

CREATING THE FUTURE

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FINANCIAL REPORT

Students
Teaching
Staff
Alumni
Excellence

Our Focus
Our Passion
Our Asset
Our Pride
Our Creed

Mission

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

Vision

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

Strategic Goals

- Providing holistic education
- Fostering global orientation
- Creating learning and social spaces
- Building capabilities

Values

Self-discipline
Personal Integrity
Care and Concern
Openness
Responsibility
Excellence



Tan Kay Yong
*Chairman
Board of Governors
Singapore Polytechnic*

Chairman's Statement

It has been a year of significant progress towards our SP@60 vision as we build on our experience and ability to graduate students who are work-ready, life-ready and world-ready.

Key to our vision was how we could deliver a holistic education that would shape our students into socially responsible, well-rounded and confident people who are able to pursue and excel in diverse interests, disciplines and opportunities.

Academic Excellence

For the new academic year, we will introduce the General Education Programme in line with our vision to produce T-shaped graduates who are broad in general knowledge with deep expertise in their chosen fields of interest. Inspired by the liberal arts curriculum, the programme enables students to gain knowledge and experiences to help them form the vital connection between classroom learning and the real world. This is important as they will enter a workforce that must work smart, think across disciplines, make decisions on the go, collaborate to build win-win situations and seek global opportunities.

Plans are also being put in place to challenge our students further with the launch of SP APEX Programme. This programme will offer promising students the best guidance, exposure and mentorship to facilitate their progress to university. It will provide a structured teaching approach and a supportive eco-system – including the mentorship of our successful alumni – that will groom and nurture them to realise their full potential.

The infusion of design thinking into our pedagogies and programmes has created opportunities for our staff and students to look at problems from different perspectives and

develop innovative multi-disciplinary solutions for real-life scenarios. Design thinking uses a range of skills and practices to identify needs and opportunities to create solutions.

Global Footprint

In the course of delivering a holistic education, we have been constantly growing our regional and global footprint to broaden our students' educational and social experiences. In this academic year alone, we had 2,318 overseas placements for academic programmes, student development and industrial attachments. As we seek more partnerships with educational institutions around the world and revamp the way we administer our overseas programmes, we expect to open more doors for a greater number of students to benefit from such experiences.

Among those who ventured overseas during the year were several outstanding students who were accepted for internship at Harvard Medical School, Yale University and Imperial College. Other bright students took part in the Singapore-MIT GAMBIT Game Lab Programme and Princeton Model United Nations Conference. In addition, SP scored a first when a team of students and lecturers from SP Design School showcased their work at the prestigious Milan Furniture Fair in Italy.

We have also been pursuing landmark partnerships with organisations respected and renowned for their expertise. One such partnership was in business design with the University of Toronto's Rotman School of Management. The other was with Procter & Gamble and University of Cincinnati, to set up Live Well Collaborative Singapore, a research centre focusing on revolutionising product design and development for consumers aged 50 and above.

Yet another notable partnership was with Franklin W Olin College of Engineering from the United States, one of the world's top engineering colleges. SP is the first among our country's polytechnics to collaborate with Olin to create a more dynamic and integrated approach to engineering education, encompassing content, curriculum, pedagogy and student assessment.

Our staff are providing consultancy and training in Mongolia, Vietnam and Indonesia. We have committed to advising Abu Dhabi in the training of wafer fabrication technicians. These opportunities serve to build the capabilities of our staff, who will be better prepared to share their knowledge and expertise in and outside the classroom.

Achievements

Our students and graduates continue to do us proud on many fronts. Among the 160,000 graduates, Desmond Thiam Wei from the Diploma in Biomedical Science course became the first SP student to enter National University of Singapore's Yong Loo Lin School of Medicine. Joy Tan, our Diploma in Business Administration graduate, received the prestigious Public Service Commission Scholarship. There were many others like them who were awarded coveted undergraduate scholarships.

Beyond academic achievements, they have been making their mark in other areas. Thirty-four received the National Youth Achievement Award (Gold) from President S R Nathan, and 900 volunteered during the inaugural Youth Olympic Games held in Singapore. They were active too, in supporting RoboCup 2010, the Olympics of robotics and artificial intelligence. It was the first time RoboCup was held in South East Asia, and SP was the first polytechnic (among world-ranking universities) to have successfully bid to host the event jointly with the Science Centre Singapore, Economic Development Board and Singapore Tourism Board.

During the year, we further streamlined our Technology and Innovation Centres as specialised hubs of innovation to encourage

staff in their research and development efforts. Funding of research projects at these centres received a boost from various sources, including the Ministry of Education Innovation Fund, the Totalisator Board Social Innovation Fund and the National Research Foundation Translational R&D Grant.

Moving forward, plans are underway to set up overseas training bases — comprising networks of global institutions of higher learning, training and industry partners, and service providers — to enhance our overseas presence and programmes. Another initiative in the pipeline is to offer integrated training systems developed by SP that can be customised to address the needs of overseas institutions.

Some of these initiatives will provide new challenges and opportunities for our staff. We want our staff to develop their career paths and passion for teaching at SP. In our staff development efforts this year, we introduced an Academic Mentor Scheme and a Leadership Academy and enhanced the performance management system using competency-based criteria from the civil service.

Infrastructure

Recognising that the future is digital, we have started laying the foundation to create a mobile technology-enabled campus by 2014 where teaching, learning, collaboration and services can be accessed from a mobile phone, tablet or netbook.

By 2014, our staff and students will be trained and equipped to use these mobile devices to make payment, mark attendance, access laboratories and classrooms, pay for food and perform other services. We will create a more stimulating environment that challenges our staff and students to explore, engage and innovate. We will make it easier for our staff to be even more productive and efficient in their work through initiatives that facilitate their ability to conduct lessons and access enterprise systems and government or work-related data and services through their mobile devices.

This is an ambitious plan that will start with the progressive upgrade of our existing infrastructure, computer systems and wireless networks. In mobile technology expertise, we have been encouraging both staff and students to develop mobile applications, starting with those intended to aid teaching and learning.

Our students' learning experience will be further enhanced as we progressively turn SP into a living lab. Despite the space constraint faced, we were able to create more social, recreational and learning spaces. EcOasis is one such learning space. An outdoor teaching and learning facility, it serves as a living lab, where students can study its water filtration system, landscape, and eco-system. Our staff and students can also look forward to relaxing at The Sanctuary, a butterfly park.

Social Responsibility

We set an example to SP staff and students by taking a stand to be environmentally considerate in our actions and in the causes that we support. We initiated water and energy conservation projects on our own and in partnership with others. We planted trees and designated car-free days. On car-free days, our staff and students were reminded to take the BMW (bus, MRT or walk) to campus.

