

ADVANCING
HUMAN
POTENTIAL

ANNUAL REPORT 2018/2019



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

We have identified and adopted six values known as SP CORE values. They are:

- Self-Discipline
- Personal Integrity
- Care & Concern
- Openness
- Responsibility
- Excellence

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CHAIRMAN'S STATEMENT

Over the past 65 years, Singapore Polytechnic (SP) has made tremendous strides to ride the rapidly-changing economic landscape. This has not changed. In fact, we continue to see new challenges as emerging opportunities that allow us to play a pivotal role in supporting the transformation of our country.

THE AGE OF NEW POSSIBILITIES

We have forged many new partnerships with industry partners to enhance teaching and learning, and provide real-world solutioning to help companies to level up. One key example is our partnership with Sembcorp Industries to commercialise Singapore's first solar panel recycling process and develop a pilot recycling plant for solar panels.

In addition to recycling used solar panels, we have jointly developed a curriculum - which will complement the current course material on solar energy systems and deployment - internships and continuing education programmes for managers, engineers and technicians. The collaboration will also equip students with specialised skills that will help support the long-term growth of solar energy in Singapore.

SP has also signed a Memorandum of Understanding (MoU) with Bosch to develop the first SP-Bosch Smart Connected Solutions Lab and SP-Bosch Rexroth i4.0 Innovation Lab. The labs, which are equipped with high-tech Bosch equipment and technologies,

aim to train around 800 students in advanced manufacturing annually. Both organisations have also jointly developed short courses and advanced diplomas to upskill industry professionals in advanced manufacturing technologies.

Another notable example is our partnership with SP Group to roll out its Electric Vehicle (EV) charging points at SP, as part of its plans to build Singapore's largest public EV charging network by 2020. These charging points will serve as an education and research platform, arming engineering students and adult learners with new skills so that they will be ready for the new generation of EVs and charging technologies.

SP also collaborated with Singtel and Ericsson to launch Singapore's first live 5G facility, the 5G Garage.

The facility will serve as a training centre, test bed and ideation lab to develop Singapore's 5G ecosystem and drive the adoption of 5G by enterprises in their digital transformations. Under the guidance of Singtel and Ericsson 5G experts, 250 final-year students from

the Diploma in Electrical & Electronic Engineering and Diploma in Computer Engineering will learn how to harness and apply 5G wireless technology as part of their coursework. Additionally, students under the Singtel Engineering Cadet Scholarship Programme will have internship opportunities at the 5G Garage to develop real-life solutions that are scalable.

These industry tie-ups serve as an integral component in our holistic education, and we will continue to establish mutually constructive partnerships to help our students achieve mastery and provide them with a leg-up as they enter the workforce.

PURSUIT OF PASSION

Every year, we celebrate our graduands, many of whom have overcome various obstacles and challenges to achieve success in their own right. These students have displayed resilience and demonstrated passion for their craft. I believe they will continue to do us proud as they leave the gates of SP.

An exemplary learner is our 2019 Diploma in Applied Drama & Psychology graduate cum Institutional Medallist Callista Anne Yin Kai Ren, whose life goal is to raise mental health awareness. She will be pursuing psychology at Yale-National University of Singapore under the Yale-NUS College Faculty scholarship.

Callista's passion was prompted by her younger sister who was diagnosed with Dyslexia and Attention Deficit Hyperactivity Disorder (ADHD) and her personal struggle with anxiety issues where she broke down often and isolated herself. Instead of giving up, she parlayed her experience into giving back to the community, and led her team to produce a pilot interactive theatre programme for the Institute of Mental Health as part of her final year project. The programme made such a deep impact on the community that it received funding from the National Youth Council for an additional run at SCAPE Singapore.

We also have course medallist Julian Kang Boon Kiat from the Diploma in Electrical & Electronic Engineering. With an aptitude for engineering, he enrolled in SP via the Early Admissions Exercise (EAE). In Year 1, he was awarded the SP Engineering scholarship and secured an internship at DSO National Laboratories, way ahead of his peers. He later received the prestigious DSO scholarship due to his contribution to the research on radiation. Besides possessing the engineering skill sets, Julian's entrepreneurial mindset led him to co-found MakerFoundryLLP, a start-up that has sold numerous units of his team's invention, the SPEEEduino microcontroller board, for our engineering pedagogy. Julian has recently been awarded the Public Service Commission (PSC) scholarship (Engineering) where he will eventually be able to make a difference in the engineering and technology sectors in the Public Service.

Embodying a passion for the community is Joan Charlotte Tng, a graduate from the Diploma in Hotel & Leisure Facilities Management. During her first year, she went on SP's Learning Express

Programme to Isabela, Philippines, and helped address a perennial problem faced by the community farmers; a surplus of tomatoes which often led to wastage and a loss of income. Joan led her team to research and develop a product called the Binhi Tomato Jam, which is palatable to the locals and has a longer shelf life, before returning to the village to teach them how to make the jam and start a business. Her commitment to help the community not only benefitted the tomato farmers but also the villagers, who are now jam makers and able to secure an additional source of income. To date, more than 300 bottles of jam have been sold, with plans to expand it beyond the community.

The institution has relentlessly nurtured our students into outstanding individuals with diverse interests. It will continue to be the anchor in our students' pursuit of passion and skills as they chart the next chapter of their lives.

LEARNING THROUGHOUT LIFE

As we continue to strive in an environment filled with rapid technical disruption and changes, it is paramount that we possess various key attributes such as deep skills and lifelong learning to stay relevant.

To this end, we have expanded on our existing 463 Continuing Education and Training (CET) courses and rolled out 10 new courses ranging from data science, digital marketing & analytics to speciality chemicals and enhanced human resource skills. The myriad of course options will provide opportunities aplenty for working adults to deepen their skills and expertise.

This year, we also celebrate the graduation of 1,232 adult learners, an increase of almost 50 per cent as compared to 2018. Among the pool of graduates who have benefitted from the CET programme are 68-year-old Tham Fook Choon and 48-year-old Carol Hor.

Fook Choon, who recently received his Diploma (Conversion) in Shipping Operations & Management, spent his entire career of 40 years in the Oil and Gas industry before realising the need to acquire new skills after the industry

faced a downturn. He then enrolled in the CET course as he realised there would be a demand for professionals in the Maritime industry with the opening of the Tuas Megaport. He is confident that his new-found skills will benefit his future employer.

For Carol, she finally fulfilled her dream of 30 years when she enrolled in the Diploma in Business Practice (Business Management). The mother-of-two had always wanted to study in SP since she was in her teens, but had to put it on hold when she started her family. Today, she has graduated together with her younger son, Jarrod Chua who also received a Diploma in Business Innovation & Design from SP Business School. She is even looking to take up a course in data analytics next.

Fook Choon and Carol are living proof that lifelong learning is a long-term endeavour, and it is never too early or too late in life to pick up a new skill and expand our knowledge in SP, a poly for all ages.

PAVING THE WAY FORWARD

SP has always taken an active leadership stance in the education field and we will continue to provide our students with opportunities for continual growth. Moving forward, we must be prepared to seize new opportunities that come along the way and embrace challenges with an open heart. I look forward to achieving greater heights with all of you – Board Members, staff, students and partners – in the coming year.

Thank you for your time, hard work and unstinting support.



