



# Inspiring Possibilities

Singapore Polytechnic Annual Report 2011/12



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## 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 and social spaces
- Building capabilities

## Values

Self-discipline  
Personal Integrity  
Care and Concern  
Openness  
Responsibility  
Excellence

# Chairman's Statement



**Tan Kay Yong**  
Chairman  
Board of Governors  
Singapore Polytechnic

With the rapidly changing global landscape, Singapore has been emphasising the need for education to be values-centric. Values are the basic building blocks to an individual's sense of responsibility, spirit of teamwork and a drive for excellence. These qualities will enable them to leverage every possibility to succeed in future.

It is for these reasons that Singapore Polytechnic (SP) has been sharpening its focus on holistic education to build an enduring set of competencies and values to anchor our graduates to succeed in a globalised and complex world. We aim to nurture T-shaped graduates, combining the depth of mastery in their chosen fields with broad-based multi-disciplinary knowledge and experiences across subject matters. This holistic education will build competencies and character needed for a 21st century workforce.

In the past year, we continued to shape our learning experience for our students. Our Conceive-Design-Implement-Operate (CDIO) framework has been gaining traction since SP was appointed the CDIO Regional Centre for Asia in 2011. We also looked into an ability-driven education system by inspiring the average learners in their education journey while providing an additional challenge for the brighter students to explore their full potential. This system was pioneered successfully at our School of Electrical and Electronic Engineering and will be rolled out to the other schools.

The introduction of General Education modules during the year also helps to build versatility and critical thinking among our students. To develop physical well-being and teamwork, we further introduced the Sports for Life programme, a weekly two-hour lesson comprising a range of sports classes for selected first- and second-year students under a pilot programme. These initiatives will ensure our students are truly well-rounded and ready for the world.

Our adult learning programmes offered through the Professional & Adult Continuing Education (PACE) Academy benefitted 39,000 working adults during the year. In the pipeline is the Continuing Education and Training (CET) Diploma Qualification Framework to make our part-time courses more relevant and accessible to working adults, in line with our effort to promote life-long learning.

### Authentic Learning

We have been injecting more opportunities for students and staff to apply Design Thinking to solve real-life challenges. For example, our School of Architecture and the Built Environment is using Design Thinking concepts to redesign Chinatown for the Singapore Tourism Board to attract more tourists. Similarly, we are involved in rethinking the Rail Corridor in meaningful ways for the community.

Such authentic learning experiences will continue to be a key focus at SP. We want to ensure that these real-life projects will help our students build good portfolios that make them more employable in the future. A case in point is the opening of the Singapore Polytechnic Entrepreneurship Living Laboratory (SPELL) as a retail concept store for our students to plan and manage at Changi Airport Terminal 3.

This year, the Open House was completely conceptualised and managed by our students. For the first time in our history, students across different schools came together to plan the event from art direction to visitor management. Likewise the graduation shows for the SP Design School and the School of Digital Media and Infocomm Technology this year were put together by students with spectacular multimedia demonstrations and exhibitions of student works. We also held our inaugural Engineering Show in 2012 with students putting together 200 exhibits that showcased the best of their innovative abilities.

Forging industry collaborations also allows our students to apply their skills in real-life scenarios in addition to building staff capabilities. Resulting from our industry links, students benefitted from industry-based projects while staff members were able to collaborate with industry partners on research, development and consultancy projects. Some examples include the agreement between SP and Xentiq Partners to further develop the Centre for Biomedical and Life Sciences' material dispensing technology and another with ST Kinetics to develop navigation technologies for Automated Guided Vehicles.

### Learning Environment

We have also been creating more spaces within campus to provide environments conducive for learning and innovation. The UOB Kay Hian Dealing Room opened on campus, equipped with dealing communication and Thomson Reuters financial information systems, resulting from a memorandum of cooperation we signed with UOB Kay Hian Holdings.

Another collaboration with e-Cop led to the opening of a CyberWatch Learning Centre on campus to promote research and development in cyber security innovation. Yet another collaboration with Cisco, Citrix Systems and NetApp led to the opening of our SPE3C3 cloud computing centre, with next-generation infrastructure to support education.

Other learning spaces we completed during the year were the Business Innovation and Design Studio, The Writers' Room, M.A.D Studios and The Agency to provide authentic learning spaces for our students to get creative. The fourth floor of the Main Library was also reconceptualised and transformed into a Da Vinci Level with zones, furnishings and resources to inspire learning.

Our campus rejuvenation efforts are on track to refresh our buildings and facilities and to create more social and learning spaces for our staff and students. We have plans to begin construction on our new Sports Hub, Design School and the Singapore Institute of Technology campus, followed by our Business School and AeroHub. We expect these new buildings to be fully functional by the fourth quarter of 2014.

### Global Experiences

At the same time, we continue to help our students develop a global mindset through our overseas programmes. This year, we established the GLO (Go Learn Overseas) Fund with S\$3 million seed funding to help more students obtain global experiences, benefitting 160 students.

A total of 865 students participated in 105 Overseas Industrial Training and Overseas Immersion Programmes, while another 288 went on study trips organised by academic schools. Through collaborations with overseas universities and organisations, our students gained research exposure from places such as Imperial College, Yale University, and Stanford University while five students attended the Harvard Model United Nations Conference.

Then under an agreement with Pratt & Whitney, our Diploma in Aeronautical Engineering students underwent instructional and practical training in aircraft maintenance in Beijing. In other agreements, our School of Electrical and Electronic Engineering has been collaborating with the Beijing Technology and Business University, and SP Business School has been working closely with the University of Burgundy in France since August 2011.

In addition, our Diploma in Tourism and Resort Management students went to Walt Disney World in Florida, United States, for a six-month internship. Students from the Diploma in Architecture went on a

study trip to Italy to attend workshops. Another six students from the Diploma in Experience and Product Design also went to Italy, to participate in the prestigious SaloneSatellite design fair.

Students from SP also had the experience of competing in the international arena with the best student teams from around the world. Most notably, Chong Ting Wei, a Diploma in Electrical and Electronic Engineering graduate took the Medallion of Excellence in the Industrial Control category of the WorldSkills Competition held in London. Kelvin Khoo and Leong Hei Kern, who won the SUTD Technology and Design Challenge, had the privilege of competing at IDC Robocon 2011 organised by the Massachusetts Institute of Technology.

Our students have reforested a barren area in Mongolia, constructed a suspension bridge in Indonesia and improved eye care for children in Sri Lanka. A team from SP also represented Singapore at the Students in Free Enterprise (SIFE) World Cup in Malaysia. There, they emerged a finalist among teams from 40 countries for their income-generating projects to help communities in Batam, Indonesia, and Sevapur, India.

### Community Service

Another important aspect lies in encouraging our students to apply their knowledge and skills to solving community challenges. Our Social Engagement & Entrepreneurship programme aims to instill a heart of compassion and a spirit of social innovation and entrepreneurship in our students and staff. Under this programme, student volunteers work together on local or overseas projects that help to rebuild communities or to enhance the quality of life of the less fortunate. During the year, 421 students took part in such programmes. From this year, our staff may also take one day of paid leave annually to lead such community projects.

The SP CARE programme is another way where students and staff contribute to society by using engineering innovations to devise practical solutions to help the less fortunate. The General Education programme also includes a social innovation project for second-year students to apply Design Thinking processes to create ideas that address active aging, healthcare, social integration or environmental issues in society.

These efforts to encourage social service among students and staff have contributed to SP receiving the prestigious President's Social Service Award in 2011. We also received the Excellence Award at the People's Association Community Spirit Award ceremony in recognition of our contributions to the community.

## Capabilities Building

To deliver a holistic education effectively, we have to build our staff capabilities. Hence, we have continued to step up our efforts in staff training and engagement.

