

Advancing Innovation And Sustainability In Education



ANNUAL REPORT
2022-2023

OUR MISSION

As a polytechnic for all ages
we prepare our learners to be
life ready, work ready, and world ready
for the transformation of Singapore

OUR VISION

Inspired Learner. Serve with Mastery.
Caring Community.

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

OUR CORE VALUES

The SP CORE values are:
Self-Discipline
Personal Integrity
Care & Concern
Openness
Responsibility
Excellence

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CHAIRMAN'S MESSAGE

Ms Janet Ang

Chairman
The Board of Governors
Singapore Polytechnic



When countries began to reopen in 2022, Singapore Polytechnic (SP) took pride in ensuring that our learners could seamlessly transition into a post-Covid environment. This was made possible because SP took decisive actions during the pandemic to shift gears and move quickly to adopt Flipped Learning (FL) in full force.

During the pandemic, there was also a common realisation that the world of work and our way of life have been altered significantly. There is an increasing recognition that humanity's collective actions critically impact climate change and the environment. These unprecedented consequences highlighted the centrality of sustainability and the existential threat of climate change on society, businesses, the industry, education, and our way of life. As a collective, humanity faces a critical challenge and an imperative need to work together to foster innovation and create business and training solutions more sustainably.

Driving Pedagogical Innovation

At SP, pedagogical innovation takes centre stage. While experimentation with FL started early in 2015, it extended to all PET students starting with synchronous online learning during the pandemic, before all modules with lecture components were converted into FL by Academic Year 2022. Now lecturers can leverage data to analyse and understand students' learning needs and to customise support to meet these needs. Lecturers are now experimenting with video analytics to monitor the video-watching behaviour of students to gain insights on how often learners rewind, fast-forward, and rewatch certain video segments. With data-enabled learning and analysis, lecturers can better innovate our pedagogies and improve the student learning experience.

In January 2023, SP launched the Common Science Programme during the Joint Admission Exercise (JAE). The first intake of students will experience a specially curated curriculum with modules from various constituent diplomas.



This will provide students with insights into the different scientific disciplines and enable our learners to better decide on the choice of diploma and the specialisation they want to pursue in their future career.

Championing Sustainability

Moving forward, SP has committed to becoming a champion for sustainability in support of the SG Green Plan. As an educational institution operating in a multifaceted world, we have the privilege and responsibility to shape the minds of more than 10 per cent of each birth cohort in Singapore. SP is dedicated to minimising its ecological footprint and fostering a greener future for generations ahead. SP believes that integrating sustainable practices in its curriculum and campus operations will benefit the environment, enhance business resilience, and provide long-term value to its stakeholders.

To enable the SP Management team (SPM) to sense-make and learn about the dynamic nature and threat of climate change, carbon emissions, and the need for industry and societal transformation, the SPM attended a workshop

conducted by Paia Consulting and arranged by the SP Centre for Environmental Sustainability & Energy Efficiency (ESEE). The SPM also examined priority areas to transform campus operations, equip and instil in our PET students the importance of sustainability, and support industry transformation under the Singapore Green Plan 2030. Today, sustainability is incorporated into our Common Core Curriculum and embedded in our respective disciplines' modules.

SP is the first polytechnic to award a consultant to develop a net zero sustainability roadmap by 2024. We will partner with KPMG, a leading professional services firm, to work closely with SP staff, faculty and students to drive campus decarbonisation and co-create positive and impactful change within the polytechnic, the industry and the community. In addition, SP students will have the opportunity to learn alongside KPMG's experts and be offered opportunities for job attachments within KPMG. They will also be able to learn from other participants, such as Small and Medium Enterprises (SMEs), industry experts, researchers and government agencies during their learning experiences.

SP will also roll out new sustainability and green skills courses under the SkillsFuture Singapore's Green Skills Cluster at the CET front. The comprehensive courses cover generating sustainability awareness, honing cross-sector and cross-functional skills, and equipping designated job functions with sector-specific skills. SP is also the first Institute of Higher Learning (IHL) to introduce a 'Best-in-Class' programme in Environmental Sustainability and Energy Efficiency – Sustainability Lead' and 'Sustainability Transformation through Green Compass™' course for industry leaders intent on embarking on environmental sustainability and energy efficiency transformation.

Using Green Compass™ as an environmental sustainability assessment and road mapping tool, a collaboration by SP, Jurong Town Corporation (JTC), A*STAR-Singapore Institute of Manufacturing Technology, Enterprise Singapore (EnterpriseSG), TÜV SÜD Asia Pacific, the Singapore Manufacturing Federation (SMF), the Singapore Precision Engineering and Technology Association (SPETA), businesses can understand their environmental impact, and support their sustainability journey to lower business costs, improve resource efficiency, and help their transformation to more sustainable operations.

Strengthening Partnerships with Industry on Innovation and Sustainability

SP continues strengthening its research capabilities by forging collaboration and synergy with industry partners to generate innovative solutions for more significant environmental and societal impact.

At the Singapore Week of Innovation and Technology (SWITCH) in October 2022, SP launched two new Centres of Innovation (COIs) – Centre of Innovation in Beauty and Personal Care @ Consumer Chemicals Technology Centre (COI-BPC) and Centre of Innovation for Built Environment Advanced Materials (COIBE-AM). This was in collaboration with Republic

Polytechnic and Temasek Polytechnic to support SMEs with technology innovation for growth. The COI-BPC serves to strengthen product development efforts in clean beauty, green cosmetics and innovative product formulation. In contrast, the COIBE-AM aims to uplift SMEs' capabilities in advanced construction materials and chemical formulations to meet sustainability, design and construction industry requirements.

In November 2022, SP launched Singapore's first semi-automated Solar PV Pilot Demonstration Recycling Line. The pilot plant facility serves to address the exponential rise in photovoltaic (PV) waste as more industries move towards solar energy deployment. With a target recycling capacity of 80 panels per day and a high recovery rate of up to 95 per cent for precious materials, including silver, silicon, aluminium, copper, and glass, the PV recycling facility has demonstrated the commercial viability for large-scale recycling of used solar panels. To further intensify research and development efforts to improve the performance of solar PV systems and develop innovative ways to integrate them into the urban environment, SP and Sembcorp Industries (Sembcorp) set up the SP-Sembcorp Solar PV Research Lab. For this innovation, the team from the SP Advanced Materials Technology Centre (AMTC) received the Ministry

of Education's Minister's Innovation Award (MIA) for developing a new environmentally friendly solution capable of extracting precious metals from electronic waste. Over the past two years, nine local companies have taken up 13 licenses for these technologies to foster a more robust and environmentally conscious business culture.

Prioritising Lifelong Learning

In promoting the spirit of continual learning and guided by our belief to train with and for the industry, SP continues to establish partnerships with agencies and key industry players to co-develop and co-deliver Continuing Education and Training (CET) offerings for adult learners.

At the Industrial Transformation Asia-Pacific (ITAP) 2022, SP showcased our collaboration with AI Singapore, SkillsFuture Singapore (SSG), and the Singapore Chinese Chamber of Commerce and Industry (SCCCI) by signing an MoU to launch the Best-in-Class, Artificial Intelligence (AI) Lead Programme. This overseas training programme serves to broaden SMEs' exposure to industry AI technologies and enable them to appreciate, understand, adopt, and transform critical technical processes in their businesses.

To support mid-career workers in their career transitions as they pivot into new functions or

sectors, SP launched six SkillsFuture Career Transition Programmes (SCTPs) progressively. This is in partnership with technology companies such as Huawei, Amazon Web Services, and SIA Engineering Company. To date, 45 participants have enrolled into SFTP programmes.

To address the shortage of local tech talent, SP and Huawei ICT Academy launched an industry certification-based 'train and place' course on Artificial Intelligence (AI), cloud services, and storage solutions. The course is part of the SkillsFuture Career Transition Programme (SFTP) and is supported by SSG. It serves to enable local talents to pick up new skills as they pivot to the ICT sector and significantly enhance their career prospects and employability.

Similarly, SP is partnering DataStax, a real-time data company, to incorporate training and certification programmes into our curricula. This is to support the national digitalisation initiatives by training industry professionals to become real-time data experts. It will also allow SP to cultivate the next generation of digital talent and bridge the skills gap to enable organisations to participate or lead in the Singapore Smart Nation and i4.0 initiatives.

SP also worked closely with companies like Singapore Pools in curriculum innovation to co-design and co-develop four micro-credential modules. This will help to upskill 2,400 frontline service and mid-career staff whose job roles were impacted by the company's technology adoption.

Besides deepening our relationship with SMEs, SP also recognised the importance of equipping our learners with the knowledge and technical skills to succeed in the ever-evolving work environment. In February 2023, the Department of Industry & Partnerships (INP) organised SP XPAND, which boasted an exciting line-up of keynote addresses, interactive booths with prospective employers, networking opportunities, and industry professionals' sharing of the top in-demand skills for Singapore's critical areas of growth: the Digital Economy, Green Economy, Care Economy and Industry 4.0. Themed "The Future of Work", the event provided essential resources to help our





graduates navigate beyond the classrooms and into the working world, as well as networking opportunities for our wide network of industry partners.

Accelerating Digitalisation to Boost Productivity

With most sectors recovering from post-COVID setbacks, SP continues to play a critical role in helping SMEs navigate the digital future by nurturing a vibrant and competitive ecosystem to help businesses thrive.

At ITAP 2022, Deputy Prime Minister Heng Swee Keat witnessed many industry-ready solutions on i4.0 at the SP Industrial Transformation Experience Zone. These exhibits included solutions in Advanced Manufacturing, 5G for manufacturing, climate resiliency, clean solar energy, electronic waste, and talent and workforce transformation. During the event, SP also signed MoUs with Advantech, Beckhoff, Paia Consulting, SSG, SCCC, and AI Singapore. Together, we are building a robust Industry 4.0 (i4.0) talent pipeline for Singapore.

For the Built Environment (BE) sector, SP inked eight MoUs with the BE Trade Associations and Chambers (TAC) at the 2022 International Built Environment Week (IBEW). Through these partnerships, the SP Data Science and Analytics Centre (DSAC) will provide digital solutions and offerings to enable TAC members to hasten the pace of digital transformation, boost operational efficiency and productivity, create business growth, and enhance business resilience among SMEs in the BE sector. Through the

Data-Driven Digital Transformation Programme (D3T), companies can also take an end-to-end approach to assess their digital readiness, identify pain points, and adopt implementable solutions. Since March 2023, 16 BE firms have completed the programme successfully.

In support of the SG Green Plan, SP also collaborated with Audacity, Grundfos, JTC Corporation, United Overseas Bank and Singapore Business Federation to organise a sustainability networking and knowledge-sharing conference on 19 August 2022, titled 'Values-Based Green Transition: For Singapore Businesses.' On the same day, SP launched the ESEE to serve as a one-stop centre to help enterprises and the workforce harness sustainability as a competitive advantage, invest in innovation, and seize new growth opportunities in the green economy. ESEE will be able to support large companies and SMEs in their green transition journey by offering a comprehensive suite of carbon abatement and energy efficiency solutions as well as carbon management and sustainability reporting consultancy services and solutions.

SP partnered with award-winning global marketing communications agency DDB Group Singapore to launch the Spark Agency (Spark). It will provide SMEs with integrated digital marketing, branding and social media capabilities and solutions. In its efforts to raise the take-up rate for more SMEs to adopt sustainable digital marketing initiatives, the agency's priority is to engage more than 100 SMEs in the next five years to identify their needs and equip them with the capabilities and resources to brand and market more effectively and profitably.

Embracing the Environment and Empowering People

As an institution for continuous learning, SP remains steadfast in equipping our learners to be future-ready. We believe fostering lifelong learning, innovation, and sustainability is imperative. At SP, we take pride in offering various opportunities for our students to be directly involved. We also believe that for Singapore to continue to thrive in a global environment, our learners must be self-directed and have a global mindset.

This is why we continue to run the Youth Model ASEAN Conference (YMAC) – a platform through which we bring the world to SP, where regional students interact with SP students intensely over several days. They conducted research, debated various environmental sustainability issues facing the region, offered possible solutions, and made friends with one another. In October 2022, YMAC 2022 saw 190 students from six ASEAN countries participating in the conference. In the same vein, 18 SP students went out into the world in December 2022, becoming the first batch of students who went on the first post-pandemic Overseas Service-Learning (OSL) trip to Chiang Mai, Thailand. There, they helped to construct a drinking fountain at Bankad High School as part of a collaborative effort to strengthen the country's plastic waste management system.