For our commitment, we received the 2010 President's Award for the Environment, the highest accolade in Singapore in the field of environmental sustainability.

I am also pleased to note that our students and staff have big hearts too, having actively rallied to give back to the community, both in time and in kind. Our 2011 freshmen raised a record \$111,638.75 for the President's Challenge and \$100,000 for Mercy Relief. Other student groups designed and handed over 23 products to aid in the rehabilitative movement of beneficiaries of voluntary welfare organisations.

Our staff initiated their own community service projects, with visits and donations to old folks' homes and collection of clothes, spectacles and books for various local and overseas voluntary welfare organisations.

Continuous Education and Training

The future of higher education has a place for all of us, regardless of age. We are stepping up our adult learning programmes offered through the Professional & Adult Continuing Education (PACE) Academy. This will include setting up a new framework that will make our part-time courses more relevant and accessible to working adults. PACE Academy has trained 18,000 working adults since its launch in 2010.

With a mindset to keep on challenging ourselves, we will continue to shape students into graduates who are ready to contribute meaningfully to the nation and world. I am confident that as graduates of SP, they will be ready to create legacies of success.

In Appreciation

On behalf of the Board, I would like to express my gratitude to the management and staff of SP for their contributions during the year in review.



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

Board of **Governors**



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

**02. COL Chan Weng Yip
(Member)**
Head, SAF Current Operations Group
Joint Operations
Ministry of Defence

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

**04. Prof Er Meng Hwa
(Member)**
Senior Associate Provost
Nanyang Technological University

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

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

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

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



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

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

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

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

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

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

**15. Mr Teh Kong Leong
(Member)**
Consultant

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

Standing Committees

Administration & Development Committee

Chairman:	Mr Tan Kay Yong
Dy Chairman:	Mr Bill Chang York Chye
Members:	Prof Chou Siaw Kiang Mr Gan Boon San Mr Johnny Tan Cheng Hye Mr Tan Hang Cheong Ms Tan Gee Keow
Secretary:	Miss Caroline Hu Wei Choo (up to 11 January 2011) Mrs Yeung-Ng Geak Hong (from 12 January 2011)
Assistant Secretary:	Mrs Cheng Cheng Lin

Audit Committee

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

Endowment Fund Committee

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

Nominating Committee

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

Staff Disciplinary Committee

Chairman:	Prof Er Meng Hwa
Members:	COL Chan Weng Yip A/Prof Muhammad Faishal Bin Ibrahim
Secretary:	Miss Caroline Hu Wei Choo (up to 11 January 2011) Mrs Yeung-Ng Geak Hong (from 12 January 2011)

Student Disciplinary Appeal Committee

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

Board of Studies

The new two-year term of the Board commenced on 1 April 2010. A total of six academic staff members were elected as new members to serve on the Board: Mr Ho Sum Lim, Ms Jennifer Wong Pui Cheng, Mr Jimmy Chew Kwok Tim, Mdm Lee Keng Keng, Mr Kelly Lee Wai Kin and Mrs Tan-Yeoh Ah Choo. Four academic staff were re-elected to the Board: Dr Audrey A Yuen, Mr Caleb Lye Kok Choy, Mr Lee Chee Whye and Mr William Chan Weng Lin.

Chairman:	Mr Tan Hang Cheong
Members:	Mr Hee Joh Liang
	Mr Lim Peng Hun
	Mr Edward Quah Kok Wah (up to 16 November 2010)
	Dr Chai Min Sen
	Dr Dave Chong Tad Weng
	Mr Lim Cher Yam
	Dr Timothy Chan Wai Kuen
	Mr Chang Boon Hai
	Miss Chao Yunn Chyi
	Mrs Fang Sin Guek
	Mr Faris Akbar Hajamaideen
	Mrs Lam Yoke Peng
	Mr Lau Lee Yee
	Dr Ng Eng Hong
	Mr Ng Weng Lam
	Miss Pee Suat Hoon
	Ms Georgina Phua Hwee Choo (from 1 April 2010)
	Mr Roland Tan Keng Hock
	Mr Tan Yew Meng (from 1 April 2010)
	Mr William Chan Weng Lin
	Mr Jimmy Chew Kwok Tim
	Mr Ho Sum Lim
	Mr Lee Chee Whye
	Mdm Lee Keng Keng
	Mr Kelly Lee Wai Kin
	Mr Caleb Lye Kok Choy
	Mrs Tan-Yeoh Ah Choo
	Ms Jennifer Wong Pui Cheng
	Mrs Yap Siew Lay
	Dr Audrey A Yuen
Secretary:	Mr Tan Peng Ann

Management Team

PRINCIPAL

Mr Tan Hang Cheong

DEPUTY PRINCIPAL (ACADEMIC PLANNING)

Mr Hee Joh Liang

DEPUTY PRINCIPAL (SERVICES)

Mr Edward Quah Kok Wah
(up to 16 November 2010)

DEPUTY PRINCIPAL (TECHNOLOGY AND INDUSTRY)

Mr Lim Peng Hun

ACADEMIC PLANNING

Deputy Principal

Mr Hee Joh Liang

Director, Academic Programmes

Mr Lau Lee Yee

Director, Educational Development

Miss Pee Suat Hoon

Director, Library

Mrs Fang Sin Guek

Director, Organisation Development

Mr Henry Tan Hin Teck

CORPORATE DEVELOPMENT

Director, Corporate Communications

Mrs Kai Tamin-Goh

Director, Finance

Mrs Cheng Cheng Lin

Director, Human Resource

Miss Caroline Hu Wei Choo
(up to 11 January 2011)
Mrs Yeung-Ng Geak Hong
(from 12 January 2011)

Director, Internal Audit

Mr Ronnie Chan Chin Sing

Director, Leadership Academy

Miss Caroline Hu Wei Choo
(from 13 January 2011)

TECHNOLOGY AND INDUSTRY

Deputy Principal

Mr Lim Peng Hun

Director, Alumni Relations Office

Mr Song Nay Hay
(from 17 November 2010)

Director, Industry Services

Mr Song Nay Hay

Director, Professional & Adult Continuing Education (PACE) Academy

Mr Peter Lee Hoong Fatt
(up to 21 June 2010)
Mr V Maheantharan
(from 22 June 2010)

Director, Technology Development Office

Mr Lim Peng Hun

INFRASTRUCTURE AND ENVIRONMENT CLUSTER

Senior Director
Mr Lim Cher Yam

Director, Computer & Information Systems
Mr Chang Boon Hai

Director, Estates & Development
Mr C Pannirselvam

Director, Green Energy & Environment Project Office
Mr Lim Cher Yam
(from 17 November 2010)

