

NAVIGATING THE  
FUTURE ECONOMY



## OUR MISSION

Life-Ready • Work-Ready • World-Ready

A future-ready institution that prepares our learners to be life-ready, work-ready and world-ready.

## OUR VISION

Inspired Learner • Serve with Mastery • Caring Community

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

## OUR CORE VALUES

Self-Discipline | Personal Integrity | Care & Concern

Openness | Responsibility | Excellence



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## CHAIRMAN'S FOREWORD

*We will continuously find ways to strengthen our curriculum and industry partnerships, so that students can look forward to more meaningful and relevant learning opportunities.*

This year was a significant one in Singapore Polytechnic's (SP) history. Notably, we reached our 200,000 graduates milestone at our 58th graduation ceremony. Two of our academic schools, the School of Electrical and Electronic Engineering and the Singapore Maritime Academy, also proudly celebrated their 60th anniversaries. These milestones underscored the success of SP in training and producing a skilled workforce for the country over the past six decades.

As we celebrate our achievements, we must remember that the strategies we used yesterday will lose its relevance in tomorrow's Volatile, Uncertain, Complex and Ambiguous (VUCA) world. Rapid technological breakthroughs and disruptions are changing the nature of our economy, the work that we do and the skills required. Hence, we need to come up with new and advanced training models to prime our learners for a competitive and fast changing global business environment.

Against this backdrop, the Board and SP management team spent several months co-creating a Collective Aspiration to guide the institution towards our goal. In this Collective Aspiration, we see our purpose to enhance the human potential of our learners so that they can live, work and shape the world. We hope to establish the next-generation tertiary education model to support a new generation of learners who are deeply skilled and entrepreneurial, and who possess a global mindset.

SP has always been a leader in the polytechnic scene throughout our history – we should stay true to our heritage and take the lead in establishing the new education model and redefining the tertiary education order.

## FOSTERING AN ENTREPRENEURIAL SPIRIT

SP has played an important role in nurturing and sustaining entrepreneurial vigour among our learners.

A stellar embodiment of an entrepreneurial mindset is our 200,000th graduate, Lee Zheng De. Even before he graduated from SP's Diploma in Engineering with Business, Zheng De was already a young entrepreneur and owner of online travel planner, Packdat.com. The online planner offers a simple and personalised way for group travellers to plan an itinerary in just 30 minutes.

Zheng De faced many challenges in his early attempts at entrepreneurship, including business failure. But, he learnt from his experiences and continued experimenting with new ideas. His steadfastness paid off as the online planner grew in value and potential. Today, it has seen over 5,000 successful itineraries created for 16 cities across Asia, and was recently awarded the Top 3 Millennial Traveller Award by CNBC and Accenture.

Packdat.com also attracted an Indonesian digital travel company Passpod to make a strategic investment in the business. A Memorandum of Understanding (MoU) was inked between Passpod and Zheng De on his graduation day.

To give students a head-start in entrepreneurship, SP recently launched SPiNOFF – both an institutional entrepreneurship module for students and

an entrepreneurship centre. Close to 100 students have enrolled in the module, with four projects already being incubated in the centre – spanning food and beverage, fintech, real estate and speech therapy technology solutions.

The initiative has also seen several companies co-locating on campus, each playing a critical role in providing mentorship to student start-ups and internship opportunities, and co-developing entrepreneurship-related curriculum.

Moving forward, SPiNOFF will be extending its offering to adult learners, opening the door for full-time students to exchange ideas with adult learners and grow more start-ups.

## GROOMING LIFELONG LEARNERS

SP has also been very active in the Continuing Education and Training (CET) arena, providing over 300 courses for working adults to upskill and reskill. Courses are not only more modular, but also accessible online to help individuals keep up with their busy schedules while enabling them to achieve their career aspirations.

These skill-based courses, ranging Data Science and Cyber Security Management to Business Management and Power Engineering, are stackable and credits earned from the modular learning can be accumulated to achieve a full diploma qualification – all at one's own pace.

A busy working adult who benefitted from our CET programme is 38-year-old Thevandran S/O Subramaniam, who recently graduated with a Specialist Diploma in Cyber Security Management. He was in the Information Technology field for 20 years before he enrolled in SP.

He took interest in cyber security after seeing how fast cyber threats were evolving globally. Although it had no relevance to his job, he decided to pursue his passion. Despite heavy family commitments, he completed the course with the help of the SP lecturers. Today, Thevandran has taken on new roles in the company, and is more confident of better job opportunities in a high-growth cyber security sector.

SP has also been working closely with industry partners to develop a wider range of SkillsFuture Earn and Learn Programmes (ELP).

For Diploma in Food Science and Technology graduate Chee Pei Yi, her internship at Ingredion as a PET student sealed her decision to join the food innovation sector. Pei Yi agreed to take the Advanced Diploma in Food Science, an 18-month ELP that allows her to work at Ingredion and learn new concepts in SP at the same time. She will also finish the ELP with three certificates – Certificate in Food Product Innovation, Certificate in Food Processing, and Certificate in Food Safety and Quality Management – which will propel her to greater heights in her career.

Our 2018 Institutional Medallist Dominic Li is also on his lifelong learning journey. Dominic faced multiple setbacks in his younger years, including dropping out of junior college. He then signed on with the Singapore Armed Forces (SAF) as a viable route to undo the wrong choices he had made.

After working for eight years, Dominic was offered the SAF Military Domain Experts Scheme Study Award. He stepped out of his comfort zone and accepted the offer, even if it meant entering polytechnic at 30 years old. As a Diploma in Energy Systems and Management student, Dominic made full use of his time to learn and upskill. He led his team to build a solar car that represented Singapore in the World Solar Challenge 2017, a 3,000km race from Darwin to Adelaide, Australia.

There is no dearth of training opportunities available for those who want to upgrade in SP. Thevandran, Pei Yi and Dominic are testament to the notion that learning should not, and does not, stop past a certain age or milestone. Indeed, SP is a poly for all ages.

## SHAPING A NEW LEARNING PARADIGM

In our new tertiary education model, we will fine-tune our pedagogy to better cater to the needs and interests of our students and the industry.

Our academic schools will create space in each course for three electives, which will enhance the learning opportunities for our students. We will also be streamlining diplomas in the fields of media, arts and design to create potential for future growth and development.

Besides the Common Entry Programme (CEP) in Engineering for students, we will expand our programme to include Information Technology and Business. This move will enable students to acquire a broad understanding of their field of choice before they commit to a specialisation.

We are also placing greater emphasis on flipped learning, which will see students source for materials and conduct research on topics prior to lessons. As such, classroom lessons become an opportunity to ignite meaningful discussions and problem-solving activities among self-directed learners.

There are also more collaborative projects with industry partners to raise the learning experience of our students. For instance, we partnered Singapore Power Group (SP Group) to set up ideaBox, a translation lab that turns promising ideas into reality. Under the guidance of SP Group mentors, students will devise sustainable energy solutions and grow in their knowledge of engineering, design and media.

Furthermore, we have formed partnerships with the Institute of Chartered Accountants in England and Wales (ICAEW), Deloitte and PriceWaterhouseCoopers (PwC), to develop an accelerated pathway for SP Accountancy students towards the ICAEW Associate Chartered Accountant certification. With a Diploma in Accountancy, SP graduates only need to complete the remaining eight out of 15 ICAEW modules and gain three years of work experience before being recognised as chartered accountants in Singapore and the United Kingdom (UK), even without a degree. They have the opportunity to fulfil their three-year work requirement at Deloitte and PwC, subject to acceptance into the company.

We will continuously find ways to strengthen our curriculum and industry partnerships, so that students can look forward to more meaningful and relevant learning opportunities.

## READY FOR THE FUTURE

As SP navigates the future economy, we will be presented with new challenges and opportunities. We are poised to meet these learning opportunities with our forward-looking mindset, our boldness, and the team behind SP – Board Members, leadership team, academic and non-academic staff, students and partners.

We will only progress with the collected effort of every one.

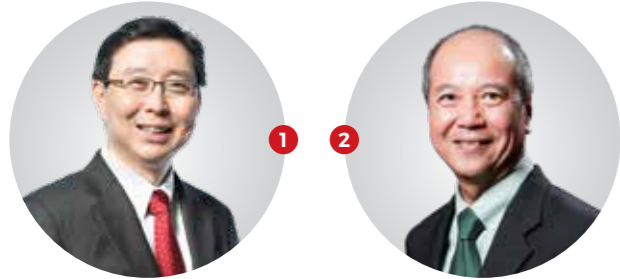
Thank you.



**Mr Bill Chang York Chye**  
Chairman  
Board of Governors  
Singapore Polytechnic

# BOARD OF GOVERNORS

FROM 1 APR 2017 TO 31 MAR 2018



**1. MR BILL CHANG YORK CHYE**  
(Chairman)  
*Country Chief Officer for Singapore and Chief Executive Officer of Group Enterprise, Singapore Telecommunications Ltd*

**2. MR JOHNNY TAN CHENG HYE**  
(Deputy Chairman)  
*Independent Arbitrator*



**3. MS AMANDA CHEN**  
(Member)  
*Director, Springarch Investment*

**4. MR JOSEPH CHUA**  
(Member)  
*Director, Panstone Holding Chief Operating Officer (Asia), Resn Asia Limited*



**5. MR GOH TEIK POH**  
(Member)  
*Managing Director, Global Maritime Talent Pte Ltd*

**6. DR BENJAMIN KOH**  
(Member)  
*Coordinating Divisional Director, Higher Education Group, Ministry of Education*



**7. MR MARCUS H C LAM**  
(Member)  
*Partner – Head of Assurance, PricewaterhouseCoopers LLP*

**8. DR LEE SHIANG LONG**  
(Member)  
*President, Singapore Technologies Kinetics Ltd*



**9. MR MAX LOH KHUM WHAI**  
(Member)  
*Country Managing Partner, Singapore, Regional Managing Partner, ASEAN, Ernst & Young LLP*

**10. MR DAVID NEO CHIN WEE**  
(Member)  
*Programme Director, Pioneer Generation Office*



**11. PROF NG WUN JERN**  
(Member)  
*Professor, School of Civil and Environmental Engineering, Principal Lead, Environmental Bio-innovations Group, Nanyang Technological University*

**12. DR NOORUL FATHA AS'ART**  
(Member)  
*Senior Assistant Director, (Medical Standards & Planning) Medical Services Branch Operations Division, Singapore Prison Service*



**13. MR SEW CHEE JHUEN**  
(Member)  
*President Special Projects, Singapore Technologies Engineering Ltd*

**14. MR SOH WAI WAH**  
(Member)  
*Principal & CEO, Singapore Polytechnic*



**15. DC TAN CHYE HEE**  
(Member)  
*Deputy Commissioner of Police (Investigations and Intelligence), Concurrent Director, Criminal Investigation Department, Singapore Police Force*