Whilst we will continue to equip our learners with tomorrow's skillsets, SP will also want to develop in our learners – personal well-being, grit, and resilience. In October 2022, SP held its first mental wellness carnival, 'Feeling Better', on campus, organised by the Student Services and students from the Diploma in Integrated Events & Project Management (DEPM). The event showcased a wide array of mental health resources to destigmatise mental health. It also provided

attendees with a safe space to discuss mental health conditions and to enable them to seek help when required.

At SP, our collective work is about empowering future generations. One of the ways we achieve this is through mentoring. Mentoring initiatives in SP, such as the Singapore Business Federation Foundation's Youth Connections programme and the In-Conversation sessions with the Board of Governors and Chairman, enable access to leaders and mentors, and provide our students with important resources to build their confidence. Mentors also provide support and inspire our students to pay it forward as mentors in the future.

We pride ourselves in providing our learners with a holistic education experience and enabling them to graduate with industry-relevant knowledge and work-ready skills to better contribute to the growth and development of Singapore's future workforce. Our academic faculty continues to upskill, train, and remain nimble to meet the demands and challenges of a constantly evolving industry and education landscape.

My Board of Governors and I extend our deepest gratitude to our students, staff, partners, alumni, and benefactors who have advanced SP's work and impact in many ways. Together, we will continue navigating SP's next chapter with resolute optimism and resilience.



BOARD OF GOVERNORS

From 1 April 2022 to 31 March 2023



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(Chairman)

Nominated Member of Parliament

Chairman, Public Transport Council

Chairman, Institute of Systems Science,
National University of Singapore

Chairman, SISTIC.com



2 MR MARCUS H C LAM

(Deputy Chairman)

Executive Chairman,
PricewaterhouseCoopers LLP



3 DR AZLINDA BTE ANWAR

(Member)

Coordinating Director
& Director (Grants & IP
Administration),
Temasek Life Sciences
Laboratory Limited



**4 PROF FREDDY
BOEY YIN CHIANG**

(Member)

Distinguished Professor and
President-Designate,
City University of Hong Kong

BOARD OF GOVERNORS

From 1 April 2022 to 31 March 2023



5 MR ALBERT CHAN
(Member)
Senior Advisor,
Kepner-Tregoe Inc.



6 MR JOSEPH CHUA
(Member)
Managing Director,
Aiken Digital
Director, Innoly Ventures



7 DC LIAN GHIM HUA
(Member)
Deputy Commissioner
(Operations)
Singapore Police Force



8 MR AMOS LEONG
(Member)
Business Partner,
MIRXES Pte Ltd



9 DR DAVID LOW
(Member)
Chief Executive Officer,
Advanced Remanufacturing
and Technology Centre,
A*STAR



10 MS JOAN MOH
(Member)
Divisional Director,
Higher Education (Planning,
Skills & Academic Research),
Ministry of Education

BOARD OF GOVERNORS

From 1 April 2022 to 31 March 2023



11 BG NG PAK SHUN
(Member)

Group Chief, Policy and
Strategy,
Group Chief, MINDEF
Transformation,
Ministry of Defence



12 MR SOH WAI WAH
(Member)
Principal & CEO,
Singapore Polytechnic



**13 MR DAVID
TAN WEI-SON**
(Member)
Founder and CEO,
TrustCapital Advisors
Investment Management Pte
Ltd



14 A/PROF TAN POH HONG
(Member)
Adjunct Associate Professor,
Department of Real Estate,
National University of Singapore



**15 MR MARTIN AXEL
WIKTORIN**
(Member)
President & Country Manager
of Ericsson Singapore,
Brunei & Philippines,
Ericsson
Telecommunications Pte Ltd

16 MR JOSEPH TEO
Registrar/Secretary,
Board of Governors,
Singapore Polytechnic

STANDING COMMITTEES

ADMINISTRATION & DEVELOPMENT COMMITTEE

Chairman: A/Prof Tan Poh Hong
Members: Dr Azlinda Bte Anwar
Dr David Low
Mr Martin Axel Wiktorin
Mr Soh Wai Wah
Secretary: Mr Eugene Phang

AUDIT COMMITTEE

Chairman: Mr Marcus H C Lam
Members: Mr Albert Chan
BG Ng Pak Shun
A/Prof Tan Poh Hong
Secretary: Mr Ronnie Chan Chin Sing

INDUSTRY & INNOVATION COMMITTEE

Co-Chairman: Mr Amos Leong
Dr David Low
Members: Mr Martin Axel Wiktorin
Mr Soh Wai Wah
Secretary: Ms Georgina Phua

INVESTMENT COMMITTEE

Chairman: Mr David Tan Wei-Son
Members: Dr Azlinda Bte Anwar
Mr Joseph Chua
Mr Soh Wai Wah
Secretary: Mr Teo Wui Khiang

NOMINATING COMMITTEE

Chairman: Mr Marcus H C Lam
Members: Ms Janet Ang
Mr Soh Wai Wah
Secretary: Mr Joseph Teo

RISK COMMITTEE

Chairman: Ms Janet Ang
Members: Mr Joseph Chua
Prof Freddy Boey Yin Chiang
Mr Soh Wai Wah
Secretary: Mr Henry Tan

STAFF DISCIPLINARY COMMITTEE

Chairman: Prof Freddy Boey Yin Chiang
Members: Mr Amos Leong
Ms Joan Moh
Secretary: Ms Lim Mong Ling

TALENT DEVELOPMENT COMMITTEE

Chairman: Ms Janet Ang
Members: DC Lian Ghim Hua
Ms Joan Moh
Mr Soh Wai Wah
Secretary: Ms Lim Mong Ling

MANAGEMENT TEAM

PRINCIPAL & CEO

Mr Soh Wai Wah

DEPUTY PRINCIPAL

Mr Lim Peng Hun,
Deputy Principal (Academic)
Mr Henry Tan Hin Teck,
Deputy Principal (Administration)
Ms Georgina Phua Hwee Choo,
Deputy Principal (Development)

SENIOR DIRECTOR

Mr Low Yew Chiong,
Senior Director
(Computing, Chemical & Life Sciences)
Dr Chai Min Sen,
Senior Director (Engineering)

Ms Tan Yen Yen,
Senior Director
(Business & The Creatives)
Dr Faris Akbar Hajamaideen,
Senior Director
(Built Environment & Maritime)
Ms Chao Yunn Chyi,
Senior Director (Common Core)

DEPUTY SENIOR DIRECTOR

Dr Tan Tuan Lin,
Deputy Senior Director
(Computing, Chemical & Life Sciences)
Mr Liew Chin Chuan,
Deputy Senior Director
(Computing, Chemical & Life Sciences)

Capt Mohd Salleh Bin Ahmad Sarwan,
Deputy Senior Director
(Built Environment & Maritime)
Dr Chong Chee Wei,
Deputy Senior Director (Engineering)
Dr Lim Joo Ghee,
Acting Deputy Senior Director
(Engineering)
Mrs Jacqueline Tan-Thoo,
Deputy Senior Director
(Business & The Creatives)
Ms Lim Lee Yee,
Deputy Senior Director (Common Core)

REGISTRAR

Mr Joseph Teo, Registrar

ACADEMIC SCHOOLS

BUILT ENVIRONMENT & MARITIME

Director, Architecture & the Built Environment
Dr Faris Akbar Hajamaideen

Director, Singapore Maritime Academy
Capt Mohd Salleh Bin Ahmad Sarwan

BUSINESS & THE CREATIVES

Director, Business
Mrs Jacqueline Tan-Thoo

Director, Media, Arts & Design
Ms Tan Yen Yen

COMMON CORE

Director, Life Skills & Communication
Ms Lim Lee Yee

Director, Mathematics & Science
Ms Chao Yunn Chyi

COMPUTING, CHEMICAL & LIFE SCIENCES

Director, Chemical & Life Sciences
Dr Tan Tuan Lin

Director, Computing
Mr Liew Chin Chuan

ENGINEERING

Acting Director, Electrical & Electronic Engineering
Dr Lim Joo Ghee

Director, Mechanical & Aeronautical Engineering
Dr Chong Chee Wei

DEPARTMENTS

ACADEMIC

Director, Educational Development
Mrs Helene Leong-Wee Kwee Huay

Director, Internal Audit
Mr Ronnie Chan Ching Sing

Acting Director, Library & FabLab
Mr Lee Chee Whye

ADMINISTRATION

Director, Communications
Mr William Lim

Acting Director, Estates & Development
Mrs Emily Goh-Ng

Director, Finance
Mr Teo Wui Khiang

Director, Information & Digital Technology Services
Mr Chua Kee Koon

Director, Organisation Planning & Development
Mr Alfred Lee

DEVELOPMENT

Director, Human Resource
Ms Lim Mong Ling

Director, Industry & Partnership
Mr Toh Ser Khoon

Director, Professional & Adult Continuing Education Academy
Mr Wong Jian Chang

Director, Technology, Innovation & Enterprise
Mr David Chai

STUDENT & ACADEMIC AFFAIRS

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

Acting Director, Student Development
Ms Evelyn Koh

Director, Student Services
Mr Clarence Chua Eng Chye

FACTS AND FIGURES

AS AT 31 MAR 2023

16,169 TOTAL
STUDENT
ENROLMENT

12,391 PET
Enrolment

1,967 Part Time Diploma
Students

1,811 Post Diploma
Students

95 Advanced
Diploma

1,463 Specialist
Diploma

15 Leading to
Specialist Diploma

238 Diploma
(Conversion)



6,262 STUDENT INTAKE
FOR ACADEMIC
YEAR 2022/2023

4,181 PET Intake

776 Part time Diploma
Students

1,305 Post Diploma
Students

57 Advanced
Diploma

1,085 Specialist
Diploma

15 Leading to
Specialist Diploma

148 Diploma
(Conversion)



356

STUDENTS
ENROLLED
IN THE
POLYTECHNIC
FOUNDATION
PROGRAMME



190

SP STUDENTS ENROLLED
IN SGUNITED SKILLS
(SGUS) PROGRAMMES:

128 in SGUS
Certificates

62 in SGUS-
Diplomas &
Post Diplomas



107
STUDENT CCAS

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



1,422
STAFF STRENGTH

comprising
707 academic staff and
715 non-teaching staff.



GRADUATE OUTPUT/EMPLOYMENT

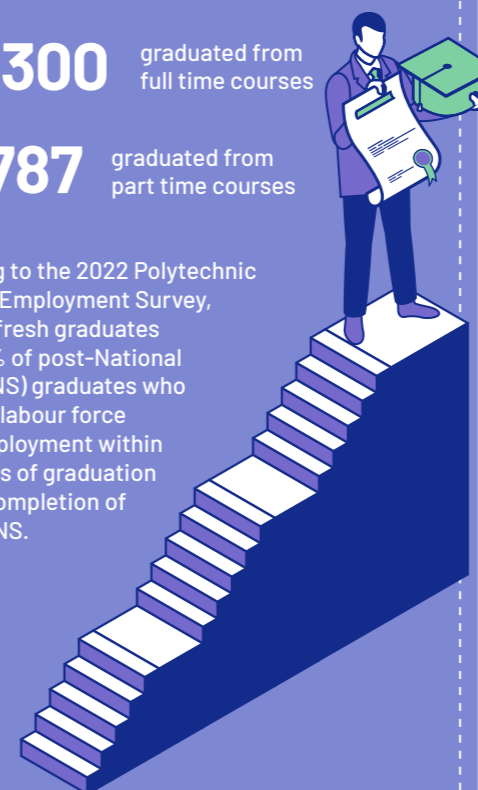
6,087

STUDENTS GRADUATED FROM
SINGAPORE POLYTECHNIC IN THE
ACADEMIC YEAR 2021/2022

4,300 graduated from
full time courses

1,787 graduated from
part time courses

According to the 2022 Polytechnic
Graduate Employment Survey,
89.2% of fresh graduates
and 92.6% of post-National
Service (NS) graduates who
are in the labour force
found employment within
six months of graduation
or after completion of
full-time NS.