Training workshops for staff to acquire the knowledge and capability to enhance their work performance and for development were conducted in the past year. A structured leadership development programme was also put in place to identify potential staff to be trained and groomed into leaders. In addition, our academic mentor scheme has been promoting more active learning and innovation among staff. Six academic mentors have been appointed to guide their colleagues on the effective use of strategies and technologies to meet the diverse and changing needs of students.

Our staff are providing consultancy and training in six countries including Myanmar, Indonesia and Vietnam. Twenty-nine training programmes were conducted for educationists and students from other nations. These opportunities served to build the capabilities of our staff and to enhance their knowledge and expertise in and outside the classroom.

We promoted bonding and interaction through a new staff magazine, a staff portal, billboards celebrating staff achievements, social events and other channels in order to build a greater sense of community and shared purpose.

## Graduate Achievements

The 51st Graduation Ceremony added a record number of 6,023 graduates to our alumni, which has now exceeded 160,000. Our graduates continued to receive prestigious scholarships, including Lloyd Chua who was awarded the SAF Merit Scholarship to pursue his degree at the University of Birmingham and Aggie Susanti Lawer who was presented the Golden Jubilee Award Scholarship from the University of New South Wales. Seven others received the Creative Industries and Ministry of Information, Communication and the Arts Scholarships, 23 received Integrated Infocomm Scholarships, while three clinched the National Infocomm Scholarships.

## The Future

Moving forward, we foresee that the global economic uncertainties and the rising aspirations of staff and students will impact us increasingly. The emergence of social media and smart machines may also change the way we engage our stakeholders. We plan to adopt a more consultative co-creation approach to involve our students, staff and other stakeholders in shaping the future. They will have more influence over how we teach, what we teach, how we engage and how we configure ourselves for the future.

One project we have undertaken in anticipation of SP@60 is to engage our community of stakeholders to archive our memories. We hope that this will help strengthen a sense of identity and pride towards SP and how it has supported Singapore's national development from past to present and to the future. It is our hope that one can understand and appreciate our heritage to inspire future generations to continue our mission "To Serve with Skill".

## Acknowledgements

As I stepped down from the Board of Governors on 31 March 2012, I would like to express that it has been a privilege to serve an institution I hold dear to my heart and to be a part of its history. As an SP alumnus, I am particularly gratified I could contribute to preparing SP for the changing educational landscape and 21st century workforce challenges.

It has been an honour to have played a role in formulating SP@60 Vision plan and setting up Singapore Polytechnic International and SP Design School. The progress achieved in making technology development and innovation integral to the learning experience of students as well as in evolving a student-centric approach to teaching heartens me.

I have every confidence that Mr Bill Chang, who takes over as Chairman of the Board of Governors, will steer SP to even greater possibilities as an institution of choice in both the local and international arenas.

Let me, in closing, express my deepest appreciation to past and current Board members whom I had the privilege of working with. I owe much to the dedication and commitment they have provided during my tenure. I would also like to extend my appreciation to the management team and staff of SP for their hard work and dedication.

I look forward to their continued support as SP prepares students to be work-ready, world-ready and life-ready.



**Mr Tan Kay Yong**  
Chairman  
Board of Governors  
Singapore Polytechnic  
(2000-2012)

# Board of Governors



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**01. Dr Michael Edward Brown**  
**(Member)**  
Vice President  
Singapore Operations  
Lonza Biologics Tuas Pte Ltd

**02. RADM Chan Weng Yip**  
**(Member)**  
Commander  
Maritime Security Task Force  
Ministry of Defence

**03. Prof Chou Siaw Kiang**  
**(Member)**  
Professor  
Department of Mechanical Engineering  
National University of Singapore

**04. Prof Er Meng Hwa**  
**(Member)**  
Vice President (International Affairs)  
Nanyang Technological University

**05. Mr Gan Boon San**  
**(Member)**  
Vice President  
Systems Channels Asia Pacific  
Oracle CAPAC Services Ltd

**06. Mr Liew Choon Boon**  
**(Member)**  
Senior Director (Industry and the Arts)  
Ministry of Information, Communications and the Arts

**07. A/Prof Muhammad Faishal Bin Ibrahim**  
**(Member)**  
Associate Professor  
Department of Real Estate  
School of Design & Environment  
National University of Singapore

**08. Mr Tan Kay Yong**  
**(Chairman)**  
Vice President  
India/China Sourcing & Supply  
GlaxoSmithKline Pte Ltd





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**09. Mr Bill Chang York Chye**  
**(Deputy Chairman)**  
 Executive Vice President (Business)  
 Singapore Telecommunications Ltd

**10. Prof Pang Yang Hoong**  
**(Member)**  
 Vice Provost (Undergraduate) &  
 Dean, School of Accountancy  
 Singapore Management University

**11. Mr Sew Chee Jhuen**  
**(Member)**  
 President  
 Singapore Technologies Kinetics Ltd

**12. Mr Johnny Tan Cheng Hye**  
**(Member)**  
 Principal Partner  
 LT&T Architects

**13. Ms Tan Gee Keow**  
**(Member)**  
 Director (Higher Education)  
 Ministry of Education

**14. Mr Tan Hang Cheong**  
**(Member)**  
 Principal  
 Singapore Polytechnic

**15. Mr Teh Kong Leong**  
**(Member)**  
 Programme Director (Maritime Studies)  
 Division of Infrastructure Systems & Maritime Studies  
 School of Civil & Environmental Engineering  
 Nanyang Technological University

**Mr Tan Peng Ann**  
**(Secretary)**  
 Registrar  
 Singapore Polytechnic

# Standing Committees

## Administration & Development Committee

Chairman: Mr Tan Kay Yong  
Dy Chairman: Mr Bill Chang York Chye  
Members: Prof Chou Siaw Kiang  
Mr Gan Boon San  
Mr Johnny Tan Cheng Hye  
Mr Tan Hang Cheong  
Ms Tan Gee Keow  
Secretary: Mrs Yeung-Ng Geak Hong  
Assistant Secretary: Mrs Cheng Cheng Lin (till 19 Oct 2011)  
Ms Jenny Wong Siow Ching (from 20 Oct 2011)

## Audit Committee

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

## Endowment Fund Committee

Chairman: Mr Liew Choon Boon  
Members: A/Prof Muhammad Faishal Bin Ibrahim  
Mr Tan Hang Cheong  
Secretary: Mrs Cheng Cheng Lin (till 19 Oct 2011)  
Ms Jenny Wong Siow Ching (from 20 Oct 2011)

## 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: RADM Chan Weng Yip  
A/Prof Muhammad Faishal Bin Ibrahim  
Secretary: Mrs Yeung-Ng Geak Hong

## Student Disciplinary Appeal Committee

Chairman: Mr Sew Chee Jhuen  
Members: Dr Michael Edward Brown  
Prof Pang Yang Hoong  
Secretary: Mr Tan Peng Ann  
Mrs Elizabeth Ann Khoo-Lee May Yong (from 1 June 2011)