**16. MR WHANG SHANG YING**  
(Member)  
*Executive Director, Lam Soon Singapore Pte Ltd*



**17. MR WONG KIM YIN**  
(Member)  
*Group Chief Executive Officer, SP Group*

**18. MS GRACE YOW**  
(Member)  
*Managing Director & Executive Vice-President, Fluidigm Singapore Pte Ltd*

**19. MR CHOO KENG HUI**  
(Secretary) Registrar  
Singapore Polytechnic

# STANDING COMMITTEES

FROM 1 APR 2017 TO 31 MAR 2018

## ADMINISTRATION & DEVELOPMENT COMMITTEE

**Chairman** : Mr Johnny Tan Cheng Hye

**Members** : Mr Sew Chee Jhuen  
Mr Soh Wai Wah  
DC Tan Chye Hee  
Mr Marcus H C Lam

**Secretary** : Mr C. Pannirselvam  
Ms Jenny Wong Siow Ching

## AUDIT COMMITTEE

**Chairman** : Mr Max Loh Khum Whai

**Members** : Mr David Neo Chin Wee  
Mr Goh Teik Poh

**Secretary** : Mr Ronnie Chan Chin Sing

## INVESTMENT COMMITTEE

**Chairman** : Ms Amanda Chen

**Members** : Mr Soh Wai Wah  
Mr Whang Shang Ying  
Ms Grace Yow

**Secretary** : Ms Jenny Wong Siow Ching

## NOMINATING COMMITTEE

**Chairman** : Mr Bill Chang York Chye

**Members** : Mr Johnny Tan Cheng Hye  
Mr Soh Wai Wah

**Secretary** : Mr Choo Keng Hui

## STAFF DISCIPLINARY COMMITTEE AND STUDENT DISCIPLINARY APPEAL COMMITTEE

**Chairman** : DC Tan Chye Hee

**Members** : Dr Noorul Fatha As'art  
Dr Lee Shiang Long  
Prof Ng Wun Jern

**Secretary** : Mrs Elizabeth Ann Khoo-Lee May Yong (for Student Discipline)  
Mrs Yeung-Ng Geak Hong (for Staff Discipline)

## HUMAN RESOURCE COMMITTEE

**Chairman** : Mr Bill Chang York Chye

**Members** : Dr Benjamin Koh  
Mr Soh Wai Wah  
Mr Wong Kim Yin

**Secretary** : Mrs Yeung-Ng Geak Hong

# MANAGEMENT TEAM

## PRINCIPAL & CEO

Mr Soh Wai Wah

## DEPUTY PRINCIPAL (ACADEMIC)

Mr Lim Peng Hun

## DEPUTY PRINCIPAL (DEVELOPMENT)

Mr Hee Joh Liang

# ACADEMIC SCHOOLS

## BUSINESS, INFOCOMM, DESIGN & ENVIRONMENT

### Senior Director

Ms Georgina Phua Hwee Choo

### Director, Business

Ms Tan Yen Yen

### Acting Director, Digital Media & Infocomm Technology

Mr Liew Chin Chuan

### Director, Architecture & the Built Environment

Mr Faris Akbar Hajamaideen

### Director, Design

Ms Tang Soo Yin

## COMMUNICATION, MATHEMATICS & THE SCIENCES

### Senior Director

Dr Chai Min Sen

### Director, Communication, Arts & Social Sciences

Ms Lim Lee Yee

### Director, Mathematics & Science

Ms Chao Yunn Chyi

### Director, Chemical & Life Sciences

Dr Adrian Yeo Chao Chuang

## ENGINEERING

### Senior Director

Mr Loh Yew Chiong

### Acting Director, Electrical & Electronic Engineering

Mr Toh Ser Khoon

### Director, Mechanical & Aeronautical Engineering

Dr Chong Chee Wei

### Director, Singapore Maritime Academy

Capt Mohd Salleh Bin Ahmad Sarwan

# DEPARTMENTS

### Director, Communications

Ms Yvonne Chan Leng Leng

### Director, Human Resource

Mrs Yeung-Ng Geak Hong

### Director, Internal Audit

Mr Ronnie Chan Ching Sing

### Director, Educational Development

Mrs Helene Leong-Wee Kwee Huay

### Acting Director, Library

Mr Kamaludeen Mohamed Rafi

### Director, Industry & Partnerships

Mr Lee Leck Seng

### Director, Technology, Innovation & Enterprise

Dr Rajnish Gupta

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

Mr Suresh Punjabi

## ADMINISTRATION

### Senior Director

Mr Tan Peng Ann

### Director, Information & Digital Technology Services

Mr Loh Gin Chye

### Director, Estates & Development

Mr C. Pannirselvam

### Director, Finance

Ms Jenny Wong Siow Ching

## PLANNING & ORGANISATION DEVELOPMENT

### Senior Director

Mr Henry Tan Hin Teck

### Acting Director, Organisation Planning & Development

Miss Low Lay Leng

## STUDENT & ACADEMIC AFFAIRS

### Senior Director/Registrar

Mr Choo Keng Hui

### Director, Academic Services

Mrs Elizabeth Ann Khoo-Lee May Yong

### Director, Student Development & Alumni Relations

Mr Kelly Lee Wai Kin

### Director, Student Services

Mr Clarence Chua Eng Chye

# FACTS AND FIGURES

AS AT 31 MAR 2018



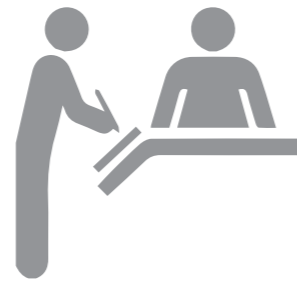
TOTAL STUDENT  
ENROLMENT

**16,733**



POLYTECHNIC  
FOUNDATION  
PROGRAMME

**251**



STUDENT  
ENROLMENT

FOR AY2017/2018

**6,355**

Full-Time Year 1-3 Diploma Students

**14,298**

Part-Time Diploma Students

**1,098**

Post-Diploma Students

**1,337**

240 Advanced Diploma, 797 Specialist Diploma and 300 Diploma (Conversion)

Full-Time Year 1 Diploma Students

**4,913**

Part-Time Diploma Students

**451**

Post-Diploma Students

**991**

140 Advanced Diploma, 640 Specialist Diploma and 211 Diploma (Conversion)



STUDENT CCAS

**114**

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



GRADUATE OUTPUT/  
EMPLOYMENT

**5,724**

students graduated from Singapore Polytechnic in the academic year 2016/2017. Of these, 4,925 graduated from full-time courses and 799 from part-time courses. According to the Graduate Employment Survey 2017, 85.7% of Fresh Graduates and 89.2% of Post-NS Graduates (PNS) found Full-Time Permanent or Part-Time/Temporary/Freelance employment.



STAFF STRENGTH

**1,600**

comprising 827 academic staff and 773  
non-teaching staff.



CONTINUING  
EDUCATION  
PROGRAMMES

**18,479**

participants attended at total of 342 continuing education programmes offered by Singapore Polytechnic. The programmes included 35 Singapore Workforce Skills Qualification courses, 131 short courses, 71 tailor-made courses, 28 certification courses, 20 examinations, 15 e-learning courses, 10 Part-Time Diplomas, 7 Diploma (Conversion), 7 Advanced Diplomas and 18 Specialist Diplomas.

# HIGHLIGHTS

**APRIL  
2017**



SP signed a tripartite memorandum of understanding (MOU) with the Institute of Chartered Accountants in England and Wales (ICAEW) and Deloitte Singapore to allow students from the Diploma in Accountancy be qualified chartered accounts locally and in the United Kingdom through an accelerated road without requiring a degree. The MOU also supports graduands who are looking for a career in accountancy and finance at Deloitte Singapore.



**MAY  
2017**

Six students from SP's Diploma in Aerospace Electronics and Diploma in Electrical & Electronic Engineering worked with KK Women's and Children's Hospital and developed an innovative music cart to increase music therapists' productivity. The cart, which comes with speakers and a built-in power source, allow therapists to charge their laptops and use electronic music instruments without the need to look for a wall socket.



Competing against 137 entries across Asia, the five-man team from SP's Diploma in Creative Writing for TV and New Media – Sabrina Ong, Wong Shu Jing, Ho Jia En, Melodie E James and Shona Menon – emerged as the winner of the biennial Scholastic Picture Book Award for their book, The Little Durian Tree. The award acknowledges outstanding, unpublished picture books that incorporate distinctly Asian themes.



More than 650 PMETs graduated from SP's Professional & Adult Continuing Education (PACE) Academy, an increase of 25 per cent compared to last year. They are among the 5,600 graduands who will received their full-time diploma, advanced diploma, specialist diploma and certificate.

**JUNE  
2017**



To welcome students back to school, SP organised a cat therapy event and adoption drive, Purrapy, as part of its four-day Distraction Arts Festival. More than 500 students and staff turned up for the event, and many queued to spend time with the community cats.

**JULY  
2017**

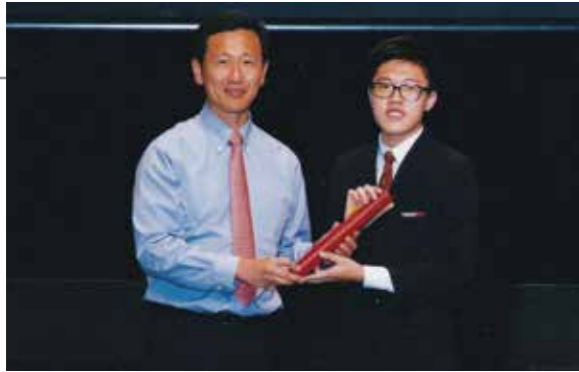


SP's solar-powered car SunSPEC5 was the only car from Singapore to compete against 30 countries at the World Solar Challenge race in Australia. SP also signed a five-year contract worth \$1 million with SP Group, to groom students into engineers.

SP signed a memorandum of understanding (MOU) with the Radius Group of Companies to set up Xperiental Space in SP. This space will provide students from the Diploma in Integrated Events and Project Management access to the latest tools available in the industry, preparing them for the working world.







## AUGUST 2017

Eight SP colleagues were accorded the 2017 National Day Honours in various categories by the President of the Republic of Singapore.

SP student Raynard Chai received the Lee Hsien Loong Interactive Digital Media Smart Nation (LHL-IDM) Award, one of the two new awards at this year's Ministry of Education (MOE)'s Special Awards ceremony. The LHL-IDM award recognises the work of polytechnic students who have contributed projects towards Singapore's Smart Nation vision. Raynard developed a prototype "Bus, STOP" that allows commuters to press a button at bus stops that will alert them when their bus is approaching.



SP's School of Communication, Arts and Social Sciences (CASS) Senior Academic Mentor Kwa Lay Ping was awarded the President's Award for Teachers, which for the first time has been extended to include educators from the ITE and polytechnics to recognise their role in technical and vocational education, as well as lifelong learning.



SP won in the junior college, polytechnic and the Institute of Technical Education category of the National Science Experiment (NSE) Big Data Challenge 2017. The team used sensor tools to collect more than a million data points on location, speed and time to test if students stayed till late at night on campus because they lived far away.

## SEPTEMBER 2017

SP's Food Innovation & Resource Centre (FIRC) and the Health Promotion Board (HPB) collaborated to develop wholegrain yellow noodles made with beta-glucan, a soluble fibre, and rice noodles containing resistant starch, both suitable for diabetic patients.



## OCTOBER 2017

SP and Singapore Red Cross (SRC) signed a two-year Memorandum of Understanding (MoU) to collaborate on the development and provision of courses in Humanitarian Studies and its related programmes. Through the programme, students will learn how a relief organisation works and be equipped with basic architectural knowledge such as building shelters.



SP's Collective Aspiration was introduced to staff. In this Collective Aspiration, we see our purpose to be enhancing the human potential of our learners to live, to work and to shape the world. We aspire to establish the next generation tertiary education model to support a new generation of self-directed, lifelong learning workforce.

Mr Gregory Poi, Senior Lecturer at SP's School of Chemical and Life Sciences, clinched the top award in the Biotechnology category and the first runner-up in the Sustainability category at the IChemE (Institution of Chemical Engineers) Singapore Awards, which celebrate outstanding achievements in Singapore's chemical engineering community. His R&D project was on the scaled-up bioremediation of oil contaminated soil.



SP's Food Innovation & Resource Centre (FIRC) held its 10th anniversary celebrations, where more than 500 students, food technologists and experts were present to taste-test innovative food concepts such as prata-instant noodles, kaya palettes and chickuteh, a halal-version of bak-kut-teh.

