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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 SPEIC3 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 re-conceptualised 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, benefiting 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 Suamti Lauer 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

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
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
By Chairman: Mr Bill Chang Yerk Chye
Members: Prof Choo Siaw Kiang
Mr Gan Boon San
Mr Johnny Tan Cheng Hye
Mr Tan Hang Cheong
Ms Tan Gwee Kwee
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
Ms 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 Yerk 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 Goh Chee Hian
Members: Dr Michael Edward Brown
Prof Pang Yang Hoong
Secretary: Mr Tan Peng Sen
Mrs Elizabeth Ann Khoo Lee May Yong (from 1 June 2011)

Board of Studies
Chairman: Mr Tan Hang Cheong
Members: Mr Hee Jhy Liang
Mr Lim Peng Hun
Dr Chai Mei San
Dr Dave Chong Tat Weng
Mr Lam Chee Yan
Dr Timothy Chan Wai Kuen
Mr Chang Boon Hai
Mrs Cheong Yuen Chyi
Mrs Liang Si Gek
Mr Fais Akbar Haji Maideen
Mrs Elizabeth Ann Khoo Lee May Yong (from 1 June 2011)
Mrs Lam Yok Peng
Mr Lee See Yew
Mr Ng Eng Heng
Mr Ng Weng Lam
Miss Pee Suat Hoon
Ms Georgina Phua Hwee Choo
Mr Roland Tan Keng Heok
Mr Tan Yes Meng
Mr Williams Chan Weng Lwin
Mr Jimmy Chew Kwok Tim
Mr Ho Sun Lim
Mr Lee Chee Whye
Mdm Lee Keng Keng
Mr Kelly Lee Wei Kin
Mr Celeb Yee Kok Choy (till 30 Sep 2011)
Mrs Tan Yeo Ah Choo
Ms Jennifer Wong Pui Cheng
Mrs Yap Siew Lay
Dr Audrey A Yuen
Mr Tan Peng Ann

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Mr Tan Yes Meng
Mr Williams Chan Weng Lwin
Mr Jimmy Chew Kwok Tim
Mr Ho Sun Lim
Mr Lee Chee Whye
Mdm Lee Keng Keng
Mr Kelly Lee Wei Kin
Mr Celeb Yee Kok Choy (till 30 Sep 2011)
Mrs Tan Yeo 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

### 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 Guik

Director, Organisation Development  
Mr Henry Tan Hin Teck

### TECHNOLOGY AND INDUSTRY
Deputy Principal  
Mr Lim Peng Hun

Director, Alumni Relations Office  
Mr Song Nay Hay

Director, Industry Services  
Mr Song Nay Hay

Director, Professional & Adult Continuing Education (PACE) Academy  
Mr V Mohanatharan

Director, Technology Development Office  
Mr Lim Peng Hun

### 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 Chen Sing

Senior Manager, Leadership Academy  
Miss Caroline Hu Wei Choo (Director till 12 Jan 2012)  
Ms Tan Lee Hua (Senior Manager from 13 Jan 2012)
INFRASSTRUCTURE 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 Pah Heo Tat

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 Fars 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 Hg Eng Hong

Director, Singapore Maritime Academy
Mr Roland Tan Keng Hock
FACTS AND FIGURES

GRADUATE OUTPUT & EMPLOYMENT

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 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.

CONTINUING EDUCATION PROGRAMMES

37,415

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.

STAFF STRENGTH

1,494

comprising 903 academic staff and 591 administrative and support staff.

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.
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.

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.

April 2011
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”.

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 160,946.

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.
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.

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.
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.
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.

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”.

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.

August 2011

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

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

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.
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.

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

October 2011

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.

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

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.

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.

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

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.