## Board of Studies

Chairman: Mr Tan Hang Cheong  
Members: Mr Hee Joh Liang  
Mr Lim Peng Hun  
Dr Chai Min Sen  
Dr Dave Chong Tad Weng  
Mr Lim Cher Yam  
Dr Timothy Chan Wai Kuen  
Mr Chang Boon Hai  
Miss Chao Yunn Chyi  
Mrs Fang Sin Guek  
Mr Faris Akbar Hajamaideen  
Mrs Elizabeth Ann Khoo-Lee May Yong (from 1 June 2011)  
Mrs Lam Yoke Peng  
Mr Lau Lee Yee  
Dr Ng Eng Hong  
Mr Ng Weng Lam  
Miss Pee Suat Hoon  
Ms Georgina Phua Hwee Choo  
Mr Roland Tan Keng Hock  
Mr Tan Yew Meng  
Mr William Chan Weng Lin  
Mr Jimmy Chew Kwok Tim  
Mr Ho Sum Lim  
Mr Lee Chee Whye  
Mdm Lee Keng Keng  
Mr Kelly Lee Wai Kin  
Mr Caleb Lye Kok Choy (till 30 Sep 2011)  
Mrs Tan-Yeoh Ah Choo  
Ms Jennifer Wong Pui Cheng  
Mrs Yap Siew Lay  
Dr Audrey A Yuen  
Mr Tan Peng Ann

# Management Team

## PRINCIPAL

Mr Tan Hang Cheong

## DEPUTY PRINCIPAL (ACADEMIC PLANNING)

Mr Hee Joh Liang

## DEPUTY PRINCIPAL (TECHNOLOGY AND INDUSTRY)

Mr Lim Peng Hun

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### ACADEMIC PLANNING

#### Deputy Principal

Mr Hee Joh Liang

#### Director, Academic Programmes

Mr Lau Lee Yee

#### Director, Educational Development

Miss Pee Suat Hoon

#### Director, Library

Mrs Fang Sin Guek

#### Director, Organisation Development

Mr Henry Tan Hin Teck

### CORPORATE DEVELOPMENT

#### Director, Corporate Communications

Mrs Kai Tamin-Goh (till 22 Feb 2012)

Mr Henry Tan Hin Teck (Covering Director from 23 Feb 2012)

#### Director, Finance

Mrs Cheng Cheng Lin (till 19 Oct 2011)

Ms Jenny Wong Siow Ching (from 20 Oct 2011)

#### Director, Human Resource

Mrs Yeung-Ng Geak Hong

#### Director, Internal Audit

Mr Ronnie Chan Chin Sing

#### Senior Manager, Leadership Academy

Miss Caroline Hu Wei Choo (Director till 12 Jan 2012)

Ms Tan Lee Hia (Senior Manager from 13 Jan 2012)

### TECHNOLOGY AND INDUSTRY

#### Deputy Principal

Mr Lim Peng Hun

#### Director, Alumni Relations Office

Mr Song Nay Hay

#### Director, Industry Services

Mr Song Nay Hay

#### Director, Professional & Adult Continuing Education (PACE) Academy

Mr V Maheantharan

#### Director, Technology Development Office

Mr Lim Peng Hun

#### **INFRASTRUCTURE AND ENVIRONMENT CLUSTER**

##### **Senior Director**

Mr Lim Cher Yam

##### **Director, Computer & Information Systems**

Mr Chang Boon Hai

##### **Director, Estates & Development**

Mr C Pannirselvam

##### **Director, Green Energy & Environment Project Office**

Mr Lim Cher Yam

#### **STUDENT AND ACADEMIC SERVICES CLUSTER**

##### **Senior Director/Registrar**

Mr Tan Peng Ann

##### **Director, Academic Services**

Mr Tan Peng Ann (till 31 May 2011)

Mrs Elizabeth Ann Khoo-Lee May Yong (from 1 Jun 2011)

##### **Director, Student Development**

Mr Arthur Poh Heo Tat

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## **Academic Schools**

#### **APPLIED AND HEALTH SCIENCES CLUSTER**

##### **Senior Director**

Dr Chai Min Sen

##### **Director, Chemical & Life Sciences**

Dr Chai Min Sen

##### **Director, Mathematics & Science**

Miss Chao Yunn Chyi

#### **ARCHITECTURE, DESIGN AND ENVIRONMENT CLUSTER**

##### **Senior Director**

Mr Lim Cher Yam

##### **Director, Architecture & the Built Environment**

Mr Tan Yew Meng

##### **Director, Design**

Mr Faris Akbar Hajamaideen

#### **BUSINESS, IT AND HUMANITIES CLUSTER**

##### **Senior Director**

Mr Hee Joh Liang

##### **Director, Business**

Dr Timothy Chan Wai Kuen

##### **Director, Communication, Arts & Social Sciences**

Mrs Lam Yoke Peng

##### **Director, Digital Media & Infocomm Technology**

Ms Georgina Phua Hwee Choo

#### **ENGINEERING CLUSTER**

##### **Senior Director**

Dr Dave Chong Tad Weng

##### **Director, Electrical & Electronic Engineering**

Mr Ng Weng Lam

##### **Director, Mechanical & Aeronautical Engineering**

Dr Ng Eng Hong

##### **Director, Singapore Maritime Academy**

Mr Roland Tan Keng Hock

# Facts and Figures

STUDENT  
ENROLMENT

18,025

comprising 15,979 full-time and 2,046 part-time students. The new intake of 6,416 students was made up of 5,378 full-time and 1,038 part-time students in the academic year 2011/2012.

GRADUATE  
OUTPUT &  
EMPLOYMENT

6,024

students graduated from Singapore Polytechnic in the academic year 2010/2011. Of these, 5,137 graduated from diploma courses and 887 from advanced, specialist and post-diploma courses.

As of October 2011, 93.0% of fresh graduates found full-time permanent or part-time/temporary employment.

STUDENT  
CLUBS

122

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

CONTINUING  
EDUCATION  
PROGRAMMES

37,415

participants attended a total of 1,057 continuing education programmes offered by Singapore Polytechnic. The programmes included 74 Singapore Workforce Skills Qualification courses, 446 short courses, 157 tailor-made courses and 363 certification courses.

STAFF  
STRENGTH

1,494

comprising 903 academic staff and 591 administrative and support staff.

# Highlights

April  
2011



Six Diploma in Experience and Product Design students and four lecturers participated in the prestigious design fair SaloneSatellite in Milan, Italy, from 7 to 20 April.

Aggie Susanti Lawer, a Diploma in Applied Chemistry with Pharmaceutical Science graduate, was awarded the prestigious Golden Jubilee Award Scholarship by the University of New South Wales, Australia.



May  
2011

The 51st Graduation Ceremony was presided by guest-of-honour Ms Sim Ann, Senior Parliamentary Secretary for Education and Law. The Graduation Ceremony saw 6,023 students graduating, the largest number to date, bringing the total number of alumni to 160,896.



Joey Seah became the second Diploma in Biomedical Science graduate to be accepted into National University of Singapore's Yong Loo Lin School of Medicine.



At the inaugural PS Got Talent competition held in conjunction with Public Service Week, SP came in second runner-up for an original composition entitled "The Gift".

June  
2011



SP's Singapore Maritime Academy (SMA) topped the Education and Training category at the 4th Seatrade Asia Awards held in Hong Kong. Receiving the award is Director SMA Mr Roland Tan (middle).

SP Business School signed a memorandum of understanding with University of Burgundy, France, for student and staff exchanges, internships and other academic collaborations over a five-year period.

The Bachelor of Science (Chemical Engineering) degree programme from Technical University of Munich, under the new Singapore Institute of Technology framework, was launched with an initial intake of 18 students.

Diploma in Applied Drama and Psychology students and staff organised "Project Reminiscence Theatre (Our Show)" in collaboration with Jurong Spring Community Club, Council for the Third Age and National Trades Union Congress Eldercare. The project used reminiscence theatre to allow senior citizens to collectively remember and re-interpret their childhood and youth.

A group of students from the School of Architecture and the Built Environment clinched joint third prize at the 2010 ASEAN Academy of Engineering & Technology's Engineering Science, Technology and Innovation Design competition in Kuala Lumpur, Malaysia.

A team of Diploma in Games Design and Development students emerged overall winners at the Central Narcotics Bureau's Flash games competition: Games against Drug Abuse.