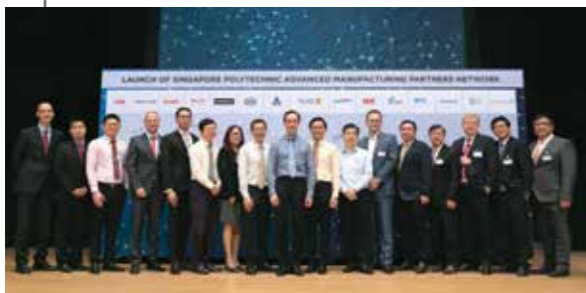
**NOVEMBER  
2017**



SP's Legal Black Market event saw 16 former vendors from the Sungei road market setting up stalls on campus. Organised by SP Diploma in Business Administration students, the event was an opportunity for students to learn about entrepreneurship from the vendors and provided a platform for the Sungei road vendors to interact with the youth.



Emerson teamed up with SP to upgrade the training facilities and instructional materials for the polytechnic's Continuing Education Training courses, including the Earn and Learn Programme (ELP) for the chemicals sector. Emerson will install control systems, essential asset monitoring and field instrumentation in three integrated process manufacturing units at the polytechnic's chemical engineering training facility.



It was announced that SP and NTU will lead the SkillsFuture Series for the Advanced Manufacturing industry. SP will launch more than 20 Advanced Manufacturing courses for 6000 full-time and part-time learners within the next five years. These courses are a combination of both short standalone courses and modules stackable towards formal qualifications such as a part-time Diploma or Specialist Diploma.

The SP Advanced Manufacturing Partners Network was launched with the Memorandum of Understanding (MoU) signed with 14 industry partners. SP's 500-square metre Smart Factory and the partners network will help to boost advanced manufacturing in Singapore.



Mentored by their lecturer Leong Ying Wei, a team of five students - Amos Ng, Leon Kwang, Chen Xiao Wei, Thant Zaw Aung and Lew Lin from SP's School of Mechanical and Aeronautical Engineering, built a hover board that can levitate and move along a track for their final-year project. They also set the record for "strongest quantum levitation effect on a hover board" in the Singapore Book of Records, with a 70.9kg weight on their hover board.



SP Business School launches Singapore's first and only vending machine cluster for retailers to experiment new business concepts with the youth. Some interesting products sold include Brand's Essence of Chicken, cosmetics and magazines. Karaoke booths are also available within the Innomall.



**DECEMBER  
2017**

**JANUARY  
2018**



In collaboration with tech company Neeuro, a team of three students from SP's Diploma in Electrical and Electronic Engineering course developed a robot-cum-mobile application. This innovation will help children with attention deficit hyperactivity disorder (ADHD) to focus and learn better.



The National Additive Manufacturing Innovation Cluster (NAMIC) has awarded a grant of close to S\$250,000 to SP to further develop high-speed metal Additive Manufacturing (AM) technologies. This is the first translational research and development grant awarded to a Singaporean polytechnic in this area of specialisation. SP and NAMIC will also jointly develop Continuing Education and Training courses for advanced manufacturing.

**FEBRUARY  
2018**



SP Engineering students Julian Kang, Goh Qian Zhe and Pan Ziyue won a competition organised by Singapore Space and Technology Association (SSTA) and aerospace firm Airbus, on the use of space technology for disaster relief. The developed an app that allows people to access satellite networks to report their location after a disaster.

**MARCH  
2018**

A Memorandum of Understanding (MOU) was signed between Singapore Press Holdings' Content Lab and SP on 9 Mar 2018. With this tie-up, SPH's Content Lab and SP's Diploma in Media and Communication students will co-create fashion and beauty related video content for millennials.



# FINANCIAL REPORT

## Singapore Polytechnic and its subsidiaries

For the year ended 31 March 2018



## Statement by Board of Governors

for the financial year ended 31 March 2018

In our opinion,

- (a) the accompanying financial statements of the Polytechnic and its subsidiaries (the "Group"), which comprise the statements of financial position of the Polytechnic and the Group as at 31 March 2018, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Polytechnic and the consolidated statement of cash flows of the Group for the year then ended, together with the notes thereon, are drawn up in accordance with the provisions of the Singapore Polytechnic Act (the "Act") and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Polytechnic and of the Group as at 31 March 2018 and of the results, and the changes in funds and reserves of the Group and the Polytechnic and cash flow of the Group for the year ended on that date;
- (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;
- (c) proper accounting and other records have been kept, including records of all assets of the Polytechnic 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 financial year have been in accordance with the provisions of the Act.

The Board of Governors, on the date of this statement, authorised this financial statements for issue.

On behalf of the Board

**MR BILL CHANG**

*Chairman*

**MR SOH WAI WAH**

*Principal and Chief Executive Officer*

Dated: 29 June 2018

# Independent auditor's report to the members of 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 statements of financial position of the Group and the Polytechnic as at 31 March 2018, the statements of comprehensive income and statements of changes in funds and reserves of the Group and the Polytechnic and the consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the 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 Singapore Polytechnic Act, Chapter 303 (the "Act") and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and the Polytechnic as at 31 March 2018 and of the results and the changes in funds and reserves of the Group and Polytechnic and cash flows of the Group for the financial 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 (ACRA) 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.

### Other Information

Management is responsible for the other information. The other information comprises the annual report and Statement by Board of Governors, 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 members of the Board of Governors of Singapore Polytechnic (continued)

### Report on the Audit of the Financial Statements (continued)

#### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards, 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 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.

Those charged with governance are responsible for 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:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 members of the Board of Governors of Singapore Polytechnic (continued)

### Report on the Audit of the Financial Statements (continued)

#### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.
- 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 Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Polytechnic whether purchased, donated or otherwise.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year, in relation to the Singapore Polytechnic Endowment Fund (the "Fund"):

- (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 Institute 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 members of the Board of Governors of Singapore Polytechnic (continued)

### Report on the Audit of the Financial Statements (continued)

#### 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 Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

#### Auditor's 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 Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.



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**Foo Kon Tan LLP**  
 Public Accountants and  
 Chartered Accountants

Singapore, 29 June 2018

## Statements of financial position

as at 31 March 2018

	Note	The Group		The Polytechnic	
		31 March 2018 \$'000	31 March 2017 \$'000 (Restated)	31 March 2018 \$'000	31 March 2017 \$'000 (Restated)
Endowment Fund (Capital)	3	43,182	34,037	43,182	34,037
Accumulated surplus					
- General fund		245,931	233,522	246,196	233,828
- Other funds	3	121,847	119,388	118,228	115,892
- Fair value reserve		30	(2)	30	(2)
<b>Total capital and other funds</b>		<b>410,990</b>	<b>386,945</b>	<b>407,636</b>	<b>383,755</b>
<b>Represented by:</b>					
<b>Assets</b>					
<b>Non-Current</b>					
Property, plant and equipment	4	378,498	388,944	378,476	388,929
Investment in subsidiaries	5	-	-	1,100	1,100
Investment in associate	6	82	-	-	-
Financial assets, at fair value through profit or loss	7	140,039	106,211	140,039	106,211
Available-for-sale financial assets	8	23,702	30,125	23,702	29,919
Loan to Singapore Polytechnic Graduates' Guild	9	-	135	-	135
Staff and student loans	10	43	42	43	42
Deferred income tax assets	11	1	3	-	-
		<b>542,365</b>	<b>525,460</b>	<b>543,360</b>	<b>526,336</b>
<b>Current</b>					
Trade and other receivables	12	65,753	15,580	65,761	15,643
Loan to Singapore Polytechnic Graduates' Guild	9	135	360	135	360
Available-for-sale financial assets	8	2,003	2,009	2,003	2,009
Cash and cash equivalents	13	283,912	349,665	280,693	346,666
		<b>351,803</b>	<b>367,614</b>	<b>348,592</b>	<b>364,678</b>
<b>Total assets</b>		<b>894,168</b>	<b>893,074</b>	<b>891,952</b>	<b>891,014</b>
<b>Liabilities</b>					
<b>Current</b>					
Trade and other payables	14	36,042	44,541	37,185	45,715
Government grants received in advance	15	79,710	76,258	79,710	76,258
Current income tax liabilities		5	44	-	-
		<b>115,757</b>	<b>120,843</b>	<b>116,895</b>	<b>121,973</b>
<b>Net Current Assets</b>		<b>236,046</b>	<b>246,771</b>	<b>231,697</b>	<b>242,705</b>
<b>Non-Current</b>					
Deferred capital grants	16	346,175	357,984	346,175	357,984
Other payables	14	-	5,233	-	5,233
Advances received – SIT	17	21,246	22,069	21,246	22,069
		<b>367,421</b>	<b>385,286</b>	<b>367,421</b>	<b>385,286</b>
<b>Total liabilities</b>		<b>483,178</b>	<b>506,129</b>	<b>484,316</b>	<b>507,259</b>
<b>Net assets</b>		<b>410,990</b>	<b>386,945</b>	<b>407,636</b>	<b>383,755</b>
		<b>31 March 2018</b>	<b>31 March 2017</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
			(Restated)		(Restated)
<b>Net assets of funds managed on behalf of the Ministry and Other entities</b>	18	<b>9,798</b>	9,699	<b>9,798</b>	9,699

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

## Consolidated statement of comprehensive income

for the financial year ended 31 March 2018

The Group	Note	General fund		Other funds		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Operating income</b>							
Course fees		46,954	47,012	15,155	13,026	62,109	60,038
Consultancy fees		-	-	3,347	3,352	3,347	3,352
Other fees		418	423	-	-	418	423
		<b>47,372</b>	<b>47,435</b>	<b>18,502</b>	<b>16,378</b>	<b>65,874</b>	<b>63,813</b>
<b>Operating expenditure</b>							
Staff costs	19	(199,759)	(195,321)	(11,192)	(11,093)	(210,951)	(206,414)
Teaching materials		(6,803)	(7,467)	(264)	(513)	(7,067)	(7,980)
Repairs and maintenance		(16,425)	(16,815)	(5)	-	(16,430)	(16,815)
Depreciation of property, plant and equipment	4	(44,239)	(43,486)	(1,270)	(1,158)	(45,509)	(44,644)
Development expenses expensed off		(7,455)	(6,085)	-	-	(7,455)	(6,085)
Staff development and benefits		(5,579)	(6,137)	(13)	(16)	(5,592)	(6,153)
Other expenditure	20	(28,721)	(28,576)	(9,916)	(9,914)	(38,637)	(38,490)
		<b>(308,981)</b>	<b>(303,887)</b>	<b>(22,660)</b>	<b>(22,694)</b>	<b>(331,641)</b>	<b>(326,581)</b>
Operating deficit		<b>(261,609)</b>	<b>(256,452)</b>	<b>(4,158)</b>	<b>(6,316)</b>	<b>(265,767)</b>	<b>(262,768)</b>
<b>Non-operating income</b>							
Donations		-	-	938	991	938	991
Interest income		1,673	2,424	2,098	2,002	3,771	4,426
Rental income		2,443	890	1,516	3,415	3,959	4,305
Fair value gains							
- financial assets at fair value through profit or loss		3,438	2,680	441	807	3,879	3,487
Other income, net	21	7,993	6,343	1,636	3,352	9,629	9,695
Operating (deficit)/surplus before grants and tax		<b>(246,062)</b>	<b>(244,115)</b>	<b>2,471</b>	<b>4,251</b>	<b>(243,591)</b>	<b>(239,864)</b>
Grants	22	258,471	258,005	-	-	258,471	258,005
Surplus before income tax		<b>12,409</b>	<b>13,890</b>	<b>2,471</b>	<b>4,251</b>	<b>14,880</b>	<b>18,141</b>
Income tax expense	23	-	-	(12)	(48)	(12)	(48)
Net surplus for the year		<b>12,409</b>	<b>13,890</b>	<b>2,459</b>	<b>4,203</b>	<b>14,868</b>	<b>18,093</b>
<b>Other comprehensive gain/(loss):</b>							
<b>Items that may be reclassified subsequently to profit or loss</b>							
Net change in fair value of available-for-sale financial assets		12	(35)	20	(36)	32	(71)
<b>Total comprehensive income</b>		<b>12,421</b>	<b>13,855</b>	<b>2,479</b>	<b>4,167</b>	<b>14,900</b>	<b>18,022</b>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