STUDENT AND ACADEMIC SERVICES CLUSTER

Senior Director
Mr Tan Peng Ann

Registrar/Director, Academic Services
Mr Tan Peng Ann

Director, Student Development
Mr Liew Beng Keong
(up to 31 August 2010)
Mr Arthur Poh Heo Tat
(from 1 September 2010)

Academic Schools

APPLIED AND HEALTH SCIENCES CLUSTER

Senior Director
Dr Chai Min Sen

Director, Chemical & Life Sciences
Dr Chai Min Sen

Director, Mathematics & Science
Miss Chao Yunn Chyi

ARCHITECTURE, DESIGN AND ENVIRONMENT CLUSTER

Senior Director
Mr Lim Cher Yam

Director, Architecture & the Built Environment
Mr Tan Yew Meng

Director, Design
Mr Faris Akbar Hajamaideen

BUSINESS, IT AND HUMANITIES CLUSTER

Senior Director
Mr Lim Peng Hun
(up to 16 November 2010)
Mr Hee Joh Liang
(from 17 November 2010)

Director, Business
Dr Timothy Chan Wai Kuen

Director, Communication, Arts & Social Sciences
Mrs Lam Yoke Peng

Director, Digital Media & Infocomm Technology
Ms Georgina Phua Hwee Choo

ENGINEERING CLUSTER

Senior Director
Dr Dave Chong Tad Weng

Director, Electrical & Electronic Engineering
Mr Ng Weng Lam

Director, Mechanical & Aeronautical Engineering
Dr Ng Eng Hong

Director, Singapore Maritime Academy
Mr Roland Tan Keng Hock

Facts and Figures

GRADUATES
IN LOCAL
UNIVERSITIES

1,125

in 2010, at the same time,
176 students graduated with
First Class Honours or
Second Class (Upper)
Honours.

STAFF
STRENGTH

1,471

comprising 893
academic staff and 578
administrative staff.

STUDENT
CLUBS

136

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

STUDENT
ENROLMENT

18,273

comprising 15,943 full-time
and 2,330 part-time
students. The new intake of
6,628 students was made
up of 5,431 full-time and
1,197 part-time students in
the academic year
2010/2011.

CONTINUING
EDUCATION
PROGRAMMES

37,728

participants attended a total
of 850 continuing education
programmes offered by
Singapore Polytechnic. The
programmes included 128
Singapore Workforce Skills
Qualification courses, 363
short courses, 178 tailor-
made courses and 177
certification courses.

GRADUATE
OUTPUT &
EMPLOYMENT

5,397

students graduated from
Singapore Polytechnic in the
academic year 2009/2010.
Of these, 4,835 graduated
from diploma courses and
562 from advanced,
specialist and post-diploma
courses.

As at 1 October 2010,
90.5% of fresh graduates
found full-time permanent
or part-time/temporary
employment.

Highlights

April 2010



Mr Lee Yi Shyan, Minister of State for Trade & Industry and Manpower, officially opened the Professional & Adult Continuing Education (PACE) Academy at SP.

Mr Lim Boon Heng, Minister in the Prime Minister's Office (second from left), launched the **Nutrition, Health and Wellness Centre** at SP. In conjunction with the event, a Memorandum of Understanding was signed with the Ulu Pandan Wellness Programme Management Committee to provide comprehensive wellness programmes to residents in Ulu Pandan.



SP signed a Memorandum of Cooperation with **Mercy Relief** to strengthen humanitarian efforts in the region.

SP students clinched 16 out of 32 **IDA Integrated Infocomm Scholarships**. The recipients came from seven diplomas offered by the School of Digital Media and Infocomm Technology and the SP Design School. Another two SP graduates were awarded the **IDA National Infocomm Scholarship**.

The School of Architecture and the Built Environment launched a new **Diploma-Plus Certificate in Sustainability** to impart concepts and principles of sustainability, as well as to build an awareness of global environmental issues.

The School of Chemical and Life Sciences was recognised for '**Excellence in Education and Training in Chemical Engineering**' at the inaugural IChemE Singapore Innovation and Excellence Awards. The award recognised the innovative effort in the development of the new pedagogy that provided a more pragmatic learning experience for Diploma in Chemical Engineering students.

The Department of Industry Services organised the inaugural **Entrepreneurship Development Programme** to guide young aspiring entrepreneurs in SP.

Staff and students travelled by '**BMW**' (Bus, MRT, Walk) to campus on Earth Day. The Car-Free Day was in support of SP's Go Green movement.

May 2010



The Governor-General of New Zealand, Sir Anand Satyanand, and his wife Lady Susan Satyanand visited Massey University Singapore campus in SP.

Desmond Thiam Wei, a Diploma in Biomedical Science graduate, became the **first SP graduate** to be accepted into **National University of Singapore's Yong Loo Lin School of Medicine**.



InnoV@SP was awarded the Building and Construction Authority Green Mark Platinum Award for its eco-friendly and innovative features. The award is intended to promote sustainability in the built environment and raise environmental awareness among developers, designers and builders.

Kuriakin Zeng, a Diploma in Electronics, Computer and Communication Engineering graduate, became the first SP student in **Harvard College** to receive a full scholarship for his studies. Harvard College is part of Harvard University's Faculty of Arts and Sciences.



Lee Wei Jian and Yee Zheng Kang, both Diploma in Aerospace Electronics graduates, and Boon Le Tang, a Diploma in Electrical and Electronic Engineering graduate, were offered the **DSTA Local Undergraduate Scholarship**.

SP launched its bond-free **Engineering Scholarship**, which awarded each recipient with full tuition fees, a \$1,000 subsidy for a notebook PC and opportunities to go on local or overseas R&D attachments and attend engineering conferences and activities.

SP celebrated its **50th Graduation Ceremony** with guest-of-honour Dr Ng Eng Hen, Minister for Education and Second Minister for Defence. This milestone event also commemorated SP's 150,000th graduate, in the presence of SP's first student, 50,000th graduate and 100,000th graduate on stage.

June 2010



Together with Science Centre Singapore, Economic Development Board and Singapore Tourism Board, SP organised **RoboCup 2010**, dubbed the Olympics of the robotics industry. The event was held in South East Asia for the first time.

Daniel Poh Yuan Kai and Jaslyn Ng Hui Shan, both Diploma in Biomedical Science students, were the first polytechnic students to participate in an overseas internship at **Harvard Medical School**.



