is stated in the Polytechnic's balance sheet at cost less accumulated impairment losses.

3.6 Financial instruments

Non-derivative financial assets

The Polytechnic initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Polytechnic becomes a party to the contractual provisions of the instrument.

The Polytechnic derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Polytechnic is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Polytechnic has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Polytechnic has the following non-derivative financial assets: available-for-sale financial assets, loans and receivables and cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for-sale. The Polytechnic's investments in debt securities are classified as available-for-sale financial assets.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to surplus or deficit.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents comprise cash and bank deposits.

Non-derivative financial liabilities

All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Polytechnic becomes a party to the contractual provisions of the instrument.

The Polytechnic derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Polytechnic has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities comprise financial liabilities and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3.7 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income.

An impairment loss with respect to a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses with respect to financial assets measured at amortised cost is reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

Impairment losses on available-for-sale debt securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to the statement of comprehensive income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in the statement of comprehensive income, then the impairment loss is reversed, with the amount of the reversal recognised in the statement of comprehensive income.

Non-financial assets

The carrying amounts of the Polytechnic's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset of the Polytechnic that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income.

Impairment losses in respect of other assets recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Polytechnic has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.9 Grants

Government grants and contributions from other organisations for the purchase of depreciable assets or to finance research or capital projects are taken to the grants received in advance account in the first instance. They are taken to the deferred capital grants account upon the utilisation of the grants for purchase of assets, which are capitalised, or to the income and expenditure account for purchase of assets which are written off in the year of purchase.

Deferred capital grants are recognised in the statement of comprehensive income over the periods necessary to match the depreciation, write off and/or impairment loss of the assets purchased with the related grants. Upon the disposal of property, plant and equipment, the balance of the related deferred capital grants is recognised in the statement of comprehensive income to match the net book value of the property, plant and equipment written off.

Government grants to meet the current year's operating expenses are recognised as income in the same 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.

3.10 Income recognition

Course and other fees

Course and other fees for the academic year and all other income are recognised on an accrual basis.

Donations

Donations are recognised upon receipt.

3.11 Finance income

Finance income comprises interest income on funds invested (including available-for-sale financial assets) and cash and cash equivalents. Interest income is recognised as it accrues in the statement of comprehensive income, using the effective interest method.

4 Endowment Fund (Capital)

The purpose of the endowment fund is to provide financial assistance to needy students, promote excellence in teaching amongst the academic staff and provide assistance for the benefit of graduates.

Donations, which donors have specified to be kept intact, are taken directly to the Endowment Fund (Capital) to earn income. Other donations together with other income and expenditure of the Fund are taken to the Fund's operating account under "Other Funds – Endowment Fund" of the statement of comprehensive income (see Note 5(b)).

The principal capital comprises the following:

	2010 \$'000	2009 \$'000
At 1 April	13,078	11,884
Donations received	5	1,194
At 31 March	<u>13,083</u>	<u>13,078</u>
Represented by:		
Fixed deposits	11,266	11,265
Bonds (at cost)	1,800	1,800
Cash at bank	17	13
	<u>13,083</u>	<u>13,078</u>

5 Other Funds

(a) Other funds comprise the following funds:

Name of fund	Purpose
Endowment fund	Provides financial assistance to needy students, promotes excellence in teaching amongst the academic staff and provides assistance for the benefit of graduates.
Student welfare & development fund	Provides funding to support student welfare and development activities.
Miscellaneous funds	Provides funding for: <ul style="list-style-type: none"> (i) short and continuing education courses; (ii) upgrading courses; (iii) upgrading campus facilities to meet the demand for development in technological skills; (iv) implementation of programmes to achieve the goals of the Polytechnic; and (v) maintenance and upgrading of staff quarters.