## Statement of comprehensive income

for the financial year ended 31 March 2018

The Polytechnic	Note	General fund		Other funds		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Operating income</b>							
Course fees		46,954	47,012	15,155	13,026	62,109	60,038
Other fees		418	423	-	-	418	423
		<b>47,372</b>	<b>47,435</b>	<b>15,155</b>	<b>13,026</b>	<b>62,527</b>	<b>60,461</b>
<b>Operating expenditure</b>							
Staff costs	19	(199,759)	(195,321)	(10,354)	(10,287)	(210,113)	(205,608)
Teaching materials		(6,803)	(7,467)	(264)	(513)	(7,067)	(7,980)
Repairs and maintenance		(16,425)	(16,815)	-	-	(16,425)	(16,815)
Depreciation of property, plant and equipment	4	(44,239)	(43,486)	(1,265)	(1,154)	(45,504)	(44,640)
Development expenses expensed off		(7,455)	(6,085)	-	-	(7,455)	(6,085)
Staff development and benefits		(5,579)	(6,137)	-	-	(5,579)	(6,137)
Other expenditure	20	(29,075)	(28,908)	(7,676)	(7,990)	(36,751)	(36,898)
		<b>(309,335)</b>	<b>(304,219)</b>	<b>(19,559)</b>	<b>(19,944)</b>	<b>(328,894)</b>	<b>(324,163)</b>
Operating deficit		<b>(261,963)</b>	<b>(256,784)</b>	<b>(4,404)</b>	<b>(6,918)</b>	<b>(266,367)</b>	<b>(263,702)</b>
<b>Non-operating income</b>							
Donations		-	-	938	991	938	991
Interest income		1,673	2,424	2,098	2,002	3,771	4,426
Rental income		2,530	981	1,516	3,415	4,046	4,396
Fair value gains		-	-	-	-	-	-
- financial assets at fair value through profit or loss		3,438	2,680	441	807	3,879	3,487
Other income	21	8,219	6,564	1,747	3,320	9,966	9,884
Operating (deficit)/surplus before grants and tax		<b>(246,103)</b>	<b>(244,135)</b>	<b>2,336</b>	<b>3,617</b>	<b>(243,767)</b>	<b>(240,518)</b>
Grants	22	258,471	258,005	-	-	258,471	258,005
Surplus before income tax		12,368	13,870	2,336	3,617	14,704	17,487
Income tax expense	23	-	-	-	-	-	-
Net surplus for the year		<b>12,368</b>	<b>13,870</b>	<b>2,336</b>	<b>3,617</b>	<b>14,704</b>	<b>17,487</b>
<b>Other comprehensive gain/(loss):</b>							
<b>Items that may be reclassified subsequently to profit or loss</b>							
Net change in fair value of available-for-sale financial assets		12	(35)	20	(36)	32	(71)
<b>Total comprehensive income</b>		<b>12,380</b>	<b>13,835</b>	<b>2,356</b>	<b>3,581</b>	<b>14,736</b>	<b>17,416</b>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

## Statements of changes in funds and reserves

for the financial year ended 31 March 2018

The Group	Endowment fund (Capital) (Note 3) \$'000	General fund \$'000	Other Funds (Note 3) \$'000	Fair value reserve \$'000	Total \$'000
Balance at 1 April 2016	32,563	219,632	115,185	69	367,449
Total comprehensive income/(loss) for the year	-	13,890	4,203	(71)	18,022
Contributions and donations received for the endowment fund (capital)	1,474	-	-	-	1,474
Balance at 31 March 2017	<b>34,037</b>	<b>233,522</b>	<b>119,388</b>	<b>(2)</b>	<b>386,945</b>
Total comprehensive income for the year	-	12,409	2,459	32	14,900
Contributions and donations received for the endowment fund (capital)	9,145	-	-	-	9,145
<b>Balance at 31 March 2018</b>	<b>43,182</b>	<b>245,931</b>	<b>121,847</b>	<b>30</b>	<b>410,990</b>
The Polytechnic					
Balance at 1 April 2016	32,563	219,958	112,275	69	364,865
Total comprehensive income/(loss) for the year	-	13,870	3,617	(71)	17,416
Contributions and donations received for the endowment fund (capital)	1,474	-	-	-	1,474
Balance at 31 March 2017	<b>34,037</b>	<b>233,828</b>	<b>115,892</b>	<b>(2)</b>	<b>383,755</b>
Total comprehensive income for the year	-	12,368	2,336	32	14,736
Contributions and donations received for the endowment fund (capital)	9,145	-	-	-	9,145
<b>Balance at 31 March 2018</b>	<b>43,182</b>	<b>246,196</b>	<b>118,228</b>	<b>30</b>	<b>407,636</b>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

## Consolidated statement of cash flows

for the financial year ended 31 March 2018

		2018 \$'000	2017 \$'000 (Restated)
<b>Cash Flows from Operating Activities</b>			
Operating deficit before grants and after tax		(243,603)	(239,912)
Adjustments for:			
Depreciation of property, plant and equipment	4	45,509	44,644
Interest income		(3,771)	(4,426)
Loss on disposal of property, plant and equipment		72	182
Fair value gains of financial assets, at fair value through profit or loss		(3,879)	(3,487)
Income tax expense		12	48
Share of associate company's result		124	-
Operating deficit before working capital changes		(205,536)	(202,951)
Change in trade and other receivables		3,506	427
Change in staff and student loans		74	95
Change in trade and other payables		(13,533)	(4,189)
Cash used in operations		(215,489)	(206,618)
Income tax paid		(49)	(67)
Net cash used in operating activities		(215,538)	(206,685)
<b>Cash flows from Investing Activities</b>			
Interest received		3,771	4,426
Purchase of property, plant and equipment	4	(35,138)	(34,214)
Amortisation of interest for bonds		222	-
(Purchase)/Redemption of financial assets, at fair value through profit or loss, net		(29,949)	(39,123)
(Purchase)/Redemption of available-for-sale financial assets, net		6,033	(6,818)
Loan repayment from SPGG		360	360
Proceeds from disposals of property, plant and equipment		3	1
Net cash used in investing activities		(54,698)	(75,368)
<b>Cash Flows from Financing Activities</b>			
Development grants received from Government		7,241	8,479
IT and F & E grants received from Government		19,000	20,000
Innovation grants received from Government		3,198	2,884
Operating grants received from Government		161,014	228,249
Operating grants received from non-government organisations		4,705	5,824
Contributions and donations received for the endowment fund (capital)		10,348	271
Net cash generated from financing activities		205,506	265,707
Net (decrease)/increase in cash and cash equivalents		(64,730)	(16,346)
Cash and cash equivalents at beginning of year		347,871	364,217
Cash and cash equivalents at end of year	13	283,141	347,871

## Notes to the financial statements

for the financial year ended 31 March 2018

### 1 General information

Singapore Polytechnic (the "Polytechnic"), established under the Singapore Polytechnic Act (Chapter 303), 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 5.

### 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"). 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.

#### Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SB-FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:

#### Critical accounting estimates and assumptions used in applying accounting policies

##### Depreciation of property, plant and equipment (Note 4)

The depreciable amount of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 86 years.

The carrying amounts of the Group's and the Polytechnic's property, plant and equipment at 31 March 2018 are \$378,498,000 (2017 - \$388,944,000) and \$378,476,000 (2017 - \$388,929,000), respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### Significant judgements in applying accounting policies

##### Dismantlement, removal or restoration costs for property, plant and equipment

The agreement with Singapore Land Authority ("landlord") indicates that the Polytechnic should surrender at the end of the lease term the land together with any buildings and fixtures to the landlord. However, if the landlord requires the Polytechnic to restore the land to its original condition, the Polytechnic is obligated to do so. The Polytechnic has assumed that the landlord will not impose this requirement and therefore has not provided for any costs of dismantlement, removal or restoration.

The accounting policies used by the Group and the Polytechnic have been applied consistently to all periods presented in these financial statements.



## 2 Significant accounting policies (continued)

### 2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Polytechnic have adopted all the new and revised SB-FRS and Interpretations to SB-FRS (INT SB-FRS) that are effective for annual periods beginning on or after 1 April 2017.

The adoption of these standards and interpretations did not have any material impact on the Group and the Polytechnic's financial statements.

Reference	Description
Amendments to SB-FRS 7	Statement of Cash Flows: Disclosure Initiative

### 2.3 New or revised accounting standards and interpretations not effective

The following are the new or amended SB-FRS and INT SB-FRS issued that are not effective which the Group and the Polytechnic have yet adopted:

Description	Effective date (Annual periods beginning on or after)
SB-FRS 109: Financial Instruments	1 January 2018
SB-FRS 115: Revenue from Contracts with Customers	1 January 2018
Clarifications to SB-FRS 115: Revenue from Contracts with Customers	1 January 2018
SB-FRS 116: Leases	1 January 2019

#### SB-FRS 109: Financial Instruments

SB-FRS 109 Financial Instruments replaces the SB-FRS 39 and it is a package of improvements introduced by SB-FRS 109 which include a logical model for:

- Classification and measurement;
- A single, forward – looking “expected loss” impairment model and
- A substantially reformed approach to hedge accounting

SB-FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group has assessed and do not expect the adoption of the new FRS to have a significant impact on the financial statements.

#### SB-FRS 115: Revenue from Contracts with Customers

SB-FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under SB-FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The standard replaces SB-FRS 11 Construction Contracts, SB-FRS 18 Revenue, INT SB-FRS 113 Customer Loyalty Programmes, INT SB-FRS 115 Agreements for Construction of Real Estate, INT SB-FRS 118 Transfer of Assets from Customers and INT SB-FRS 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

SB-FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group has assessed and do not expect the adoption of the new FRS to have a significant impact on the financial statements.

## 2 Significant accounting policies (continued)

### 2.3 New or revised accounting standards and interpretations not effective (continued)

#### Clarifications to SB-FRS 115: Revenue from Contracts with Customers

The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, SB-FRS 115, i.e. on 1 January 2018.

#### SB-FRS 116: Leases

SB-FRS 116 Leases replaces accounting requirements introduced more than 30 years ago in accordance with SB-FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with SB-FRS 17. SB-FRS 116 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the company has adopted SB-FRS 115. The Group's operating lease commitments relate mainly to office equipment. Management will assess and discuss the impact of adoption of this SB-FRS on the financial statements with the external auditors.

### 2.4 Revenue recognition

Course and other fees for the academic year and all other income are recognised in the period in which the services are rendered.

Consultancy fees are recognised in the financial year in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

Rental incomes 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.

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

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

Deferred Capital Grants are recognised in the statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income for the year. Government grants are accounted for on an accrual basis. With effect from 1 April 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 Significant accounting policies (continued)

### 2.6 Income taxes

The Polytechnic is a tax-exempted institution under the provisions of the Income Tax Act (Chapter 134, 2008 Revised Edition). The subsidiaries of the Polytechnic are subject to local income tax legislation.

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred income tax is recognised for all temporary differences except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are recognised as income or expenses in profit or loss.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

### 2.7 Consolidation

The consolidated financial statements comprise the financial statements of the Polytechnic and its subsidiaries as at the end of the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Polytechnic. Consistent accounting policies are applied to like transactions and events in the similar circumstances.