Reuben Raman, a Diploma in Music and Audio Technology student, was selected to participate in the **Singapore-MIT GAMBIT Game Lab** Summer Programme.

July 2010



SP's **first-ever tree auction** raised \$15,100, part of which was donated to South West Community Development Council Dover Community's '1,000,000 Native Plants @ South West' green programme.

Joy Tan, a Diploma in Business Administration graduate, received the **Public Service Commission Scholarship**.



For the second time running, Lio Shilei and Chessa Lim, both Diploma in Creative Media Design students, represented Singapore at the **Imagine Cup finals in Warsaw, Poland**, and emerged third in the Digital Media category.



SP signed an agreement with the Media Development Authority to set up a resource centre to facilitate the **Games-in-Learning** initiative using **Microsoft's XNA Game Studio** or other suitable platforms.

SP students received 20 out of 22 **Singapore Indian Education Trust Study Achievement Awards**.

August 2010



Twenty-three Singapore Maritime Academy students and graduates received scholarships at the **Maritime Port Authority and MaritimeONE Scholarship Awards Ceremony**.

Kingsley Boey Qi Yi, a Diploma in Business Information Technology graduate, was one of seven recipients of the **SAF Merit Scholarship**.



Dr Toh Wei Siong, an SP alumnus, entered Harvard Medical School after receiving the **A*STAR International Fellowship**.

Forty Diploma in Creative Writing for TV and New Media students supported the **Youth Olympic Games** as news service reporters, web reporters, web photojournalists, webmaster assistants, video editors, media operations assistants and photo services assistants.

September 2010

SP and Rotman DesignWorks of the University of Toronto jointly launched **DesignWorks Singapore**, a design-based education and innovation centre focusing on business design.



The **Live Well Collaborative Singapore (LWC-S)** centre, the only one outside the United States, was established at SP. LWC was founded by Procter & Gamble and the University of Cincinnati and focuses on research on products and services for the 50+ community.

Four internationally renowned keynote speakers presented at the **Design Thinking Summit at SP**. They were Heather Fraser, Director of Rotman DesignWorks and Business Design Initiative; Vijay Kumar, Professor at Illinois Institute of Technology, Institute of Design; Craig Vogel, President of Live Well Collaborative and Associate Dean at University of Cincinnati; and Matthew Doyle, Vice President of Live Well Collaborative and Director of Research and Development at Procter & Gamble.

SP and Temasek Foundation began training **Mongolia's** technical and vocational teachers as part of a three-year joint project.



Dr Ang Kah Wee, an SP alumnus, received the prestigious **2010 President's Technology Award**, the highest national award conferred on exceptional individuals and teams for excellent achievements in science and technology.

October 2010

SP received the **2010 President's Award for the Environment**, the highest accolade in Singapore for achievements in the field of environmental sustainability - a first for a local polytechnic.



Thirty-four SP students – the highest number among all polytechnics – received the **National Youth Achievement Awards (Gold)** from President S R Nathan.

SP launched its very own radio station called **SPACE Radio**.

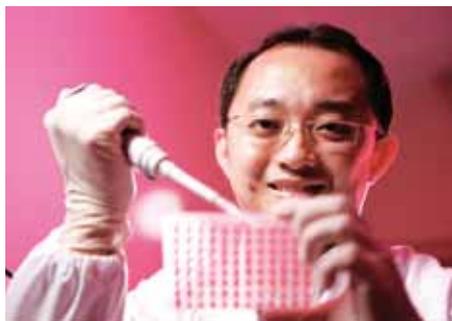


SP Business School graduates emerged runners-up at the **Asian Management Game** after a close competition with teams from India, Macau, Malaysia and Hong Kong.

SP signed a Memorandum of Understanding with **Resorts World Sentosa** for internship opportunities for students from SP and other polytechnics.

November 2010

Dr Tan Eng Lee, a School of Chemical and Life Sciences lecturer, invented the **world's fastest test kit for Hand, Foot and Mouth Disease**.



Fourteen SP Outstanding Talent students attended the annual **Princeton Model United Nations Conference** at Princeton University, joining students from the United States and around the world to engage in current affairs.

The pioneer batch of 29 students from Massey University Singapore, based in SP campus, received their **Bachelor of Food Technology (Honours)**. Massey University is one of the top five food technology institutes in the world.

December 2010



An animation clip by three School of Digital Media and Infocomm Technology students, entitled 'Wedding Interlude', won the **Panorama-Asia Pacific Design Challenge 2010** and was shown on **Asia Animax TV Channel** as well as in France, Hong Kong and China.

January 2011



SP clinched the **South West Environment and Community Award (Community Category)** for outstanding contributions to environmental and community sustainability in the district.

SP students won five gold, one silver and three bronze medals at the Singapore round of the **WorldSkills Competition**. The gold medallists will represent Singapore at the 41st WorldSkills Competition in London in October 2011.



SP spectrum study area



SP opened a skate park, drifters court and **Starbucks Coffee** on campus, all firsts for a polytechnic in Singapore. These and other new learning and social spaces like the SP spectrum study area contributed to a more vibrant campus experience.

The first-of-its-kind in a polytechnic, the **Diploma in Info-communication Engineering and Design** offered a unique curriculum combining engineering with design.

Andrew Ong, a Diploma in Aeronautical Engineering graduate, won the prestigious **Global Merit Scholarship** offered by the National University of Singapore.

A Memorandum of Understanding was inked with **Advanced Technology Investment Company**, wholly owned by the government of Abu Dhabi, to train wafer fabrication technicians.

Two Diploma in Biomedical Science students went to **Yale University** for their Overseas Internship Training Programme.

February 2011

SP set a national record when its mosaic of recycled banners was declared the '**Largest Mosaic Made Using Used Banners in Singapore**', gaining an entry in the Singapore Book of Records.



Final-year Diploma in Media and Communication students organised the inaugural Media and Communication Conference 2011.

March 2011



Twenty-four Diploma in Tourism and Resort Management students underwent two weeks of academic programme at **University of California Riverside** for their Certificate in Hospitality and Tourism Management followed by a six-month academic training experience at **Walt Disney World** in Florida, United States.

Three teams of SP lecturers received support from the **Totalisator Board Social Innovation Research Fund** for projects to benefit the social sector and improve the social environment.

The Department of Mathematics and Science became the **School of Mathematics and Science**.

Financial Report

For the financial year ended 31 March 2011

Statement by Board of Governors

For the financial year ended 31 March 2011

In the opinion of the Board of Governors,

- (a) the financial statements as set out on pages 27 to 52 are drawn up so as to give a true and fair view of the state of affairs of the Polytechnic as at 31 March 2011 and of the results, changes in funds and reserves and cash flows of the Polytechnic for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Polytechnic will be able to pay its debts as and when they fall due.