(b) The breakdown of the income, expenditure, assets and liabilities of the individual funds are as follows:

	Endowment fund		Student welfare & development fund		Miscellaneous funds		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Operating income								
Course fees	-	-	-	-	12,095	9,949	12,095	9,949
Operating expenditure								
Staff costs	-	-	-	-	5,981	4,888	5,981	4,888
Depreciation of property, plant and equipment	-	-	59	56	509	308	568	364
Teaching materials	-	-	-	-	870	535	870	535
Other expenditure	862	860	809	535	5,909	5,238	7,580	6,633
	862	860	868	591	13,269	10,969	14,999	12,420
Operating deficit	(862)	(860)	(868)	(591)	(1,174)	(1,020)	(2,904)	(2,471)
Non-operating income								
Donations	672	670	-	-	-	-	672	670
Interest income – banks	167	270	11	30	438	791	616	1,091
Rental income – operating leases	-	-	-	-	1,638	1,659	1,638	1,659
Other income	163	99	856	762	3,499	3,442	4,518	4,303
Surplus before grants	140	179	(1)	201	4,401	4,872	4,540	5,252
Grants	-	-	-	-	1,151	894	1,151	894
Surplus for the year	140	179	(1)	201	5,552	5,766	5,691	6,146
Accumulated surplus at 1 April	4,271	4,092	4,092	3,891	71,379	65,613	79,742	73,596
Accumulated surplus at 31 March	4,411	4,271	4,091	4,092	76,931	71,379	85,433	79,742
Represented by:								
Property, plant and equipment	-	-	737	749	4,139	3,453	4,876	4,202
Staff and student loans	-	-	366	315	11	8	377	323
Investment in subsidiaries	-	-	-	-	1,100	1,100	1,100	1,100
Available-for-sale financial assets	507	520	-	-	6,110	6,108	6,617	6,628
Fair value reserve	(7)	(20)	-	-	(485)	(483)	(492)	(503)
Cash and cash equivalents	3,839	3,843	2,988	3,036	72,070	63,462	78,897	70,341
Receivables, deposits and prepayments	88	13	-	-	1,710	2,036	1,798	2,049
Payables, deposits and accruals	(16)	(85)	-	(8)	(6,775)	(4,305)	(6,791)	(4,398)
Deferred Capital Grants	-	-	-	-	(949)	-	(949)	-
	4,411	4,271	4,091	4,092	76,931	71,379	85,433	79,742

6 Funds managed on behalf of the Ministry

Pursuant to the Tuition Fee and Study Loan Schemes and Staff Housing Loan Scheme, the Polytechnic acts as 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.

	2010 \$'000	2009 \$'000
Advances from the Ministry		
At 1 April	5,224	5,246
Add:		
Advances received	415	74
Interest income	37	112
Less:		
Advances repaid	(183)	(208)
Bad debts	(15)	-
At 31 March	<u>5,478</u>	<u>5,224</u>
Represented by:		
Amount due from the Ministry	(186)	-
Cash and bank balances	-	66
Tuition fees and study loans	4,988	4,337
Staff housing loans	<u>676</u>	<u>821</u>
Net assets	<u>5,478</u>	<u>5,224</u>

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% (2009: 4.75%) per annum which is based on the average prime rates of banks or such other rates as may be determined by the Polytechnic from time to time. The interest on the tuition fee loans is remitted in full to the Ministry. The students are given an option to repay by monthly instalments over a period of up to 10 years after the borrowers' graduation.

Loans to staff consist of housing loan made in accordance with the regulations of the Polytechnic. With effect from January 2002, housing loan benefit is no longer provided and the unutilised grants as well as the repayment of these staff loans amounting to \$183,000 (2009: \$141,000) were refunded to the Ministry of Education. 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.

7 Property, Plant and Equipment

	Leasehold land \$'000	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Motor vehicles \$'000	Construction- in-progress \$'000	Total \$'000
Cost							
At 1 April 2008	56,518	235,032	51,394	257,330	176	6,026	606,476
Additions	-	-	12,613	22,047	-	1,640	36,300
Disposals	-	-	(627)	(17,935)	-	-	(18,562)
At 31 March 2009	56,518	235,032	63,380	261,442	176	7,666	624,214
Additions	-	1,870	2,636	20,691	-	25,849	51,046
Disposals	-	-	-	(16,671)	-	-	(16,671)
At 31 March 2010	56,518	236,902	66,016	265,462	176	33,515	658,589
Accumulated depreciation							
At 1 April 2008	16,542	93,721	43,892	207,808	176	-	362,139
Depreciation for the year	809	4,907	2,571	20,680	-	-	28,967
Disposals	-	-	(592)	(17,820)	-	-	(18,412)
At 31 March 2009	17,351	98,628	45,871	210,668	176	-	372,694
Depreciation for the year	809	4,940	3,866	18,956	-	-	28,571
Disposals	-	-	-	(16,645)	-	-	(16,645)
At 31 March 2010	18,160	103,568	49,737	212,979	176	-	384,620
Carrying amount							
At 1 April 2008	39,976	141,311	7,502	49,522	-	6,026	244,337
At 31 March 2009	39,167	136,404	17,509	50,774	-	7,666	251,520
At 31 March 2010	38,358	133,334	16,279	52,483	-	33,515	273,969