July  
2011





Kelvin Khoo (third from right), a Diploma in Computer Engineering graduate, and Leong Hei Kern (fifth from left), a Diploma in Mechanical Engineering student, won the SUTD Technology and Design Challenge and received all-expense paid trips to IDC Robocon 2011 at the Massachusetts Institute of Technology in the United States.



The School of Electrical and Electronic Engineering's DIY-Personal Rapid Transport team won the Best Prototype and Peer's Choice awards at the Student Design Challenge @ iCreate 2011 Bangkok, Thailand. The project, which was inspired by the Segway, previously clinched the Tan Kah Kee Young Inventors' Merit Award and the bronze award at the Institution of Engineers Singapore Design Award 2011.

At RoboCup 2011, in Istanbul Turkey, Robo-Erectus Senior took second place at the Humanoid League, RoboCup Soccer category, while Robo-Erectus@Home came in eighth in the RoboCup@Home category.

A team from the Malay Language Society were the National Champions (Boys) in the National Dikir Barat Competition. In addition, the team also won the Best Vocal (Boys) and Best Percussion (Boys) titles.

At the International Club Open Taekwondo Championships in Ho Chi Minh City, Vietnam, SP won one silver medal and one bronze medal, while at the POL-ITE Competitions, students emerged champions in volleyball (Ladies), Chinese Chess and weiqi.

Two Diploma in Biotechnology students, Yap Junliang and Yu Huixin, were selected for attachments at the Massachusetts Institute of Technology.

SP students took the lion's share of 23 Integrated Infocomm Scholarships out of 48 awards given out by the Infocomm Development Authority of Singapore.



SP received the prestigious President's Social Service Award for outstanding contributions to the social service sector. In addition, SP received the Excellence Award at the People's Association Community Spirit Award in recognition of its contributions to the community.



Two new green havens opened up on campus: ECOasis (top), an integrated ecological system which simulates water collection, filtration, retention and recycling; and Sanctuary (bottom), a social and learning space.



# August 2011

Seven graduates were offered the Creative Industries and Ministry of Information, Communication and the Arts Scholarships.



SP Design School students won a silver medal and three bronze medals at the Crowbar Awards 2011, an annual competition organised by the Association of Accredited Advertising Agents Singapore. At the same event, four Diploma in Media and Infocomm Technology students clinched two bronze awards (Best Art Direction and Best 3D Animation) and the Finalist award for Best Soundtrack for their film "Flying Colours".

SPACE (SP Alternative Campus Experience), a portal for self-expression and creativity, was launched on 4 August. The portal is managed by students who also run the campus radio station, SPACERadio.

The Ministry of Defence presented SP with the Distinguished Defence Partner Award for its contributions towards national defence.

Two SP Business School students represented Singapore at the Microsoft Office Worldwide Competition in San Diego, United States. Gerald Wong emerged as first runner-up in the Word category, while Dominique Soon was fifth runner-up in the Excel category.

Diploma in Business Administration students represented Singapore at the finals of the Regional Fedex Competition in Bangkok, Thailand. They beat 23 teams from eight other countries including Korea, New Zealand, Hong Kong, Malaysia and Australia to emerge first runners-up.

The SP-NUS Bi-axial Bioreactor was commercialised through the award of an exclusive licensing agreement to a local firm, QuinXell Technologies. The invention, a world's first, aimed to revolutionise pre-clinical trials in the field of regenerative medicine.

The first batch of Diploma in Tourism and Resort Management students went on a six-month internship at Disney World in Florida, United States.



Graduate Chua Wei Zheng Lloyd was awarded the SAF Merit Scholarship to pursue a Mechanical Engineering degree at University of Birmingham in the United Kingdom.



# September 2011

School of Architecture and the Built Environment students took third and sixth places at the Introducing and Demonstrating Earthquake Engineering Research in School 2011 Competition (Undergraduate Category) in Taipei, Taiwan.

The Best Young Scientist Oral Presentation Award was won by Diploma in Environmental Management and Water Technology students for their paper entitled "Removal of Methylene Blue onto Biochar of Wood Waste" at the 4th Conference of Challenges in Environmental Science and Engineering in Tainan, Taiwan.

SP and Xentiq Partners signed a licensing agreement to further develop the Centre for Biomedical and Life Sciences' "Handheld Solid Dispenser" technology. It was the first successfully commercialised Proof of Concept project, which is funded by National Research Foundation, among the polytechnics.

SP signed a memorandum of cooperation with Alpha Biofuels to allow the company to use SP's patented Biodiesel System in its operations as well as its Micro Biodiesel System.

SP was appointed the Conceive-Design-Implement-Operate (CDIO) Regional Centre for Asia. As the regional centre, SP served as a model for CDIO implementation for other institutions in the region and also shared its experiences to support other member institutions wanting to implement CDIO.



The SP Entrepreneurship Living Laboratory (SPELL) was officially opened on 17 September at Changi Airport Terminal 3. The living lab, a multi-disciplinary project, provided students from engineering, life sciences, communication and information technology with unique and authentic learning opportunities.



Offered by SP Business School, the new Diploma in Business Innovation and Design is the first of its kind in Singapore and emphasises using a designer's approach or design thinking to solve business problems and seize new opportunities.

October  
2011



Students from the Diploma in Architecture went on a study trip to Italy and attended workshops at Torino di Politecnico and Milano di Politecnico.



SP students represented Singapore at the Students in Free Enterprise (SIFE) World Cup in Kuala Lumpur, Malaysia, and emerged as finalists.



The School of Electrical and Electronic Engineering's Innovation and Quality Circle team, FineTuners, won a Star award for its light dimmer project at the 3rd Business Excellence Global Conference & 17th Asia Pacific Quality Conference Pre-Convention Team Excellence Showcase 2011.

A group from the Diploma in Architecture and Diploma in Electrical and Electronic Engineering took the Most Innovative Award at the "Philips Future Living Spaces in Singapore" student contest.

SP Business School and the Chartered Institute of Management Accountants (CIMA) signed a memorandum of understanding to allow second- and final-year Diploma in Accountancy students to start their CIMA professional examinations while still in school.

Diploma in Chemical Engineering students won second prize at the prestigious International IChemE Sustainability Subject Group MacNab-Lacey Competition, normally opened to universities.

A team of Diploma in Banking and Finance graduates represented Singapore at the Asian Management Game in Macau.



Chong Ting Wei, a Diploma in Electrical and Electronic Engineering graduate, won a Medallion of Excellence in the Industrial Control category of the WorldSkills Competition held in London. Jonathan Tan (top), a Diploma in Mechanical Engineering graduate, clinched a Silver Medal in the same competition.



President Tony Tan Keng Yam presented 46 students with the National Youth Achievement Award (Gold).



The SP-STK Robotics Lab was established to develop infrastructure-based navigation technologies for Automated Guided Vehicles.

SP students took first place at the POL-ITE Championships in squash (Men and Ladies), badminton (Ladies) and table tennis (Men).

The Sports for Life Programme was launched as a weekly two-hour lesson comprising a range of sports classes for selected first- and second-year students.

SPE3C3, the School of Electrical and Electronic Engineering's next-generation Education Cloud Computing Centre, was set up on campus, in collaboration with Cisco, Citrix Systems and NetApp on 7 October.



SP was one of four organisations to receive the Home Team National Service Award, which recognised the achievements of employers who had provided an extensive range of schemes to enhance operational readiness, promote physical fitness and recognise the good performance of their NSmen employees.

## November 2011

Two new products - Love Latte (a coffee beverage) and Sing-Kaffe (a coffee blend) - created by Diploma in Food Science and Technology students were launched.