81,994

TRAINING PLACES WITH MORE
THAN 425 CONTINUING EDUCATION
PROGRAMMES OFFERED BY
SINGAPORE POLYTECHNIC

The programmes included:

11 SGUS
programmes

338 Short Courses
and Certification
Courses

18 Part Time
Diplomas

39 Post Diplomas

10 Work-Study
Programmes

9 Professional
Conversion
Programmes



KEY HIGHLIGHTS OF FY22/23



MAY 2022

More than 6,000 full-time and continuing education and training learners from SP graduated at the polytechnic's 62nd Graduation ceremony, bringing the total alumni tally to over 224,000.

We congratulate all our graduates on their achievements and wish them the best in their future endeavours!

JUN 2022

Leading semiconductor test equipment supplier Advantest Corporation's subsidiary, Advantest (Singapore) Pte Ltd, jointly established a Test Engineering Centre (TEC) with SP to enhance and upgrade the test development and product characterisation capabilities of semiconductor test engineers in the Southeast Asia region.

The collaboration marks the commitment of both business partners to train and equip semiconductor test engineers in Singapore and the region with future-ready technical competencies essential to advance the semiconductor industry.



AUG 2022

SP announced the set-up of its latest consultancy centre - the Centre for Environmental Sustainability & Energy Efficiency (ESEE) - at its "Values-Based Green Transition For Singapore Businesses" networking and sharing event on 19 August 2022.

As a 'one-stop centre' to aid Singapore's transition to a low-carbon economy, ESEE will support and streamline the green transition journey for large companies and SMEs by offering a comprehensive suite of carbon emissions and carbon management consultancy services and solutions to industry partners.

AUG 2022

Jointly organised by Enterprise Singapore (EnterpriseSG), the Singapore Food Manufacturers' Association (SFMA) and SP's Food Innovation & Resource Centre (FIRC), the Meatless Meat Challenge 2022 aimed to accelerate the development of alternative protein options in Singapore and help local food enterprises stay ahead of the competitive industry.

Students from SP's School of Chemical & Life Sciences and Media, Arts & Design School worked with food companies to develop new plant-based products, design product packaging, and create marketing strategies for these innovations. It was an enriching experience for the students as they picked up important soft skills, such as communicating with customers and clients, which students cannot learn in the classroom.



SEP 2022

Themed 'Navigating New Frontiers – Helming the Waves of Disruption', this year's Design Thinking & User Experience (DTIUX) Summit brought together thought leaders and industry champions who have leveraged innovative solutions to redesign meaningful experiences to improve the way that we live our lives, expand our businesses, and digitalise the way we work.

It was the first time that SP collaborated with the DesignSingapore Council. As part of the Singapore Design Week, the DTIUX Summit 2022 allowed SP to reach a bigger audience to propagate the concept of design thinking and how to implement it in organisations.



OCT 2022

At the Industrial Transformation Asia-Pacific (ITAP) 2022 event on 18 October 2022, SP signed Memoranda of Understanding (MoUs) with Advantech, Beckhoff, Paia Consulting, SkillsFuture Singapore (SSG), Singapore Chinese Chamber of Commerce & Industry (SCCCI), and AI Singapore (AISG) to empower more SMEs with the technological know-how and capabilities to transform their businesses digitally, bolster operations efficiency, and grow in smart and sustainable environments.

The MoUs will enable SP and its partners to build a robust Industry 4.0 (i4.0) talent pipeline for Singapore. SP students and staff will also be equipped with the latest knowledge and skillsets to meet evolving industry demands and develop innovative solutions to solve real-life business challenges.



OCT 2022

On 18 October 2022, SP, along with Enterprise Singapore (EnterpriseSG), the Singapore Manufacturing Federation (SMF), and the Singapore Precision Engineering and Technology Association (SPETA), signed an MoU with the existing members of the Green Compass™ collaboration to further develop the Green Compass™ environmental sustainability assessment and roadmapping tool.

Developed by the Agency for Science, Technology and Research (A*STAR), JTC and TÜV SÜD in July 2021, the tool helps companies to become more environmentally sustainable by better managing their carbon emissions, energy, water, and waste impacts, as well as chart strategic roadmaps for their transformation based on their current environmental sustainability levels.



OCT 2022

190 students from six ASEAN countries gathered at the Youth Model ASEAN Conference (YMAC) held at SP on 5 October 2022 to discuss various environmental sustainability issues.

Throughout the event, participants took on roles as diplomats from the ten ASEAN member states, researched and debated on current issues faced by the region, and came up with solutions that tackled concerns relating to a particular aspect of environmental sustainability.





NOV 2022

At SP's Regional Industry Networking Conference (RINC) on 1 November 2022, Sembcorp Industries (Sembcorp) and SP launched the SP-Sembcorp Solar PV Research Laboratory and Singapore's first Solar PV Pilot Demonstration Recycling Line.

In addition, our collaboration with CHINT also saw the Smart Electrical Power Training Laboratory launch, which aims to enhance students' learning experience by exposing them to the latest low-voltage equipment used in the industry. The target is to train over 2,000 students over the next five years.

OCT 2022

Organised by the Department of Student Services, alongside students from the Diploma in Integrated Events & Project Management (DEPM), SP held its first mental wellness carnival, 'Feeling Better; from 20 to 21 October 2022 on campus.

Ten booths at the event created awareness of mental wellness and showcased various platforms offering mental health resources for our youth.



DEC 2022

On 17 December 2022, SembWaste, a wholly-owned subsidiary under Sembcorp Industries, launched Rebottle, a joint initiative with SP, which aims to boost PET bottle recycling rates in Singapore, starting with the Punggol Shore precinct.

Rebottle, jointly developed with students from SP's School of Electrical & Electronic Engineering and Media, Arts & Design School, is a smart recycling receptacle that uses refurbished roller cages incorporating Internet of Things (IoT) solutions to provide real-time waste collection data.



JAN 2023

This year's theme for Tourism Transformation 2023 focused on sustainability and urban wellness. Hosted by SP, the event served as a platform to promote tourism as an attractive career choice and highlighted the innovations and developments of the industry.

More than 15 industry partners across various sectors came together to showcase plans for revitalising and sustaining the tourism sector and promoting a sustainable tourism industry in Singapore.



SINGAPORE POLYTECHNIC

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[@singaporepoly](https://www.tiktok.com/@singaporepoly)



youtube.com/singaporepolytechnic



**SINGAPORE POLYTECHNIC AND
ITS SUBSIDIARIES**

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

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SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

STATEMENT BY BOARD OF GOVERNORS

In the opinion of the Board of Governors,

- (a) the consolidated financial statements set out on pages 6 to 65 of Singapore Polytechnic (the "Polytechnic") and its subsidiaries (collectively the "Group") are drawn up so as to present fairly, in all material respects, the financial position of the Group and the Polytechnic as at March 31, 2023, and the financial performance, changes in funds and reserves of the Group and the Polytechnic and cash flows of the Group for the year then ended, in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Governance Act"), the Singapore Polytechnic Act 1954 (the "SP Act"), the Charities Act 1994 (the "Charities Act") and Statutory Board Financial Reporting Standards;
- (b) at the date of this statement, there are reasonable grounds to believe that the Polytechnic will be able to pay its debts when they fall due;
- (c) proper accounting and other records have been kept, including records of all assets of the Polytechnic and of the subsidiaries incorporated in Singapore whether purchased, donated or otherwise; and
- (d) 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 Governance Act, the SP Act and the requirements of any other written law applicable to moneys of or managed by the Polytechnic.

On behalf of the Board of Governors



.....
JANET ANG
Chairman



.....
SOH WAI WAH
Principal and Chief Executive Officer

Singapore
July 27, 2023

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Polytechnic (the "Polytechnic") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Polytechnic as at March 31, 2023, the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group and statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 65.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Governance Act"), the Singapore Polytechnic Act 1954 (the "SP Act"), the Charities Act 1994 (the "Charities Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Polytechnic as at March 31, 2023 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and of the financial performance and the changes in funds and reserves of the Polytechnic for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of Management and the Board of Governors for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the Governance Act, the SP Act, the Charities Act and SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Group or for the Group to cease operations.

The responsibilities of the Board of Governors include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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 Governance Act, the SP Act and the requirements of any other written law applicable to moneys of or managed by the Polytechnic; 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 in relation to the Singapore Polytechnic Endowment Fund (the "Fund") nothing has come to our attention that causes us to believe that during the year:

- (a) the use of donation moneys was not in accordance with the objectives of the Fund as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Fund has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

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

Responsibilities of Management 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 Governance Act, the SP Act and the requirements of any other written law applicable to moneys of or managed by the Polytechnic. This responsibility includes monitoring related compliance requirements relevant to the Polytechnic, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. 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 Governance Act, the SP Act and the requirements of any other written law applicable to moneys of or managed by the Polytechnic.

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.



Public Accountants and
Chartered Accountants
Singapore

July 27, 2023

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION March 31, 2023

	Note	The Group		The Polytechnic	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Endowment Fund (Capital)	3(iii)	97,268	69,579	97,268	69,579
Accumulated surplus					
- General Fund		340,791	329,630	340,997	330,114
- Other Funds	3(viii)	136,579	154,200	133,589	150,114
Fair value reserve	19	15	5	15	5
Total capital and other funds		574,653	553,414	571,869	549,812
Represented by:					
Assets					
Non-current					
Property, plant and equipment	4	235,614	250,747	235,603	250,735
Right-of-use assets	5	43,008	44,257	43,008	44,257
Intangible assets	6	3,414	1,845	3,414	1,845
Subsidiaries	7	-	-	1,000	2,250
Financial assets, at fair value through profit or loss	8	-	112,416	-	112,416
Financial assets, at fair value through other comprehensive income (debt instruments)	9	18,994	-	18,994	-
Deferred tax assets	11	8	8	-	-
		301,038	409,273	302,019	411,503
Current					
Student loans	10	-	2	-	2
Trade and other receivables	12	50,080	50,123	49,533	49,424
Financial assets, at fair value through other comprehensive income (debt instruments)	9	345,582	1,507	345,582	1,507
Cash and cash equivalents	13	283,703	506,187	280,457	501,027
		679,365	557,819	675,572	551,960
Total assets		980,403	967,092	977,591	963,463
Liabilities					
Current					
Trade and other payables	14	49,402	41,218	49,374	41,191
Lease liabilities	15	22	25	22	25
Government grants received in advance	16	83,307	85,542	83,307	85,542
Contract liabilities	18	6,299	6,180	6,299	6,180
		139,030	132,965	139,002	132,938
Net current assets		540,335	424,854	536,570	419,022
Non-current					
Deferred capital grants	17	249,531	262,754	249,531	262,754
Contract liabilities	18	17,164	17,952	17,164	17,952
Lease liabilities	15	25	7	25	7
		266,720	280,713	266,720	280,713
Total liabilities		405,750	413,678	405,722	413,651
Net assets		574,653	553,414	571,869	549,812
Net assets of funds managed on behalf of the Ministry and other entities					
	20	10,914	10,802	10,518	10,860

See accompanying notes to financial statements.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
Year ended March 31, 2023

Note	Group					
	General Fund		Other Funds		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income						
Course fees	21	49,491	49,763	22,590	32,961	72,081
Consultancy fees	21	-	-	966	1,600	966
Other fees	21	562	580	1	-	563
		<u>50,053</u>	<u>50,343</u>	<u>23,557</u>	<u>34,561</u>	<u>73,610</u>
						<u>84,904</u>
Operating expenditure						
Staff costs	22	(188,871)	(195,142)	(11,003)	(14,973)	(199,874)
Teaching materials		(3,126)	(2,720)	(567)	(419)	(3,693)
Repairs and maintenance		(18,119)	(16,494)	(1,460)	(936)	(19,579)
Depreciation of property, plant and equipment	4	(27,203)	(29,277)	(2,573)	(2,631)	(29,776)
Depreciation of right-of-use assets	5	(1,295)	(1,325)	-	-	(1,295)
Amortisation of intangible assets	6	(1,105)	(853)	(16)	(71)	(1,121)
Development expenses		(10,717)	(8,201)	-	-	(10,717)
Staff development and benefits		(3,392)	(3,390)	(114)	(111)	(3,506)
Other expenditure	23	(40,177)	(34,379)	(9,150)	(7,073)	(49,327)
		<u>(294,005)</u>	<u>(291,781)</u>	<u>(24,883)</u>	<u>(26,214)</u>	<u>(318,888)</u>
Operating (deficit) surplus		<u>(243,952)</u>	<u>(241,438)</u>	<u>(1,326)</u>	<u>8,347</u>	<u>(245,278)</u>
						<u>(233,091)</u>
Non-operating income						
Donations		20	-	897	914	917
Interest income		5,891	842	3,987	479	9,878
Rental income		2,205	2,004	1,709	1,457	3,914
Fair value loss						
- financial assets at fair value through profit or loss		(3,038)	(715)	(1,069)	(159)	(4,107)
Other income	24	6,946	6,850	1,181	2,082	8,127
Operating (deficit) surplus before grants and tax		<u>(231,928)</u>	<u>(232,457)</u>	<u>5,379</u>	<u>13,120</u>	<u>(226,549)</u>
Grants	25	243,089	246,206	-	104	243,089
Surplus before income tax		<u>11,161</u>	<u>13,749</u>	<u>5,379</u>	<u>13,224</u>	<u>16,540</u>
Income tax	26	-	-	-	7	-
Net surplus for the year		<u>11,161</u>	<u>13,749</u>	<u>5,379</u>	<u>13,231</u>	<u>16,540</u>
						<u>26,980</u>