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

The costs of property, plant and equipment are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be between 3 to 86 years. The Polytechnic reviews annually the estimated useful lives of plant and equipment based on the factors that include asset utilisation, internal technical evaluation, technological changes, anticipated use of the assets and related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of plant and equipment would increase depreciation expense and decrease non-current assets.

8 Investment in Subsidiaries

	2010 \$'000	2009 \$'000
Investment in subsidiaries, at cost	1,100	1,100

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Polytechnic	
			2010 \$'000 %	2009 \$'000 %
Innomart Pte Ltd	Investment holding company	Singapore	100	100
Singapore Polytechnic International Pte Ltd	Recruitment of full-fee paying foreign students to study in the Polytechnic and licensing local and overseas education institutions to conduct in whole and in part the Polytechnic's diploma courses offshore	Singapore	100	100

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

9 Available-for-sale Financial Assets

	2010 \$'000	2009 \$'000
Quoted bonds, at fair value	8,442	8,500
Represented by:		
Current	3,042	-
Non-current	5,400	8,500
	<u>8,442</u>	<u>8,500</u>

The bonds are denominated in Singapore dollars and earn an interest rate of 4.17% to 4.81% (2009: 4.17% to 4.81%) per annum. Bonds amounting to approximately \$3 million will mature in June 2010 while the remaining bonds will mature in 2016.

10 Loan to Singapore Polytechnic Graduates' Guild

	2010 \$'000	2009 \$'000
Loan	2,500	2,500
Interest receivable	246	246
	<u>2,746</u>	<u>2,746</u>
Allowance for doubtful receivables	(2,746)	(2,746)
	<u>-</u>	<u>-</u>

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"). The loan and interest are repayable within a period of 10 years commencing from the date of first drawdown of the loan. First repayment will be due on the first day of each month following the last and final instalment repayment to OCBC in respect of the loan granted by the latter to SPGG or such other dates thereafter as the Polytechnic has subordinated its right to repayment of indebtedness of SPGG to OCBC. The expected first principal monthly repayment will not be within the next 12 months of the financial year ended 31 March 2010.

Interest is levied at the average of the prevailing DBS prime rate and DBS fixed deposit rate over the last 12 months prior to the first date of disbursement of the loan or any part thereof calculated on a monthly rest basis or at such other periodic rests basis as may be determined by the Polytechnic.

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

11 Trade and Other Receivables

	Note	2010 \$'000	2009 \$'000
Trade receivables		3,773	5,212
Goods and services tax receivable		3,389	1,794
Grants receivables		11,224	51,421
Staff and student loans	12	50	39
Other receivables		312	320
Deposits		23	23
Loans and receivables		18,771	58,809
Prepayments		539	1,189
		<u>19,310</u>	<u>59,998</u>

Included in trade receivables are operating and IT and F&E grant receivables from the Ministry of Education of \$11,224,000 (2009: \$51,421,000). Trade and other receivables are denominated in Singapore dollars.

	2010		2009	
	Gross \$'000	Impairment losses \$'000	Gross \$'000	Impairment losses \$'000
Not past due	18,124	-	58,240	-
Past due 0 – 30 days	168	-	323	-
Past due 31 – 90 days	163	-	125	-
Over 91 days	316	-	121	-
	<u>18,771</u>	<u>-</u>	<u>58,809</u>	<u>-</u>

The Polytechnic maintains allowance for doubtful receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Polytechnic on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Polytechnic's relationship with debtors, their payment behaviour and known market factors. The Polytechnic reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Polytechnic made different judgement or utilised different estimates. An increase in the Polytechnic's allowance for doubtful receivables would increase the Polytechnic's recorded operating expenses and decrease current assets.