On behalf of the Board



Tan Kay Yong
Chairman



Tan Hang Cheong
Principal

30 June 2011

Independent Auditor's Report to The Members of The Board of Governors of Singapore Polytechnic

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Polytechnic (the "Polytechnic") set out on pages 27 to 52, which comprise the balance sheet of the Polytechnic as at 31 March 2011, the statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the Polytechnic are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Polytechnic as at 31 March 2011, and the results, changes in funds and reserves and cash flows of the Polytechnic for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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



PricewaterhouseCoopers LLP

Public Accountants and Certified Public Accountants

Singapore

30 June 2011

Statement of Comprehensive Income

For the financial year ended 31 March 2011

	Note	General fund		Other funds		Total	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Operating income							
Course fees		39,762	38,015	14,944	12,095	54,706	50,110
Other fees		947	916	-	-	947	916
		40,709	38,931	14,944	12,095	55,653	51,026
Operating expenditure							
Staff costs	3	(173,523)	(152,114)	(7,211)	(5,981)	(180,734)	(158,095)
Teaching materials		(7,914)	(7,717)	(584)	(870)	(8,498)	(8,587)
Repairs and maintenance		(15,674)	(14,064)	-	-	(15,674)	(14,064)
Depreciation of property, plant and equipment	9	(29,607)	(28,003)	(732)	(568)	(30,339)	(28,571)
Development expenses written-off		(9,730)	(10,996)	-	-	(9,730)	(10,996)
Staff development and benefits		(4,723)	(3,603)	-	-	(4,723)	(3,603)
Other expenditure	4	(23,521)	(21,547)	(7,876)	(7,580)	(31,397)	(29,127)
		(264,692)	(238,044)	(16,403)	(14,999)	(281,095)	(253,043)
Operating deficit		(223,983)	(199,113)	(1,459)	(2,904)	(225,442)	(202,017)
Non-operating income							
Donations		-	-	1,127	672	1,127	672
Interest income - banks		712	283	549	616	1,261	899
Rental income - operating leases		213	240	1,779	1,638	1,992	1,878
Other income		2,345	1,294	5,056	4,518	7,401	5,812
(Deficit)/Surplus before grants		(220,713)	(197,296)	7,052	4,540	(213,661)	(192,756)
Grants	5	246,597	216,153	201	1,151	246,798	217,304
Surplus for the year		25,884	18,857	7,253	5,691	33,137	24,548
Other comprehensive income							
Net change in fair value of financial assets, available-for-sale		-	-	8	(58)	8	(58)
Total comprehensive income		25,884	18,857	7,261	5,633	33,145	24,490

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

Balance Sheet

For the financial year ended 31 March 2011

	Note	2011 \$'000	2010 \$'000
Endowment fund (Capital)	7	17,817	13,083
Accumulated surplus			
General fund		115,607	91,723
Other funds	7	92,686	85,433
Fair value reserve		525	517
Total capital and other funds		226,635	190,756
Funds managed on behalf of the Ministry	8	5,709	5,478
Funds' net assets managed on behalf of the Ministry	8	(5,709)	(5,478)
		-	-
Represented by:			
Non-current assets			
Property, plant and equipment	9	284,989	273,969
Investment in subsidiaries	10	1,100	1,100
Financial assets, available-for-sale	11	5,450	5,400
Loan to Singapore Polytechnic Graduates' Guild	12	-	-
Staff and student loans	13	379	327
		291,918	280,796
Current assets			
Financial assets, available-for-sale	11	-	3,042
Trade and other receivables	14	24,197	19,310
Cash and cash equivalents	15	280,364	228,126
		304,561	250,478
Total assets		596,479	531,274
Current liabilities			
Trade and other payables	16	45,679	38,209
Government grants received in advance	17	43,656	32,268
		89,335	70,477
Net current assets		215,226	180,001
Non-current liabilities			
Deferred capital grants	18	280,509	270,041
Total liabilities		369,844	340,518
Net assets		226,635	190,756

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

Statement of Changes in Funds and Reserves

For the financial year ended 31 March 2011

	Endowment fund (Capital) (Note 7) \$'000	General fund \$'000	Other funds (Note 7) \$'000	Fair value reserve \$'000	Total \$'000
At 1 April 2010	13,083	91,723	85,433	517	190,756
Total comprehensive income	-	25,884	7,253	8	33,145
Transfer of accumulated surplus to endowment fund (capital)	2,000	(2,000)	-	-	-
Contributions and donations received for the endowment fund (capital)	2,734	-	-	-	2,734
At 31 March 2011	17,817	115,607	92,686	525	226,635
At 1 April 2009	13,078	72,866	79,742	575	166,261
Total comprehensive income	-	18,857	5,691	(58)	24,490
Contributions and donations received for the endowment fund (capital)	5	-	-	-	5
At 31 March 2010	13,083	91,723	85,433	517	190,756

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

Statement of Cash Flows

For the financial year ended 31 March 2011

	Note	2011 \$'000	2010 \$'000
Cash flows from operating activities			
Deficit before grants		(213,661)	(192,756)
Adjustment for:			
Depreciation of property, plant and equipment	9	30,339	28,571
Interest income		(1,261)	(899)
Loss on disposal of property, plant and equipment		54	11
		(184,529)	(165,073)
Changes in working capital:			
Trade and other receivables		1,288	649
Staff and student loans		(47)	(55)
Trade and other payables		7,470	726
Net cash used in operating activities		(175,818)	(163,753)
Cash flows from investing activities			
Interest received		1,261	899
Purchases of property, plant and equipment		(41,458)	(51,046)
Proceeds from disposals of property, plant and equipment		45	15
Cash flows used in investing activities		(40,152)	(50,132)
Cash flows from financing activities			
Development grants received from Government		18,213	34,943
IT and F & E grants received from Government		23,995	22,945
Innovation grants received from Government		931	660
Operating grants received from Government		217,195	225,474
Operating grants received from non-government organisations		2,859	2,593
Contributions and donations received for the endowment fund (capital)		2,015	5
Net increase in fixed deposits with more than three months maturity		(56,692)	(40,243)
Proceeds from the maturity of financial assets, available-for-sale		3,000	-
Net cash provided by financing activities		211,516	246,377
Net (decrease)/increase in cash and cash equivalents		(4,454)	32,492
Cash and cash equivalents at beginning of the year		187,469	154,977
Cash and cash equivalents at end of the year	15	183,015	187,469

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

Notes to the Financial Statements

For the financial year ended 31 March 2011

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

1. General

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

500 Dover Road
Singapore 139651

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

2.2 Revenue recognition

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

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

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

Donations are recognised in the year of receipt.