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
Year ended March 31, 2023

		Group					
		General Fund		Other Funds		Total	
Note		2023	2022	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Net change in fair value of financial assets, at fair value through other comprehensive income (debt instruments)	19	65	-	(55)	(30)	10	(30)
Other comprehensive income for the year, net of tax		65	-	(55)	(30)	10	(30)
Total comprehensive income for the year		11,226	13,749	5,324	13,201	16,550	26,950

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
Year ended March 31, 2023

	Note	The Polytechnic					
		General Fund		Other Funds		Total	
		2023	2022	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income							
Course fees	21	49,491	49,763	22,590	32,961	72,081	82,724
Other fees	21	562	580	1	-	563	580
		<u>50,053</u>	<u>50,343</u>	<u>22,591</u>	<u>32,961</u>	<u>72,644</u>	<u>83,304</u>
Operating expenditure							
Staff costs	22	(188,871)	(195,142)	(10,467)	(13,876)	(199,338)	(209,018)
Teaching materials		(3,126)	(2,720)	(567)	(405)	(3,693)	(3,125)
Repairs and maintenance		(18,119)	(16,494)	(1,460)	(931)	(19,579)	(17,425)
Depreciation of property, plant and equipment	4	(27,203)	(29,277)	(2,572)	(2,612)	(29,775)	(31,889)
Depreciation of right-of-use assets	5	(1,295)	(1,325)	-	-	(1,295)	(1,325)
Amortisation of intangible assets	6	(1,105)	(853)	(16)	(71)	(1,121)	(924)
Development expenses		(10,717)	(8,201)	-	-	(10,717)	(8,201)
Staff development and benefits		(3,392)	(3,390)	(113)	(92)	(3,505)	(3,482)
Other expenditure	23	(40,650)	(34,923)	(7,973)	(6,292)	(48,623)	(41,215)
		<u>(294,478)</u>	<u>(292,325)</u>	<u>(23,168)</u>	<u>(24,279)</u>	<u>(317,646)</u>	<u>(316,604)</u>
Operating (deficit) surplus		<u>(244,425)</u>	<u>(241,982)</u>	<u>(577)</u>	<u>8,682</u>	<u>(245,002)</u>	<u>(233,300)</u>
Non-operating income							
Donations		20	-	897	914	917	914
Interest income		5,891	842	3,987	479	9,878	1,321
Rental income		2,302	2,147	1,709	1,457	4,011	3,604
Fair value loss							
- financial assets at fair value through profit or loss		(3,038)	(715)	(1,069)	(159)	(4,107)	(874)
Other income	24	7,044	7,228	1,528	1,626	8,572	8,854
Operating (deficit) surplus before grants and tax		<u>(232,206)</u>	<u>(232,480)</u>	<u>6,475</u>	<u>12,999</u>	<u>(225,731)</u>	<u>(219,481)</u>
Grants	25	243,089	246,206	-	-	243,089	246,206
Surplus before income tax		<u>10,883</u>	<u>13,726</u>	<u>6,475</u>	<u>12,999</u>	<u>17,358</u>	<u>26,725</u>
Income tax	26	-	-	-	-	-	-
Net surplus for the year		<u>10,883</u>	<u>13,726</u>	<u>6,475</u>	<u>12,999</u>	<u>17,358</u>	<u>26,725</u>

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
Year ended March 31, 2023

		The Polytechnic						
		General Fund		Other Funds		Total		
Note		2023	2022	2023	2022	2023	2022	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss								
	Net change in fair value of financial assets, at fair value through other comprehensive income (debt instruments)	19	65	-	(55)	(30)	10	(30)
Other comprehensive income for the year, net of tax			65	-	(55)	(30)	10	(30)
Total comprehensive income for the year			10,948	13,726	6,420	12,969	17,368	26,695

See accompanying notes to financial statements.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN FUNDS AND RESERVES
Year ended March 31, 2023

	Endowment Fund (Capital)	General Fund	Other Funds	Fair value reserve	Total
	\$'000 (Note 3(iii))	\$'000	\$'000 (Note 3 (vii),(viii))	\$'000	\$'000
The Group					
Balance at April 1, 2021	67,524	315,881	141,050	(46)	524,409
Net surplus for the year	-	13,749	13,231	-	26,980
Other comprehensive income for the year	-	-	-	(30)	(30)
Total comprehensive income for the year	-	13,749	13,231	(30)	26,950
Cumulative loss on investments in equity instruments classified as at fair value through other comprehensive income reclassified to accumulated surplus upon disposal	-	-	(81)	81	-
Contributions and donations received for the endowment fund (capital)	2,055	-	-	-	2,055
Balance at March 31, 2022	69,579	329,630	154,200	5	553,414
Net surplus for the year	-	11,161	5,379	-	16,540
Other comprehensive income for the year	-	-	-	10	10
Total comprehensive income for the year	-	11,161	5,379	10	16,550
Contributions and donations received for the endowment fund (capital)	4,689	-	-	-	4,689
Transfer to Endowment Fund	23,000	-	(23,000)	-	-
Balance at March 31, 2023	97,268	340,791	136,579	15	574,653

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN FUNDS AND RESERVES (cont'd)
Year ended March 31, 2023

	Endowment Fund (Capital)	General Fund	Other Funds	Fair value Reserve	Total
	\$'000 (Note 3(iii))	\$'000	\$'000 (Note 3 (vii),(viii))	\$'000	\$'000
The Polytechnic					
Balance at April 1, 2021	67,524	316,388	137,115	35	521,062
Net surplus for the year	-	13,726	12,999	-	26,725
Other comprehensive income for the year	-	-	-	(30)	(30)
Total comprehensive income for the year	-	13,726	12,999	(30)	26,695
Contributions and donations received for the endowment fund (capital)	2,055	-	-	-	2,055
Balance at March 31, 2022	69,579	330,114	150,114	5	549,812
Net surplus for the year	-	10,883	6,475	-	17,358
Other comprehensive income for the year	-	-	-	10	10
Total comprehensive income for the year	-	10,883	6,475	10	17,368
Contributions and donations received for the endowment fund (capital)	4,689	-	-	-	4,689
Transfer to Endowment Fund	23,000	-	(23,000)	-	-
Balance at March 31, 2023	97,268	340,997	133,589	15	571,869

See accompanying notes to financial statements.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, 2023

	Note	Group	
		2023	2022
		\$'000	\$'000
Cash flows from operating activities			
Operating deficit before grants and tax		(226,549)	(219,337)
Adjustments for:			
Depreciation of property, plant and equipment	4	29,776	31,908
Depreciation of right-of-use assets	5	1,295	1,325
Amortisation of intangible assets	6	1,121	924
Interest income		(9,878)	(1,321)
Interest expense		1	1
Accrued grant income		(16,273)	(11,490)
Loss on disposal of property, plant and equipment	23	12	16
Fair value loss on financial assets, at fair value through profit or loss		4,107	874
Amortisation of interest for bonds		(5,302)	9
Loss allowance on fees receivables		108	30
Operating cash flows before working capital changes		(221,582)	(197,061)
Change in trade and other receivables		24,425	658
Change in student loans		2	18
Change in trade and other payables		7,985	(11,405)
Cash used in operations		(189,170)	(207,790)
Development grants received from Government		1,695	218
IT and Furniture & Equipment grants received from Government		5,251	5,969
Innovation grants received from Government		2,342	446
Operating grants received from Government		191,649	199,668
Operating grants received from non-government organisations		3,455	203
Refund of unutilised balance received from Government		(227)	(471)
Contributions and donations received for the endowment fund (capital)		4,689	2,055
Net cash from operating activities		19,684	298
Cash flows from investing activities			
Interest received		9,878	1,321
Purchase of property, plant and equipment	A	(15,418)	(21,913)
Addition of intangible assets	B	(2,398)	(1,312)
Addition of debts securities		(459,257)	-
Proceed from disposal of property, plant and equipment		-	28
Redemption and disposal of financial assets, at fair value through other comprehensive income (debt instruments)		101,500	4,000
Redemption and disposal of financial assets, at fair value through profit and loss		108,309	-
Development grants received from Government		1,797	4,831
IT and Furniture & Equipment grants received from Government		7,849	7,231
Innovation grants received from Government		472	56
Operating grants received from Government		1,950	1,293
Operating grants received from non-government organisations		3,182	55
Net cash used in investing activities		(242,136)	(4,410)

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

Year ended March 31, 2023

	Note	Group	
		2023	2022
		\$'000	\$'000
Cash flows from financing activities			
Repayment of lease liability		(31)	(71)
Interest paid		(1)	(1)
Net cash used in financing activities		(32)	(72)
Net decrease in cash and cash equivalents		(222,484)	(4,184)
Cash and cash equivalents at beginning of year		506,187	510,371
Cash and cash equivalents at end of year	13	283,703	506,187

Reconciliation of liabilities arising from financing activities

The following is the disclosure of the reconciliation of liabilities arising from financing activities:

	At beginning of year	Financing cash flow	Non-cash changes		At end of year
	\$'000	\$'000	New leases	Interest expense	\$'000
2023					
Lease liabilities	32	(32)	46	1	47
2022					
Lease liabilities	103	(72)	-	1	32

Note A

During the year, the Group accrued for the acquisition of property, plant and equipment with an aggregate cost of \$405,000 (2022 : \$1,168,000). The cash outflow on acquisition of property, plant and equipment amounted to \$15,418,000 (2022 : \$21,913,000).

Note B

During the year, the Group accrued for the acquisition of intangible assets with an aggregate cost of \$347,000 (2022 : \$55,000). The cash outflow on acquisition of intangible assets amounted to \$2,398,000 (2022 : \$1,312,000).

See accompanying notes to financial statements.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

1 GENERAL

Singapore Polytechnic (the "Polytechnic"), established under the Singapore Polytechnic Act 1954 (the "SP Act"), is domiciled in Singapore.

The Polytechnic is located 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 7.