12 Staff and Student Loans

	Note	2010 \$'000	2009 \$'000
Repayable after 12 months			
- Staff loans		10	5
- Student loans		317	278
		<u>327</u>	<u>283</u>
Repayable within 12 months			
- Staff loans		1	3
- Student loans		49	36
		<u>50</u>	<u>39</u>
	11		

13 Cash and Cash Equivalents

	2010 \$'000	2009 \$'000
Cash at bank and in hand	48,962	30,260
Cash with Accountant-General's Department	70,263	-
Fixed deposits	108,901	125,131
Cash and cash equivalents	<u>228,126</u>	<u>155,391</u>
Fixed deposits with more than 3 months maturity	(40,657)	(414)
Cash and cash equivalents per cash flow statement	<u>187,469</u>	<u>154,977</u>

The effective interest rates per annum relating to cash and cash equivalents at the balance sheet date are 0.53% (2009: 0.69%). Interest rates reprice at intervals of less than 1 year.

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at balance sheet date, the bank balance of \$538,000 (2009: \$568,000), comprising cash at bank of \$336,000 (2009: \$367,000) and fixed deposit of \$202,000 (2009: \$201,000), has not been included in the cash and cash equivalents of the Polytechnic.

On 2 November 2009, the Accountant-General's Department ("AGD") issued a circular 4/2009 to set out the arrangements to centrally manage the cash of all Statutory Boards and Ministries under the Centralised Liquidity Management (CLM) scheme. This scheme involves placing funds directly with the AGD and would allow for better credit risk management by the government. Under this scheme, the Polytechnic's cash at bank in excess of a certain limit are transferred to the AGD. Cash placed with the AGD is interest-bearing. Interest is computed on the basis as set out in the Accountant-General's Circular No. 4/2009.

14 Trade and Other Payables

	2010	2009
	\$'000	\$'000
Sundry creditors	9,981	8,676
Grants received in advance from Workforce Development Agency ("WDA")	1,768	-
Deposits	509	567
Accruals	25,951	26,472
	<u>38,209</u>	<u>35,715</u>

The contractual undiscounted cash flows of the trade and other payables are expected to approximate their carrying amounts which are expected to be settled within one year.

15 Government Grants Received in Advance

	Note	2010	2009
		\$'000	\$'000
At 1 April		27,498	17,827
Grants received/receivable during the year			
- Government development grants		34,943	16,366
- Government IT and F & E grants		20,009	17,999
- Government innovation grants		660	-
Transfer to deferred capital grants (government)	16	(39,846)	(18,062)
Amount taken to the statement of comprehensive income	18	<u>(10,996)</u>	<u>(6,632)</u>
At 31 March		<u>32,268</u>	<u>27,498</u>

16 Deferred Capital Grants

	Government		Non-Government		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
At 1 April	241,749	235,771	5,569	4,644	247,318	240,415
Add:						
Grants received for purchases of property, plant and equipment						
- development (Note 15)	39,846	18,062	-	-	39,846	18,062
- operating (Note 19)	9,267	15,226	-	-	9,267	15,226
Grants received for purchases of property, plant and equipment by various organisations	-	-	1,730	2,367	1,730	2,367
	49,113	33,288	1,730	2,367	50,843	35,655
Less:						
Grants taken to the statement of comprehensive income						
- amortisation charge for the year (Note 18)	(26,448)	(27,310)	(1,672)	(1,442)	(28,120)	(28,752)
At 31 March	264,414	241,749	5,627	5,569	270,041	247,318

17 Deficit Before Grants

The following items have been included in arriving at deficit before grants:

	2010 \$'000	2009 \$'000
Contribution to Central Provident Fund included in salaries and allowances	12,722	11,867
Loss on disposal of property, plant and equipment	10	86

18 Grants

	Note	General Fund		Other Funds		Total	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Operating grants received from							
- Government	19	176,269	170,846	1,056	894	177,325	171,740
- Non-government		863	780	-	-	863	780
Deferred capital grants amortised							
- Government	16	26,353	27,310	95	-	26,448	27,310
- Non-government	16	1,672	1,442	-	-	1,672	1,442
Development grants utilised	15	10,996	6,632	-	-	10,996	6,632
		<u>216,153</u>	<u>207,010</u>	<u>1,151</u>	<u>894</u>	<u>217,304</u>	<u>207,904</u>

19 Government Operating Grants

	Note	2010 \$'000	2009 \$'000
Operating grants received/receivable during the year		203,309	202,542
Payment for goods and services tax on tuition fees and tuition grants		<u>(16,717)</u>	<u>(15,576)</u>
		186,592	186,966
Operating grants utilised on property, plant and equipment transferred to deferred capital grants (government)	16	<u>(9,267)</u>	<u>(15,226)</u>
Operating grants taken to the statement of comprehensive income	18	<u>177,325</u>	<u>171,740</u>

Operating grants received from Government since 1 April 1980: \$3,179.9 million (2009: \$2,976.5 million) which include the cumulative operating grants for GST subsidy of \$109.3 million (2009: \$92.6 million).