All intra-group balances, income and expenses and categorised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

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

The Group 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.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate the Group 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.

## 2 Significant accounting policies (continued)

### 2.8 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 statement of comprehensive income.

#### (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 statement of comprehensive income and disclosed separately in the notes to the financial statements.

#### (iii) Endowment Fund

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

The assets and liabilities of the above funds are accounted for separately. For presentation purpose in the statements of financial position, the assets and liabilities of the funds are pooled.

### 2.9 Funds managed on behalf of others

Funds managed on behalf of others relate to fund 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 – Staff Housing Loan, Tuition Fee Loan, Study Loan Scheme, Opportunity Fund, Temasek Foundation Project Fund, Financial Literacy Fund and ASEAN Youth in Action Programme are disclosed as a separate item at the bottom of the statements of financial position with relevant disclosures in Note 18 of the financial statements as prescribed by SB-FRS Guidance Note 3. In addition, any income and expenditure relating to these funds is accounted for directly in the funds.

### 2.10 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 the statement of comprehensive income.

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 the statement of comprehensive income.

## 2 Significant accounting policies (continued)

### 2.11 Loans and receivables

Loans and receivables 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, loan to Singapore Polytechnic Graduates' Guild and staff and student loans.

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

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

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

### 2.12 Property, plant and equipment

#### (a) Measurement

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

Leasehold land 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 Jardine (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 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 Group and depreciated over the remaining useful life of the asset.

#### (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:

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
Computer Software	3 to 5 years
Motor vehicles	5 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.

## 2 Significant accounting policies (continued)

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

#### (b) Depreciation (continued)

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 statement of comprehensive income 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 statement of comprehensive income as incurred.

#### (d) Disposal

Gain and losses on disposal of items 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 expenditure in the statement of comprehensive income.

### 2.13 Investment in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment losses in the Polytechnic's statements of financial position. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investment is recognised in the statement of comprehensive income.

### 2.14 Investment in associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control of those policies.

In prior years, the Group did not equity account for the share of associate company's result as the amount was not material to the financial statements. It was included under "Available-for-sale financial assets" in Note 8.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The Group determines at the end of each reporting period whether there is objective evidence that the investment in the associate is impaired. If that is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

### 2.15 Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented investment strategy. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are expected to be realised within 12 months after the reporting date.

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are recognised immediately as expenses. Financial assets at fair value through profit or loss are subsequently carried at fair value. Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

## 2 Significant accounting policies (continued)

### 2.15 Financial assets at fair value through profit or loss (continued)

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. External fund managers enter into derivative financial instruments on behalf of the Polytechnic. These derivative financial instruments are not designated for hedge accounting. Fair value changes for such derivative instruments are included in profit or loss in the financial year when the changes arise.

### 2.16 Available-for-sale financial assets

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

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses.

These financial assets are recognised on the date which the Group 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 reporting date.

The Group assesses at each reporting date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. 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 profit or loss.

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

### 2.17 Trade and other payables

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

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

### 2.18 Fair value estimation of financial assets and liabilities

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used.)

Financial assets / Financial Liabilities	Fair Value Hierarchy	Valuation technique(s) and key input(s)
<b>Available-for-sale financial assets (Note 8)</b>		
Quoted debt securities - Singapore	Level 1	Quoted market prices
<b>Financial assets, at fair value through profit or loss (Note 7)</b>		
Quoted unit trusts	Level 1	Quoted bid prices in an active market

## 2 Significant accounting policies (continued)

### 2.19 Employee compensation

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

#### (a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the 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.

### 2.20 Operating leases

#### (a) When the Group is the lessee:

The Group leases its office equipment from non-related parties under operating leases.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of comprehensive income when incurred.

#### (b) When the Group is the lessor:

The Group leases staff apartments and campus food courts under operating leases to non-related parties.

Leases of staff apartments and campus food courts where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to lessees) is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

### 2.21 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 reporting date are recognised in profit or loss.

## 2 Significant accounting policies (continued)

### 2.22 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 2 November 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 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.

### 2.23 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person’s family is related to the Polytechnic if that person:
- has control or joint control over the Polytechnic;
  - has significant influence over the Polytechnic; or
  - is a member of the key management personnel or Polytechnic or of a parent of the Polytechnic
- (b) An entity is related to the Polytechnic if any of the following conditions applies:
- the entity and the Polytechnic are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third party;
  - the entity is a post-employment benefit plan for the benefit of the employees of either the Polytechnic or an entity related to the Polytechnic. If the Polytechnic is itself such a plan, the sponsoring employers are also related to the Polytechnic;
  - the entity is controlled or jointly controlled by a person identified in (a);
  - a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

## 3 Other funds

Details of other funds are as follows:

(i) <u>Name of Fund</u>	<u>Purpose</u>
Endowment Fund	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 Endowment Fund are taken to the operating account under “Other Funds” in the statement of comprehensive income.

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

	2018 \$'000	2017 \$'000
The Group and The Polytechnic		
At beginning of the year	34,037	32,563
MOE matching donation grant	5,749	1,203
Donations received from third parties	3,396	271
<b>At end of the year</b>	<b>43,182</b>	<b>34,037</b>
Represented by:		
Available-for-sale financial assets	23,863	27,881
Cash and cash equivalents	19,319	4,953
Amount due from Ministry	-	1,203
	<b>43,182</b>	<b>34,037</b>

- Student Welfare and Development Fund provides funding to support student welfare and development activities.
- Miscellaneous Funds provides funding for:
  - short and continuing education courses;
  - upgrading courses;
  - upgrading campus facilities to meet the demand for development in technological skills;
  - implementation of programmes to achieve the goals of the Polytechnic;
  - maintenance and upgrading of staff quarters;
  - exploitation of technologies developed within the Polytechnic; and
  - provision of training, education and education-related services
- The total amount of tax deductible donations received during the calendar year 2017 is \$1,597,970 (2016 \$1,137,943).

### 3 Other funds (continued)

The details of the income and expenditure for other funds are as follow:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
The Group								
<b>Operating income</b>								
Course fees	-	-	-	-	15,155	13,026	15,155	13,026
Consultancy fees	-	-	-	-	3,347	3,352	3,347	3,352
	-	-	-	-	18,502	16,378	18,502	16,378
<b>Operating expenditure</b>								
Staff costs	-	-	-	-	(11,192)	(11,093)	(11,192)	(11,093)
Teaching materials	-	-	-	-	(264)	(513)	(264)	(513)
Repairs and maintenance	-	-	-	-	(5)	-	(5)	-
Depreciation of property, plant and equipment	-	-	(50)	(53)	(1,220)	(1,105)	(1,270)	(1,158)
Staff development and benefits	-	-	-	-	(13)	(16)	(13)	(16)
Other expenditure	(1,832)	(1,830)	(297)	(780)	(7,787)	(7,304)	(9,916)	(9,914)
	(1,832)	(1,830)	(347)	(833)	(20,481)	(20,031)	(22,660)	(22,694)
Operating deficit	(1,832)	(1,830)	(347)	(833)	(1,979)	(3,653)	(4,158)	(6,316)
<b>Non-operating income</b>								
Donations	938	991	-	-	-	-	938	991
Interest income	981	924	30	43	1,087	1,035	2,098	2,002
Rental income	-	-	-	-	1,516	3,415	1,516	3,415
Fair value gain								
- financial assets at fair value through profit or loss	50	-	-	-	391	807	441	807
Other income	257	859	405	349	974	2,144	1,636	3,352
<b>Surplus/(deficit) before grants and tax</b>	<b>394</b>	<b>944</b>	<b>88</b>	<b>(441)</b>	<b>1,989</b>	<b>3,748</b>	<b>2,471</b>	<b>4,251</b>
Transfer to endowment fund (non-capital)	10,000	-	-	-	(10,000)	-	-	-
Income tax expense	-	-	-	-	(12)	(48)	(12)	(48)
<b>Net surplus/(deficit) for the year</b>	<b>10,394</b>	<b>944</b>	<b>88</b>	<b>(441)</b>	<b>(8,023)</b>	<b>3,700</b>	<b>2,459</b>	<b>4,203</b>

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
The Polytechnic								
<b>Operating income</b>								
Course fees	-	-	-	-	15,155	13,026	15,155	13,026
	-	-	-	-	15,155	13,026	15,155	13,026
<b>Operating expenditure</b>								
Staff costs	-	-	-	-	(10,354)	(10,287)	(10,354)	(10,287)
Teaching materials	-	-	-	-	(264)	(513)	(264)	(513)
Depreciation of property, plant and equipment	-	-	(50)	(53)	(1,215)	(1,101)	(1,265)	(1,154)
Other expenditure	(1,832)	(1,830)	(297)	(780)	(5,547)	(5,380)	(7,676)	(7,990)
	(1,832)	(1,830)	(347)	(833)	(17,380)	(17,281)	(19,559)	(19,944)
Operating deficit	(1,832)	(1,830)	(347)	(833)	(2,225)	(4,255)	(4,404)	(6,918)
<b>Non-operating income</b>								
Donations	938	991	-	-	-	-	938	991
Interest income	981	924	30	43	1,087	1,035	2,098	2,002
Rental income	-	-	-	-	1,516	3,415	1,516	3,415
Fair value gain								
- financial assets at fair value through profit or loss	50	-	-	-	391	807	441	807
Other income	257	859	405	349	1,085	2,112	1,747	3,320
<b>Surplus/(deficit) before grants and tax</b>	<b>394</b>	<b>944</b>	<b>88</b>	<b>(441)</b>	<b>1,854</b>	<b>3,114</b>	<b>2,336</b>	<b>3,617</b>
Transfer to endowment fund (non-capital)	10,000	-	-	-	(10,000)	-	-	-
<b>Net surplus/(deficit) for the year</b>	<b>10,394</b>	<b>944</b>	<b>88</b>	<b>(441)</b>	<b>(8,146)</b>	<b>3,114</b>	<b>2,336</b>	<b>3,617</b>

### 3 Other funds (continued)

Other funds comprise the following:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
The Group								
Accumulated surplus at 31 March	20,606	10,212	4,416	4,329	96,825	104,847	121,847	119,388
<b>Represented by:</b>								
Property, plant and equipment	-	-	319	370	10,888	8,525	11,207	8,895
Staff and student loans	-	-	121	180	17	31	138	211
Investment in associate	-	-	-	-	82	-	82	-
Financial assets, at fair value through profit or loss	-	-	-	-	18,995	18,604	18,995	18,604
Loan to SPGG	-	-	-	-	135	495	135	495
Available-for-sale financial assets	-	-	-	-	-	206	-	206
Fair value reserve	(193)	-	-	-	-	-	(193)	-
Cash and cash equivalents	20,359	9,883	3,976	3,779	66,358	77,780	90,693	91,442
Receivables, deposits and prepayments	448	339	-	-	2,116	1,567	2,564	1,906
Payables, deposits and accruals	(8)	(10)	-	-	(1,762)	(2,320)	(1,770)	(2,330)
Current income tax liabilities	-	-	-	-	(5)	(44)	(5)	(44)
Deferred income tax assets	-	-	-	-	1	3	1	3
	20,606	10,212	4,416	4,329	96,825	104,847	121,847	119,388