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.
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.
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

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*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

### Operating income

<table>
<thead>
<tr>
<th></th>
<th>Course fees</th>
<th>Other fees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>40,940</td>
<td>39,762</td>
<td>16,053</td>
</tr>
<tr>
<td>2011</td>
<td>41,851</td>
<td>40,709</td>
<td>16,053</td>
</tr>
</tbody>
</table>

### Operating expenditure

<table>
<thead>
<tr>
<th></th>
<th>Staff costs</th>
<th>Teaching materials</th>
<th>Repairs and maintenance</th>
<th>Depreciation of property, plant and equipment</th>
<th>Development expenses written-off</th>
<th>Staff development and benefits</th>
<th>Other expenditure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>(170,473)</td>
<td>(7,914)</td>
<td>(14,601)</td>
<td>(31,797)</td>
<td>(13,617)</td>
<td>(4,682)</td>
<td>(26,441)</td>
<td>(270,288)</td>
</tr>
<tr>
<td>2011</td>
<td>(173,523)</td>
<td>(6,760)</td>
<td>(15,674)</td>
<td>(29,607)</td>
<td>(9,730)</td>
<td>(4,723)</td>
<td>(23,521)</td>
<td>(264,092)</td>
</tr>
</tbody>
</table>

### Operating deficit

<table>
<thead>
<tr>
<th></th>
<th>(228,437)</th>
<th>(223,983)</th>
<th>(1,459)</th>
<th>(230,798)</th>
<th>(225,442)</th>
</tr>
</thead>
</table>

### Non-operating income

<table>
<thead>
<tr>
<th></th>
<th>Donations</th>
<th>Interest income - banks</th>
<th>Rental income - operating leases</th>
<th>Other income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>-</td>
<td>800</td>
<td>213</td>
<td>2,222</td>
<td>2,655</td>
</tr>
<tr>
<td>2011</td>
<td>-</td>
<td>712</td>
<td>1,824</td>
<td>2,249</td>
<td>4,085</td>
</tr>
</tbody>
</table>

### (Deficit) / Surplus before grants

<table>
<thead>
<tr>
<th></th>
<th>(225,218)</th>
<th>(220,713)</th>
<th>6,526</th>
<th>7,352</th>
<th>(228,770)</th>
</tr>
</thead>
</table>

### Grants

<table>
<thead>
<tr>
<th></th>
<th>249,830</th>
<th>246,597</th>
<th>250,085</th>
<th>246,798</th>
</tr>
</thead>
</table>

### Surplus for the year

<table>
<thead>
<tr>
<th></th>
<th>24,612</th>
<th>25,884</th>
<th>6,522</th>
<th>7,253</th>
<th>31,134</th>
</tr>
</thead>
</table>

### Other comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>Net change in fair value of financial assets, available-for-sale</th>
<th>Total comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>-</td>
<td>24,612</td>
</tr>
</tbody>
</table>

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

**For the financial year ended 31 March 2012**

<table>
<thead>
<tr>
<th>Note</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Endowment fund (Capital)</td>
<td>8</td>
<td>18,242</td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- General fund</td>
<td></td>
<td>140,219</td>
</tr>
<tr>
<td>- Other funds</td>
<td>8</td>
<td>99,607</td>
</tr>
<tr>
<td>- Fair value reserve</td>
<td></td>
<td>575</td>
</tr>
<tr>
<td><strong>Total capital and other funds</strong></td>
<td></td>
<td><strong>258,643</strong></td>
</tr>
</tbody>
</table>

Represented by:

**Non-current assets**

| 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 |
| **Total non-current assets**   | | **292,335** | **291,918** |

**Current assets**

| Available-for-sale financial assets | 11 | - | - |
| Trade and other receivables        | 14 | 25,363 | 24,197 |
| Cash and cash equivalents          | 15 | 308,493 | 280,364 |
| **Total current assets**           | | **333,856** | **304,561** |

| Government grants received in advance | 17 | 45,088 | 43,656 |
| **Total assets**                     | | **626,191** | **596,479** |