The consolidated financial statements of the Group and statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic for the year ended March 31, 2023 were authorised for issue by the Board of Governors on July 27, 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Basis of accounting

The financial statements have been prepared in accordance with the applicable requirements of the Public Sector (Governance) Act 2018, the Singapore Polytechnic Act 1954, the Charities Act 1994 and Statutory Board Financial Reporting Standards ("SB-FRS"). SB-FRS include Statutory Board Financial Reporting Standards Interpretations of SB-FRS ("INT SB FRS") and SB-FRS Guidance Notes as promulgated by the Accountant General. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below. The financial statements are presented in Singapore dollars which is also the functional currency of the Polytechnic. All the financial information presented in Singapore dollars ("\$") has been rounded to the nearest thousand ("000") unless otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of SB-FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SB-FRS 2 *Inventories* or value in use in SB-FRS 36 *Impairment of Assets*.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

(a) Basis of accounting (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SB-FRS requires the use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Critical judgements in applying the entity's accounting policies

Management is of the opinion that there are no applications of judgement expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.2 Adoption of new and revised standards

On April 1, 2022, the Group has adopted all the new and revised SB-FRSs and Interpretations of SB-FRS ("INT SB-FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2022. The adoption of these new/revised SB-FRSs and INT SB-FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 New or revised accounting standards and interpretations not effective

At the date of authorisation of these financial statements, the following SB-FRSs and amendments to SB-FRS that are relevant to the Group were issued but not yet effective:

Effective for annual periods beginning on or after January 1, 2023

- Amendments to SB-FRS 1 and SB-FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SB-FRS 8: *Definition of Accounting Estimates*
- Amendments to SB-FRS 12: *Deferred Tax related to Assets and Liabilities arising from Single Transaction*

Effective for annual periods beginning on or after January 1, 2024

- Amendments to SB-FRS 1: *Classification of Liabilities as Current and Non-current*

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

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Polytechnic and entities controlled by the Polytechnic and its subsidiaries. Control is achieved when the Polytechnic:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Polytechnic reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Polytechnic has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Polytechnic considers all relevant facts and circumstances in assessing whether or not the Polytechnic's voting rights in an investee are sufficient to give it power, including:

- The size of the Polytechnic's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Polytechnic, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Polytechnic has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Basis of consolidation (cont'd)

Consolidation of a subsidiary begins when the Polytechnic obtains control over the subsidiary and ceases when the Polytechnic loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Polytechnic gains control until the date when the Polytechnic ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Polytechnic and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Polytechnic and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

In the Polytechnic's financial information, investments in the subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2.5 Funds

(i) General Fund

Income and expenditure relating to the main activities of the Group are accounted for through the General Fund in the Statement of Comprehensive Income.

(ii) Other Funds

Income and expenditure relating to funds set up for contributions received and expenditure incurred for specific purposes are accounted for through the "Other Funds" in the Statement of Comprehensive Income.

(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 accounted for in the Fund's operating account under "Other Funds - Endowment Fund (non-capital)" in profit or loss.

Assets and liabilities of these funds are accounted for separately. However, for presentation purposes, they are pooled together with those of General Fund in the Statement of Financial Position.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Funds managed on behalf of others

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

The net assets of the funds managed on behalf of Ministry of Education ("MOE") and Other Entities – Tuition Fee Loan, Opportunity Fund, Additional Funding Support, Temasek Foundation Projects Fund and Financial Literacy Fund are presented as a line item under the capital and funds managed on behalf of others section on the face of the statement of financial position as prescribed by SB-FRS Guidance Note 3. Income and expenditure relating to these funds are accounted for directly in these funds. Details of income, expenditure, net assets relating to these funds are disclosed in Note 20.

2.7 Property, plant and equipment

(a) Measurement

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Donated assets are recorded at valuation and subsequently carried at aforementioned less accumulated depreciation and accumulated impairment losses.

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Property, plant and equipment costing less than \$5,000 each and renovations costing below \$200,000 are charged to profit or loss in the year of purchase.

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Property, plant and equipment (cont'd)

(b) Depreciation

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

Building (campus and staff quarters)	Maximum of 50 years
Building improvements	5 years
Equipment and furniture	3 to 10 years

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

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

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

(c) Subsequent costs

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

(d) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Intangible assets

Computer software including software development costs are capitalised on the basis of the cost incurred to acquire or develop the software for its intended use. Computer software is stated at cost less accumulated amortisation and impairment loss, if any. These costs are amortised using the straight-line method over their estimated useful life of 3 to 5 years. Computer software costing less than \$5,000 is charged to profit or loss in the year of purchase.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Financial instruments

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Financial instruments (cont'd)

Classification of financial assets (cont'd)

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Financial instruments (cont'd)

Amortised cost and effective interest method (cont'd)

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SB-FRS 103 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to accumulated surplus.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with SB-FRS 109, unless the dividends clearly represent a recovery of part of the cost of the investment.

Debt instruments classified as at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. Fair value is determined in the manner described in Note 31. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of fair value reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Financial instruments (cont'd)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Non-operating income" line item in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for ECL on investment in debt instruments that are measured at FVTOCI and trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Financial instruments (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Polytechnic compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 6 months past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 24 months past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Group writes-off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Financial instruments (cont'd)

Measurement and recognition of ECL

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Classification as debt

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Financial instruments (cont'd)

Derecognition of financial liabilities (cont'd)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount is presented in the Statement of Financial Position when the Group has legally enforceable right to set-off the recognised amounts; and intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.11 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate is defined as the rate of interest that the Group would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Leases (cont'd)

The Group as lessee (cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a lease asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SB-FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SB-FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.9.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Operating expenditure' in the statement of comprehensive income.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Leases (cont'd)

The Group as lessor

The Group enters into lease arrangements as a lessor with respect to its staff apartments and on-campus premises.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.12 Cash and cash equivalents

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

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and at bank and cash held with AGD.

2.13 Revenue recognition

The Polytechnic recognises revenue from the following major sources:

- Rendering of services.
- Rental income.
- Interest income.
- Donations.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Polytechnic recognises revenue when it transfers control of a product or service to a customer.

Rendering of services

Revenue for course and other fees is earned from the provision of studies, training and research services in technology, science, commerce and arts. Consultancy fees are revenue derived by the subsidiaries related to training, education and education-related services. Revenue for course, consultancy and other fees for the year are recognised as a performance obligation which is satisfied over time.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Revenue recognition (cont'd)

Payments received from students for course and other fees in which the courses have not been rendered is recognised as deferred income, under contract liabilities, until the services have been rendered to the students.

Rental income

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

Interest income

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

Donations

Donations are recognised upon receipt. Donations received in advance are recognised as deferred income until the time condition is met.

2.14 Employee compensation

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

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

(c) Key Management Personnel

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Polytechnic and the Group. Board of Governors, directors and heads of departments are considered as key management personnel.

2.15 Grants

Grants are not recognised until there is reasonable assurance that the Polytechnic will comply with the conditions attaching to them and the grants will be received.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Grants (cont'd)

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

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

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

Government grants to meet the current year's operating expenses are taken to profit or loss for the year. Government grants are accounted for on an accrual basis. With effect from April 1, 2016, based on the Board of Governor's endorsement, Information Technology and Furniture and Equipment grants are set aside from the government operating grants and are included in the "Government grants received in advance" prior to utilisation.

Other government grant received but not utilised are included in the "Grant received in advance" account.

2.16 Income taxes

The Polytechnic is a tax-exempted institution under the provisions of the Income Tax Act 1947. The subsidiaries of the Polytechnic are subject to local income tax legislation.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax are recognised as an expense or income in profit or loss, except when relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Foreign currency transactions

The financial statements of the Group are measured and presented in the currency of the primary economic environment in which the Group operates (its functional currency).

Transactions in currencies other than the Group's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

3 ENDOWMENT FUND AND OTHER FUNDS

Details of the Polytechnic's funds are as follows:

(i)	<u>Name of Fund</u>	<u>Purpose</u>
	Endowment Fund	Provides financial assistance to needy students, recognise achievements of outstanding students and provides assistance for the benefit of graduates.

Interest income and expenditure of the Endowment Fund are taken to the operating account under "Other Funds" in the statement of comprehensive income.

(ii) The total amount of tax-deductible donations received during the year is \$1,340,000 (2022 : \$756,000).

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

	2023 \$'000	2022 \$'000
The Group and The Polytechnic		
At beginning of the year	69,579	67,524
MOE matching donation grant	3,184	1,655
Donations received from third parties	1,505	400
Transferred from SP's reserves	23,000	-
At end of the year	97,268	69,579

Represented by:

Financial assets, fair value through other comprehensive income (debt instruments)	54,190	1,534
Cash and cash equivalents	43,078	68,045
	97,268	69,579

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

- (iv) The Endowment Fund (non-capital) is presented under Other Funds.
- (v) Student Welfare and Development Fund provides funding to support student welfare and development activities and is presented under Other Funds.
- (vi) Miscellaneous Funds provides funding for:
 - (i) short and continuing education courses;
 - (ii) upgrading courses;
 - (iii) upgrading campus facilities to meet the demand for development in technological skills;
 - (iv) implementation of programmes to achieve the goals of the Polytechnic;
 - (v) maintenance and upgrading of staff quarters;
 - (vi) exploitation of technologies developed within the Polytechnic; and
 - (vii) provision of training, education and education-related services.

Miscellaneous Funds is presented under Other Funds.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS March 31, 2023

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

(vii) The details of the income and expenditure for Other Funds are as follows:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income								
Course fees	-	-	-	-	22,590	32,961	22,590	32,961
Consultancy fees	-	-	-	-	966	1,600	966	1,600
Other fees	-	-	-	-	1	-	1	-
	-	-	-	-	23,557	34,561	23,557	34,561
Operating expenditure								
Staff costs	-	-	-	-	(11,003)	(14,973)	(11,003)	(14,973)
Teaching materials	-	-	-	-	(567)	(419)	(567)	(419)
Repairs and maintenance	-	-	(3)	-	(1,457)	(936)	(1,460)	(936)
Depreciation of property, plant and equipment	-	-	(47)	(48)	(2,526)	(2,583)	(2,573)	(2,631)
Amortisation of intangible assets	-	-	-	-	(16)	(71)	(16)	(71)
Staff development and benefits	-	-	-	-	(114)	(111)	(114)	(111)
Other expenditure	(4,003)	(2,701)	(103)	(56)	(5,044)	(4,316)	(9,150)	(7,073)
	(4,003)	(2,701)	(153)	(104)	(20,727)	(23,409)	(24,883)	(26,214)
Operating (deficit) surplus	(4,003)	(2,701)	(153)	(104)	2,830	11,152	(1,326)	8,347
Non-operating income								
Donations	897	914	-	-	-	-	897	914
Interest income	2,583	310	51	7	1,353	162	3,987	479
Rental income	-	-	-	-	1,709	1,457	1,709	1,457
Fair value loss								
- financial assets at fair value through profit or loss	-	-	-	-	(1,069)	(159)	(1,069)	(159)
Other income	34	57	228	238	919	1,787	1,181	2,082
(Deficit) Surplus before grants and tax	(489)	(1,420)	126	141	5,742	14,399	5,379	13,120
Grants	-	-	-	-	-	104	-	104
(Deficit) Surplus before income tax	(489)	(1,420)	126	141	5,742	14,503	5,379	13,224
Income tax	-	-	-	-	-	7	-	7
Net (deficit) surplus for the year	(489)	(1,420)	126	141	5,742	14,510	5,379	13,231

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS March 31, 2023

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

(vii) The details of the income and expenditure for Other Funds are as follows:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Polytechnic								
Operating income								
Course fees	-	-	-	-	22,590	32,961	22,590	32,961
Other fees	-	-	-	-	1	-	1	-
	-	-	-	-	22,591	32,961	22,591	32,961
Operating expenditure								
Staff costs	-	-	-	-	(10,467)	(13,876)	(10,467)	(13,876)
Teaching materials	-	-	-	-	(567)	(405)	(567)	(405)
Repairs and maintenance	-	-	(3)	-	(1,457)	(931)	(1,460)	(931)
Depreciation of property, plant and equipment	-	-	(47)	(48)	(2,525)	(2,564)	(2,572)	(2,612)
Amortisation of intangible assets	-	-	-	-	(16)	(71)	(16)	(71)
Staff development and benefits	-	-	-	-	(113)	(92)	(113)	(92)
Other expenditure	(4,003)	(2,701)	(103)	(56)	(3,867)	(3,535)	(7,973)	(6,292)
	(4,003)	(2,701)	(153)	(104)	(19,012)	(21,474)	(23,168)	(24,279)
Operating (deficit) surplus	(4,003)	(2,701)	(153)	(104)	3,579	11,487	(577)	8,682
Non-operating income								
Donations	897	914	-	-	-	-	897	914
Interest income	2,583	310	51	7	1,353	162	3,987	479
Rental income	-	-	-	-	1,709	1,457	1,709	1,457
Fair value loss	-	-	-	-	-	-	-	-
- financial assets at fair value through profit or loss	-	-	-	-	(1,069)	(159)	(1,069)	(159)
Other income	34	57	228	238	1,266	1,331	1,528	1,626
(Deficit) Surplus before grants and tax	(489)	(1,420)	126	141	6,838	14,278	6,475	12,999
Grants	-	-	-	-	-	-	-	-
(Deficit) Surplus before income tax	(489)	(1,420)	126	141	6,838	14,278	6,475	12,999
Income tax	-	-	-	-	-	-	-	-
Net (deficit) surplus for the year	(489)	(1,420)	126	141	6,838	14,278	6,475	12,999