Mr Bill Chang York Chye
Chairman
Board of Governors
Singapore Polytechnic

BOARD OF GOVERNORS

FROM 1 APR 2018 TO 31 MAR 2019



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
(till 31 March 2019)
(Member)
Director
Springarch Investment

4 MR JOSEPH CHUA
General Manager
Havas Worldwide Singapore

5 DR BENJAMIN KOH
(till 30 June 2018)
(Member)
Coordinating Divisional Director
Higher Education Group
Ministry of Education

6 COL MARTIN KOH KWANG HAW
(till 31 March 2019)
(Member)
Commander, SAF Volunteer Corps
MINDEF

7 DR LEE SHIANG LONG
(Member)
President
Singapore Technologies
Kinetics Ltd

8 MR MARCUS H C LAM
(Member)
Partner-Head of General
Assurance
PricewaterhouseCoopers LLP

9 SAC LIAN GHIM HUA
(Member)
Deputy Director, Criminal
Investigation
Criminal Investigation Department
Singapore Police Force

10 MR SAMUEL LIM
(Member)
CEO/ Chief REEBONZ
REEBONZ

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



- 12 **DR DAVID LOW**
(Member)
CEO, Advanced
Remanufacturing and
Technology Centre
A*STAR
- 13 **PROF NG WUN JERN**
(Member)
Professor -
President's Chair in
Civil & Environmental
Engineering
Principal Lead -
Environmental Bio-
innovations Group
School of Civil &
Environmental
Engineering, Nanyang
Technological
University
- 14 **DR NOORUL FATHA
AS'ART**
(Member)
Chief Medical Officer
Singapore Prison
Service
- 15 **MR ONG TZE-CH'IN**
(from 1 July 2018)
(Member)
Coordinating Divisional
Director
Higher Education
Group
Ministry of Education
- 16 **MR SOH WAI WAH**
(Member)
Principal & CEO
Singapore Polytechnic
- 17 **MR WHANG
SHANG YING**
(Member)
Executive Director
Lam Soon Singapore
Pte Ltd
- 18 **MR WONG KIM YIN**
(till 31 March 2019)
(Member)
Group Chief Executive
Officer
SP Group
- 19 **MS GRACE YOW**
(Member)
Managing Director &
Executive
Vice-President
Fluidigm Singapore
Pte Ltd
- 20 **MR CHOO KENG HUI**
(Secretary) Registrar
Singapore Polytechnic

STANDING COMMITTEES

ADMINISTRATION & DEVELOPMENT COMMITTEE

Chairman: Mr Marcus H C Lam
Members: Mr Johnny Tan Cheng Hye
SAC Lian Ghim Hua
Mr Soh Wai Wah
Secretary: Mr C. Pannirselvam (till 4 July 2018)
Mr Eugene Phang (from 5 July 2018)

AUDIT COMMITTEE

Chairman: Mr Max Loh Khum Whai
Members: COL Martin Koh Kwang Haw
Dr Noorul Fatha As'art
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
(till 5 August 2018)
Mr Teo Wui Khiang (from 14 January 2019)

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: SAC Lian Ghim Hua
Dr Lee Shiang Long
Prof Ng Wun Jern
Secretary: Mrs Elizabeth A Khoo (for Student Discipline)
Mrs Yeung-Ng Geak Hong
(for Staff Discipline)

HUMAN RESOURCE COMMITTEE

Chairman: Mr Wong Kim Yin
Members: Mr Bill Chang York Chye
Mr Soh Wai Wah
Dr Benjamin Koh (till 30 June 2018)
Mr Ong Tze-Ch'in (from 1 July 2018)
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 (till 30 Sept 2018)

BUSINESS, ENVIRONMENT & THE CREATIVES (from 1 Oct 2018)

Senior Director

Ms Georgina Phua Hwee Choo

Director, Business

Ms Tan Yen Yen

Acting Director, Digital Media & Infocomm Technology

Mr Liew Chin Chuan (till 30 Sept 2018)

Director, Architecture & The Built Environment

Mr Faris Akbar Hajamaideen

Director, Design

Ms Tang Soo Yin (till 30 Sept 2018)

Acting Director, Media, Arts & Design

Mr Joseph Teo (from 1 Oct 2018)

COMMUNICATION, MATHEMATICS & THE SCIENCES (till 30 Sept 2018)

COMPUTING, LIFE SKILLS, MATHEMATICS & THE SCIENCES (from 1 Oct 2018)

Senior Director

Dr Chai Min Sen

Director, Communication, Arts & Social Sciences

(till 30 Sept 2018)

Ms Lim Lee Yee

Director, Life Skills & Communication

(from 1 Oct 2018)

Ms Lim Lee Yee

Director, Mathematics & Science

Ms Chao Yunn Chyi

Director, Chemical & Life Sciences

Dr Adrian Yeo Chao Chuang

Acting Director, Computing (from 1 Oct 2018)

Mr Liew Chin Chuan

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 (till 31 July 2018)

Acting Director, Technology, Innovation & Enterprise

Mr David Chai (from 1 Aug 2018)

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 (till 4 July 2018)

Mr Eugene Phang (from 5 July 2018)

Director, Finance

Ms Jenny Wong Siow Ching (till 5 Aug 2018)

Mr Teo Wui Khiang (from 14 Jan 2019)

PLANNING & ORGANISATION DEVELOPMENT

Senior Director

Mr Henry Tan Hin Teck

Acting Director, Organisation Planning & Development

Ms 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 2019

17,607

TOTAL STUDENT ENROLMENT



14,337

Full-Time Year 1-3 Diploma Students

1,420

Part-Time Diploma Students

1,850

Post-Diploma Students

257 Advanced Diploma, 1,294 Specialist Diploma and 299 Diploma (Conversion)

245



POLYTECHNIC FOUNDATION PROGRAMME

6,927

STUDENT INTAKE FOR AY 2018/2019

4,821

Full-Time Year 1 Diploma Students



723

Part-Time Diploma Students

1,383

Post-Diploma Students

164 Advanced Diploma, 997 Specialist Diploma and 222 Diploma (Conversion)

112

STUDENT CCAS

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



5,259

GRADUATE OUTPUT/ EMPLOYMENT

students graduated from Singapore Polytechnic in the academic year 2017/2018. Of these, 4,380 graduated from full-time courses and 879 from part-time courses.

According to the Graduate Employment Survey 2018, 88.5% of Fresh Graduates and 89.5% of Post-NS Graduates (PNS) found Full-Time Permanent or Part-Time/ Temporary/Freelance employment.



1,550

STAFF STRENGTH

comprising 787 academic staff and 763 non-teaching staff.



67,633

training places with a total of 463 continuing education programmes offered by Singapore Polytechnic. The programmes included 32 Singapore Workforce Skills Qualification courses, 238 short courses, 73 tailor-made courses, 23 certification courses, 22 examinations, 13 e-learning courses, 20 Part-Time Diplomas, 8 Diploma (Conversion), 7 Advanced Diplomas and 27 Specialist Diplomas.



HIGHLIGHTS

APRIL
2018



SP collaborated with SP Group to launch the ideaBox facility, which aims to translate promising ideas into sustainable energy applications in everyday life. The new facility will provide SP students the opportunity to build their experience in areas such as engineering, design and media as they work with their lecturers and SP Group mentors to develop the products.



MAY
2018

Diploma in Engineering with Business student, Lee Zheng De, became SP's 200,000th graduate at the 58th Graduation Ceremony. SP also became the first polytechnic to reach this significant milestone.

JUNE
2018



SP signed a three-year Memorandum of Understanding (MoU) with the Waste Management & Recycling Association of Singapore (WMRAS) to help boost innovation, encourage technology adoption and improve safety in the environmental services industry. This is the first time WMRAS is partnering a polytechnic to support the Environmental Services Industry Transformation Map which aims to create a vibrant, sustainable and professional industry.



SP and the Singapore Maritime Institute launched a S\$14 million research centre to contribute to the maritime safety and safety standards. The new Centre of Excellence in Maritime Safety (CEMS) will focus its efforts on two key areas, namely maritime navigation and operations on-board vessels. It will collaborate with the industry and research community to develop new technological solutions and training systems to help reduce the occurrences of maritime incidents.

HIGHLIGHTS

SP partnered with Bosch, a leading global supplier of technology and services, to develop the first SP-Bosch Smart Connected Solutions Lab and SP-Bosch Rexroth i4.0 Innovation Lab. The \$800,000 labs, with a combined area of almost 260 square metres, will be equipped with high-tech Bosch equipment and technologies, and will allow students to pick up skills and knowledge in the latest smart manufacturing processes.