2.3 Grants

Development grants from government and contributions from other organisations utilised for the purchase of depreciable assets or to finance capital projects are taken to the Deferred Capital Grants account if the assets are capitalised, or taken to the income statement if the assets purchased are written off in the year of purchase.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.3 Grants (continued)

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

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

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

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

2.4 Funds

(i) General Fund

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

(ii) Other Funds

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

(iii) Endowment Fund

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

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

2.5 Funds managed/held on behalf for others

Funds are set up to account for contributions received from external sources for specific purposes.

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

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.6 Impairment of non-financial assets

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

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

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

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

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

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2.7 Loans and receivables

Bank balances

Trade and other receivables

Loan to Singapore Polytechnic Graduates' Guild

Staff and student loans

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

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

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

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

2.8 Property, plant and equipment

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

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

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

Property, plant and equipment

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

Gain and losses on disposal of item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised net within other income in the statement of comprehensive income.

Subsequent costs

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

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.8 Property, plant and equipment (continued)

Depreciation

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

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

The estimated useful lives are as follows:

Leasehold land	Leasehold period ranging from 21 to 86 years
Building (campus and staff quarters)	Over the lease period (subject to maximum of 50 years)
Building improvements	5 years
Equipment and furniture	3 to 10 years
Motor vehicles	5 years

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

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

2.9 Financial assets, available-for-sale

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

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

The Polytechnic assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired. Significant or prolonged decline in the fair value of an equity security below its cost is objective evidence that the security is impaired.

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.10 Trade and other payables

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

2.11 Employee compensation

(a) Defined contribution plans

The Polytechnic's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

(b) Employee leave entitlement

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

2.12 Operating lease payments

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

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

2.13 Foreign currency translation

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

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

2.14 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.4/2010 dated 2 November 2010. Selected bank accounts of the Polytechnic maintained with selected banks are linked up with the Accountant-General's Department's ("AGD") bank accounts for available excess cash to be automatically aggregated for central management on a daily basis. The deposits held with AGD are short-term highly liquid investments that are readily convertible to known amounts of cash and are classified in cash and cash equivalents as "Cash with AGD".

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.14 Cash and cash equivalents (continued)

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

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

3. Staff costs

	2011 \$'000	2010 \$'000
Wages and salaries	164,721	144,367
Employer's contribution to Central Provident Fund	14,639	12,723
Other staff benefits	1,374	1,005
	180,734	158,095

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

	2011 \$'000	2010 \$'000
Key management's remuneration	7,048	5,622

4. Other expenditure

	2011 \$'000	2010 \$'000
Water and electricity	9,079	6,659
IT support and other services	1,833	1,893
Consultancy services	1,637	1,742
Vocational training for student	1,251	952
Campus events and activities	1,071	934
Other expenses	16,526	16,947
	31,397	29,127

Notes to the Financial Statements

For the financial year ended 31 March 2011

5. Grants

	General Fund		Other Funds		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Operating grants received from						
- Government (Note 6)	206,142	176,269	-	1,056	206,142	177,325
- Non-government	1,019	863	-	-	1,019	863
Deferred capital grants amortised						
- Government (Note 18)	27,853	26,353	201	95	28,054	26,448
- Non-government (Note 18)	1,853	1,672	-	-	1,853	1,672
Development grants utilised	9,730	10,996	-	-	9,730	10,996
	246,597	216,153	201	1,151	246,798	217,304

6. Operating grants - Government

	2011 \$'000	2010 \$'000
Operating grants received/receivables during the year	240,214	203,309
Less :		
Grants utilised on property, plant and equipment transferred to Deferred Capital Grants (Note 18)	(16,514)	(9,267)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	(17,558)	(16,717)
Operating grants taken to income statement	206,142	177,325

Operating grants received from Government since 1 April 1980: \$3,420.1 million (2010: \$3,179.9 million) which include the cumulative operating grants for GST subsidy of \$126.8 million (2010: \$109.3 million).

7. Other funds

Other Funds comprise the following funds:

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

Interest income and expenditure of the Fund are taken to the operating account under "Other Funds" in the Income and Expenditure Statement.

Notes to the Financial Statements

For the financial year ended 31 March 2011

7. Other funds (continued)

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

	2011	2010
	\$'000	\$'000
At beginning of financial year	13,083	13,078
Transfer from general funds	2,000	-
Donations received from third parties	2,734	5
At end of financial year	17,817	13,083
Represented by:		
Fixed deposits	17,097	11,266
Bonds (at cost)	-	1,800
Amount due from Ministry	719	-
Cash at bank	1	17
	17,817	13,083

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

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; and
- (v) maintenance and upgrading of staff quarters.

Notes to the Financial Statements

For the financial year ended 31 March 2011

7. Other funds (continued)

	Endowment fund		Student welfare & development fund		Miscellaneous funds		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Operating income								
Course fees	-	-	-	-	14,944	12,095	14,944	12,095
Operating expenditure								
Staff costs	-	-	-	-	7,211	5,981	7,211	5,981
Depreciation of property, plant and equipment	-	-	45	59	687	509	732	568
Teaching materials	-	-	-	-	584	870	584	870
Other expenditure	972	862	752	809	6,152	5,909	7,876	7,580
	972	862	797	868	14,634	13,269	16,403	14,999
Operating (deficit)/surplus	(972)	(862)	(797)	(868)	310	(1,174)	(1,459)	(2,904)
Non-operating income								
Donations	1,127	672	-	-	-	-	1,127	672
Interest income – banks	91	167	10	11	448	438	549	616
Rental income – operating leases	-	-	-	-	1,779	1,638	1,779	1,638
Other income	130	163	1,102	856	3,824	3,499	5,056	4,518
Surplus/(deficit) before grants	376	140	315	(1)	6,361	4,401	7,052	4,540
Grants	-	-	-	-	201	1,151	201	1,151
Surplus for the year	376	140	315	(1)	6,562	5,552	7,253	5,691
Accumulated surplus at 1 April	4,411	4,271	4,091	4,092	76,931	71,379	85,433	79,742
Accumulated surplus at 31 March	4,787	4,411	4,406	4,091	83,493	76,931	92,686	85,433
Represented by:								
Property, plant and equipment	-	-	675	737	4,553	4,139	5,228	4,876
Staff and student loans	-	-	410	366	12	11	422	377
Investment in subsidiaries	-	-	-	-	1,100	1,100	1,100	1,100
Financial assets, available-for-sale	-	507	-	-	5,450	6,110	5,450	6,617
Fair value reserve	-	(7)	-	-	(525)	(485)	(525)	(492)
Cash and cash equivalents	4,789	3,839	3,321	2,988	77,676	72,070	85,786	78,897
Receivables, deposits and prepayments	18	88	-	-	2,031	1,710	2,049	1,798
Payables, deposits and accruals	(20)	(16)	-	-	(6,057)	(6,775)	(6,077)	(6,791)
Deferred Capital Grants	-	-	-	-	(747)	(949)	(747)	(949)
	4,787	4,411	4,406	4,091	83,493	76,931	92,686	85,433

Notes to the Financial Statements

For the financial year ended 31 March 2011

8. Funds managed on behalf of the Ministry

Pursuant to the Tuition Fee and Study Loan Schemes and Staff Housing Loan Scheme, the Polytechnic acts as agent for the tuition fee and student loans and staff housing loans and the Ministry as the financier providing the advances.