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

(viii) Other Funds comprise the following:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated surplus at March 31	19,625	20,114	5,009	4,883	111,945	129,203	136,579	154,200
Represented by:								
Property, plant and equipment	-	-	90	137	13,690	15,163	13,780	15,300
Intangible assets	-	-	-	-	1,303	110	1,303	110
Student loans	-	-	-	2	-	-	-	2
Financial assets, at fair value through profit or loss	-	-	-	-	-	22,083	-	22,083
Financial assets, at fair value through other comprehensive income (debt instruments)	358	-	-	-	-	-	358	-
Fair value reserve	51	(32)	-	-	-	-	51	(32)
Cash and cash equivalents	18,354	19,990	4,919	4,746	82,125	67,954	105,398	92,690
Receivables, deposits and prepayments	939	164	1	-	19,870	30,532	20,810	30,696
Payables, deposits and accruals	(77)	(8)	(1)	(2)	(5,051)	(6,647)	(5,129)	(6,657)
Deferred tax assets	-	-	-	-	8	8	8	8
	19,625	20,114	5,009	4,883	111,945	129,203	136,579	154,200

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS March 31, 2023

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

(viii) Other Funds comprise the following:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Polytechnic								
Accumulated surplus at March 31	19,625	20,114	5,009	4,883	108,955	125,117	133,589	150,114
Represented by:								
Property, plant and equipment	-	-	90	137	13,678	15,150	13,768	15,287
Intangible assets	-	-	-	-	1,303	110	1,303	110
Student loans	-	-	-	2	-	-	-	2
Investment in subsidiaries	-	-	-	-	1,000	2,250	1,000	2,250
Financial assets, at fair value through profit or loss	-	-	-	-	-	22,083	-	22,083
Financial assets, at fair value through other comprehensive income (debt instruments)	358	-	-	-	-	-	358	-
Fair value reserve	51	(32)	-	-	-	-	51	(32)
Cash and cash equivalents	18,354	19,990	4,919	4,746	78,553	62,467	101,826	87,203
Receivables, deposits and prepayments	939	164	1	-	19,445	29,479	20,385	29,643
Payables, deposits and accruals	(77)	(8)	(1)	(2)	(5,024)	(6,422)	(5,102)	(6,432)
	19,625	20,114	5,009	4,883	108,955	125,117	133,589	150,114

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS March 31, 2023

4 PROPERTY, PLANT AND EQUIPMENT

The Group

Cost

	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Total \$'000
At April 1, 2021	361,186	169,842	287,903	818,931
Additions	6	2,397	13,305	15,708
Disposals	(42)	(28,099)	(18,088)	(46,229)
Transfer to intangible assets (Note 6)	-	-	(66)	(66)
At March 31, 2022	361,150	144,140	283,054	788,344
Additions	-	4,107	10,548	14,655
Disposals	-	-	(11,632)	(11,632)
At March 31, 2023	361,150	148,247	281,970	791,367

Accumulated depreciation

At April 1, 2021	168,737	138,745	244,458	551,940
Depreciation for the year	7,443	10,383	14,082	31,908
Eliminated on disposals	(42)	(28,099)	(18,044)	(46,185)
Transfer to intangible assets (Note 6)	-	-	(66)	(66)
At March 31, 2022	176,138	121,029	240,430	537,597
Depreciation for the year	7,457	7,991	14,328	29,776
Eliminated on disposals	-	-	(11,620)	(11,620)
At March 31, 2023	183,595	129,020	243,138	555,753

Carrying amount

At March 31, 2023	177,555	19,227	38,832	235,614
At March 31, 2022	185,012	23,111	42,624	250,747

Assets under construction

The Group's property, plant and equipment includes \$5.2 million (2022 : \$9.4 million) relating to in-progress renovation classified within building improvements and equipment and furniture.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS March 31, 2023

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Polytechnic

Cost

	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Total \$'000
At April 1, 2021	361,186	169,842	287,779	818,807
Additions	6	2,397	13,295	15,698
Disposals	(42)	(28,099)	(18,019)	(46,160)
Transfer to intangible assets (Note 6)	-	-	(66)	(66)
At March 31, 2022	361,150	144,140	282,989	788,279
Additions	-	4,107	10,548	14,655
Disposals	-	-	(11,632)	(11,632)
At March 31, 2023	361,150	148,247	281,905	791,302

Accumulated depreciation

At April 1, 2021	168,737	138,745	244,389	551,871
Depreciation for the year	7,443	10,383	14,063	31,889
Eliminated on disposals	(42)	(28,099)	(18,009)	(46,150)
Transfer to intangible assets (Note 6)	-	-	(66)	(66)
At March 31, 2022	176,138	121,029	240,377	537,544
Depreciation for the year	7,457	7,991	14,327	29,775
Eliminated on disposals	-	-	(11,620)	(11,620)
At March 31, 2023	183,595	129,020	243,084	555,699

Carrying amount

At March 31, 2023	177,555	19,227	38,821	235,603
At March 31, 2022	185,012	23,111	42,612	250,735

Assets under construction

The Polytechnic's property, plant and equipment includes \$5.2 million (2022 : \$9.4 million) relating to in-progress renovation classified within building improvements and equipment and furniture.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

5 RIGHT-OF-USE ASSETS

The Group leases certain leasehold land and office equipment. The lease term ranges from 21 to 86 years (2022 : 21 to 86 years) for leasehold land. The lease term of office equipment is 5 years (2022 : 5 years).

	Leasehold land \$'000	Office equipment \$'000	Total \$'000
The Group and The Polytechnic			
<u>Cost</u>			
At April 1, 2021	75,618	229	75,847
Derecognition	-	(104)	(104)
At March 31, 2022	75,618	125	75,743
Additions	-	46	46
Derecognition	-	(61)	(61)
At March 31, 2023	75,618	110	75,728
<u>Accumulated depreciation</u>			
At April 1, 2021	30,131	134	30,265
Depreciation for the year	1,262	63	1,325
Eliminated on derecognition	-	(104)	(104)
At March 31, 2022	31,393	93	31,486
Depreciation for the year	1,262	33	1,295
Eliminated on derecognition	-	(61)	(61)
At March 31, 2023	32,655	65	32,720
<u>Carrying amount</u>			
At March 31, 2023	42,963	45	43,008
At March 31, 2022	44,225	32	44,257

Leasehold land includes donated assets. The valuations of two pieces of leasehold land were provided by the Chief Valuer, Inland Revenue Department in 1986 (\$52,660,000) and Colliers Jardine (S) Pte Ltd in 1994 (\$740,000), on a market value basis.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

6 INTANGIBLE ASSETS

	2023	2022
	\$'000	\$'000
The Group and The Polytechnic		
Computer software		
<u>Cost</u>		
At April 1	25,224	23,812
Additions	2,690	1,346
Transfer from property, plant and equipment (Note 4)	-	66
Disposals	(2,388)	-
At March 31	25,526	25,224
<u>Accumulated amortisation</u>		
At April 1	23,379	22,389
Amortisation for the year	1,121	924
Transfer from property, plant and equipment (Note 4)	-	66
Eliminated on disposals	(2,388)	-
At March 31	22,112	23,379
<u>Carrying amount</u>		
At March 31	3,414	1,845

The Group's computer software includes \$1.3 million (2022 : \$0.6 million) relating to in-progress software development projects.

7 SUBSIDIARIES

	2023	2022
	\$'000	\$'000
The Polytechnic		
Unquoted equity shares, at cost	1,000	2,250

The balances with subsidiaries are unsecured, interest-free, repayable on demand and expected to be settled in cash unless otherwise stated.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

7 SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:

Name	Country of Incorporation/ principal place of business	Proportion of ownership and voting rights held by the Group		Principal activities
		2023 %	2022 %	
Singapore Polytechnic Enterprise Pte. Ltd.*	Singapore	100	100	(a) To receive fees and other payments in respect of research, workshops, trainings and other services; and (b) To enter into collaborative arrangements with other entities for the purpose of research, education, design and development of products and services.
Singapore Polytechnic International Pte Ltd	Singapore	100	100	Provision of training, education and education-related services

* With effect from November 1, 2021, Singapore Polytechnic Enterprise Pte. Ltd ("SPE") had transferred certain businesses and operations to Singapore Polytechnic International Pte. Ltd ("SPI") arising from a restructuring exercise within the Singapore Polytechnic Group. During the current financial year, SPE has commenced liquidation.

8 FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 \$'000	2022 \$'000
The Group and The Polytechnic		
Financial assets at fair value through profit or loss:		
Quoted unit trusts	-	112,416

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

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

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9 FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (DEBT INSTRUMENTS)

	2023 \$'000	2022 \$'000
The Group and The Polytechnic		
Quoted debt securities - Singapore	364,576	1,507
Represented by:		
Current	345,582	1,507
Non-current	18,994	-
	364,576	1,507
Balance at beginning of year	1,507	5,546
Additions	459,257	-
Redemption and disposals (including amortisation of interest for bonds)	(96,198)	(4,009)
Fair value gain (loss) recognised in other comprehensive income	10	(30)
Balance at end of year	364,576	1,507

Details of the quoted debt securities:

	2023	2022
Interest rates	2.61% - 5.00%	3.08%
Maturity dates	2023 - 2030	2022

The Group holds an interest in quoted debt securities including various treasury bills, government bonds and corporate bonds with a range of interest rates and maturity periods.

The quoted debt securities are held by the Group within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Hence the aforementioned are classified as at FVTOCI.

The quoted debt securities are considered to have low credit risk. For the purpose of impairment assessment, the loss allowance of these financial assets is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these assets, management has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the quoted debt securities operate obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

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10 STUDENT LOANS

	2023	2022
The Group and The Polytechnic	\$'000	\$'000
Repayable within 12 months	-	2

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

11 DEFERRED TAX ASSETS

	2023	2022
The Group	\$'000	\$'000
Balance at beginning and end of year	8	8

12 TRADE AND OTHER RECEIVABLES

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Grants receivables	35,769	40,528	35,769	40,528
Fees receivables	3,079	2,140	3,079	2,140
Other receivables	5,559	3,800	4,931	2,860
Deposits	1,441	25	1,441	25
Subsidiaries – non-trade (Note 7)	-	-	96	247
Goods and services tax receivable	1,603	1,654	1,603	1,654
Prepayments	2,737	2,006	2,722	2,000
	50,188	50,153	49,641	49,454
Less: Loss allowance on fees receivables	(108)	(30)	(108)	(30)
	50,080	50,123	49,533	49,424

As at April 1, 2021, the Group and Polytechnic's trade receivables from contracts with customers amounted to \$1,446,000 (net of loss allowance of \$40,000) and \$1,446,000 (net of loss allowance of \$40,000) respectively.

The average credit period given by the Group is 30 days (2022 : 30 days). No interest is charged on the outstanding balances except for late interest charges on rental receivables which ranges from 8.5% to 12% (2022 : 8.5% to 12%) per annum.

Grant receivables relate to amounts granted to the Group and the Polytechnic from MOE, government agencies and non-government agencies on a reimbursement basis to fund the Polytechnic's activities. Such grant income is set off against expenses in the statement of comprehensive income.

Included in the Group's and the Polytechnic's other receivables are interest to be received from cash held with Accountant-General's Department ("AGD") of \$3,069,000 (2022 : \$793,000).

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

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12 TRADE AND OTHER RECEIVABLES (cont'd)

Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent for all receivables over two years past due and assessed not to be recoverable based on historical experience.

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, the Group has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The Group has recognised a loss allowance of \$108,000 (2022 : \$30,000) which is due to specific credit impaired factors arising on certain debtors. The Group has assessed and noted immaterial loss allowance required for the remaining balances as historical experience has indicated that these receivables are generally recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Movement of the loss allowance is as follows:

	2023 \$'000	2022 \$'000
The Group and The Polytechnic		
Balance at beginning of year	30	40
Amounts written off	(30)	(38)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	108	28
Balance at end of year	108	30

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March 31, 2023

13 CASH AND CASH EQUIVALENTS

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	61,065	65,343	57,819	60,183
Cash with Accountant-General's Department	222,638	440,844	222,638	440,844
	<u>283,703</u>	<u>506,187</u>	<u>280,457</u>	<u>501,027</u>

Cash held with Accountant-General's Department ("AGD") earns interest based on fixed deposits rates determined by financial institutions with which AGD deposits the monies. The interest rate for cash placed with AGD for the financial year is 1.35% (2022 : 0.31%) per annum.