**Current liabilities**

| Trade and other payables | 16 | 41,888 | 45,679 |
| Government grants received in advance | 17 | 45,088 | 43,656 |
| **Total current liabilities**      | | **86,976** | **89,335** |

| **Net current assets** | | **246,880** | **215,226** |

**Non-current liabilities**

| Deferred capital grants | 18 | 280,572 | 280,509 |
| **Total liabilities**    | | **367,548** | **369,844** |

| **Net assets**           | | **258,643** | **226,635** |

| Funds managed on behalf of the Ministry | 19 | 5,497 | 5,709 |
| Funds’ net assets managed on behalf of the Ministry | 19 | (5,497) | (5,709) |

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*

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

The accompanying notes form an integral part of these financial statements.
## STATEMENT OF CASH FLOWS

*For the financial year ended 31 March 2012*

<table>
<thead>
<tr>
<th>Note</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

### Cash flows from operating activities

- **Deficit before grants**
  - 2012: (218,951)
  - 2011: (213,661)

- **Adjustments for:**
  - **Depreciation of property, plant and equipment**
    - 9: 32,662
    - 10: 30,339
  - **Interest income**
    - 74: (1,406)
    - 54: (1,261)
  - **Loss on disposal of property, plant and equipment**
    - 74: 76
    - 54: 54

**Net cash used in operating activities**

- 2012: (187,621)
- 2011: (184,529)

### Changes in working capital:

- **Trade and other receivables**
  - 2012: (3,349)
  - 2011: 1,288
- **Staff and student loans**
  - 2012: 106
  - 2011: (47)
- **Trade and other payables**
  - 2012: (3,791)
  - 2011: 7,470

**Net cash used in operating activities**

- 2012: (194,655)
- 2011: (175,818)

### Cash flows from investing activities

- **Interest received**
  - 2012: 1,406
  - 2011: 1,261
- **Purchases of property, plant and equipment**
  - 2012: (33,235)
  - 2011: (41,458)
- **Proceeds from disposals of property, plant and equipment**
  - 2012: 26
  - 2011: 45

**Cash flows used in investing activities**

- 2012: (31,803)
- 2011: (40,152)

### Cash flows from financing activities

- **Development grants received from Government**
  - 2012: 11,183
  - 2011: 18,213
- **IT and F & E grants received from Government**
  - 2012: 25,791
  - 2011: 23,995
- **Innovation grants received from Government**
  - 2012: 902
  - 2011: 931
- **Operating grants received from Government**
  - 2012: 212,897
  - 2011: 217,195
- **Operating grants received from non-government organisations**
  - 2012: 3,814
  - 2011: 2,859
- **Contributions and donations received for the endowment fund (capital)**
  - 2012: -
  - 2011: 2,015
- **Net decrease/increase in fixed deposits with more than three months maturity**
  - 2012: 21,052
  - 2011: (56,692)
- **Proceeds from the maturity of financial assets, available-for-sale**
  - 2012: -
  - 2011: 3,000

**Net cash provided by financing activities**

- 2012: 275,839
- 2011: 211,516

**Net increase/(decrease) in cash and cash equivalents**

- 2012: 49,181
- 2011: (4,454)

**Cash and cash equivalents at beginning of the year**

- 2012: 183,015
- 2011: 187,469

**Cash and cash equivalents at end of the year**

- 2012: 232,196
- 2011: 183,015

*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.
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.
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.
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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold land</td>
<td>Leasehold period ranging from 21 to 86 years</td>
</tr>
<tr>
<td>Building</td>
<td>Over the lease period</td>
</tr>
<tr>
<td>(campus and staff quarters)</td>
<td>(subject to maximum of 50 years)</td>
</tr>
<tr>
<td>Building improvements</td>
<td>5 years</td>
</tr>
<tr>
<td>Equipment and furniture</td>
<td>3 to 10 years</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>5 years</td>
</tr>
</tbody>
</table>

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.
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.
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