The staff and student loans funds were set up from advances from the Ministry of Education for the purpose of providing loans to staff and students.

	2011	2010
	\$'000	\$'000
Advances from the Ministry		
At beginning of financial year	5,478	5,224
Add:		
Advances received	298	415
Interest income	71	37
Less:		
Advances repaid	(137)	(183)
Bad debts	(1)	(15)
At end of financial year	5,709	5,478
	2011	2010
	\$'000	\$'000
Represented by:		
Amount due from the Ministry	-	(186)
Trade and other receivables	170	-
Cash and bank balances	276	-
Tuition fees and study loans	4,652	4,988
Staff housing loans	611	676
Net assets	5,709	5,478

The cash and bank balances are held on behalf of the Ministry for the purpose of extending study loans to students.

Loans given to students are interest-free until 1 June or 1 December in the year of their graduation, or for those with National Service obligation, in the year in which they finish their National Service. Thereafter, loans are repayable by monthly instalments with interest at 4.75% (2010: 4.75%) per annum which is based on the average prime rates of banks or such other rates as may be determined by the Polytechnic from time to time. The interest on the tuition fee loans is remitted in full to the Ministry. The students are given an option to repay by monthly instalments over a period of up to 10 years after the borrowers' graduation.

Loans to staff consist of housing loan made in accordance with the regulations of the Polytechnic. With effect from January 2002, housing loan benefit is no longer provided and the unutilised grants as well as the repayment of these staff loans amounting to \$98,000 (2010: \$183,000) were refunded to the Ministry of Education. Existing housing loans will continue to be funded. Staff and student loans are disbursed from advances from the government and repayment of the loans will eventually be returned to the government. These loans are denominated in Singapore dollars.

Notes to the Financial Statements

For the financial year ended 31 March 2011

9. Property, plant and equipment

	Leasehold land \$'000	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Motor vehicles \$'000	Construction -in- progress \$'000	Total \$'000
2011							
Cost							
Beginning of financial year	56,518	236,902	66,016	265,462	176	33,515	658,589
Additions	-	34,443	13,799	26,589	142	(33,515)	41,458
Disposals	-	-	(427)	(15,626)	(176)	-	(16,229)
End of financial year	56,518	271,345	79,388	276,425	142	-	683,818
Accumulated depreciation							
Beginning of financial year	18,160	103,568	49,737	212,979	176	-	384,620
Depreciation charge	809	5,354	4,623	19,527	26	-	30,339
Disposals	-	-	(427)	(15,527)	(176)	-	(16,130)
End of financial year	18,969	108,922	53,933	216,979	26	-	398,829
<i>Net book value</i>							
End of financial year	37,549	162,423	25,455	59,446	116	-	284,989
2010							
Beginning of financial year	56,518	235,032	63,380	261,442	176	7,666	624,214
Additions	-	1,870	2,636	20,691	-	25,849	51,046
Disposals	-	-	-	(16,671)	-	-	(16,671)
End of financial year	56,518	236,902	66,016	265,462	176	33,515	658,589
Accumulated depreciation							
Beginning of financial year	17,351	98,628	45,871	210,668	176	-	372,694
Depreciation charge	809	4,940	3,866	18,956	-	-	28,571
Disposals	-	-	-	(16,645)	-	-	(16,645)
End of financial year	18,160	103,568	49,737	212,979	176	-	384,620
<i>Net book value</i>							
End of financial year	38,358	133,334	16,279	52,483	-	33,515	273,969

Notes to the Financial Statements

For the financial year ended 31 March 2011

10. Investment in subsidiaries

	2011 \$'000	2010 \$'000
Equity investments at cost		
Beginning and end of financial year	1,100	1,100

Name of companies	Principal activities	Country of incorporation	Equity holding	
			2011 %	2010 %
Innomart Pte Ltd	Investment holding company	Singapore	100	100
Singapore Polytechnic International Pte Ltd	Recruitment of full-fee paying foreign students to study in the Polytechnic and licensing local and overseas education institutions to conduct in whole and in part of the Polytechnic's diploma courses offshore	Singapore	100	100

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

11. Financial assets, available-for-sale

	2011 \$'000	2010 \$'000
Quoted bonds, at fair value		
Beginning of financial year	8,442	8,500
Maturity of financial assets, available-for-sale	(3,000)	-
Fair value gains/(losses) recognised in other comprehensive income	8	(58)
End of financial year	5,450	8,442
Less: Current portion	-	3,042
Non-current portion	5,450	5,400

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

Notes to the Financial Statements

For the financial year ended 31 March 2011

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

	2011 \$'000	2010 \$'000
Loan	2,500	2,500
Interest receivable	246	246
	<u>2,746</u>	<u>2,746</u>
Allowance for interest receivable	(246)	(246)
Allowance for doubtful receivables	(2,500)	(2,500)
	<u>-</u>	<u>-</u>

Movements in allowance for doubtful receivables are as follows:

	2011 \$'000	2010 \$'000
At beginning of financial year	2,500	2,500
Allowance made during financial year	-	-
At end of financial year	<u>2,500</u>	<u>2,500</u>

The loan to Singapore Polytechnic Graduates' Guild ("SPGG"), which is denominated in Singapore dollars, has a mortgage in escrow over the SPGG's clubhouse subject to the security interest created by SPGG in favour of OCBC Bank Limited ("OCBC"). The loan and interest are repayable within a period of 10 years commencing from the date of first drawdown of the loan. First repayment will be due on the first day of each month following the last and final instalment repayment to OCBC in respect of the loan granted by the latter to SPGG or such other dates thereafter as the Polytechnic has subordinated its right to repayment of indebtedness of SPGG to OCBC. The expected first principal monthly repayment will not be within the next 12 months of the financial year ended 31 March 2011.