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at the reporting date, the bank balance of \$1,265,000 (2022 : \$1,445,000) has not been included in the cash and cash equivalents of the Polytechnic.

14 TRADE AND OTHER PAYABLES

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Sundry creditors	6,468	4,583	6,468	4,582
Advances received - others	621	1,349	621	1,349
Deposits	1,017	945	1,017	945
Provision for unutilised leave	10,220	14,123	10,193	14,099
Accrued operating expenses and capital expenditures	20,819	19,322	20,631	19,156
Goods and services tax payable	10,050	689	10,021	656
Subsidiary (Note 7)	-	-	216	197
Amount due to MOE	207	207	207	207
Trade and other payables	<u>49,402</u>	<u>41,218</u>	<u>49,374</u>	<u>41,191</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days (2022 : 30 days).

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NOTES TO FINANCIAL STATEMENTS

March 31, 2023

15 LEASE LIABILITIES

	2023	2022
	\$'000	\$'000
The Group and The Polytechnic		
Undiscounted lease payments due:		
- Year 1	22	25
- Year 2	18	5
- Year 3	8	2
	48	32
Less: Unearned interest cost	(1)	-
Lease liabilities	47	32
Presented as:		
Current	22	25
Non-current	25	7
	47	32

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's finance function.

16 GOVERNMENT GRANTS RECEIVED IN ADVANCE

	Note	2023	2022
		\$'000	\$'000
The Group and The Polytechnic			
Balance at beginning of year		85,542	87,267
Grants received (refunded) during the year			
- Government development grants		3,449	5,285
- Government IT and Furniture & Equipment grants		13,100	13,200
- Government innovation grants		2,051	580
- Government polytechnic baseline		-	(471)
Transfer to deferred capital grants (Government)	17	(10,118)	(12,118)
Amount recorded in profit or loss	25	(10,717)	(8,201)
Balance at end of year		83,307	85,542

Unutilised IT and Furniture & Equipment balance of \$81.8 million (2022 : \$84.0 million) is retained by the Polytechnic for future use.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

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March 31, 2023

17 DEFERRED CAPITAL GRANTS

	Government		Non-Government		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group and The Polytechnic						
Balance at beginning of year	260,169	276,527	2,585	3,077	262,754	279,604
Development grants, Furniture and equipment and Information Technology grants and Innovation grants from MOE (Note 16)	10,118	12,118	-	-	10,118	12,118
Transfer from operating grants (Note 27)	1,950	1,293	-	-	1,950	1,293
Grants received	-	-	3,182	55	3,182	55
	12,068	13,411	3,182	55	15,250	13,466
Amortisation to profit or loss (Note 25)	(27,557)	(29,769)	(916)	(547)	(28,473)	(30,316)
Balance at end of year	244,680	260,169	4,851	2,585	249,531	262,754

18 CONTRACT LIABILITIES

The contract liabilities primarily relate to advance consideration received in respect of:

- (i) Course fees, for which revenue is recognised over the course period; and
- (ii) Service fees from Singapore Institute of Technology ("SIT") for the usage of the Polytechnic's facilities by SIT students.

The details are as follows:

	The Group			The Polytechnic		
	March 31, 2023	March 31, 2022	April 1, 2021	March 31, 2023	March 31, 2022	April 1, 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Course fees	5,443	5,357	4,851	5,443	5,357	4,851
Service fees	17,951	18,775	19,599	17,951	18,775	19,599
Other fees	-	-	66	-	-	-
Other deferred income	69	-	-	69	-	-
	23,463	24,132	24,516	23,463	24,132	24,450

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

18 CONTRACT LIABILITIES (cont'd)

	The Group			The Polytechnic		
	March 31, 2023	March 31, 2022	April 1, 2021	March 31, 2023	March 31, 2022	April 1, 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Represented by:						
Current	6,299	6,180	5,741	6,299	6,180	5,675
Non-current	17,164	17,952	18,775	17,164	17,952	18,775
	23,463	24,132	24,516	23,463	24,132	24,450

During the year, revenue recognised by the Group and the Polytechnic that was included in contract liability balance at the beginning of the year includes:

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Course fees	5,294	4,701	5,294	4,701
Service fees	824	824	824	824

19 FAIR VALUE RESERVE

The fair value reserve represents the cumulative gains and losses arising on the revaluation of:

- (i) investments in equity instruments designated as at FVTOCI, net of cumulative gain/loss transferred to accumulated surplus upon disposal; and
- (ii) investments in debt instruments classified as at FVTOCI, net of cumulative gain/loss reclassified to profit or loss upon disposal.

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	5	(46)	5	35
Fair value gain (loss) on investments in debt instruments classified as at FVTOCI	10	(30)	10	(30)
Cumulative loss on investments in equity instruments classified as at FVTOCI reclassified to accumulated surplus upon disposal	-	81	-	-
Balance at end of year	15	5	15	5

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March 31, 2023

20 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(i) Tuition Fee Loan	10,140	10,471	10,140	10,471
(ii) Opportunity Fund	622	526	622	526
(iii) Additional Funding Support	-	56	-	56
(iv) Temasek Foundation Projects Fund	(244)	(193)	(244)	(193)
(v) Financial Literacy Fund	396	(58)	-	-
Funds managed on behalf of the Ministry and other entities	10,914	10,802	10,518	10,860

(i) Tuition Fee Loan

Pursuant to the Tuition Fee and Study Loan Schemes, the Polytechnic acts as the agent for the tuition fee loan and the MOE as the financier providing the advances.

The tuition fee loan fund was set up from advances from the MOE for the purpose of providing loans to students.

Loans given to students are interest-free until June 1 or December 1 in the year of their graduation, or for those with National Service obligations, in the year in which they finish their National Service. Thereafter, loans are repayable by monthly instalments with interest at 4.75% (2022 : 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 MOE. The students are given an option to repay by monthly instalments over a period of up to 10 years after the borrowers' graduation. Repayment of tuition fee loan received by the Polytechnic amounting to \$2,569,000 (2022 : \$2,959,000) were repaid to the MOE.

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NOTES TO FINANCIAL STATEMENTS

March 31, 2023

20 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (cont'd)

(i) Tuition Fee Loan (cont'd)

The details of the Tuition Fee Loan as at March 31 are as follows:

	2023	2022
	\$'000	\$'000
The Group and The Polytechnic		
Balance at beginning of year	10,471	11,132
Advances received	1,996	2,253
Interest income	242	99
Bad debts written off	-	(54)
Advances repaid	(2,569)	(2,959)
Balance at end of year	10,140	10,471
Represented by:		
Tuition fee loan	10,137	10,468
Other receivables	3	3
Net assets	10,140	10,471

(ii) Opportunity Fund

The Opportunity Fund was set up to provide enrichment opportunities for Singapore Citizen students from lower income households. The fund can be used to provide assistance for overseas trips and purchase of computer devices.

The Opportunity Fund is disbursed on an annual basis.

The details of the Opportunity Fund as at March 31 are as follows:

	2023	2022
	\$'000	\$'000
The Group and The Polytechnic		
Balance at beginning of the year	526	692
Amount received during the year	427	324
Amount utilised during the year	(331)	(490)
Balance at end of the year	622	526
Represented by:		
Cash and cash equivalents	622	526

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20 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (cont'd)

(iii) Additional Funding Support

The Additional Funding Support was provided by the MOE to help students who are affected by the economic slowdown due to the COVID-19 situation and need further financial assistance for their studies, beyond the existing aid provisions during normal times.

The funds were disbursed to the Polytechnic over two financial years, with 75% disbursed in the financial year ended March 31, 2021 and the remaining 25% disbursed in the previous financial year.

The Polytechnic can carry forward any unutilised funds at the end of March 31, 2021. Any unutilised funds at the end of March 31, 2022 will have to be returned to the MOE. In line with the aforementioned, the Polytechnic returned the unutilised funds to MOE during the financial year.

The details of the Additional Funding Support from MOE as at March 31 are as follows:

	2023 \$'000	2022 \$'000
The Group and The Polytechnic		
Balance at beginning of the year	56	201
Amount utilised during the year	-	(145)
Amount returned to MOE during the year	(56)	-
Balance at end of the year	-	56
Represented by:		
Cash and cash equivalents	-	56

(iv) Temasek Foundation Projects Fund

The Polytechnic collaborates with Temasek Foundation International ("Temasek Foundation") on several projects which aim to develop and enhance educational capabilities in Asia. In these projects, the Polytechnic is responsible for establishing proper objectives for the approved programmes and to monitor and evaluate the progress of the project based on terms agreed with Temasek Foundation.

Funds are disbursed by Temasek Foundation on a regular basis to support approved project expenditures. Funds disbursed in excess are to be returned to Temasek Foundation at the end of each project. Temasek Foundation Projects Fund is maintained in a separate bank account.

The details of the Temasek Foundation Projects Fund as at March 31 are as follows:

	2023 \$'000	2022 \$'000
The Group and The Polytechnic		
Balance at beginning of the year	(193)	353
Amount received during the year	736	233
Amount utilised during the year	(787)	(779)
Balance at end of the year	(244)	(193)
Represented by:		
Cash and cash equivalents	324	330
Trade and other payables	(568)	(523)
	(244)	(193)

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20 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (cont'd)

(iv) Temasek Foundation Projects Fund (cont'd)

In current year, the credit balance represented expenditures incurred by the Group for the intended projects on behalf of Temasek Foundation which were pending reimbursement.

(v) Financial Literacy Fund

The Singapore Polytechnic Institute of Financial Literacy was launched in collaboration with Monetary Authority of Singapore ("MAS") to provide free and unbiased financial programmes to the public. Under the arrangement, the Group is responsible for the administration and monitoring of the programme.

Funds are disbursed by MAS to support the expenditures of Institute of Financial Literacy on a semi-annual basis. Unutilised funds at the end of the funding period are to be returned to MAS. Financial Literacy Fund is maintained in a separate bank account. This collaboration agreement with MAS ended on June 30, 2019.

With effect from July 1, 2019, a new collaboration was established between the subsidiary, Singapore Polytechnic Enterprise Pte. Ltd. and MAS. Subsequently from November 1, 2021, the entire business and operations of Institute of Financial Literacy is transferred from Singapore Polytechnic Enterprise Pte. Ltd. to another subsidiary, Singapore Polytechnic International Pte. Ltd. where the terms and conditions remained the same.

The details of the Financial Literacy Fund as at March 31 are as follows:

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the year	(58)	(94)	-	-
Amount received from MAS	2,452	2,410	-	-
Amount utilised during the year	(1,998)	(2,374)	-	-
Balance at end of the year	396	(58)	-	-
Represented by:				
Cash and cash equivalents	185	85	-	-
Trade and other receivables/ (payables)	211	(143)	-	-
	396	(58)	-	-

The credit balance in the previous year represented expenditures incurred by the Group for the intended projects on behalf of MAS which were pending reimbursement.