JULY
2018



AUGUST
2018

SP's Diploma in Electrical & Electronic Engineering Graduates, Chryston Chua and Neo Yizhe, received the Lee Hsien Loong Interactive Digital Media Smart Nation award for developing the dementia tracker as part of their Final Year Project. The invention was also awarded the top prize for the Institute of Engineers Singapore's Energy Innovation Challenge.



For his creative teaching methods, Mr George Teo Keng Ann - who has been teaching in SP for 20 years - received the President's Award for Teachers (PAT) from President Halimah Yacob.

Austrian Chancellor Sebastian Kurz visited SP during his three-day official visit to Singapore. At SP, he learnt about the various innovative teaching methods such as the Conceive - Design - Implement - Operate (CDIO) framework and the use of Augmented Reality and Virtual Reality (AR/VR).



HIGHLIGHTS

SEPTEMBER
2018



A total of five books, which were written by SP's Diploma in Creative Writing for TV & New Media alumni and students, were launched at the Asian Festival of Children's Content (AFCC). The books were written as part of a Year 1 module, Creative Story Making, where students had to conceptualise, develop and write for children between four and seven years old

OCTOBER
2018



VendTech 2018, the largest vending machine trade show, was organised by students from SP's School of Business. The three-day event showcased a myriad of innovative and next-generation technologies such as vending machines equipped with cloud management system, automated retail kiosks and self-delivery robots.



As part of Singapore's Industry 4.0 Initiatives, local engineering firm Univac Precision Engineering has teamed up with SP to develop a customised set of training plans for the company to upskill its workers and supervisors.

SP's Diploma in Business Administration students Aung Shin Khant, Pua Seng Oon and James Ang were the first entrepreneurship students to conceive a business overseas. Realising a demand for Korean skincare in Myanmar, the team, called KEEO, set up a store in the country's second-largest city, Mandalay, and made more than \$20,000 in a week.



HIGHLIGHTS

NOVEMBER
2018



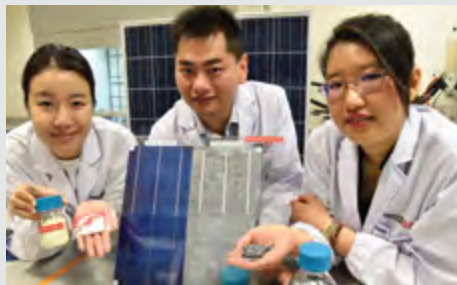
SP's Food Innovation and Resource Centre (FIRC) developed a new technique to help food-manufacturing determine the Glycaemic Index (GI) of their products in a fast and cost-effective manner. The new Glycemic Index Speed Test (GIST) method is 73 per cent lower in cost and speeds up the research process by 90 per cent.



SP's Diploma in Electrical & Electronic Engineering students Mohamed Umar and Wong Jun Heng won the Samsung Solve for Tomorrow competition with their interactive therapeutic pet robot. The robot, named SP Buddy, aims to get the elderly to think and move around more.

JANUARY 2019

SP, Singtel and Ericsson launched Singapore's first 5G facility, named the 5G Garage. The facility is connected to Singtel's latest pilot 5G network, and will serve as a training centre, test bed and ideation lab to develop Singapore's 5G ecosystem and drive the adoption of 5G by enterprises in their digital transformations.



SP and Sembcorp Industries signed a memorandum of collaboration to develop a pilot recycling plant and commercialise Singapore's first solar panel recycling technology. Both parties will also work together to increase and strengthen the pool of skilled manpower for the growth of solar energy. This will come in the form of jointly developed course curricula, internships and programmes for managers, engineers and technicians working on solar projects.



MARCH 2019

PayPal Pte Ltd signed a Memorandum of Understanding (MoU) with Singapore's five polytechnics and the Institute of Technical Education (ITE) to collaborate on a FinTech program. The programme, which aims to nurture talent in the field through an industry-based applied learning experience, will equip students with industry-relevant skills and knowledge through hands-on application and internship opportunities.

FINANCIAL STATEMENTS

Singapore Polytechnic and its subsidiaries

For the year ended 31 March 2019

Polytechnic information

Registered Office	500 Dover Road Singapore 139651
Board of Governors	Mr Bill Chang York Chye (Chairman) Mr Johnny Tan Cheng Hye (Deputy Chairman) Dr Lee Shiang Long Mr Max Loh Khum Whai Prof Ng Wun Jern Dr Noorul Fatha As'art Mr Soh Wai Wah Mr Whang Shang Ying Mr Marcus Lam Ms Grace Yow Mr Joseph Chua Col Lau Boon Ping (Appointed on 1 April 2019) Mr David Tan Wei-Son (Appointed on 1 April 2019) Dr Ong Tze-Ch'in (Appointed on 1 July 2018) SAC Lian Ghim Hua (Appointed on 1 April 2018) Mr Samuel Lim (Appointed on 1 April 2018) Dr David Low (Appointed on 1 April 2018) Ms Amanda Tan Hwei Ling (Retired on 31 March 2019) Col Martin Koh (Retired on 31 March 2019) Mr Wong Kim Yin (Retired on 31 March 2019) Dr Benjamin Koh (Retired on 30 June 2018)
Secretary	Mr Choo Keng Hui
Principal and Chief Executive Officer	Mr Soh Wai Wah
Independent Auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place, #07-03 Clifford Centre Singapore 048621

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Statement by Board of Governors

for the financial year ended 31 March 2019

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 2019, the statements of comprehensive income, the statements of changes in funds and reserves and the statements of cash flows of the Group and the Polytechnic for the year then ended, together with the notes thereon, are drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018, the Singapore Polytechnic Act, Chapter 303 (the "Act"), the Singapore Charities Act, Chapter 37 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 2019 and of the results, and the changes in funds and reserves of the Group and the Polytechnic and cash flow of the Group and the Polytechnic 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.

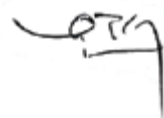
The Board of Governors, on the date of this statement, authorised this financial statements for issue.

On behalf of the Board



.....
MR BILL CHANG

Chairman



.....
MR SOH WAI WAH

Principal and Chief Executive Officer

Dated: 16 July 2019

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 statement of financial position of the Group and the statement of financial position of the Polytechnic as at 31 March 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group and the statement of comprehensive income, statement of changes in funds and reserves and statement of cash flows of the Polytechnic for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the financial statements of the Polytechnic are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), Singapore Polytechnic Act, Chapter 303 (the "Act") the Singapore Charities Act, Chapter 37 (the "Charities 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 2019 and the results and the changes in funds and reserves of the Group and the Polytechnic and cash flows of the Group and the Polytechnic for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (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 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Public Sector (Governance) Act, the Act, the Charities 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.

Independent auditor's report to the members of the Board of Governors of Singapore Polytechnic (cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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 Board during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board; and
- (b) proper accounting and other records have been kept, including records of all assets of the Polytechnic and of the subsidiary incorporated in Singapore of which we are the auditors 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.

Independent auditor's report to the members of the Board of Governors of Singapore Polytechnic (cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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 Board 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.

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 Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board.