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
The Polytechnic								
Accumulated surplus at 31 March	20,606	10,212	4,416	4,329	93,206	101,351	118,228	115,892
<b>Represented by:</b>								
Property, plant and equipment	-	-	319	370	10,865	8,511	11,184	8,881
Staff and student loans	-	-	121	180	17	31	138	211
Investment in subsidiaries	-	-	-	-	1,100	1,100	1,100	1,100
Loan to SPGG	-	-	-	-	135	495	135	495
Financial assets, at fair value through profit or loss	-	-	-	-	18,995	18,604	18,995	18,604
Fair value reserve	(193)	-	-	-	-	-	(193)	-
Cash and cash equivalents	20,359	9,883	3,976	3,779	62,831	74,455	87,166	88,117
Receivables, deposits and prepayments	448	339	-	-	2,167	1,650	2,615	1,989
Payables, deposits and accruals	(8)	(10)	-	-	(2,904)	(3,495)	(2,912)	(3,505)
	20,606	10,212	4,416	4,329	93,206	101,351	118,228	115,892

#### 4 Property, plant and equipment

The Group	Leasehold land \$'000	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Computer software \$'000 (Note A)	Motor vehicles \$'000	Total \$'000
<b>Cost</b>							
At 1 April 2016	75,618	358,075	128,911	287,937	19,259	142	869,942
Additions	-	1,791	12,000	19,497	926	-	34,214
Disposals	-	-	(1,154)	(14,624)	-	-	(15,778)
<b>At 31 March 2017</b>	<b>75,618</b>	<b>359,866</b>	<b>139,757</b>	<b>292,810</b>	<b>20,185</b>	<b>142</b>	<b>888,378</b>
Additions	-	589	14,206	19,544	799	-	35,138
Disposals	-	-	(10)	(17,749)	(7)	-	(17,766)
<b>At 31 March 2018</b>	<b>75,618</b>	<b>360,455</b>	<b>153,953</b>	<b>294,605</b>	<b>20,977</b>	<b>142</b>	<b>905,750</b>
<b>Accumulated depreciation</b>							
At 1 April 2016	23,821	130,861	81,381	228,295	5,885	142	470,385
Depreciation for the year	1,262	7,582	12,661	20,740	2,399	-	44,644
Disposals	-	-	(1,154)	(14,441)	-	-	(15,595)
<b>At 31 March 2017</b>	<b>25,083</b>	<b>138,443</b>	<b>92,888</b>	<b>234,594</b>	<b>8,284</b>	<b>142</b>	<b>499,434</b>
Depreciation for the year	1,262	7,570	14,060	18,997	3,620	-	45,509
Disposals	-	-	(10)	(17,674)	(7)	-	(17,691)
<b>At 31 March 2018</b>	<b>26,345</b>	<b>146,013</b>	<b>106,938</b>	<b>235,917</b>	<b>11,897</b>	<b>142</b>	<b>527,252</b>
<b>Net book value</b>							
<b>At 31 March 2018</b>	<b>49,273</b>	<b>214,442</b>	<b>47,015</b>	<b>58,688</b>	<b>9,080</b>	<b>-</b>	<b>378,498</b>
At 31 March 2017	50,535	221,423	46,869	58,216	11,901	-	388,944

##### Asset under construction

The Group's property, plant and equipment included \$18.5 million (2017 - \$18.1 million) which relates to in-progress renovation and software development projects included under Building improvements, Computer software, Equipment and furniture (2017 – included under Building improvements and Computer software) respectively.

Note A: Computer software refers to software used by the Polytechnic in recording its transactions and these software are not an integral part of the computer hardware.

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

The Polytechnic	Leasehold land \$'000	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Computer software \$'000 (Note A)	Motor vehicles \$'000	Total \$'000
<b>Cost</b>							
At 1 April 2016	75,618	358,075	128,911	287,886	19,259	142	869,891
Additions	-	1,791	12,000	19,497	926	-	34,214
Disposals	-	-	(1,154)	(14,624)	-	-	(15,778)
<b>At 31 March 2017</b>	<b>75,618</b>	<b>359,866</b>	<b>139,757</b>	<b>292,759</b>	<b>20,185</b>	<b>142</b>	<b>888,327</b>
Additions	-	589	14,206	19,532	799	-	35,126
Disposals	-	-	(10)	(17,749)	(7)	-	(17,766)
<b>At 31 March 2018</b>	<b>75,618</b>	<b>360,455</b>	<b>153,953</b>	<b>294,542</b>	<b>20,977</b>	<b>142</b>	<b>905,687</b>
<b>Accumulated depreciation</b>							
At 1 April 2016	23,821	130,861	81,381	228,263	5,885	142	470,353
Depreciation for the year	1,262	7,582	12,661	20,736	2,399	-	44,640
Disposals	-	-	(1,154)	(14,441)	-	-	(15,595)
<b>At 31 March 2017</b>	<b>25,083</b>	<b>138,443</b>	<b>92,888</b>	<b>234,558</b>	<b>8,284</b>	<b>142</b>	<b>499,398</b>
Depreciation for the year	1,262	7,570	14,060	18,992	3,620	-	45,504
Disposals	-	-	(10)	(17,674)	(7)	-	(17,691)
<b>At 31 March 2018</b>	<b>26,345</b>	<b>146,013</b>	<b>106,938</b>	<b>235,876</b>	<b>11,897</b>	<b>142</b>	<b>527,211</b>
<b>Net book value</b>							
<b>At 31 March 2018</b>	<b>49,273</b>	<b>214,442</b>	<b>47,015</b>	<b>58,666</b>	<b>9,080</b>	<b>-</b>	<b>378,476</b>
At 31 March 2017	50,535	221,423	46,869	58,201	11,901	-	388,929

##### Asset under construction

The Polytechnic's property, plant and equipment included \$18.5 million (2017 - \$18.1 million) which relates to in-progress renovation and software development projects included under Building improvements, Computer software, Equipment and furniture (2017 – included under Building improvements and Computer software) respectively.

Note A: Computer software refers to software used by the Polytechnic in recording its transactions and these software are not an integral part of the computer hardware.

## 5 Investment in subsidiaries

The Polytechnic	<b>2018</b> <b>\$'000</b>	2017 \$'000
Equity investments, at cost	<b>1,100</b>	1,100

Details of the subsidiaries are as follows:

Name	Country of Incorporation/ principal place of business	Percentage of equity held		Principal activities
		2018 %	2017 %	
Innomart Pte Ltd <sup>(1)</sup>	Singapore	<b>100</b>	100	Investment holding company to exploit the technologies developed within Polytechnic, assist academic staff to commercialise their inventions and to promote technopreneurship among staff and students
Singapore Polytechnic International Pte Ltd <sup>(2)</sup>	Singapore	<b>100</b>	100	Provision of training, education and education-related services

<sup>(1)</sup> Audited by Tan, Chan and Partners

<sup>(2)</sup> Audited by Patrick Tee & Co.

## 6 Investment in associate

The Group	<b>2018</b> <b>\$'000</b>	2017 \$'000
Unquoted equity investment, at cost	<b>206</b>	-
Share of associate company's result (Note 21)	<b>(124)</b>	-
	<b>82</b>	-

Details of the associate are as follows:

Name	Country of Incorporation/ principal place of business	Percentage of equity held		Principal activities
		2018 %	2017 %	
Stella Specialty Chemicals (S) Pte Ltd <sup>(1)</sup>	Singapore	<b>10.23</b>	11.25	Development, manufacture and sale of specialty chemicals

### (1) Audited by H.S.Lim & Co

Share of associate is held by Innomart Pte Ltd which is a wholly-owned subsidiary. In prior years, the Group did not equity account for the share of associate company's result as the amount was not material to the financial statements. It was included under "Available-for-sale financial assets" in Note 8.

The summarised financial information for equity accounting purposes in respect of the Group's associate is not shown as the amount is not material to the financial statements.

## 7 Financial assets, at fair value through profit or loss

As at the reporting date, the funds managed by fund managers comprise the following assets and liabilities:

The Group and The Polytechnic	<b>2018</b> <b>\$'000</b>	2017 \$'000
Financial assets at fair value through profit or loss		
Quoted unit trusts	<b>140,039</b>	106,211

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

## 8 Available-for-sale financial assets

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Balance at beginning of year	<b>32,134</b>	25,387	<b>31,928</b>	25,181
Additions	<b>2,012</b>	14,784	<b>2,012</b>	14,784
Redemption	<b>(8,267)</b>	(7,966)	<b>(8,267)</b>	(7,966)
Fair value loss recognised in other comprehensive loss	<b>32</b>	(71)	<b>32</b>	(71)
Reclassification to investment in associate (Note 6)	<b>(206)</b>	-	<b>-</b>	-
Balance at end of year	<b>25,705</b>	32,134	<b>25,705</b>	31,928

Represented by:

Current	<b>2,003</b>	2,009	<b>2,003</b>	2,009
Non-current	<b>23,702</b>	30,125	<b>23,702</b>	29,919

Available-for-sale financial assets are analysed as follows:

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Quoted debt securities - Singapore	<b>25,705</b>	31,928	<b>25,705</b>	31,928
Unquoted equity securities, at cost	<b>-</b>	206	<b>-</b>	-
	<b>25,705</b>	32,134	<b>25,705</b>	31,928

The table below sets out the details of the quoted debt securities:

	The Group		The Polytechnic	
	2018	2017	2018	2017
Interest rates	<b>2.20%-3.78%</b>	1.875%-3.78%	<b>2.20%-3.78%</b>	1.875%-3.78%
Maturity dates	<b>2018 - 2024</b>	2017 - 2026	<b>2018 - 2024</b>	2017 - 2026

## 9 Loan to Singapore Polytechnic Graduates' Guild ("SPGG")

The Group and The Polytechnic	<b>2018</b> <b>\$'000</b>	2017 \$'000
Loan	<b>135</b>	495

Represented by:

Current	<b>135</b>	360
Non-current	<b>-</b>	135



## 9 Loan to Singapore Polytechnic Graduates' Guild ("SPGG") (continued)

The loan to Singapore Polytechnic Graduates' Guild ("SPGG"), which is denominated in Singapore dollars, is expected to be repayable to the Polytechnic by July 2018, with a monthly repayment amount of \$30,000.

## 10 Staff and student loans

	2018 \$'000	2017 \$'000
The Group and The Polytechnic		
Repayable after 12 months:		
Staff loans	8	17
Student loans	35	25
	<b>43</b>	<b>42</b>
Repayable within 12 months (Note 12):		
Staff loans	9	14
Student loans	85	155
	<b>94</b>	<b>169</b>
Total		
Staff loans	17	31
Student loans	120	180
	<b>137</b>	<b>211</b>

Staff loans are interest-free (2017 – between interest-free and bearing interest at 4.25% per annum) and repayable by monthly instalments, over periods of up to 2 years (2017 - 2 years).

Student loans (Study and Computer Loans) are interest-free and are repayable by monthly instalments over the period of 2 years (2017 - 2 years) after their graduation. With effect from November 2015, student computer loan is no longer provided.

## 11 Deferred income tax assets

	2018 \$'000	2017 \$'000
The Group		
Provisions		
Balance at beginning of year	3	6
Credited to the statement of comprehensive income (Note 23)	(2)	(3)
Balance at end of year	<b>1</b>	<b>3</b>

## 12 Trade and other receivables

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Grants receivables				
- Government	47,153	-	47,153	-
- Others	10,121	3,987	10,121	3,987
Fees receivables	1,460	2,194	1,460	2,194
Goods and services tax receivable	1,338	1,124	1,338	1,099
Staff and student loans (Note 10)	94	169	94	169
Other receivables	3,717	5,783	3,667	5,764
Deposits	25	48	25	48
Amount owing by subsidiaries	-	-	68	120
Amount owing by a related party	29	19	29	19
Loans and receivables	63,937	13,324	63,955	13,400
Prepayments	1,943	2,256	1,933	2,243
	<b>65,880</b>	<b>15,580</b>	<b>65,888</b>	<b>15,643</b>
Less: Provision for doubtful debts	(127)	-	(127)	-
	<b>65,753</b>	<b>15,580</b>	<b>65,761</b>	<b>15,643</b>

## 13 Cash and cash equivalents

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000 (Restated)	2018 \$'000	2017 \$'000 (Restated)
Cash at bank and in hand	38,034	35,372	34,815	32,373
Cash with Accountant-General's Department	245,878	314,293	245,878	314,293
	<b>283,912</b>	<b>349,665</b>	<b>280,693</b>	<b>346,666</b>
Less: Cash held in trust [Note 18 (ii)]	(771)	(1,794)	(771)	(1,794)
Cash and cash equivalents in consolidated statement of cash flow	<b>283,141</b>	<b>347,871</b>	<b>279,922</b>	<b>344,872</b>

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.