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21 OPERATING INCOME

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Course fees	72,081	82,724	72,081	82,724
Consultancy fees	966	1,600	-	-
Other fees	563	580	563	580
	<u>73,610</u>	<u>84,904</u>	<u>72,644</u>	<u>83,304</u>
Timing of revenue recognition:				
At a point in time	966	804	-	-
Over time	72,644	84,100	72,644	83,304
	<u>73,610</u>	<u>84,904</u>	<u>72,644</u>	<u>83,304</u>

22 STAFF COSTS

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	176,318	185,343	175,854	184,464
Employer's contribution to Central Provident Fund	20,235	21,400	20,172	21,215
Other staff benefits	3,321	3,372	3,312	3,339
	<u>199,874</u>	<u>210,115</u>	<u>199,338</u>	<u>209,018</u>

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

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	8,170	8,088	8,092	7,937
Employer's contribution to defined contribution plans, including Central Provident Fund	548	558	543	550
	<u>8,718</u>	<u>8,646</u>	<u>8,635</u>	<u>8,487</u>

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NOTES TO FINANCIAL STATEMENTS

March 31, 2023

23 OTHER EXPENDITURE

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Water and electricity	10,841	6,073	10,841	6,073
Outsourcing and other services	3,490	3,110	3,980	3,618
IT related expenditure	8,562	8,346	8,562	8,346
Local/overseas industrial training	888	2,300	888	2,300
Campus events and activities	3,533	2,203	3,533	2,203
Bursaries and scholarships	4,003	2,701	4,003	2,701
Maintenance and upgrading of facilities	813	830	813	830
Security and epidemic expenses	1,788	2,213	1,788	2,213
Publication, marketing and advertising	2,127	2,101	2,127	2,101
Loss on disposal of property, plant and equipment	12	16	12	10
Other expenses	13,270	11,559	12,076	10,820
	<u>49,327</u>	<u>41,452</u>	<u>48,623</u>	<u>41,215</u>

24 OTHER INCOME

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Non-recurring Research and Development service income	2,129	1,915	2,129	1,915
Student welfare fund, prizes and award	263	296	263	296
Income from use of campus and sports facilities	1,612	1,422	1,612	1,422
Project revenue and other consulting fee	1,769	2,940	1,769	2,940
Miscellaneous income	2,354	2,359	2,799	2,281
	<u>8,127</u>	<u>8,932</u>	<u>8,572</u>	<u>8,854</u>

25 GRANTS

	General Fund		Other Funds		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group						
Operating grants received from:						
- Government (Note 27)	200,444	204,411	-	-	200,444	204,411
- Non-government	3,455	3,278	-	104	3,455	3,382
Development and other grants utilised (Note 16)	10,717	8,201	-	-	10,717	8,201
Deferred capital grants amortised:						
- Government (Note 17)	27,557	29,769	-	-	27,557	29,769
- Non-government (Note 17)	916	547	-	-	916	547
	<u>243,089</u>	<u>246,206</u>	<u>-</u>	<u>104</u>	<u>243,089</u>	<u>246,310</u>

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25 GRANTS (cont'd)

	General Fund		Other Funds		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Polytechnic						
Operating grants received from:						
- Government (Note 27)	200,444	204,411	-	-	200,444	204,411
- Non-government	3,455	3,278	-	-	3,455	3,278
Development and other grants utilised (Note 16)	10,717	8,201	-	-	10,717	8,201
Deferred capital grants amortised:						
- Government (Note 17)	27,557	29,769	-	-	27,557	29,769
- Non-government (Note 17)	916	547	-	-	916	547
	<u>243,089</u>	<u>246,206</u>	<u>-</u>	<u>-</u>	<u>243,089</u>	<u>246,206</u>

26 INCOME TAX

The tax on surplus before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax of 17% (2022 : 17%) as follows:

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Surplus before income tax	16,540	26,973	17,358	26,725
Tax at statutory rate of 17% (2022 : 17%)	2,812	4,585	2,951	4,543
Tax effect on surplus of the Polytechnic exempted from tax	(2,951)	(4,543)	(2,951)	(4,543)
Tax effect on income not subject to tax and non-deductible expense	145	(42)	-	-
Adjustment in respect in prior years	-	(7)	-	-
Others	(6)	-	-	-
	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>-</u>

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****March 31, 2023****27 OPERATING GRANTS - GOVERNMENT**

	2023	2022
The Group and The Polytechnic	\$'000	\$'000
Operating grants received/receivable during the year	220,118	223,189
Less:		
Grants utilised on property, plant and equipment transferred to deferred capital grants (Note 17)	(1,950)	(1,293)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	(17,724)	(17,485)
Operating grants taken to profit or loss (Note 25)	<u>200,444</u>	<u>204,411</u>

28 CAPITAL COMMITMENTS

Capital expenditure approved but not provided for in the accounts:

	2023	2022
The Group and The Polytechnic	\$'000	\$'000
Amount approved and contracted for	<u>14,848</u>	<u>21,446</u>

29 RELATED PARTY TRANSACTIONS

Some of the Group's and the Polytechnic's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with related parties are unsecured, interest-free, repayable on demand and expected to be settled in cash unless otherwise stated.

In addition to the information disclosed elsewhere in the financial statements, the Group and the Polytechnic entered into certain significant transactions with MOE, and other related parties during the financial year. The transactions disclosed below took place between the Group and related parties at terms agreed between the parties.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

29 RELATED PARTY TRANSACTIONS (cont'd)

(a) Sales and purchase of goods and services

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

	2023 \$'000	2022 \$'000
The Group		
Related party		
Rental received from related party	24	22
Professional fees reimbursed from related party	31	-
MOE		
Operating grants (including Information technology and furniture and equipment grants)	206,895	208,054
Development grants and innovation grants	5,589	7,211
Matching grants	3,184	1,655
Entities affiliated to Board of Governors		
Newspaper subscription	-	(45)
Training fees	(118)	-
Other Ministries and Statutory boards		
Grants	26,374	36,667
Training fees	(700)	(336)
GEBIZ charges	(368)	(332)
License network fees	(1,622)	(1,012)
Training and assessment fees	(104)	(105)
Course fees, project and consultancy services	3,166	2,911
Manpower fees	(261)	(437)
System maintenance fees	(1,092)	(691)
Demand aggregate management fees	(102)	(29)
Other Polytechnics		
Projects and events costs	(560)	(449)
Course fees, project and consultancy services	246	35

(b) Key management's remuneration

Key management personnel remuneration as disclosed in Note 22 relates to directors and heads of departments.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

30 OPERATING LEASE COMMITMENTS

Group as a lessor

Operating leases, in which the Group is the lessor, relates to on-campus premises and staff apartments owned by the Group with lease terms of between 1 to 30 years. The lessee does not have an option to renew the leases nor to purchase at the expiry of the lease periods.

During the year ended March 31, 2023 the Group recognised rental income of \$3,914,000 (2022 : \$3,461,000).

	2023 \$'000	2022 \$'000
Maturity analysis of operating lease payment:		
Year 1	3,356	2,565
Year 2	2,332	2,045
Year 3	1,752	1,807
Year 4	760	1,300
Year 5	760	846
Year 6 and onwards	10,300	11,060
Total	19,260	19,623

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	The Group		The Polytechnic	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets, mandatorily measured at FVTPL	-	112,416	-	112,416
Financial assets, at FVTOCI (debt instruments)	364,576	1,507	364,576	1,507
Financial assets at amortised cost	293,674	512,124	289,896	506,271
Financial liabilities				
Financial liabilities at amortised cost	39,352	40,529	39,353	40,535
Lease liabilities	47	32	47	32

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Financial risk management policies and objectives

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

Financial risk factors

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are trade and other receivables, cash and cash equivalents, funds managed by external fund managers and quoted debt securities.

Measures are in place to ensure that credit risk is continuously monitored and managed. The maximum exposure is represented by the carrying amount of each financial asset stated in the financial statements. At the end of the reporting period, there is no significant concentration of credit risk except for government grant receivables and quoted debt securities.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own records to rate its major customers and other debtors. The ECLs on other receivables is estimated by reference to track record of the counterparties, their financial conditions where information is available, knowledge of any events or circumstances impeding recovery of the amounts, and forward-looking macroeconomic influences.

The Group's procedures on assessing ECL comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 6 months past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 24 months past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written-off

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The table below details the credit quality of the Group's financial assets as well as maximum exposure to credit risk:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<u>2023</u>						
Financial assets at fair value through other comprehensive income (Debt instruments)	9	Performing	12-month ECL	364,576	-	364,576
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	3,079	(108)	2,971
Other receivables	12	Performing	12-month ECL	7,000	-	7,000
Cash and cash equivalents	13	Performing	12-month ECL	283,703	-	283,703
<u>2022</u>						
Financial assets at fair value through profit or loss	8	Performing	12-month ECL	112,416	-	112,416
Financial assets at fair value through other comprehensive income (Debt instruments)	9	Performing	12-month ECL	1,507	-	1,507
Student loans	10	(i)	Lifetime ECL (simplified approach)	2	-	2
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	2,140	(30)	2,110
Other receivables	12	Performing	12-month ECL	3,825	-	3,825
Cash and cash equivalents	13	Performing	12-month ECL	506,187	-	506,187

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS March 31, 2023

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Polytechnic						
<u>2023</u>						
Financial assets at fair value through other comprehensive income (Debt instruments)	9	Performing	12-month ECL	364,576	-	364,576
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	3,079	(108)	2,971
Other receivables	12	Performing	12-month ECL	6,468	-	6,468
Cash and cash equivalents	13	Performing	12-month ECL	280,457	-	280,457
<u>2022</u>						
Financial assets at fair value through profit or loss	8	Performing	12-month ECL	112,416	-	112,416
Financial assets at fair value through other comprehensive income (Debt instruments)	9	Performing	12-month ECL	1,507	-	1,507
Student loans	10	(i)	Lifetime ECL (simplified approach)	2	-	2
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	2,140	(30)	2,110
Other receivables	12	Performing	12-month ECL	3,132	-	3,132
Cash and cash equivalents	13	Performing	12-month ECL	501,027	-	501,027

- (i) The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

At the end of the reporting period, there was no significant concentration of credit risk except for grant receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Cash, fixed deposits and funds are placed with banks and financial institutions which are regulated.

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

Liquidity risk management

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

The total contractual undiscounted cash flow of the Group's financial assets, other than financial assets at fair value, and financial liabilities are the same as their carrying amounts and are due within one year, except for lease liabilities as disclosed in Note 15.

Interest rate risk management

As the Group does not have any financial assets and financial liabilities that bear interest at floating rates, no sensitivity analysis is prepared.

The interest rates for cash with Accountant-General's Department disclosed in Note 13 are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements.

Foreign exchange risk management

The Group is not exposed to significant foreign currency risk as its transactions are mainly denominated in Singapore dollars, which is the functional currency of the Group.

Price risk management

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

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The financial assets at fair value through profit or loss and fair value through other comprehensive income that are subject to price risks total \$NIL (2022 : \$112,416,000) and \$364,576,000 (2022 : \$1,507,000), as disclosed in Note 8 and Note 9 respectively. The market risk associated with these financial assets is the potential loss in fair value resulting from the decrease in market prices of these financial assets. The Group's management regularly monitors the potential loss in fair value, if any. The Group's strategies and policies relating to financial assets at fair value are determined by its Investment Committee. The sensitivity rate of 5% represents management's assessment of the reasonably possible change in market risk that the Group is exposed to.

With all other variables held constant, a 5% (2022 : 5%) increase/decrease of market values of all equities and debt instrument will result in \$NIL (2022 : \$5,621,000) increase/decrease in the fair value of financial assets at fair value through profit or loss and \$18,229,000 (2022 : \$75,000) increase/decrease in the fair value of financial assets at fair value through other comprehensive income.

Fair value measurements

The following table shows an analysis of financial instruments carried at fair value by the different level of the value hierarchy:

		Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs	
	Note	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000
The Group and The Polytechnic					
<u>2023</u>					
Financial assets, at fair value through other comprehensive income					
- Quoted debt securities	9	364,576	-	-	364,576
<u>2022</u>					
Financial assets, at fair value through profit or loss					
- Quoted equity securities managed by fund managers	8	112,416	-	-	112,416
Financial assets, at fair value through other comprehensive income					
- Quoted debt securities	9	1,507	-	-	1,507

There was no transfer between the levels in the hierarchy during the year.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Determination of fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of the Group's quoted financial assets was determined on the basis set out in Note 2.10.

The fair values of quoted securities, if traded in active markets such as over-the counter securities, are based on quoted market prices at the end of the reporting period.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables, Student loans, Cash and cash equivalents, Trade and other payables and lease liabilities

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Lease liabilities (non-current)

The carrying amounts of these financial liabilities are not materially different from the fair values determined using discounted estimated cash flows.

Capital management policies and objectives

The Group regularly reviews and manages its capital structure to ensure that the Group will be able to continue as a going concern. The capital structure of the Group comprises only accumulated surplus and endowment fund. The Group's overall strategy remains unchanged from prior year.

32 IPC REGULATIONS

The Polytechnic has complied with the requirement that the total fund-raising and sponsorship expenses have not exceeded 30% of the total gross receipts from the fund raising and sponsorships for the financial year.

The donation monies received are used in accordance with the objective of the Fund.

To promote greater disclosure and accountability to the public, the Governance Evaluation Checklist of all IPCs will be published on the Charity Portal (www.charities.gov.sg) from April 1, 2009. In line with the requirement, the Fund's checklist can be found on the above website.