The fourth floor of the Main Library was transformed into the Da Vinci level, an inspiring learning space for Architecture, Design and Science students. The floor was segmented into zones with rooms equipped with projectors, writeable tables and walls, attractive furnishings and ambience lighting to meet the varied needs of students.

SP sealed a memorandum of understanding with e-Cop on 9 November. With the collaboration, a CyberWatch Learning Centre, based on the Cyber Wargame Centre concept, was to be set up on campus to advance cyber security innovation through research and development and to provide an authentic learning space for School of Digital Media and Infocomm Technology students.

Leonard Ong, a Diploma in Chemical Engineering student, clinched a bronze medal for sailing in the 26th SEA Games.

## December 2011

The SP Sailing Team won in the Laser Standard School Team Division category at the Starhub 35th Singapore Laser Open.

Four new learning spaces – The Writers' Room (top), The Agency, M.A.D Studios (bottom) and Business Innovation and Design Studio – were completed.

## January 2012

SP and UOB Kay Hian Holdings Limited signed a memorandum of cooperation to develop and launch new initiatives for Diploma in Banking and Finance students. It included the UOB Kay Hian-SP Dealing Centre equipped with dealing communication and Thomson Reuters' financial information systems to provide real-time market rates, news and price charts.



Students from the School of Electrical and Electronic Engineering and the School of Architecture and the Built Environment clinched the third prize in the Green Wave Environment Competition 2011: Tertiary Level with their multidisciplinary project – "Scum Extractorator for Gold." Organised by Sembawang Shipyard, the competition aimed to involve the community, particularly students, to participate in learning about conservation and improvement of the environment.



March  
2012

February  
2012

The SP Table Tennis team became the first polytechnic team to win the IVP Table Tennis tournament title.



SP's Gusto cheerleading team defended its national title at the annual Cheerleading Championships.

School of Architecture and the Built Environment was presented with the National Council against Drug Abuse Award. SP was one of five recipients which had contributed significantly to the anti-drug cause through collaborations with the Council and the Central Narcotics Bureau.

Nine students were among 37 polytechnic students who were awarded the HOME Merit Award and the HOME Study Award.



# Financial Report

For the financial year ended 31 March 2012

## STATEMENT BY BOARD OF GOVERNORS

*For the financial year ended 31 March 2012*

In the opinion of the Board of Governors,

- (a) the financial statements as set out on pages 28 to 55 are drawn up so as to give a true and fair view of the state of affairs of the Polytechnic as at 31 March 2012 and of the results, changes in funds and reserves and cash flows of Singapore Polytechnic (the "Polytechnic") for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Polytechnic will be able to pay its debts as and when they fall due.

On behalf of the Board



Bill Chang  
*Chairman*



Tan Hang Cheong  
*Principal*

29 June 2012

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

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Singapore Polytechnic (the "Polytechnic") set out on pages 28 to 55, which comprise the balance sheet of the Polytechnic as at 31 March 2012, the statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Polytechnic Act, Chapter 303 (the "Act") and Statutory Board Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

### *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 controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements of the Polytechnic are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material aspects, the state of affairs of the Polytechnic as at 31 March 2012, and the results, changes in funds and reserves and cash flows of the Polytechnic for the financial year ended on that date.

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

## 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.

### *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 came to our notice that caused us to believe that in relation to the Singapore Polytechnic Endowment Fund (the "Fund"):

- (a) the use of donations moneys was not in accordance with the objectives of the Fund;
- (b) 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.



**PricewaterhouseCoopers LLP**

Public Accountants and Certified Public Accountants

Singapore, 29 June 2012

# STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2012

	Note	General fund		Other funds		Total	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Operating income</b>							
Course fees		40,940	39,762	16,053	14,944	56,993	54,706
Other fees		911	947	-	-	911	947
		<b>41,851</b>	40,709	<b>16,053</b>	14,944	<b>57,904</b>	55,653
<b>Operating expenditure</b>							
Staff costs	3	(170,473)	(173,523)	(7,004)	(7,211)	(177,477)	(180,734)
Teaching materials		(8,677)	(7,914)	(414)	(584)	(9,091)	(8,498)
Repairs and maintenance		(14,601)	(15,674)	-	-	(14,601)	(15,674)
Depreciation of property, plant and equipment	9	(31,797)	(29,607)	(865)	(732)	(32,662)	(30,339)
Development expenses written-off		(13,617)	(9,730)	-	-	(13,617)	(9,730)
Staff development and benefits		(4,682)	(4,723)	(14)	-	(4,696)	(4,723)
Other expenditure	4	(26,441)	(23,521)	(10,117)	(7,876)	(36,558)	(31,397)
		<b>(270,288)</b>	(264,692)	<b>(18,414)</b>	(16,403)	<b>(288,702)</b>	(281,095)
<b>Operating deficit</b>		<b>(228,437)</b>	(223,983)	<b>(2,361)</b>	(1,459)	<b>(230,798)</b>	(225,442)
<b>Non-operating income</b>							
Donations		-	-	840	1,127	840	1,127
Interest income - banks		800	712	606	549	1,406	1,261
Rental income - operating leases		197	213	1,824	1,779	2,021	1,992
Other income	5	2,222	2,345	5,358	5,056	7,580	7,401
<b>(Deficit) / Surplus before grants</b>		<b>(225,218)</b>	(220,713)	<b>6,267</b>	7,052	<b>(218,951)</b>	(213,661)
<b>Grants</b>	6	<b>249,830</b>	246,597	<b>255</b>	201	<b>250,085</b>	246,798
<b>Surplus for the year</b>		<b>24,612</b>	25,884	<b>6,522</b>	7,253	<b>31,134</b>	33,137
<b>Other comprehensive income</b>							
Net change in fair value of financial assets, available-for-sale		-	-	50	8	50	8
<b>Total comprehensive income</b>		<b>24,612</b>	25,884	<b>6,572</b>	7,261	<b>31,184</b>	33,145

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

# BALANCE SHEET

For the financial year ended 31 March 2012

	Note	2012 \$'000	2011 \$'000
Endowment fund (Capital)	8	18,242	17,817
Accumulated surplus			
- General fund		140,219	115,607
- Other funds	8	99,607	92,686
- Fair value reserve		575	525
<b>Total capital and other funds</b>		<b>258,643</b>	226,635
<b>Represented by:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	285,462	284,989
Investment in subsidiaries	10	1,100	1,100
Available-for-sale financial assets	11	5,500	5,450
Loan to Singapore Polytechnic Graduates' Guild	12	-	-
Staff and student loans	13	273	379
		<b>292,335</b>	291,918
<b>Current assets</b>			
Available-for-sale financial assets	11	-	-
Trade and other receivables	14	25,363	24,197
Cash and cash equivalents	15	308,493	280,364
		<b>333,856</b>	304,561
<b>Total assets</b>		<b>626,191</b>	596,479
<b>Current liabilities</b>			
Trade and other payables	16	41,888	45,679
Government grants received in advance	17	45,088	43,656
		<b>86,976</b>	89,335
<b>Net current assets</b>		<b>246,880</b>	215,226
<b>Non-current liabilities</b>			
Deferred capital grants	18	280,572	280,509
<b>Total liabilities</b>		<b>367,548</b>	369,844
<b>Net assets</b>		<b>258,643</b>	226,635
<b>Funds managed on behalf of the Ministry</b>	19	<b>5,497</b>	5,709
<b>Funds' net assets managed on behalf of the Ministry</b>	19	<b>(5,497)</b>	(5,709)
		<b>-</b>	-