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 Board's internal control. Because of the inherent limitations in any 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, 16 July 2019

Statements of financial position

as at 31 March 2019

	Note	The Group		The Polytechnic	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Endowment Fund (Capital)	3	52,597	43,182	52,597	43,182
Accumulated surplus					
- General fund		271,486	245,931	271,714	246,196
- Other funds	3	123,463	121,847	119,762	118,228
- Fair value reserve		521	30	264	30
Total capital and other funds		448,067	410,990	444,337	407,636
Represented by:					
Assets					
Non-Current					
Property, plant and equipment	4	350,913	378,498	350,896	378,476
Investment in subsidiaries	5	-	-	1,100	1,100
Investment in associate	6	-	82	-	-
Financial assets, at fair value through profit or loss	7	100,936	140,039	100,936	140,039
Available-for-sale financial assets	8	-	23,702	-	23,702
Financial assets, at fair value through other comprehensive income (debt instruments)	8.1	33,134	-	33,134	-
Financial assets, at fair value through other comprehensive income (equity instruments)	8.2	337	-	-	-
Staff and student loans	10	46	43	46	43
Deferred income tax assets	11	42	1	-	-
		485,408	542,365	486,112	543,360
Current					
Trade and other receivables	12	26,801	65,753	26,703	65,761
Loan to Singapore Polytechnic Graduates' Guild	9	-	135	-	135
Available-for-sale financial assets	8	-	2,003	-	2,003
Financial assets, at fair value through other comprehensive income (debt instruments)	8.1	3,008	-	3,008	-
Cash and cash equivalents	13	403,002	283,912	399,669	280,693
		432,811	351,803	429,380	348,592
Total assets		918,219	894,168	915,492	891,952
Liabilities					
Current					
Trade and other payables	14	45,571	36,042	46,574	37,185
Government grants received in advance	15	85,554	79,710	85,554	79,710
Current income tax liabilities		-	5	-	-
		131,125	115,757	132,128	116,895
Net Current Assets		301,686	236,046	297,252	231,697
Non-Current					
Deferred capital grants	16	318,605	346,175	318,605	346,175
Contract liabilities	14.1	20,422	-	20,422	-
Advances received - SIT	17	-	21,246	-	21,246
		339,027	367,421	339,027	367,421
Total liabilities		470,152	483,178	471,155	484,316
Net assets		448,067	410,990	444,337	407,636
		31 March	31 March	31 March	31 March
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Net assets of funds managed on behalf of the Ministry and other entities	18	9,570	9,798	9,570	9,798

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 2019

The Group	Note	General fund		Other funds		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Operating income							
Course fees	19	49,384	46,954	15,778	15,155	65,162	62,109
Consultancy fees	19	-	-	3,258	3,347	3,258	3,347
Other fees	19	417	418	-	-	417	418
		49,801	47,372	19,036	18,502	68,837	65,874
Operating expenditure							
Staff costs	20	(199,722)	(199,759)	(11,384)	(11,192)	(211,106)	(210,951)
Teaching materials		(6,055)	(6,803)	(232)	(264)	(6,287)	(7,067)
Repairs and maintenance		(14,991)	(16,425)	(473)	(5)	(15,464)	(16,430)
Depreciation of property, plant and equipment	4	(43,403)	(44,239)	(1,625)	(1,270)	(45,028)	(45,509)
Development expenses		(8,302)	(7,455)	-	-	(8,302)	(7,455)
Staff development and benefits		(4,840)	(5,579)	(18)	(13)	(4,858)	(5,592)
Other expenditure	21	(30,771)	(28,721)	(9,320)	(9,916)	(40,091)	(38,637)
		(308,084)	(308,981)	(23,052)	(22,660)	(331,136)	(331,641)
Operating deficit		(258,283)	(261,609)	(4,016)	(4,158)	(262,299)	(265,767)
Non-operating income							
Donations		-	-	1,086	938	1,086	938
Interest income		3,815	1,673	2,054	2,098	5,869	3,771
Rental income		3,122	2,443	1,383	1,516	4,505	3,959
Fair value gains							
- financial assets at fair value through profit or loss		1,890	3,438	231	441	2,121	3,879
Fair value loss							
- financial assets at fair value through other comprehensive income (debt instruments) (with recycling)		(4)	-	(14)	-	(18)	-
Other income, net	22	8,629	7,993	865	1,636	9,494	9,629
Operating (deficit)/surplus before grants and tax		(240,831)	(246,062)	1,589	2,471	(239,242)	(243,591)
Grants	23	266,386	258,471	-	-	266,386	258,471
Surplus before income tax		25,555	12,409	1,589	2,471	27,144	14,880
Income tax expense	24	-	-	27	(12)	27	(12)
Net surplus for the year		25,555	12,409	1,616	2,459	27,171	14,868
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Net change in fair value of available-for-sale financial assets		-	12	-	20	-	32
Net change in fair value of financial assets, at fair value through other comprehensive income (debt instruments)		1	-	233	-	234	-
Net change in fair value of financial assets, at fair value through other comprehensive income (equity instruments)		-	-	257	-	257	-
Total comprehensive income		25,556	12,421	2,106	2,479	27,662	14,900

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 2019

	Note	General fund		Other funds		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
The Polytechnic							
Operating income							
Course fees	19	49,384	46,954	15,778	15,155	65,162	62,109
Other fees	19	417	418	-	-	417	418
		49,801	47,372	15,778	15,155	65,579	62,527
Operating expenditure							
Staff costs	20	(199,722)	(199,759)	(10,343)	(10,354)	(210,065)	(210,113)
Teaching materials		(6,055)	(6,803)	(232)	(264)	(6,287)	(7,067)
Repairs and maintenance		(14,991)	(16,425)	(473)	-	(15,464)	(16,425)
Depreciation of property, plant and equipment	4	(43,403)	(44,239)	(1,620)	(1,265)	(45,023)	(45,504)
Development expenses		(8,302)	(7,455)	-	-	(8,302)	(7,455)
Staff development and benefits		(4,840)	(5,579)	-	-	(4,840)	(5,579)
Other expenditure	21	(31,139)	(29,075)	(6,849)	(7,676)	(37,988)	(36,751)
		(308,452)	(309,335)	(19,517)	(19,559)	(327,969)	(328,894)
Operating deficit		(258,651)	(261,963)	(3,739)	(4,404)	(262,390)	(266,367)
Non-operating income							
Donations		-	-	1,086	938	1,086	938
Interest income		3,815	1,673	2,054	2,098	5,869	3,771
Rental income		3,209	2,530	1,396	1,516	4,605	4,046
Fair value gains							
- financial assets at fair value through profit or loss		1,890	3,438	231	441	2,121	3,879
Fair value loss							
- financial assets at fair value through other comprehensive income (debt instruments) (with recycling)		(4)	-	(14)	-	(18)	-
Other income, net	22	8,873	8,219	520	1,747	9,393	9,966
Operating (deficit)/surplus before grants and tax		(240,868)	(246,103)	1,534	2,336	(239,334)	(243,767)
Grants	23	266,386	258,471	-	-	266,386	258,471
Surplus before income tax		25,518	12,368	1,534	2,336	27,052	14,704
Income tax expense	24	-	-	-	-	-	-
Net surplus for the year		25,518	12,368	1,534	2,336	27,052	14,704
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Net change in fair value of available-for-sale financial assets		-	12	-	20	-	32
Net change in fair value of financial assets, at fair value through other comprehensive income (debt instruments)		1	-	233	-	234	-
Total comprehensive income		25,519	12,380	1,767	2,356	27,286	14,736

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 2019

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 2017	34,037	233,522	119,388	(2)	386,945
Net surplus for the year	-	12,409	2,459	-	14,868
Other comprehensive income for the year	-	-	-	32	32
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
Balance at 31 March 2018	43,182	245,931	121,847	30	410,990
Net surplus for the year	-	25,555	1,616	-	27,171
Other comprehensive income for the year	-	-	-	491	491
Total comprehensive income for the year	-	25,555	1,616	491	27,662
Contributions and donations received for the endowment fund (capital)	9,415	-	-	-	9,415
Balance at 31 March 2019	52,597	271,486	123,463	521	448,067

The Polytechnic

Balance at 1 April 2017	34,037	233,828	115,892	(2)	383,755
Net surplus for the year	-	12,368	2,336	-	14,704
Other comprehensive income for the year	-	-	-	32	32
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
Balance at 31 March 2018	43,182	246,196	118,228	30	407,636
Net surplus for the year	-	25,518	1,534	-	27,052
Other comprehensive income for the year	-	-	-	234	234
Total comprehensive income for the year	-	25,518	1,534	234	27,286
Contributions and donations received for the endowment fund (capital)	9,415	-	-	-	9,415
Balance at 31 March 2019	52,597	271,714	119,762	264	444,337