Cash held in trust for the Opportunity Fund is included in the Polytechnic's cash and cash equivalents balances in accordance with SB-FRS Guidance Note 3 as there is no separate bank account maintained for the fund.

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at the reporting date, the bank balance of \$868,000 (2017 - \$615,000), comprising cash at bank of \$553,000 (2017 - \$304,000) and fixed deposit of \$315,000 (2017 - \$311,000), has not been included in the cash and cash equivalents of the Polytechnic.

## 14 Trade and other payables

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000 (Restated)	2018 \$'000	2017 \$'000 (Restated)
Sundry creditors	1,099	1,119	1,098	1,110
Advances received - SIT (Note 17)	824	824	824	824
Advances received - others	7,192	8,708	7,181	8,695
Deposits	520	599	520	599
Provision for unutilised leave	8,694	9,022	8,671	9,022
Accruals for operating expenses and capital expenditures	17,638	20,224	18,624	21,217
Goods and services tax payable	75	44	-	-
Amount due to a subsidiary	-	-	267	247
Amount due to Ministry - Current	-	4,001	-	4,001
	<b>36,042</b>	<b>44,541</b>	<b>37,185</b>	<b>45,715</b>

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Amount due to Ministry				
Current	-	4,001	-	4,001
Non-current	-	5,233	-	5,233
	<b>-</b>	<b>9,234</b>	<b>-</b>	<b>9,234</b>

Included in the Group's and the Polytechnic's advances received - others are funds managed on behalf of MOE under the Opportunity Fund scheme of \$771,000 (2017 - \$1,794,000) - Note 18 (ii).

**15 Government grants received in advance**

	Note	2018 \$'000	2017 \$'000
The Group and The Polytechnic			
Balance at beginning of year		76,258	72,809
Grants received/receivable during the year			
- Government development grants		7,234	6,502
- Government IT and F & E grants		19,000	20,000
- Government innovation grants		3,013	3,597
Transfer to deferred capital grants (Government)	16	(18,340)	(20,565)
Amount taken to the statement of comprehensive income	22	(7,455)	(6,085)
<b>Balance at end of year</b>		<b>79,710</b>	<b>76,258</b>

Unutilised IT and F & E balance of \$72.8 million is retained by the Polytechnic for future use.

**16 Deferred capital grants**

	Government		Non-Government		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
The Group and The Polytechnic						
Balance at beginning of year	355,753	367,404	2,231	2,300	357,984	369,704
Development grants from MOE (Note 15)	18,340	20,565	-	-	18,340	20,565
Transfer from operating grants (Note 24)	10,978	9,503	-	-	10,978	9,503
Grants received	-	-	2,236	923	2,236	923
	29,318	30,068	2,236	923	31,554	30,991
Amortisation to statement of comprehensive income (Note 22)	(42,436)	(41,719)	(927)	(992)	(43,363)	(42,711)
<b>Balance at end of year</b>	<b>342,635</b>	<b>355,753</b>	<b>3,540</b>	<b>2,231</b>	<b>346,175</b>	<b>357,984</b>

Total development grants received from Government for purchases of property, plant and equipment since 1 April 1980 is \$945.2 million (2017 - \$926.9 million).

**17 Advances received - SIT**

	2018 \$'000	2017 \$'000
The Group and The Polytechnic		
Current (Note 14)	824	824
Non-current	21,246	22,069
<b>Balance at end of year</b>	<b>22,070</b>	<b>22,893</b>

The Polytechnic has received service fees in advance from Singapore Institute of Technology ("SIT") for the usage of the Polytechnic's facilities by SIT students. The service fees received in advance will be recognised as other income when the services have been rendered by the Polytechnic in accordance with the service fee agreement between the Polytechnic and SIT.

**18 Funds managed on behalf of the Ministry and Other entities**

	2018 \$'000	2017 \$'000
The Group and The Polytechnic		(Restated)
(i) Tuition Fee Loan, Student Loan and Staff Housing Loan	8,676	8,096
(ii) Opportunity Fund	771	1,794
(iii) Temasek Foundation Project Fund	(527)	(590)
(iv) Financial Literacy Fund	813	(8)
(v) ASEAN Youth in Action Programme	65	407
<b>Funds managed on behalf of the Ministry and Other entities</b>	<b>9,798</b>	<b>9,699</b>

**(i) Tuition Fee Loan, Student Loan and Staff Housing Loan**

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

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

	2018 \$'000	2017 \$'000
The Group and The Polytechnic		
<b>Advances from the Ministry</b>		
Balance at beginning of year	8,096	8,242
Advances received	2,262	2,039
Interest income	149	166
Written off	(34)	(6)
Advances repaid	(1,797)	(2,345)
<b>Balance at end of year</b>	<b>8,676</b>	<b>8,096</b>
Represented by:		
Cash and cash equivalents	16	463
Tuition fees and study loans	8,664	7,997
Staff housing loans	73	96
Trade and other payables	(77)	(460)
<b>Net assets</b>	<b>8,676</b>	<b>8,096</b>

The cash and cash equivalents 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% (2017 - 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. Student loans received by the Polytechnic amounting to \$1,783,000 (2017 - \$2,317,000) were repaid to the Ministry.

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. Housing loans received by the Polytechnic amounting to \$14,000 (2017 - \$28,000) were refunded to the Ministry. 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.

**18 Funds managed on behalf of the Ministry and Other entities (continued)****(ii) Opportunity Fund**

The Opportunity Fund was provided to level up enrichment opportunities for Singapore Citizen students from lower income household. This includes assistance for overseas trips and local enrichment programmes and purchase of computer devices. The fund is provided on a 3-year cycle which ends in December 2018. The unutilised amounts will be recovered by the Ministry of Education at the end of the 3-year cycle and fresh funds will be disbursed for the next cycle.

The Group and The Polytechnic	<b>2018</b> <b>\$'000</b>	2017 \$'000
Balance at beginning of the year	<b>1,794</b>	2,673
Amount utilised during the year	<b>(982)</b>	(879)
Amount returned during the year	<b>(41)</b>	-
Balance at end of the year	<b>771</b>	1,794
Represented by:		
Cash and cash equivalents	<b>771</b>	1,794

**(iii) Temasek Foundation Project Fund**

During the year, the Polytechnic continued to work closely 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 Project Fund is maintained in a separate bank account.

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

The Group and The Polytechnic	<b>2018</b> <b>\$'000</b>	2017 \$'000
Balance at beginning of the year	<b>(590)</b>	311
Amount received during the year	<b>2,965</b>	2,006
Amount expensed off during the year	<b>(2,902)</b>	(2,907)
Balance at end of the year	<b>(527)</b>	(590)
Represented by:		
Cash and cash equivalents	<b>506</b>	622
Trade and other payables	<b>(1,033)</b>	(1,212)
	<b>(527)</b>	(590)

**(iv) 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 Polytechnic 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.

**18 Funds managed on behalf of the Ministry and Other entities (continued)****(iv) Financial Literacy Fund (continued)**

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

The Group and The Polytechnic	<b>2018</b> <b>\$'000</b>	2017 \$'000
Balance at beginning of the year	<b>(8)</b>	644
Amount received from MAS	<b>2,312</b>	829
Amount utilised during the year	<b>(1,491)</b>	(1,481)
Balance at end of the year	<b>813</b>	(8)
Represented by:		
Cash and cash equivalents	<b>1,019</b>	314
Trade and other payables	<b>(206)</b>	(322)
	<b>813</b>	(8)

**(v) ASEAN Youth in Action Programme**

During the FY16/17, the Polytechnic has received an amount of \$407,000 from Association of Southeast Asian Nations ("ASEAN") Secretariat under the project title ASEAN Youth in Action Programme. In this project, the Polytechnic is responsible to monitor that the funds disbursed are being used to finance expenditures incurred by the approved activities and budget determined by the ASEAN Secretariat. The programme period is from March 2017 to September 2018.

Funds are disbursed by ASEAN Secretariat in 2 tranches. Under the first tranche, 70% of the fund is being disbursed upon the signing of the agreement between ASEAN and the Polytechnic. The second tranche of the remaining 30% will be disbursed to the Polytechnic upon receipt of all project and financial completion reports from the Polytechnic and verification by the ASEAN Secretariat. Funds disbursed in excess shall be returned to the funding agency. The funds will be disbursed to a designated bank account which is the same bank account for the project relating to Temasek Foundation.

The Group and The Polytechnic	<b>2018</b> <b>\$'000</b>	2017 \$'000
Balance at beginning of the year	<b>407</b>	-
Amount received from ASEAN Secretariat	<b>-</b>	407
Amount expensed off during the year	<b>(342)</b>	-
Balance at end of the year	<b>65</b>	407
Represented by:		
Cash and cash equivalents	<b>366</b>	407
Trade and other payables	<b>(301)</b>	-
	<b>65</b>	407

**19 Staff costs**

	The Group		The Polytechnic	
	<b>2018</b> <b>\$'000</b>	2017 \$'000	<b>2018</b> <b>\$'000</b>	2017 \$'000
Wages and salaries	<b>185,991</b>	181,404	<b>185,266</b>	180,711
Employer's contribution to Central Provident Fund	<b>21,876</b>	21,885	<b>21,777</b>	21,789
Other staff benefits	<b>3,084</b>	3,125	<b>3,070</b>	3,108
	<b>210,951</b>	206,414	<b>210,113</b>	205,608

**19 Staff costs (continued)**

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

The Group and The Polytechnic	2018 \$'000	2017 \$'000
Wages and salaries	8,155	7,635
Employer's contribution to defined contribution plans, including Central Provident Fund	696	618
	<b>8,851</b>	<b>8,253</b>

**20 Other expenditure**

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Water and electricity	5,100	5,696	5,100	5,694
IT support and other services	1,615	1,438	1,615	1,438
IT related expenditure	9,070	8,515	9,070	8,414
Consultancy services	2,614	2,263	808	773
Local / overseas industrial training	985	1,164	985	1,164
Campus events and activities	4,008	4,245	4,008	4,245
Bursaries and scholarships	1,994	1,830	1,994	1,830
Maintenance and upgrading of facilities	2,329	1,746	2,329	1,746
Loss on disposal of property, plant and equipment	72	182	72	182
Other expenses	10,850	11,411	10,770	11,412
	<b>38,637</b>	<b>38,490</b>	<b>36,751</b>	<b>36,898</b>

**21 Other income, net**

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Funding for research and development projects	1,820	1,229	1,820	1,229
Student welfare fund, prizes and award	662	1,209	662	1,209
Income from use of campus and sports facilities	1,711	1,606	1,711	1,606
Project revenue and other consulting fee	2,068	1,422	2,068	1,422
Funding for IT system and Education Career Guidance (ECG) counsellors	236	963	236	963
Income from UniSim's programme	479	723	479	723
Miscellaneous income	2,777	2,543	2,990	2,732
Share of associate company's result (Note 6)	(124)	-	-	-
	<b>9,629</b>	<b>9,695</b>	<b>9,966</b>	<b>9,884</b>