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

## STATEMENT OF CHANGES IN FUNDS AND RESERVES

For the financial year ended 31 March 2012

	Endowment fund (Capital) (Note 8) \$'000	General fund \$'000	Other funds (Note 8) \$'000	Fair value reserve \$'000	Total \$'000
At 1 April 2011	17,817	115,607	92,686	525	226,635
Total comprehensive income	-	24,612	6,522	50	31,184
Transfer from endowment fund (capital) to other funds	(399)	-	399	-	-
Contributions and donations received for the endowment fund (capital)	824	-	-	-	824
<b>At 31 March 2012</b>	<b>18,242</b>	<b>140,219</b>	<b>99,607</b>	<b>575</b>	<b>258,643</b>
At 1 April 2010	13,083	91,723	85,433	517	190,756
Total comprehensive income	-	25,884	7,253	8	33,145
Transfer of accumulated surplus to endowment fund (capital)	2,000	(2,000)	-	-	-
Contributions and donations received for the endowment fund (capital)	2,734	-	-	-	2,734
<b>At 31 March 2011</b>	<b>17,817</b>	<b>115,607</b>	<b>92,686</b>	<b>525</b>	<b>226,635</b>

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



# STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2012

	Note	2012 \$'000	2011 \$'000
<b>Cash flows from operating activities</b>			
Deficit before grants		(218,951)	(213,661)
Adjustments for:			
Depreciation of property, plant and equipment	9	32,662	30,339
Interest income		(1,406)	(1,261)
Loss on disposal of property, plant and equipment		74	54
		<b>(187,621)</b>	<b>(184,529)</b>
Changes in working capital:			
Trade and other receivables		(3,349)	1,288
Staff and student loans		106	(47)
Trade and other payables		(3,791)	7,470
<b>Net cash used in operating activities</b>		<b>(194,655)</b>	<b>(175,818)</b>
<b>Cash flows from investing activities</b>			
Interest received		1,406	1,261
Purchases of property, plant and equipment		(33,235)	(41,458)
Proceeds from disposals of property, plant and equipment		26	45
<b>Cash flows used in investing activities</b>		<b>(31,803)</b>	<b>(40,152)</b>
<b>Cash flows from financing activities</b>			
Development grants received from Government		11,183	18,213
IT and F & E grants received from Government		25,791	23,995
Innovation grants received from Government		902	931
Operating grants received from Government		212,897	217,195
Operating grants received from non-government organisations		3,814	2,859
Contributions and donations received for the endowment fund (capital)		-	2,015
Net decrease/(increase) in fixed deposits with more than three months maturity		21,052	(56,692)
Proceeds from the maturity of financial assets, available-for-sale		-	3,000
<b>Net cash provided by financing activities</b>		<b>275,639</b>	<b>211,516</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>49,181</b>	<b>(4,454)</b>
Cash and cash equivalents at beginning of the year		183,015	187,469
<b>Cash and cash equivalents at end of the year</b>	15	<b>232,196</b>	<b>183,015</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

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

## 1. GENERAL INFORMATION

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

500 Dover Road  
Singapore 139651

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

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

#### ***Interpretations and amendments to published standards effective in 2011***

On 1 April 2011, the Polytechnic adopted the new or amended SB-FRS and Interpretations to SB-FRS (“INT SB-FRS”) that are mandatory for application from that date. Changes to the Polytechnic’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS.

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

The Authority has adopted the amendment to SB-FRS 24 Related Party Disclosures on 1 April 2011. The amended SB-FRS 24 has introduced certain disclosures of transactions with Ministries, Organs of State and other statutory boards. Government –related entities are defined as entities that are controlled, jointly controlled or significantly influenced by the government. The amendment is applicable to annual periods beginning on or after 1 January 2011.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Revenue recognition

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

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

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

Donations are recognised in the year of receipt.

### 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 the income statement if the assets purchased are written off in the year of purchase.

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

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

Government grants to meet the current year's operating expenses are taken to the income statement for the year. Government grants are accounted for on the accrual basis.

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

### 2.4 Funds

#### (i) *General Fund*

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

#### (ii) *Other Funds*

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

#### (iii) *Endowment Fund*

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

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 2012

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.5 Funds managed/held on behalf of 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.

### 2.6 Impairment of non-financial assets

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- 2.7 Loans and receivables  
Bank balances  
Trade and other receivables  
Loan to Singapore Polytechnic Graduates' Guild  
Staff and student loans

Bank balances, trade and other receivables, loans to Singapore Polytechnic Graduates Guild and staff and student loans 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, loans to Singapore Polytechnic Graduates Guild and staff and student loans.

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

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

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

## 2.8 Property, plant and equipment

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

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.8 Property, plant and equipment (continued)

#### *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 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

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.9 Available-for-sale financial assets

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

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

The Polytechnic assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired. 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 the income statement.

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

### 2.10 Trade and other payables

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

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

### 2.11 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.12 Employee compensation

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

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

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

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

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

### 2.13 Operating lease payments

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

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

### 2.14 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.15 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.4/2011 dated 2 November 2010. Selected bank accounts of the Polytechnic maintained with selected banks are linked up with the Accountant-General's Department's ("AGD") bank accounts for available excess cash to be automatically aggregated for central management on a daily basis. The deposits held with AGD are short-term highly liquid investments that are readily convertible to known amounts of cash and are classified in cash and cash equivalents as "Cash with AGD".

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

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

## 3. STAFF COSTS

	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
Wages and salaries	<b>161,281</b>	164,721
Employer's contribution to Central Provident Fund	<b>14,849</b>	14,639
Other staff benefits	<b>1,347</b>	1,374
	<b>177,477</b>	180,734

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

	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
Wages and salaries	<b>6,458</b>	6,781
Employer's contribution to defined contribution plans, including Central Provident Fund	<b>304</b>	267
	<b>6,762</b>	7,048

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 4. OTHER EXPENDITURE

	2012	2011
	\$'000	\$'000
Water and electricity	10,446	9,079
IT support and other services	1,268	1,833
Consultancy services	1,741	1,637
Vocational training for student	2,232	1,251
Campus events and activities	3,769	3,153
Bursaries and scholarships	1,025	972
Maintenance and upgrading of facilities	3,076	2,149
Other expenses	13,001	11,323
	<b>36,558</b>	<b>31,397</b>

## 5. OTHER INCOME

	2012	2011
	\$'000	\$'000
Funding for Research & Development projects	1,071	908
Student welfare fund	595	1,102
Income from use of campus, sports facilities	1,436	1,348
Consultancy income	1,589	1,335
Miscellaneous income	2,889	2,708
	<b>7,580</b>	<b>7,401</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 6. GRANTS

	General Fund		Other Funds		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Operating grants received from						
- Government (Note 7)	<b>202,400</b>	206,142	-	-	<b>202,400</b>	206,142
- Non-government	<b>1,918</b>	1,019	-	-	<b>1,918</b>	1,019
Deferred capital grants amortised						
- Government (Note 18)	<b>29,890</b>	27,853	<b>255</b>	201	<b>30,145</b>	28,054
- Non-government (Note 18)	<b>2,005</b>	1,853	-	-	<b>2,005</b>	1,853
Development grants utilised (Note 17)	<b>13,617</b>	9,730	-	-	<b>13,617</b>	9,730
	<b>249,830</b>	246,597	<b>255</b>	201	<b>250,085</b>	246,798

## 7. OPERATING GRANTS - GOVERNMENT

	2012 \$'000	2011 \$'000
Operating grants received/receivables during the year	<b>227,358</b>	240,214
Less :		
Grants utilised on property, plant and equipment transferred to Deferred Capital Grants (Note 18)	<b>(6,792)</b>	(16,514)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	<b>(18,166)</b>	(17,558)
Operating grants taken to income statement	<b>202,400</b>	206,142

Operating grants received from Government since 1 April 1980: \$3,647.5 million (2011: \$3,420.1 million) which include the cumulative operating grants for GST subsidy of \$145.0 million (2011: \$126.8 million).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 8. OTHER FUNDS

Other Funds comprise the following funds:

<u>Name of Fund</u>	<u>Purpose</u>
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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.
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Interest income and expenditure of the Fund are taken to the operating account under "Other Funds" in the Income and Expenditure Statement.