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>161,281</td>
<td>164,721</td>
</tr>
<tr>
<td>Employer’s contribution to Central Provident Fund</td>
<td>14,849</td>
<td>14,639</td>
</tr>
<tr>
<td>Other staff benefits</td>
<td>1,347</td>
<td>1,374</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>177,477</td>
<td>180,734</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>6,458</td>
<td>6,781</td>
</tr>
<tr>
<td>Employer’s contribution to defined contribution plans, including Central Provident Fund</td>
<td>304</td>
<td>267</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,762</td>
<td>7,048</td>
</tr>
</tbody>
</table>
### 4. OTHER EXPENDITURE

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

### 5. OTHER INCOME

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding for Research &amp; Development projects</td>
<td>1,071</td>
<td>908</td>
</tr>
<tr>
<td>Student welfare fund</td>
<td>595</td>
<td>1,102</td>
</tr>
<tr>
<td>Income from use of campus, sports facilities</td>
<td>1,436</td>
<td>1,348</td>
</tr>
<tr>
<td>Consultancy income</td>
<td>1,589</td>
<td>1,335</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>2,889</td>
<td>2,708</td>
</tr>
<tr>
<td></td>
<td><strong>7,580</strong></td>
<td><strong>7,401</strong></td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

6. GRANTS

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Operating grants received from</td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>- Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Note 7)</td>
<td>202,400</td>
<td>206,142</td>
</tr>
<tr>
<td>- Non-government</td>
<td>1,918</td>
<td>1,019</td>
</tr>
<tr>
<td>- Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Note 18)</td>
<td>29,890</td>
<td>27,853</td>
</tr>
<tr>
<td>- Non-government</td>
<td>2,005</td>
<td>1,853</td>
</tr>
<tr>
<td>(Note 17)</td>
<td>13,617</td>
<td>9,730</td>
</tr>
<tr>
<td></td>
<td>249,830</td>
<td>246,597</td>
</tr>
</tbody>
</table>

7. OPERATING GRANTS - GOVERNMENT

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

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:

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

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:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of financial year</td>
<td>17,817</td>
<td>13,083</td>
</tr>
<tr>
<td>Transfer to endowment fund (non-capital)</td>
<td>(399)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from general funds</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Donations received from third parties</td>
<td>824</td>
<td>2,734</td>
</tr>
<tr>
<td>At end of financial year</td>
<td>18,242</td>
<td>17,817</td>
</tr>
</tbody>
</table>

Represented by:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed deposits</td>
<td>16,699</td>
<td>17,097</td>
</tr>
<tr>
<td>Amount due from Ministry</td>
<td>1,543</td>
<td>719</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>18,242</td>
<td>17,817</td>
</tr>
</tbody>
</table>

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

Miscellaneous Funds Present funding for:
(i) short and continuing education courses;
(ii) upgrading courses;
(iii) upgrading campus facilities to meet the demand for development in technological skills;
(iv) implementation of programmes to achieve the goals of the Polytechnic; and
(v) maintenance and upgrading of staff quarters.
### 8. OTHER FUNDS (continued)

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>2012</th>
<th>2011</th>
<th>2012</th>
<th>2011</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment fund (non-corporate)</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Student welfare &amp; development fund</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Miscellaneous funds</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Total</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

#### Operating income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Course fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,053</td>
<td>14,944</td>
<td>16,053</td>
<td>14,944</td>
<td>16,053</td>
<td>14,944</td>
</tr>
</tbody>
</table>

#### Operating expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>staff costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-7,004</td>
<td>-7,211</td>
</tr>
<tr>
<td>depreciation of property, plant and equipment</td>
<td>-</td>
<td>(65)</td>
<td>(45)</td>
<td>(802)</td>
<td>(887)</td>
<td>(805)</td>
</tr>
<tr>
<td>teaching materials</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(614)</td>
<td>(584)</td>
<td>(614)</td>
</tr>
<tr>
<td>staff development and benefits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-14</td>
<td>-14</td>
<td>-14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,053</td>
<td>14,944</td>
<td>16,053</td>
<td>14,944</td>
<td>16,053</td>
<td>14,944</td>
</tr>
</tbody>
</table>