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 2019

The Group	Note	2019 \$'000	2018 \$'000
Cash Flows from Operating Activities			
Operating deficit before grants and after tax		(239,215)	(243,603)
Adjustments for:			
Depreciation of property, plant and equipment	4	45,028	45,509
Interest income		(5,869)	(3,771)
Loss on disposal of property, plant and equipment		228	72
Fair value gains on financial assets, at fair value through profit or loss		(2,121)	(3,879)
Income tax expense		(27)	12
Share of associate company's result		-	124
Gain on disposal of investment in associate		(336)	-
Investment rebate		(14)	-
Amortisation of interest for bonds		257	222
Operating deficit before working capital changes		(202,069)	(205,314)
Change in trade and other receivables		(8,264)	3,506
Change in staff and student loans		60	74
Change in trade and other payables		3,388	(13,533)
Cash used in operations		(206,885)	(215,267)
Development grants received from Government		2,454	3,306
IT and F & E grants received from Government		9,897	4,630
Innovation grants received from Government		2,214	3,163
Operating grants received from Government		264,917	150,036
Operating grants received from non-government organisations		2,153	2,469
Contributions and donations received for the endowment fund (capital)		9,415	10,348
Income tax paid		(19)	(49)
Net cash generated from/(used in) operating activities		84,146	(41,364)
Cash flows from Investing Activities			
Interest received		5,869	3,771
Purchase of property, plant and equipment	4	(17,701)	(35,138)
Redemption/(Purchase) of financial assets, at fair value through profit or loss, net		41,238	(29,949)
Redemption of available-for-sale financial assets, net		-	6,033
Purchase of financial assets, at fair value through other comprehensive income (debt instruments)		(14,471)	-
Redemption of financial assets, at fair value through other comprehensive income (debt instruments)		4,011	-
Loan repayment from SPGG		135	360
Proceeds from disposals of property, plant and equipment		30	3
Proceeds from disposal of investment in associate		338	-
Development grants received from Government		2,258	3,935
IT and F & E grants received from Government		9,202	14,370
Innovation grants received from Government		122	35
Operating grants received from Government		3,224	10,978
Operating grants received from non-government organisations		377	2,236
Net cash generated from/(used in) investing activities		34,632	(23,366)
Net increase/(decrease) in cash and cash equivalents		118,778	(64,730)
Cash and cash equivalents at beginning of year		283,141	347,871
Cash and cash equivalents at end of year	13	401,919	283,141

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

Statement of cash flows

for the financial year ended 31 March 2019

The Polytechnic	Note	2019 \$'000	2018 \$'000
Cash Flows from Operating Activities			
Operating deficit before grants and after tax		(239,334)	(243,767)
Adjustments for:			
Depreciation of property, plant and equipment	4	45,023	45,504
Interest income		(5,869)	(3,771)
Loss on disposal of property, plant and equipment		228	72
Fair value gains on financial assets, at fair value through profit or loss		(2,121)	(3,879)
Investment rebate		(14)	-
Amortisation of interest for bonds		257	222
Operating deficit before working capital changes		(201,830)	(205,619)
Change in trade and other receivables		(8,158)	(5,673)
Change in staff and student loans		60	74
Change in trade and other payables		3,248	(4,330)
Cash used in operations		(206,680)	(215,548)
Development grants received from Government		2,454	3,306
IT and F & E grants received from Government		9,897	4,630
Innovation grants received from Government		2,214	3,163
Operating grants received from Government		264,917	150,036
Operating grants received from non-government organisations		2,153	2,469
Contributions and donations received for the endowment fund (capital)		9,415	10,348
Net cash generated from/(used in) operating activities		84,370	(41,596)
Cash flows from Investing Activities			
Interest received		5,869	3,771
Purchase of property, plant and equipment	4	(17,701)	(35,126)
Redemption/(Purchase) of financial assets, at fair value through profit or loss, net		41,238	(29,949)
Redemption of available-for-sale financial assets, net		-	6,033
Purchase of financial assets, at fair value through other comprehensive income (debt instruments)		(14,471)	-
Redemption of financial assets, at fair value through other comprehensive income (debt instruments)		4,011	-
Loan repayment from SPGG		135	360
Proceeds from disposals of property, plant and equipment		30	3
Development grants received from Government		2,258	3,935
IT and F & E grants received from Government		9,202	14,370
Innovation grants received from Government		122	35
Operating grants received from Government		3,224	10,978
Operating grants received from non-government organisations		377	2,236
Net cash generated from/(used in) investing activities		34,294	(23,354)
Net increase/(decrease) in cash and cash equivalents		118,664	(64,950)
Cash and cash equivalents at beginning of year		279,922	344,872
Cash and cash equivalents at end of year	13	398,586	279,922

Notes to the financial statements

for the financial year ended 31 March 2019

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 2019 are \$350,913,000 (2018 - \$378,498,000) and \$350,896,000 (2018 - \$378,476,000), 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.

2 Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Significant judgements in applying accounting policies

Dismantlement, removal or restoration costs for property, plant and equipment (Note 4)

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.

Provision for expected credit losses ("ECL") of trade and other receivables (Note 12)

The measurement of impairment losses requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

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

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 2018.

Reference	Description
SB-FRS 109	Financial Instruments
SB-FRS 115	Revenue from Contracts with Customers
Clarifications to SB-FRS 115	Revenue from Contracts with Customers
Various	Improvements to SB-FRSs (March 2018)

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

SB-FRS 109: Classification of financial assets

Under SB-FRS 109, financial assets are classified in the following categories: measured at amortised cost, fair value through other comprehensive income ("FVOCI") – debt instrument, FVOCI – equity instrument; or fair value through profit or loss ("FVTPL"). The classification of financial assets under SB-FRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SB-FRS 109 eliminates the previous SB-FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

The following table below explains the original measurement categories under SB-FRS 39 and the new measurement categories under SB-FRS 109 for the Group's and the Polytechnic's financial assets as at 1 April 2018.

2 Significant accounting policies (Cont'd)

2.2 Adoption of new and revised standards (Cont'd)

			The Group		The Polytechnic	
			Original carrying amount under SB-FRS 39 31 March 2018 \$'000	New carrying amount under SB-FRS 109 1 April 2018 \$'000	Original carrying amount under SB-FRS 39 31 March 2018 \$'000	New carrying amount under SB-FRS 109 1 April 2018 \$'000
	Original classification under SB-FRS 39	New classification under SB-FRS 109				
Non-Current						
Financial assets, at fair value through profit or loss	Financial assets, at fair value through profit or loss	Financial assets, at fair value through profit or loss	140,039	140,039	140,039	140,039
Financial assets, at fair value through other comprehensive income (debt instruments)	Available-for-sale financial assets	Financial assets, at fair value through other comprehensive income (debt instruments)	23,702	23,702	23,702	23,702
Staff and student loans	Loan and receivables	Amortised cost	43	43	43	43
Current						
Trade and other receivables *	Loan and receivables	Amortised cost	5,198	5,198	5,216	5,216
Loan to Singapore Polytechnic Graduates' Guild	Loan and receivables	Amortised cost	135	135	135	135
Financial assets, at fair value through other comprehensive income (debt instruments)	Available-for-sale financial assets	Financial assets, at fair value through other comprehensive income (debt instruments)	2,003	2,003	2,003	2,003
Cash and cash equivalents	Loan and receivables	Amortised cost	283,912	283,912	280,693	280,693

* excludes grants receivables, goods and services tax receivable and prepayments

2 Significant accounting policies (Cont'd)

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 116: Leases	1 January 2019

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 lessees are required 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 and the Polytechnic's on-going leasing arrangements mainly relate to office equipment. Based on preliminary assessment, transition to SB-FRS 116 does not have a material impact on the Group's financial statements.

2.4 Revenue recognition

The Polytechnic is principally engaged in providing studies, training and research in technology, science, commerce and arts. Revenue for course and other fees for the academic year are recognised over time in the period in which services are rendered.

Consultancy fees are income derived by the subsidiary related to training, education and education-related services recognised at a point in time in the financial year in which the services are rendered. The completion of the specific transaction is assessed based on the actual service provided.