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

	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
At beginning of financial year	<b>17,817</b>	13,083
Transfer to endowment fund (non-capital)	<b>(399)</b>	-
Transfer from general funds	-	2,000
Donations received from third parties	<b>824</b>	2,734
At end of financial year	<b>18,242</b>	17,817
<hr/>		
Represented by:		
Fixed deposits	<b>16,699</b>	17,097
Amount due from Ministry	<b>1,543</b>	719
Cash at bank	-	1
	<b>18,242</b>	17,817
<hr/>		

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

Miscellaneous Funds	Provides funding for: <ul style="list-style-type: none"> <li>(i) short and continuing education courses;</li> <li>(ii) upgrading courses;</li> <li>(iii) upgrading campus facilities to meet the demand for development in technological skills;</li> <li>(iv) implementation of programmes to achieve the goals of the Polytechnic; and</li> <li>(v) maintenance and upgrading of staff quarters.</li> </ul>
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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 8. OTHER FUNDS (continued)

	Endowment fund (non-capital)		Student welfare & development fund		Miscellaneous funds		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Operating income</b>								
Course fees	-	-	-	-	16,053	14,944	16,053	14,944
<b>Operating expenditure</b>								
Staff costs	-	-	-	-	(7,004)	(7,211)	(7,004)	(7,211)
Depreciation of property, plant and equipment	-	-	(63)	(45)	(802)	(687)	(865)	(732)
Teaching materials	-	-	-	-	(414)	(584)	(414)	(584)
Staff development and benefits	-	-	-	-	(14)	-	(14)	-
Other expenditure	(1,025)	(972)	(768)	(752)	(8,324)	(6,152)	(10,117)	(7,876)
	<b>(1,025)</b>	<b>(972)</b>	<b>(831)</b>	<b>(797)</b>	<b>(16,558)</b>	<b>(14,634)</b>	<b>(18,414)</b>	<b>(16,403)</b>
<b>Operating (deficit)/surplus</b>	<b>(1,025)</b>	<b>(972)</b>	<b>(831)</b>	<b>(797)</b>	<b>(505)</b>	<b>310</b>	<b>(2,361)</b>	<b>(1,459)</b>
<b>Non-operating income</b>								
Donations	840	1,127	-	-	-	-	840	1,127
Interest income – banks	79	91	10	10	517	448	606	549
Rental income – operating leases	-	-	-	-	1,824	1,779	1,824	1,779
Other income	206	130	594	1,102	4,558	3,824	5,358	5,056
<b>Surplus/(deficit) before grants</b>	<b>100</b>	<b>376</b>	<b>(227)</b>	<b>315</b>	<b>6,394</b>	<b>6,361</b>	<b>6,267</b>	<b>7,052</b>
Grants	-	-	-	-	255	201	255	201
<b>Surplus for the year</b>	<b>100</b>	<b>376</b>	<b>(227)</b>	<b>315</b>	<b>6,649</b>	<b>6,562</b>	<b>6,522</b>	<b>7,253</b>
Accumulated surplus at 1 April	4,787	4,411	4,406	4,091	83,493	76,931	92,686	85,433
Inter-fund transactions	3,000	-	-	-	(3,000)	-	-	-
Transfer from endowment fund (capital)	399	-	-	-	-	-	399	-
Accumulated surplus at 31 March	<b>8,286</b>	<b>4,787</b>	<b>4,179</b>	<b>4,406</b>	<b>87,142</b>	<b>83,493</b>	<b>99,607</b>	<b>92,686</b>
Represented by:								
Property, plant and equipment	-	-	633	675	4,749	4,553	5,382	5,228
Staff and student loans	-	-	395	410	9	12	404	422
Investment in subsidiaries	-	-	-	-	1,100	1,100	1,100	1,100
Financial assets, available-for-sale	-	-	-	-	5,500	5,450	5,500	5,450
Fair value reserve	-	-	-	-	(575)	(525)	(575)	(525)
Cash and cash equivalents	8,272	4,789	3,151	3,321	78,275	77,676	89,698	85,786
Receivables, deposits and prepayments	31	18	-	-	2,484	2,031	2,515	2,049
Payables, deposits and accruals	(17)	(20)	-	-	(3,908)	(6,057)	(3,925)	(6,077)
Deferred Capital Grants	-	-	-	-	(492)	(747)	(492)	(747)
	<b>8,286</b>	<b>4,787</b>	<b>4,179</b>	<b>4,406</b>	<b>87,142</b>	<b>83,493</b>	<b>99,607</b>	<b>92,686</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land \$'000	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Motor vehicles \$'000	Construction-in- progress \$'000	Total \$'000
<b>2012</b>							
<u>Cost</u>							
Beginning of financial year	56,518	271,345	79,388	276,425	142	-	683,818
Additions	-	1,202	12,300	19,536	-	197	33,235
Disposals	-	-	(504)	(14,937)	-	-	(15,441)
End of financial year	56,518	272,547	91,184	281,024	142	197	701,612
<u>Accumulated depreciation</u>							
Beginning of financial year	18,969	108,922	53,933	216,979	26	-	398,829
Depreciation charge	809	5,792	6,071	19,962	28	-	32,662
Disposals	-	-	(504)	(14,837)	-	-	(15,341)
End of financial year	19,778	114,714	59,500	222,104	54	-	416,150
<u>Net book value</u>							
End of financial year	36,740	157,833	31,684	58,920	88	197	285,462
<b>2011</b>							
Beginning of financial year	56,518	236,902	66,016	265,462	176	33,515	658,589
Additions	-	34,443	13,799	26,589	142	(33,515)	41,458
Disposals	-	-	(427)	(15,626)	(176)	-	(16,229)
End of financial year	56,518	271,345	79,388	276,425	142	-	683,818
<u>Accumulated depreciation</u>							
Beginning of financial year	18,160	103,568	49,737	212,979	176	-	384,620
Depreciation charge	809	5,354	4,623	19,527	26	-	30,339
Disposals	-	-	(427)	(15,527)	(176)	-	(16,130)
End of financial year	18,969	108,922	53,933	216,979	26	-	398,829
<u>Net book value</u>							
End of financial year	37,549	162,423	25,455	59,446	116	-	284,989

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 10. INVESTMENT IN SUBSIDIARIES

		<b>2012</b>	2011
		<b>\$'000</b>	\$'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>	
			<b>2012</b>	2011
			%	%
Innomart Pte Ltd	Investment holding company	Singapore	<b>100</b>	100
Singapore Polytechnic International Pte Ltd	Recruitment of full-fee paying foreign students to study in the Polytechnic and licensing local and overseas education institutions to conduct in whole and in part of the Polytechnic's diploma courses offshore	Singapore	<b>100</b>	100

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

## 11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
Quoted bonds, at fair value		
Beginning of financial year	<b>5,450</b>	8,442
Maturity of financial assets, available-for-sale	-	(3,000)
Fair value gains recognised in other comprehensive income	<b>50</b>	8
End of financial year	<b>5,500</b>	5,450

The bonds earn an interest rate of 4.17% (2003/2004: 4.17% to 4.81%) per annum. The bonds will mature on 10 May 2016.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 12. LOAN TO SINGAPORE POLYTECHNIC GRADUATES' GUILD ("SPGG")

	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
Loan	<b>2,275</b>	2,500
Interest receivable	<b>246</b>	246
	<b>2,521</b>	2,746
Allowance for interest receivable	<b>(246)</b>	(246)
Allowance for doubtful receivables	<b>(2,275)</b>	(2,500)
	<b>-</b>	-

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

	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
At beginning of financial year	<b>2,500</b>	2,500
Allowance written back	<b>(225)</b>	-
At end of financial year	<b>2,275</b>	2,500

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 13. STAFF AND STUDENT LOANS

	2012 \$'000	2011 \$'000
Repayable after 12 months:		
Staff loans	6	9
Student loans	267	370
	<b>273</b>	<b>379</b>
Repayable within 12 months (Note 14):		
Staff loans	4	5
Student loans	128	40
	<b>132</b>	<b>45</b>

Staff loans are repayable with interest at 0% to 4.25% (2011: 0% to 4.25%) per annum by monthly instalments, over periods of up to 4 years.