#### Operating (deficit)/surplus

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>376</td>
<td>227</td>
<td>255</td>
<td>255</td>
<td>255</td>
</tr>
</tbody>
</table>

#### Non-operating income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>donations</td>
<td>840</td>
<td>1,127</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>interest income – banks</td>
<td>79</td>
<td>91</td>
<td>10</td>
<td>10</td>
<td>577</td>
<td>468</td>
</tr>
<tr>
<td>rental income – operating leases</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,824</td>
<td>1,779</td>
<td>1,824</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>840</td>
<td>1,127</td>
<td>10</td>
<td>10</td>
<td>1,824</td>
<td>1,779</td>
</tr>
</tbody>
</table>

#### Surplus/(deficit) before grants

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>grants</td>
<td>399</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,286</td>
<td>4,787</td>
<td>4,179</td>
<td>4,406</td>
<td>87,142</td>
<td>83,493</td>
</tr>
</tbody>
</table>

### Accumulated surplus at 1 April

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>8,286</td>
<td>4,787</td>
<td>4,179</td>
<td>4,406</td>
<td>87,142</td>
<td>83,493</td>
</tr>
</tbody>
</table>

### Inter-fund transactions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>transfer from endowment fund (capital)</td>
<td>399</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,286</td>
<td>4,787</td>
<td>4,179</td>
<td>4,406</td>
<td>87,142</td>
<td>83,493</td>
</tr>
</tbody>
</table>

### Accumulated surplus at 31 March

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>8,286</td>
<td>4,787</td>
<td>4,179</td>
<td>4,406</td>
<td>87,142</td>
<td>83,493</td>
</tr>
</tbody>
</table>

Represented by:

- Property, plant and equipment: - - 633 675 4,749 4,553 5,382 5,228
- Staff and student loans: - - 395 410 1 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 77,776 89,698 85,786
- Receivables, deposits and prepayments: 31 18 - - 2,468 2,031 2,515 2,049
- Payables, deposits and accruals: (17) (20) - - (3,908) (3,525) (6,077)
- Deferred Capital Grants: - - - (492) (747) (492) (747)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>8,286</td>
<td>4,787</td>
<td>4,179</td>
<td>4,406</td>
<td>87,142</td>
<td>83,493</td>
</tr>
</tbody>
</table>