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 (Cont'd)

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 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 to 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 (Cont'd)

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 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, ASEAN Secretariat Projects Fund and ASEAN-UNICEF Project Fund are disclosed as a separate item at the end 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 (Cont'd)

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

(I) Financial assets

Measurement

Initial recognition and measurement

Financial assets are recognised when, only when, the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policies in Note 2.4.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("OCI"), it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated as fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost include bank balances, trade and other receivables, other current assets, loan to Singapore Polytechnic Graduates' Guild and staff and student loans.

2 Significant accounting policies (Cont'd)

2.11 Financial instruments (Cont'd)

(I) Financial assets (Cont'd)

Measurement (Cont'd)

Initial recognition and measurement (Cont'd)

Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

The Group's financial assets that are measured at FVOCI are quoted debt securities - Singapore.

Financial assets designated as fair value through other comprehensive income (OCI) (equity instruments)

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group's financial assets that are designated as fair value through other comprehensive income (OCI) (equity instruments) are investment in unquoted shares.

Financial assets at fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets designated as fair value through profit or loss at inception are quoted unit trusts that are managed by external fund managers on behalf of the Polytechnic and their performances are evaluated on a fair value basis, in accordance with a documented investment strategy. Assets in this category are presented as current assets if they are expected to be realised within 12 months after the reporting date.

2 Significant accounting policies (Cont'd)

2.11 Financial instruments (Cont'd)

(I) Financial assets (Cont'd)

Measurement (Cont'd)

Initial recognition and measurement (Cont'd)

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, other current assets, loan to Singapore Polytechnic Graduates' Guild and staff and student loans, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward – looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2 Significant accounting policies (Cont'd)

2.11 Financial instruments (Cont'd)

(II) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. These financial liabilities comprise 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 method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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 and subsequently carried at aforementioned less accumulated depreciation and accumulated impairment losses.

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 a 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 (\$5,000 with effective from April 2018) 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.

2 Significant accounting policies (Cont'd)

2.12 Property, plant and equipment (Cont'd)

(b) Depreciation

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

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.

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 FY17/18, the Group equity accounted for the share of associate company's result and it was included under "Investment in associate" in Note 6.

During the financial year, the Group ceased to have significant influence in the associate company resulting in the investment now classified as "financial assets, at fair value through other comprehensive income (equity instruments)" as included in Note 8.2.

Under the equity method, the investment in associate is carried in the balance sheets 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 Significant accounting policies (Cont'd)

2.15 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If a customer pays consideration before the Group transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.16 Employee compensation

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

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

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

(c) *Key Management Personnel*

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

2.17 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 Significant accounting policies (Cont'd)

2.18 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.

2.19 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 and cash held with AGD.

2.20 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:
 - (i) has control or joint control over the Polytechnic;
 - (ii) has significant influence over the Polytechnic; or
 - (iii) is a member of the key management personnel of Polytechnic or of a parent of the Polytechnic
- (b) An entity is related to the Polytechnic if any of the following conditions applies:
 - (i) 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);
 - (ii) 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);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party;
 - (v) 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;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) 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
 - (viii) 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, recognise achievements of outstanding students and provides assistance for the benefit of graduates.

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

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

	31 March 2019 \$'000	31 March 2018 \$'000
The Group and The Polytechnic		
At beginning of the year	43,182	34,037
MOE matching donation grant	1,334	5,749
Donations received from third parties	8,081	3,396
At end of the year	52,597	43,182
Represented by:		
Available-for-sale financial assets	-	23,863
Financial assets, fair value through other comprehensive income (debt instruments)	36,294	-
Cash and cash equivalents	16,303	19,319
	52,597	43,182

- (ii) Student Welfare and Development Fund provides funding to support student welfare and development activities.
- (iii) Miscellaneous Funds provides funding for:
- (i) short and continuing education courses;
 - (ii) upgrading courses;
 - (iii) upgrading campus facilities to meet the demand for development in technological skills;
 - (iv) implementation of programmes to achieve the goals of the Polytechnic;
 - (v) maintenance and upgrading of staff quarters;
 - (vi) exploitation of technologies developed within the Polytechnic; and
 - (vii) provision of training, education and education-related services
- (iv) The total amount of tax deductible donations received during the calendar year 2018 is \$1,095,855 (2017 - \$1,597,970).

3 Other funds (Cont'd)

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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
The Group								
Operating income								
Course fees	-	-	-	-	15,778	15,155	15,778	15,155
Consultancy fees	-	-	-	-	3,258	3,347	3,258	3,347
	-	-	-	-	19,036	18,502	19,036	18,502
Operating expenditure								
Staff costs	-	-	-	-	(11,384)	(11,192)	(11,384)	(11,192)
Teaching materials	-	-	-	-	(232)	(264)	(232)	(264)
Repairs and maintenance	-	-	-	-	(473)	(5)	(473)	(5)
Depreciation of property, plant and equipment	-	-	(49)	(50)	(1,576)	(1,220)	(1,625)	(1,270)
Staff development and benefits	-	-	-	-	(18)	(13)	(18)	(13)
Other expenditure	(2,388)	(1,832)	(253)	(297)	(6,679)	(7,787)	(9,320)	(9,916)
	(2,388)	(1,832)	(302)	(347)	(20,362)	(20,481)	(23,052)	(22,660)
Operating deficit	(2,388)	(1,832)	(302)	(347)	(1,326)	(1,979)	(4,016)	(4,158)
Non-operating income								
Donations	1,086	938	-	-	-	-	1,086	938
Interest income	1,064	981	40	30	950	1,087	2,054	2,098
Rental income	-	-	-	-	1,383	1,516	1,383	1,516
Fair value gains - financial assets at fair value through profit or loss	(14)	50	-	-	231	391	217	441
Other income	169	257	321	405	375	974	865	1,636
Surplus/(deficit) before grants and tax	(83)	394	59	88	1,613	1,989	1,589	2,471
Transfer to endowment fund (non-capital)	-	10,000	-	-	-	(10,000)	-	-
Income tax expense	-	-	-	-	27	(12)	27	(12)
Net surplus/(deficit) for the year	(83)	10,394	59	88	1,640	(8,023)	1,616	2,459

3 Other funds (Cont'd)

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
The Polytechnic								
Operating income								
Course fees	-	-	-	-	15,778	15,155	15,778	15,155
	-	-	-	-	15,778	15,155	15,778	15,155
Operating expenditure								
Staff costs	-	-	-	-	(10,343)	(10,354)	(10,343)	(10,354)
Teaching materials	-	-	-	-	(232)	(264)	(232)	(264)
Repairs and maintenance	-	-	-	-	(473)	-	(473)	-
Depreciation of property, plant and equipment	-	-	(49)	(50)	(1,571)	(1,215)	(1,620)	(1,265)
Other expenditure	(2,388)	(1,832)	(253)	(297)	(4,208)	(5,547)	(6,849)	(7,676)
	(2,388)	(1,832)	(302)	(347)	(16,827)	(17,380)	(19,517)	(19,559)
Operating deficit	(2,388)	(1,832)	(302)	(347)	(1,049)	(2,225)	(3,739)	(4,404)
Non-operating income								
Donations	1,086	938	-	-	-	-	1,086	938
Interest income	1,064	981	40	30	950	1,087	2,054	2,098
Rental income	-	-	-	-	1,396	1,516	1,396	1,516
Fair value gains - financial assets at fair value through profit or loss	(14)	50	-	-	231	391	217	441
Other income	169	257	321	405	30	1,085	520	1,747
Surplus/(deficit) before grants and tax	(83)	394	59	88	1,558	1,854	1,534	2,336
Transfer to endowment fund (non-capital)	-	10,000	-	-	-	(10,000)	-	-
Net surplus/(deficit) for the year	(83)	10,394	59	88	1,558	(8,146)	1,534	2,336

3 Other funds (Cont'd)

Other funds comprise the following:

The Group	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Accumulated surplus at 31 March	20,523	20,606	4,475	4,416	98,465	96,825	123,463	121,847