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

## 14. TRADE AND OTHER RECEIVABLES

	2012 \$'000	2011 \$'000
Grants receivables		
- Government	15,221	17,404
- Others	3,697	2,216
Fees receivables	1,522	1,090
Goods and services tax receivable	866	1,444
Staff and student loans (Note 13)	132	45
Other receivables	1,327	924
Deposits	1,140	23
Loans and receivables	23,905	23,146
Prepayments	1,458	1,051
	<b>25,363</b>	<b>24,197</b>

Included in trade receivables are operating grant receivables and donations receivables from the Ministry of Education of \$15,221,000 (2011: \$17,404,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 15. CASH AND CASH EQUIVALENTS

	2012 \$'000	2011 \$'000
Cash at bank and in hand	<b>81,084</b>	35,031
Cash with Accountant-General's Department	<b>127,157</b>	146,761
Fixed deposits	<b>100,252</b>	98,572
Cash and cash equivalents	<b>308,493</b>	280,364
Fixed deposits with more than 3 months maturity	<b>(76,297)</b>	(97,349)
Cash and cash equivalents per cash flow statement	<b>232,196</b>	183,015

Fixed deposits bear average effective interest rate of 0.41% (2011: 0.41%) and for a tenure of 3 to 12 months (2011: 3 to 12 months).

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

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at balance sheet date, the bank balance of \$540,000 (2011: \$686,000), comprising cash at bank of \$36,000 (2011: \$34,000) and fixed deposit of \$504,000 (2011: \$652,000), has not been included in the cash and cash equivalents of the Polytechnic.

## 16. TRADE AND OTHER PAYABLES

	2012 \$'000	2011 \$'000
Sundry creditors	<b>1,850</b>	1,865
Advances received	<b>6,321</b>	9,099
Deposits	<b>532</b>	520
Provision for unutilised leave	<b>8,233</b>	8,481
Accruals for operating expenses	<b>24,129</b>	24,995
Amount due to a subsidiary	<b>823</b>	719
	<b>41,888</b>	45,679

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 17. GOVERNMENT GRANTS RECEIVED IN ADVANCE

	Note	2012 \$'000	2011 \$'000
At 1 April		<b>43,656</b>	32,268
Grants received/receivable during the year			
- Government development grants		<b>11,183</b>	18,213
- Government IT and F & E grants		<b>25,791</b>	23,995
- Government innovation grants		<b>1,599</b>	931
Transfer to deferred capital grants (government)	18	<b>(23,524)</b>	(22,021)
Amount taken to the statement of comprehensive income	6	<b>(13,617)</b>	(9,730)
At 31 March		<b>45,088</b>	43,656

## 18. DEFERRED CAPITAL GRANTS

	Government		Non-Government		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
At beginning of financial year	<b>274,895</b>	264,414	<b>5,614</b>	5,627	<b>280,509</b>	270,041
Add :						
Development grants from MOE (Note 17)	<b>23,524</b>	22,021	-	-	<b>23,524</b>	22,021
Transfer from operating grants (Note 7)	<b>6,792</b>	16,514	-	-	<b>6,792</b>	16,514
Grants received	-	-	<b>1,897</b>	1,840	<b>1,897</b>	1,840
	<b>30,316</b>	38,535	<b>1,897</b>	1,840	<b>32,213</b>	40,375
Less :						
Grant taken to income statement (Note 6)	<b>(30,145)</b>	(28,054)	<b>(2,005)</b>	(1,853)	<b>(32,150)</b>	(29,907)
At end of financial year	<b>275,066</b>	274,895	<b>5,506</b>	5,614	<b>280,572</b>	280,509

Total development grants received from Government for purchases of property, plant and equipment since 1 April 1980 is \$702.3 million (2011: \$678.8 million).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 19. 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.

	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
<b>Advances from the Ministry</b>		
At beginning of financial year	<b>5,709</b>	5,478
Add:		
Advances received	-	298
Interest income	<b>25</b>	71
Less:		
Advances repaid	<b>(237)</b>	(137)
Bad debts	-	(1)
At end of financial year	<b>5,497</b>	5,709
	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
Represented by:		
Trade and other receivables	<b>67</b>	170
Cash and bank balances	<b>121</b>	276
Tuition fees and study loans	<b>5,034</b>	4,652
Staff housing loans	<b>402</b>	611
Trade and other payables	<b>(127)</b>	-
Net assets	<b>5,497</b>	5,709

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% (2011: 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 \$237,000 (2011: \$98,000) 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 20. CAPITAL COMMITMENTS

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

	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
Amount approved and contracted for	<b>16,881</b>	13,818
Amount approved but not contracted for	<b>46,119</b>	29,328

The above capital commitments are funded by Government grants.

## 21. 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 treasury team/principal/directors continually monitors its risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Polytechnic's activities.

### *Credit risk*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 21. FINANCIAL RISK MANAGEMENT (continued)

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

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 \$5,500,000 (2011: \$5,450,000) are not rated as these bonds are issued by a statutory board.

At the balance sheet date, the Polytechnic's grants and fees receivables include four debtors (2011: three debtors) that individually represented 6-39% (2011: 10-24%) 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.

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track records with the Polytechnic.

#### (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:

	<b>2012</b>	2011
	<b>\$'000</b>	\$'000
Past due one month	<b>1,086</b>	298
Past due two months	<b>88</b>	6
Past due over two months	<b>511</b>	64
	<b>1,685</b>	368

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 21. FINANCIAL RISK MANAGEMENT (continued)

### Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Polytechnic for managing liquidity risk included cash and short-term deposits as disclosed in Note 15.

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.

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

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000
<b>At 31 March 2012</b>			
Trade and other payables	41,888	-	-
<b>At 31 March 2011</b>			
Trade and other payables	45,679	-	-

### Interest rate risk

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

	2012 \$'000	2011 \$'000
<b>Fixed rate instruments</b>		
Quoted bonds**	5,500	5,450
<b>Variable rate instruments</b>		
Cash with AGD	127,157	146,761
Fixed deposits	100,252	98,572
	<b>227,409</b>	<b>245,333</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

## 21. FINANCIAL RISK MANAGEMENT (continued)

### **Interest rate risk** (continued)

#### *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.

	<b>Surplus/deficit</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash with AGD and fixed deposits	<b>2,274</b>	<b>2,453</b>

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 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 2012

## 21. FINANCIAL RISK MANAGEMENT (continued)

### *Fair value measurements* (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2012</b>				
Quoted bonds	5,500	-	-	5,500
<b>2011</b>				
Quoted bonds	5,450	-	-	5,450

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.

## 22. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Polytechnic's accounting periods beginning on or after 1 April 2012 or later periods and which the Polytechnic has not early adopted:

- Amendments to SB-FRS 1 – *Presentation of Items of Other Comprehensive Income* (effective for annual periods beginning on or after 1 July 2012)

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

## 23. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Governors of Singapore Polytechnic on 29 June 2012.





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