**22 Grants**

	General Fund		The Group and The Polytechnic Other Funds		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Operating grants received from:						
- Government (Note 24)	205,184	204,307	-	-	205,184	204,307
- Non-government	2,469	4,902	-	-	2,469	4,902
Development and other grants utilised (Note 15)	7,455	6,085	-	-	7,455	6,085
Deferred capital grants amortised						
- Government (Note 16)	42,436	41,719	-	-	42,436	41,719
- Non-government (Note 16)	927	992	-	-	927	992
	<b>258,471</b>	<b>258,005</b>	<b>-</b>	<b>-</b>	<b>258,471</b>	<b>258,005</b>

**23 Income taxes**

The Group	2018 \$'000	2017 \$'000
Current taxation	20	44
Deferred taxation (Note 11)	2	3
Underprovision of current taxation in respect of prior years	(10)	1
	<b>12</b>	<b>48</b>

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

The Group	2018 \$'000	2017 \$'000
Surplus before taxation	14,880	18,141
Tax at statutory rate of 17% (2017 - 17%)	2,530	3,084
Tax effect on surplus of the Polytechnic exempted from tax	(2,500)	(2,973)
Tax effect on tax incentives	(30)	(64)
Tax effect on unutilised losses carry forward	21	-
(Over)/underprovision of current taxation in respect of prior years	(10)	1
Deferred tax assets not recognised	1	-
	<b>12</b>	<b>48</b>
The Polytechnic	2018 \$'000	2017 \$'000
Surplus before taxation	14,704	17,487
Tax at statutory rate of 17% (2017 - 17%)	2,500	2,973
Tax effect on surplus of the Polytechnic exempted from tax	(2,500)	(2,973)
	<b>-</b>	<b>-</b>

**24 Operating grants – Government**

	2018 \$'000	2017 \$'000
The Group and The Polytechnic		
Operating grants received/receivable during the year	235,239	233,550
Less:		
Grants utilised on property, plant and equipment transferred to Deferred Capital Grants (Note 16)	(10,978)	(9,503)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	(19,077)	(19,740)
<b>Operating grants taken to the statement of comprehensive income (Note 22)</b>	<b>205,184</b>	<b>204,307</b>

Operating grants received from Government since 1 April 1980 amount to \$5,075.5 million (2017 - \$4,840.3 million). This includes the operating grants received from SkillsFuture Singapore (SSG) of \$5.8 million during the year and cumulative operating grants for GST subsidy of \$261.1 million (2017 - \$242.0 million).

**25 Capital commitments**

Capital expenditure approved but not provided for in the accounts:

	2018 \$'000	2017 \$'000
The Group and The Polytechnic		
<b>Amount approved and contracted for</b>	<b>29,219</b>	<b>30,248</b>
<b>Amount approved but not contracted for</b>	<b>44,925</b>	<b>49,640</b>

The above capital commitments are funded by Government grants.

**26 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.

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

*(a) Sales and purchase of goods and services*

The Polytechnic provides continuing education training to various Ministries, Organs of States and other Statutory Boards. The Polytechnic 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.

**26 Related party transactions (continued)***(a) Sales and purchase of goods and services (continued)*

The Polytechnic		
<b>Subsidiaries</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Management service fees received from subsidiaries	41	41
Consultancy fees charged to subsidiary	32	107
Rental received from subsidiary	87	87
General support fee paid to subsidiary	(356)	(332)
General support fee received from subsidiary	159	180
Professional fees paid to subsidiary	(3,134)	(2,813)
Grants collected on behalf of subsidiary	-	(47)
<b>Related party</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Rental received from related party	24	24
Staff cost reimbursed from related party	68	180
Professional fees reimbursed from related party	43	11
The Group and The Polytechnic		
<b>Entities affiliated to Board of Governors</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
IT related expenditures	(4,227)	(3,691)
Utilities	(906)	(987)
Disbursement of Maritimeone Scholarship	(186)	(277)
Telecommunications and network	(115)	(112)
Course fees and consultancy services	552	423
<b>Other Ministries</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Training fees	(210)	(405)
GEBIZ charges	(329)	(286)
Course fees, project and consultancy services	1,678	1,986
<b>Other Polytechnics</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Projects and events costs	(359)	(211)

*(b) Key management's remuneration*

Key management personnel remuneration as disclosed in Note 19 relates to directors and heads of departments.

**27 Financial derivatives**

The financial derivatives used by the fund manager are interest rate and foreign currency contracts. As part of the risk management activities, interest rate and foreign currency contracts are entered into by the fund managers for hedging purposes.

## 28 Financial risk management

### Overview

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

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

- Credit risk
- Liquidity risk
- Interest rate risk
- Price risk

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/directors 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.

### Credit risk

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 cash and fixed deposits, grants receivables, receivables from customers, bonds and externally managed funds.

The Group 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.

At the end of the reporting period, there is no significant concentration of credit risks, except for government grant receivables, funds managed by external fund managers and quoted securities. 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, the Group's grants and fees receivables include 3 debtors (2017 - 3 debtors) that individually represented 2-8% (2017 - 10-21%) of the grants and fees receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

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

Cash and cash equivalents that are neither past due nor impaired are mainly cash held with the AGD. 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 companies 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.

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

There is no other class of financial assets that is past due and/or impaired except for grants and fees receivables.

## 28 Financial risk management (continued)

### Credit risk (continued)

The age analysis of grants and fees receivables past due but not impaired is as follows:

	2018 \$'000	2017 \$'000
The Group and The Polytechnic		
Past due one month	679	325
Past due two months	46	1,493
Past due over two months	329	235
Past due over five months	1,767	722
	<b>2,821</b>	<b>2,775</b>

The Group's and Polytechnic's fees receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record impairment are as follows:

	2018 \$'000	2017 \$'000
The Group and The Polytechnic		
Fees receivables	1,460	2,194
Less: Provision for doubtful debts	(127)	-
	<b>1,333</b>	<b>2,194</b>
Movement in allowance accounts:	2018 \$'000	2017 \$'000
Balance at beginning of financial year	-	-
Allowance charge for the year	127	-
Balance at end of financial year	<b>127</b>	-

### Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the reporting date, assets held by the Group for managing liquidity risk included cash and short-term deposits as disclosed in Note 13.

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

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000
The Group			
<b>At 31 March 2018</b>			
Trade and other payables	28,026	-	-
<b>At 31 March 2017</b>			
Trade and other payables (Restated)	35,009	5,233	-

## 28 Financial risk management (continued)

### Liquidity risk (continued)

The Polytechnic	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000
<b>At 31 March 2018</b>			
Trade and other payables	<b>29,180</b>	-	-
<b>At 31 March 2017</b>			
Trade and other payables (Restated)	36,196	5,233	-

The above trade and other payables exclude advances received.

### Interest rate risk

Interest rate risk is the risk that fair values of future cash flows of the Group will fluctuate due to changes in market rates. The exposure of interest rate risks through investment funds is managed by fund managers.

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

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000 (Restated)	2018 \$'000	2017 \$'000 (Restated)
<b>Fixed rate instruments</b>				
Available-for-sale financial assets	<b>25,705</b>	31,928	<b>25,705</b>	31,928
	<b>25,705</b>	31,928	<b>25,705</b>	31,928
<b>Variable rate instruments</b>				
Cash at bank and in hand	<b>37,263</b>	33,578	<b>34,044</b>	30,579
Cash with AGD	<b>245,878</b>	314,293	<b>245,878</b>	314,293
Cash held in trust	<b>771</b>	1,794	<b>771</b>	1,794
	<b>283,912</b>	349,665	<b>280,693</b>	346,666

#### *Fair value sensitivity analysis for fixed rate instruments*

An increase in 50 basis points ("bp") (0.5%) (2017 - 0.5%) in interest rates at the reporting date would not have a material impact on the net surplus for the year.

#### *Cash flow sensitivity analysis for variable rate instruments*

An increase in 50 bp (2017 - 50 bp) in interest rates at the reporting date would increase surplus by \$1,419,000 (2017 - \$1,748,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A decrease in 50 bp (2017 - 50 bp) would have the equal but opposite effect on the basis that all other variables remain constant.

### Price risk

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

The Group is exposed to equity price risk through its investments with the fund managers as disclosed in Note 7. The market risk associated within these investments is the potential loss in fair value due to a fall in market prices of these investments. Such market risk is reviewed regularly by the Group's Investment Committee.

## 28 Financial risk management (continued)

### Fair value measurements

The following presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
The Group and The Polytechnic				
<b>At 31 March 2018</b>				
Available-for-sale financial assets	<b>25,705</b>	-	-	<b>25,705</b>
Financial assets, at fair value through profit or loss	<b>140,039</b>	-	-	<b>140,039</b>
<b>At 31 March 2017</b>				
Available-for-sale financial assets	31,928	-	-	31,928
Financial assets, at fair value through profit or loss	106,211	-	-	106,211

### Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	The Group		The Polytechnic	
	2018 \$'000	2017 \$'000 (Restated)	2018 \$'000	2017 \$'000 (Restated)
Financial assets at fair value through profit or loss	<b>140,039</b>	106,211	<b>140,039</b>	106,211
Available-for-sale financial assets	<b>25,705</b>	32,134	<b>25,705</b>	31,928
Loans and receivables				
Staff and student loans (Note 10)	<b>137</b>	211	<b>137</b>	211
Trade and other receivables excluding prepayments (Note 12)	<b>63,716</b>	13,155	<b>63,733</b>	13,231
Cash and cash equivalents (Note 13)	<b>283,912</b>	349,665	<b>280,693</b>	346,666
	<b>347,765</b>	363,031	<b>344,563</b>	360,108
Financial liabilities at amortised cost	<b>28,026</b>	40,242	<b>29,180</b>	41,429

## 29 Comparative information

The Polytechnic received the following funds from Ministries/Other entities:

- Temasek Foundation Project Fund
- Financial Literacy Fund
- ASEAN Youth in Action Programme

## 29 Comparative information (continued)

In prior years, the underlying assets and liabilities of these funds, which were not material to the financial statements, were included in the Polytechnic's balance sheet notwithstanding that they qualified as trust funds in accordance with SB-FRS Guidance Note 3. In preparation of the financial statements for the current financial year ended 31 March 2018, these funds have been presented as "Net assets of funds managed on behalf of the Ministry and Other entities" outside of the Polytechnic's balance sheet. The comparative amounts on the balance sheet of the prior year have been reclassified to conform to current year's presentation. These reclassifications are between balance sheet line items as at 31 March 2017 with no impact on the statements of comprehensive income for the year ended 31 March 2017. A third balance sheet is not presented as the reclassifications do not have a material effect on the information in the statement of financial position at the beginning of the comparative period, 1 April 2016. The following has been affected:

31 March 2017	Cash and cash equivalents	Trade and other payables (Note A)	Net assets of funds managed on behalf of the Ministry and Other entities (Note A)
	\$'000	\$'000	\$'000
Temasek Foundation Project Fund	622	1,212	(590)
Financial Literacy Fund	314	322	(8)
ASEAN Youth in Action Programme	407	-	407
	1,343	1,534	(191)

Note A: The net figure of \$1,343,000 is presented in the reclassification below.

31 March 2017	As previously stated \$'000	Reclassification \$'000	Restated \$'000
The Group			
<b>Statements of financial position</b>			
Cash and cash equivalents	351,008	1,343	349,665
Trade and other payables	45,884	1,343	44,541
<b>Net assets of funds managed on behalf of the Ministry and Other entities</b>	9,890	191	9,699
The Polytechnic			
<b>Statements of financial position</b>			
Cash and cash equivalents	348,009	1,343	346,666
Trade and other payables	47,058	1,343	45,715
<b>Net assets of funds managed on behalf of the Ministry and Other entities</b>	9,890	191	9,699

## 30 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Governors on 29 June 2018.