Represented by:

Property, plant and equipment	-	-	284	319	11,816	10,888	12,100	11,207
Staff and student loans	-	-	69	121	8	17	77	138
Investment in associate	-	-	-	-	-	82	-	82
Financial assets, at fair value through profit or loss	-	-	-	-	19,226	18,995	19,226	18,995
Loan to SPGG	-	-	-	-	-	135	-	135
Financial assets, at fair value through other comprehensive income (equity instruments)	-	-	-	-	337	-	337	-
Fair value reserve	(416)	(193)	-	-	(257)	-	(673)	(193)
Cash and cash equivalents	18,970	20,359	4,122	3,976	65,621	66,358	88,713	90,693
Receivables, deposits and prepayments	1,972	448	-	-	4,510	2,116	6,482	2,564
Payables, deposits and accruals	(3)	(8)	-	-	(2,838)	(1,762)	(2,841)	(1,770)
Current income tax liabilities	-	-	-	-	-	(5)	-	(5)
Deferred income tax assets	-	-	-	-	42	1	42	1
	20,523	20,606	4,475	4,416	98,465	96,825	123,463	121,847

The Polytechnic

Accumulated surplus at 31 March	20,523	20,606	4,475	4,416	94,764	93,206	119,762	118,228
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Represented by:

Property, plant and equipment	-	-	284	319	11,799	10,865	12,083	11,184
Staff and student loans	-	-	69	121	8	17	77	138
Investment in subsidiaries	-	-	-	-	1,100	1,100	1,100	1,100
Loan to SPGG	-	-	-	-	-	135	-	135
Financial assets, at fair value through profit or loss	-	-	-	-	19,226	18,995	19,226	18,995
Fair value reserve	(416)	(193)	-	-	-	-	(416)	(193)
Cash and cash equivalents	18,970	20,359	4,122	3,976	61,961	62,831	85,053	87,166
Receivables, deposits and prepayments	1,972	448	-	-	4,511	2,167	6,483	2,615
Payables, deposits and accruals	(3)	(8)	-	-	(3,841)	(2,904)	(3,844)	(2,912)
	20,523	20,606	4,475	4,416	94,764	93,206	119,762	118,228

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
<u>Cost</u>							
At 1 April 2017	75,618	359,866	139,757	292,810	20,185	142	888,378
Additions	-	589	14,206	19,544	799	-	35,138
Disposals	-	-	(10)	(17,749)	(7)	-	(17,766)
At 31 March 2018	75,618	360,455	153,953	294,605	20,977	142	905,750
Additions	-	28	3,550	12,384	1,739	-	17,701
Disposals	-	-	(5,277)	(23,902)	-	(142)	(29,321)
At 31 March 2019	75,618	360,483	152,226	283,087	22,716	-	894,130
<u>Accumulated depreciation</u>							
At 1 April 2017	25,083	138,443	92,888	234,594	8,284	142	499,434
Depreciation for the year	1,262	7,570	14,060	18,997	3,620	-	45,509
Disposals	-	-	(10)	(17,674)	(7)	-	(17,691)
At 31 March 2018	26,345	146,013	106,938	235,917	11,897	142	527,252
Depreciation for the year	1,262	7,552	12,368	20,170	3,676	-	45,028
Disposals	-	-	(5,078)	(23,843)	-	(142)	(29,063)
At 31 March 2019	27,607	153,565	114,228	232,244	15,573	-	543,217
<u>Net book value</u>							
At 31 March 2019	48,011	206,918	37,998	50,843	7,143	-	350,913
At 31 March 2018	49,273	214,442	47,015	58,688	9,080	-	378,498

Asset under construction

The Group's property, plant and equipment includes \$4.1 million (2018 - \$18.5 million) relating to in-progress renovation and software development projects classified within Building improvements, Computer software, Equipment and furniture.

Note A:

Computer software, relating to software used by the Polytechnic in its operations software, is not an integral part of the computer hardware.

The Polytechnic

Cost

At 1 April 2017	75,618	359,866	139,757	292,759	20,185	142	888,327
Additions	-	589	14,206	19,532	799	-	35,126
Disposals	-	-	(10)	(17,749)	(7)	-	(17,766)
At 31 March 2018	75,618	360,455	153,953	294,542	20,977	142	905,687
Additions	-	28	3,550	12,384	1,739	-	17,701
Disposals	-	-	(5,277)	(23,902)	-	(142)	(29,321)
At 31 March 2019	75,618	360,483	152,226	283,024	22,716	-	894,067

Accumulated depreciation

At 1 April 2017	25,083	138,443	92,888	234,558	8,284	142	499,398
Depreciation for the year	1,262	7,570	14,060	18,992	3,620	-	45,504
Disposals	-	-	(10)	(17,674)	(7)	-	(17,691)
At 31 March 2018	26,345	146,013	106,938	235,876	11,897	142	527,211
Depreciation for the year	1,262	7,552	12,368	20,165	3,676	-	45,023
Disposals	-	-	(5,078)	(23,843)	-	(142)	(29,063)
At 31 March 2019	27,607	153,565	114,228	232,198	15,573	-	543,171

Net book value

At 31 March 2019	48,011	206,918	37,998	50,826	7,143	-	350,896
At 31 March 2018	49,273	214,442	47,015	58,666	9,080	-	378,476

Asset under construction

The Polytechnic's property, plant and equipment includes \$4.1 million (2018 - \$18.5 million) relating to in-progress renovation and software development projects classified within Building improvements, Computer software, Equipment and furniture.

Note A:

Computer software, relating to software used by the Polytechnic in its operations software, is not an integral part of the computer hardware.

5 Investment in subsidiaries

	2019	2018
	\$'000	\$'000
The Polytechnic		
Equity investments, at cost	1,100	1,100

Details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of Incorporation/ principal place of business</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		31 Mar 2019 %	31 Mar 2018 %	
Singapore Polytechnic Enterprise Pte. Ltd. (previously known as Innomart Pte Ltd) ⁽¹⁾	Singapore	100	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 ⁽²⁾	Singapore	100	100	Provision of training, education and education-related services

⁽¹⁾ Audited by Tan, Chan and Partners

⁽²⁾ Audited by Patrick Tee & Co.

6 Investment in associate

	2019	2018
	\$'000	\$'000
The Group		
Unquoted equity investment, at cost	206	206
Share of associate company's result (Note 22)	(124)	(124)
Disposal of investment in associate	(2)	-
Reclassification to financial assets, at fair value through other comprehensive income (equity instruments) (Note 8.2)	(80)	-
	-	82

Details of the associate are as follows:

<u>Name</u>	<u>Country of Incorporation/ principal place of business</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		2019 %	2018 %	
Stella Specialty Chemicals (S) Pte Ltd ⁽¹⁾	Singapore	100	100	Development, manufacture and sale of specialty chemicals

⁽¹⁾ Audited by H.S.Lim & Co.