20 Key Management Personnel Compensation

Key management personnel of the Polytechnic are those persons having the authority and responsibility for planning, directing and controlling the activities of the Polytechnic. The Singapore Polytechnic Management Team (“SPM”) are considered as key management personnel of the Polytechnic. Key management personnel compensation comprised:

	2010 \$'000	2009 \$'000
Short-term employee benefits	5,622	5,385

21 Taxation

The Polytechnic is registered as a charitable institution and by virtue of Section 13M(2)(b) of the Income Tax Act, Chapter 134.

With effect from the Year of Assessment 2008 or financial year ended 31 March 2007, all registered charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule and there is no need to file income tax returns by virtue of Section 13(1)(zm) of the Income Tax Act, Chapter 134.

22 Capital Commitments

The Polytechnic has the following commitments as at 31 March:

	2010 \$'000	2009 \$'000
Approved and contracted for	24,891	22,380
Approved but not contracted for	20,207	8,135

The capital commitments are mainly funded from government grants.

23 Financial Risk Management

Overview

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

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

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

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

Credit risk

Credit risk is the risk of financial loss to the Polytechnic if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Polytechnic's receivables from customers and bonds.

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

The Polytechnic's exposure to credit risk is minimal as cash and fixed deposits are placed with banks and financial institutions which are regulated and it invests only in bonds with low credit risk. The credit ratings relating to its bonds amounting to \$8,442,000 (2008: \$8,500,000) are not rated as these bonds are issued by a statutory board.

At the balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Liquidity risk comprises the risk that a company cannot meet its financial obligation in full.

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

Interest rate risk

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

	2010 \$'000	2009 \$'000
Fixed rate instruments		
Quoted bonds**	8,442	8,500
Variable rate instruments		
Cash with AGD	70,263	-
Fixed deposits	108,901	125,131
	179,164	125,131

** These are bonds issued by other Statutory Boards and are not rated.

Fair value sensitivity analysis for fixed rate instruments

The Polytechnic does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect surplus or deficit.

Cash flow sensitivity analysis for variable rate instruments

An increase in 100 basis points (“bp”) (1%) in interest rates at the reporting date would increase surplus or deficit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Surplus/deficit	
	2010 \$'000	2009 \$'000
Cash with AGD and fixed deposits	1,792	1,251

A decrease in 100 bp would have the equal but opposite effect on the above interest earning instruments shown above, on the basis that all other variables remain constant.

Foreign currency risk

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

Fair value

Quoted bonds

Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities
- *Level 2*: 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 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
2010				
Quoted bonds	8,442	-	-	8,442

Other financial assets and liabilities

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

24 New SB-FRS and interpretations not yet adopted

The Polytechnic has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- Amendments to SB-FRS 32 Financial Instruments: Presentations – Classification of Rights Issues
- Amendments to SB-FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- Amendments to SB-FRS 102 Share-based Payment – Group cash-settled and share-based payment transactions
- Revised SB-FRS 103 (2009) Business Combinations and amended SB-FRS 27 Consolidated and Separate Financial Statement
- Amendment to SB-FRS 108 (2010) Operating Segments
- Improvements to SB-FRSs 2009
- Amendments to INT SB-FRS 114 SB-FRS 19 –The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction- Prepayments of a Minimum Funding Requirement
- INT SB-FRS 117 Distributions of Non-cash Assets to Owners
- INT SB-FRS 119 Extinguishing Liabilities with Equity Instruments
- SB-FRS 24 (2010) Related Party Disclosures

The Polytechnic is evaluating the initial application of the above standards and interpretations for the impact on the Polytechnic's financial statements. The Polytechnic has not considered the impact of accounting standards issued after the reporting date.

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