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2011

13. Staff and student loans

	2011 \$'000	2010 \$'000
Repayable after 12 months:		
Staff loans	9	10
Student loans	370	317
	<u>379</u>	<u>327</u>
Repayable within 12 months (Note 14):		
Staff loans	5	1
Student loans	40	49
	<u>45</u>	<u>50</u>

Staff loans are repayable with interest at 0% to 4.25% (2009: 0% to 4.25%) per annum by monthly installments, over periods of up to 4 years.

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

14. Trade and other receivables

	2011 \$'000	2010 \$'000
Trade receivables	3,357	3,773
Goods and services tax receivable	1,444	3,389
Grants receivables	17,404	11,224
Staff and student loans (Note 13)	45	50
Other receivables	873	312
Deposits	23	23
Loans and receivables	<u>23,146</u>	18,771
Prepayments	1,051	539
	<u>24,197</u>	<u>19,310</u>

Included in trade receivables are operating grant receivables and donations receivables from the Ministry of Education of \$17,404,000 (2010: \$11,224,000).

15. Cash and cash equivalents

	2011 \$'000	2010 \$'000
Cash at bank and in hand	35,031	48,962
Cash with Accountant-General's Department	146,761	70,263
Fixed deposits	98,572	108,901
Cash and cash equivalents	<u>280,364</u>	228,126
Fixed deposits with more than 3 months maturity	(97,349)	(40,657)
Cash and cash equivalents per cash flow statement	<u>183,015</u>	<u>187,469</u>

Notes to the Financial Statements

For the financial year ended 31 March 2011

15. Cash and cash equivalents (continued)

The effective interest rates per annum relating to cash with Accountant - General's Department and fixed deposits at the balance sheet date are 0.41% (2010: 0.53%). Interest rates repriced at intervals of less than 1 year. Cash held with Accountant-General's Department ("AGD") earn interest based on fixed deposits rates determined by financial institutions with which AGD deposits the monies.

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at balance sheet date, the bank balance of \$686,000 (2010: \$538,000), comprising cash at bank of \$34,000 (2010: \$336,000) and fixed deposit of \$652,000 (2010: \$202,000), has not been included in the cash and cash equivalents of the Polytechnic.

16. Trade and other payables

	2011 \$'000	2010 \$'000
Sundry creditors	10,964	9,981
Grants received in advance from Workforce Development Agency ("WDA")	-	1,768
Deposits	520	509
Accruals	34,195	25,951
	45,679	38,209

17. Government grants received in advance

		2011 \$'000	2010 \$'000
At 1 April	Note		
Grants received/receivable during the year		32,268	27,498
- Government development grants		18,213	34,943
- Government IT and F & E grants		23,995	20,009
- Government innovation grants		931	660
Transfer to deferred capital grants (government)	18	(22,021)	(39,846)
Amount taken to the statement of comprehensive income	5	(9,730)	(10,996)
At 31 March		43,656	32,268

Notes to the Financial Statements

For the financial year ended 31 March 2011

18. Deferred capital grants

	<u>Government</u>		<u>Non-Government</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At beginning of financial year	264,414	241,749	5,627	5,569	270,041	247,318
Add :						
Development grants received for purchases of property, plant and equipment	22,021	39,846	-	-	22,021	39,846
Operating grants received for purchases of property, plant and equipment (Note 6)	16,514	9,267	-	-	16,514	9,267
Grants received for purchases of property, plant and equipment from statutory boards/ other non-government organisations	-	-	1,840	1,730	1,840	1,730
	38,535	49,113	1,840	1,730	40,375	50,843
Less:						
Grant taken to income statement (Note 5)	(28,054)	(26,448)	(1,853)	(1,672)	(29,907)	(28,120)
At end of financial year	274,895	264,414	5,614	5,627	280,509	270,041

Total development grants received from Government for purchases of property, plant and equipment since 1 April 1980 is \$678.8 million (2010: \$656.8 million).

Notes to the Financial Statements

For the financial year ended 31 March 2011

19. Capital commitments

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

	2011 \$'000	2010 \$'000
Amount approved and contracted for	<u>13,818</u>	<u>10,122</u>
Amount approved but not contracted for	<u>29,328</u>	<u>20,207</u>

The above capital commitments are funded by Government grants.

20. Financial risk management

Overview

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

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

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

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

Credit risk

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

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

The Polytechnic's exposure to credit risk is minimal as cash and fixed deposits are placed with banks and financial institutions which are regulated and it invests only in bonds with low credit risk. The credit ratings relating to its bonds amounting to \$5,450,000 (2010: \$8,442,000) are not rated as these bonds are issued by a statutory board.

At the balance sheet date, the Polytechnic's trade receivables include three debtors (2010: three debtors) that individually represented 10-24% (2010: 12-30%) of trade receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Notes to the Financial Statements

For the financial year ended 31 March 2011

20. Financial risk management (continued)

Credit risk (continued)

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

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

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

The age analysis of trade receivables past due but not impaired is as follows:

	2011	2010
	\$'000	\$'000
Past due one month	298	168
Past due two months	6	163
Past due over two months	64	316
	368	647

Liquidity risk

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

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

The table below analyses the maturity profile of financial liabilities of the Polytechnic based on contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000
At 31 March 2011			
Trade and other payables	45,679	-	-
At 31 March 2010			
Trade and other payables	38,209	-	-

Notes to the Financial Statements

For the financial year ended 31 March 2011

20. Financial risk management (continued)

Interest rate risk

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

	2011 \$'000	2010 \$'000
Fixed rate instruments		
Quoted bonds**	5,450	8,442
Variable rate instruments		
Cash with AGD	146,761	70,263
Fixed deposits	98,572	108,901
	245,333	179,164

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

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

	Surplus/deficit	
	2011 \$'000	2010 \$'000
Cash with AGD and fixed deposits	2,453	1,792

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

Notes to the Financial Statements

For the financial year ended 31 March 2011

20. Financial risk management (continued)

Foreign currency risk

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

Fair value

Quoted bonds

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

Fair value hierarchy

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2011				
Quoted bonds	5,450	-	-	5,450
2010				
Quoted bonds	8,442	-	-	8,442

Other financial assets and liabilities

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

Notes to the Financial Statements

For the financial year ended 31 March 2011

21. New SB-FRS and interpretations not yet adopted

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

- Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

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

22. Authorisation of Financial Statements

These financial statements were authorised for issue by the Board of Governors of Singapore Polytechnic on 30 June 2011.

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