NOTES TO THEFINANCIAL STATEMENTS
For the financial year ended 31 March 2012
### Property, Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>Leasehold land</th>
<th>Building (campus and staff quarters)</th>
<th>Building improvements</th>
<th>Equipment and furniture</th>
<th>Motor vehicles</th>
<th>Construction-in-progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of financial year</td>
<td>56,518</td>
<td>271,345</td>
<td>70,388</td>
<td>276,425</td>
<td>142</td>
<td>-</td>
<td>683,818</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>1,202</td>
<td>12,300</td>
<td>19,536</td>
<td>-</td>
<td>197</td>
<td>33,235</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(504)</td>
<td>(14,937)</td>
<td>-</td>
<td>-</td>
<td>(15,441)</td>
</tr>
<tr>
<td>End of financial year</td>
<td>56,518</td>
<td>272,247</td>
<td>91,184</td>
<td>281,024</td>
<td>142</td>
<td>197</td>
<td>701,612</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of financial year</td>
<td>18,969</td>
<td>108,922</td>
<td>53,933</td>
<td>216,979</td>
<td>26</td>
<td>-</td>
<td>398,829</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>809</td>
<td>5,790</td>
<td>6,071</td>
<td>19,962</td>
<td>28</td>
<td>-</td>
<td>33,562</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(504)</td>
<td>(14,837)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(15,341)</td>
</tr>
<tr>
<td>End of financial year</td>
<td>18,778</td>
<td>114,714</td>
<td>59,500</td>
<td>222,104</td>
<td>54</td>
<td>-</td>
<td>416,150</td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End of financial year</td>
<td>36,740</td>
<td>157,833</td>
<td>31,684</td>
<td>58,920</td>
<td>88</td>
<td>197</td>
<td>285,462</td>
</tr>
<tr>
<td><strong>2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of financial year</td>
<td>56,518</td>
<td>236,902</td>
<td>66,016</td>
<td>265,462</td>
<td>176</td>
<td>-</td>
<td>658,569</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>34,443</td>
<td>13,799</td>
<td>26,589</td>
<td>142</td>
<td>(33,515)</td>
<td>41,458</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(427)</td>
<td>(15,626)</td>
<td>(176)</td>
<td>-</td>
<td>(16,130)</td>
</tr>
<tr>
<td>End of financial year</td>
<td>56,518</td>
<td>271,345</td>
<td>72,348</td>
<td>276,425</td>
<td>142</td>
<td>-</td>
<td>683,818</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of financial year</td>
<td>18,160</td>
<td>103,568</td>
<td>49,737</td>
<td>212,979</td>
<td>176</td>
<td>-</td>
<td>384,620</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>809</td>
<td>5,354</td>
<td>4,623</td>
<td>19,527</td>
<td>26</td>
<td>-</td>
<td>30,339</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(427)</td>
<td>(15,527)</td>
<td>(276)</td>
<td>-</td>
<td>-</td>
<td>(16,100)</td>
</tr>
<tr>
<td>End of financial year</td>
<td>18,969</td>
<td>118,432</td>
<td>53,933</td>
<td>210,252</td>
<td>26</td>
<td>-</td>
<td>398,809</td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End of financial year</td>
<td>37,549</td>
<td>162,423</td>
<td>25,455</td>
<td>59,446</td>
<td>116</td>
<td>-</td>
<td>284,989</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

10. INVESTMENT IN SUBSIDIARIES

<table>
<thead>
<tr>
<th>Name of companies</th>
<th>Principal activities</th>
<th>Country of incorporation</th>
<th>Equity investments at cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2012 $'000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Beginning</td>
</tr>
<tr>
<td>Innomart Pte Ltd</td>
<td>Investment holding company</td>
<td>Singapore</td>
<td>100%</td>
</tr>
<tr>
<td>Singapore Polytechnic International Pte Ltd</td>
<td>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</td>
<td>Singapore</td>
<td>100%</td>
</tr>
</tbody>
</table>

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

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

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”)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Loan</td>
<td>2,275</td>
<td>2,500</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>246</td>
<td>246</td>
</tr>
<tr>
<td></td>
<td>2,521</td>
<td>2,746</td>
</tr>
<tr>
<td>Allowance for interest receivable</td>
<td>(246)</td>
<td>(246)</td>
</tr>
<tr>
<td>Allowance for doubtful receivables</td>
<td>(2,275)</td>
<td>(2,500)</td>
</tr>
</tbody>
</table>

Movements in allowance for doubtful receivables are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>At beginning of financial year</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Allowance written back</td>
<td>(225)</td>
<td>-</td>
</tr>
<tr>
<td>At end of financial year</td>
<td>2,275</td>
<td>2,500</td>
</tr>
</tbody>
</table>

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.
### 13. STAFF AND STUDENT LOANS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Repayable after 12 months:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff loans</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Student loans</td>
<td>267</td>
<td>370</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>273</td>
<td>379</td>
</tr>
<tr>
<td>Repayable within 12 months (Note 14):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff loans</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Student loans</td>
<td>128</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>132</td>
<td>45</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

17. GOVERNMENT GRANTS RECEIVED IN ADVANCE

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

18. DEFERRED CAPITAL GRANTS

<table>
<thead>
<tr>
<th></th>
<th>Government</th>
<th>Non-Government</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>At beginning of financial year</td>
<td>274,895</td>
<td>264,414</td>
<td>5,614</td>
</tr>
<tr>
<td>Add :</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development grants from MOE (Note 17)</td>
<td>23,524</td>
<td>22,021</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from operating grants (Note 7)</td>
<td>6,792</td>
<td>16,514</td>
<td>-</td>
</tr>
<tr>
<td>Grants received</td>
<td>-</td>
<td>-</td>
<td>1,897</td>
</tr>
<tr>
<td></td>
<td>30,316</td>
<td>38,535</td>
<td>1,897</td>
</tr>
<tr>
<td>Less :</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant taken to income statement (Note 6)</td>
<td>(30,145)</td>
<td>(28,054)</td>
<td>(2,005)</td>
</tr>
<tr>
<td>At end of financial year</td>
<td>275,066</td>
<td>274,895</td>
<td>5,506</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Advances from the Ministry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At beginning of financial year</td>
<td>5,709</td>
<td>5,478</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances received</td>
<td>-</td>
<td>298</td>
</tr>
<tr>
<td>Interest income</td>
<td>25</td>
<td>71</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances repaid</td>
<td>(237)</td>
<td>(137)</td>
</tr>
<tr>
<td>Bad debts</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>At end of financial year</td>
<td>5,497</td>
<td>5,709</td>
</tr>
</tbody>
</table>

Represented by:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>67</td>
<td>170</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>121</td>
<td>276</td>
</tr>
<tr>
<td>Tuition fees and study loans</td>
<td>5,034</td>
<td>4,652</td>
</tr>
<tr>
<td>Staff housing loans</td>
<td>402</td>
<td>611</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(127)</td>
<td>-</td>
</tr>
<tr>
<td>Net assets</td>
<td>5,497</td>
<td>5,709</td>
</tr>
</tbody>
</table>

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 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:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount approved and contracted for</td>
<td>16,881</td>
<td>13,818</td>
</tr>
<tr>
<td>Amount approved but not contracted for</td>
<td>46,119</td>
<td>29,328</td>
</tr>
</tbody>
</table>

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.
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:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past due one month</td>
<td>1,086</td>
<td>298</td>
</tr>
<tr>
<td>Past due two months</td>
<td>88</td>
<td>6</td>
</tr>
<tr>
<td>Past due over two months</td>
<td>511</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>1,685</td>
<td>366</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Less than 1 year</th>
<th>Between 1 and 2 years</th>
<th>Between 2 and 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 March 2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>41,888</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 March 2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>45,679</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Interest rate risk

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

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed rate instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted bonds**</td>
<td>5,500</td>
<td>5,450</td>
</tr>
<tr>
<td>Variable rate instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash with AGD</td>
<td>127,157</td>
<td>146,761</td>
</tr>
<tr>
<td>Fixed deposits</td>
<td>100,252</td>
<td>98,572</td>
</tr>
<tr>
<td></td>
<td>227,409</td>
<td>245,333</td>
</tr>
</tbody>
</table>

** 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.

<table>
<thead>
<tr>
<th>Surplus/deficit</th>
<th>2012 $’000</th>
<th>2011 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash with AGD and fixed deposits</td>
<td>2,274</td>
<td>2,453</td>
</tr>
</tbody>
</table>

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).
21. FINANCIAL RISK MANAGEMENT (continued)

Fair value measurements (continued)

<table>
<thead>
<tr>
<th></th>
<th>Level 1 $’000</th>
<th>Level 2 $’000</th>
<th>Level 3 $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted bonds</td>
<td>5,500</td>
<td>-</td>
<td>-</td>
<td>5,500</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted bonds</td>
<td>5,450</td>
<td>-</td>
<td>-</td>
<td>5,450</td>
</tr>
</tbody>
</table>

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.