6 Investment in associate (Cont'd)

Shares of Stella Specialty Chemicals (S) Pte Ltd is held by Singapore Polytechnic Enterprise Pte. Ltd. which is a wholly-owned subsidiary. In July 2018, the Group ceased to have significant influence in the associate following divestment of a 5.12% equity stake. Consequently, the remaining 5.11% equity interest in the associate was reclassified to financial assets at fair value through other comprehensive income (equity instruments) (Note 8.2). During the current financial year, the Group did not equity account for the share of associate's results until the date the Group ceased to have significant influence in the investee as the amount was 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:

	2019 \$'000	2018 \$'000
The Group and The Polytechnic		
Financial assets at fair value through profit or loss		
Quoted unit trusts	100,936	140,039

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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at beginning of year	25,705	32,134	25,705	31,928
Additions	-	2,012	-	2,012
Redemption (including amortisation of interest for bonds)	-	(8,267)	-	(8,267)
Fair value gains recognised in other comprehensive income	-	32	-	32
Reclassification to investment in associate (Note 6)	-	(206)	-	-
Reclassification to financial assets at fair value through other comprehensive income (debt instruments) on adoption of SB-FRS 109 (Note 8.1)	(25,705)	-	(25,705)	-
Balance at end of year	-	25,705	-	25,705
Represented by:				
Current	-	2,003	-	2,003
Non-current	-	23,702	-	23,702

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

	The Group		The Polytechnic	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Quoted debt securities - Singapore	-	25,705	-	25,705

Details of the quoted debt securities:

	The Group		The Polytechnic	
	2019	2018	2019	2018
Interest rates	-	2.20%-3.78%	-	2.20%-3.78%
Maturity dates	-	2018 - 2024	-	2018 - 2024

8 Available-for-sale financial assets (Cont'd)**8.1 Financial assets, at fair value through other comprehensive income (debt instruments)**

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	-	-	-	-
Reclassification from available-for-sale financial assets on adoption of SB-FRS 109 (Note 8)	25,705	-	25,705	-
Additions	14,471	-	14,471	-
Redemption (including amortisation of interest for bonds)	(4,268)	-	(4,268)	-
Fair value gains recognised in other comprehensive income (debt instruments)	234	-	234	-
Balance at end of year	36,142	-	36,142	-
Represented by:				
Current	3,008	-	3,008	-
Non-current	33,134	-	33,134	-

Financial assets, at fair value through other comprehensive income (debt instruments) are analysed as follows:

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Quoted debt securities - Singapore	36,142	-	36,142	-

Details of the quoted debt securities:

	The Group		The Polytechnic	
	2019	2018	2019	2018
Interest rates	2.20%-4.11%	-	2.20%-4.11%	-
Maturity dates	2019-2025	-	2019-2025	-

8 Available-for-sale financial assets (Cont'd)**8.2 Financial assets, at fair value through other comprehensive income (equity instruments)**

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	-	-	-	-
Reclassification from investment in associate (Note 6)	80	-	-	-
Fair value gains recognised in other comprehensive income (equity instruments)	257	-	-	-
Balance at end of year	337	-	-	-
Represented by:				
Non-current	337	-	-	-

Financial assets, at fair value through other comprehensive income (equity instruments) are analysed as follows:

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Unquoted equity securities	337	-	-	-

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

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Loan	-	135

The loan to Singapore Polytechnic Graduates' Guild ("SPGG"), denominated in Singapore dollars, was repaid during the current financial period.

10 Staff and student loans

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Repayable after 12 months:		
Staff loans	-	8
Student loans	46	35
	46	43
Repayable within 12 months (Note 12):		
Staff loans	8	9
Student loans	23	85
	31	94
Total		
Staff loans	8	17
Student loans	69	120
	77	137

Staff loans are interest-free (2018 - interest-free) and repayable by monthly instalments, over periods of up to 2 years (2018 - 2 years).

Student loans (Study Loans) are interest-free and are repayable by monthly instalments over the period of 2 years (2018 - 2 years) after their graduation.

11 Deferred income tax assets

	2019	2018
	\$'000	\$'000
The Group		
Provisions		
Balance at beginning of year	1	3
Recognised in profit or loss (Note 24)	41	(2)
Balance at end of year	42	1

12 Trade and other receivables

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Grants receivables				
- Government	-	47,153	-	47,153
- Others	17,001	10,121	17,001	10,121
Fees receivables	1,743	1,460	1,743	1,460
Goods and services tax receivable	813	1,338	813	1,338
Staff and student loans (Note 10)	31	94	31	94
Other receivables	5,443	3,717	5,347	3,667
Deposits	24	25	24	25
Amount owing by subsidiaries	-	-	31	68
Amount owing by a related party	27	29	27	29
	25,082	63,937	25,017	63,955
Prepayments	1,750	1,943	1,717	1,933
	26,832	65,880	26,734	65,888
Less: Impairment loss on fees receivables	(31)	(127)	(31)	(127)
	26,801	65,753	26,703	65,761

Included in the Group's and the Polytechnic's other receivables are interest to be received from cash held with Accountant-General's Department ("AGD") of \$3,823,000 (2018 - \$1,834,000).

13 Cash and cash equivalents

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	48,350	38,034	45,017	34,815
Cash with Accountant-General's Department	354,652	245,878	354,652	245,878
	403,002	283,912	399,669	280,693
Less: Cash held in trust [Note 18 (ii)]	(1,083)	(771)	(1,083)	(771)
Cash and cash equivalents in consolidated statement of cash flow	401,919	283,141	398,586	279,922

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 balance sheets in accordance with SB-FRS Guidance Note 3.

The Polytechnic manages bank accounts on behalf of the Singapore Polytechnic Students' Union. As at the reporting date, the bank balance of \$697,000 (2018 - \$868,000), comprising cash at bank of \$378,000 (2018 - \$553,000) and fixed deposit of \$319,000 (2018 - \$315,000), has not been included in the cash and cash equivalents of the Polytechnic.

14 Trade and other payables

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Sundry creditors	3,866	1,099	3,866	1,098
Advances received – SIT (Note 17)	-	824	-	824
Advances received – others *	1,083	7,192	1,083	7,181
Deposits	543	520	543	520
Provision for unutilised leave	8,075	8,694	8,047	8,671
Accrued operating expenses and capital expenditures	18,559	17,638	19,395	18,624
Goods and services tax payable	80	75	-	-
Amount due to a subsidiary	-	-	284	267
Amount due to Ministry	5,005	-	5,005	-
Contract liabilities (Note 14.1)	8,360	-	8,351	-
Trade and other payables - current	45,571	36,042	46,574	37,185

* 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 \$1,083,000 (2018 - \$771,000) – Note 18 (ii).

14.1 Contract liabilities

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

- (i) Course fees, for which revenue is recognised over the course period;
- (ii) Royalties fees, for which revenue is recognised over time although the customer pays up-front in full for these royalties;
- (iii) Training fees to be disbursed to participating companies of SkillsFuture Singapore training programmes over the course of period where the job training is provided; and
- (iv) Service fees from Singapore Institute of Technology ("SIT") for the usage of the Polytechnic's facilities by SIT students.

The details are as follows:

	The Group		The Polytechnic	
	31 March	1 April	31 March	1 April
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Course fees	4,415	-	4,415	-
Royalties fees	9	-	-	-
Training fees	3,112	-	3,112	-
Service fees	21,246	-	21,246	-
	28,782	-	28,773	-
Represented by:				
Current (Note 14)	8,360	-	8,351	-
Non-current	20,422	-	20,422	-
	28,782	-	28,773	-

During the current period ended 31 March 2019, revenue from course fees, royalties fees, training fees and service fees recognised by the Group and the Polytechnic included advance consideration received of \$5,105,000, \$11,000, Nil and \$824,000, respectively, at the beginning of the period (1 April 2018).

As permitted under the transitional provisions in the SB-FRS 115, the transaction price allocated to partially or fully unsatisfied performance obligations as at 1 April 2018 is not disclosed.

15 Government grants received in advance

	Note	2019 \$'000	2018 \$'000
The Group and The Polytechnic			
Balance at beginning of year		79,710	76,258
Grants received/receivable during the year			
- Government development grants		4,720	7,234
- Government IT and F & E grants		19,099	19,000
- Government innovation grants		1,909	3,013
Transfer to deferred capital grants (Government)	16	(11,582)	(18,340)
Amount recorded in profit and loss	23	(8,302)	(7,455)
Balance at end of year		85,554	79,710

Unutilised IT and F & E balance of \$78.3 million is retained by the Polytechnic for future use.

16 Deferred capital grants

	Government		Non-Government		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
The Group and The Polytechnic						
Balance at beginning of year	342,635	355,753	3,540	2,231	346,175	357,984
Development grants from MOE (Note 15)	11,582	18,340	-	-	11,582	18,340
Transfer from operating grants (Note 25)	3,224	10,978	-	-	3,224	10,978
Grants received	-	-	377	2,236	377	2,236
	14,806	29,318	377	2,236	15,183	31,554
Amortisation to profit and loss (Note 23)	(42,012)	(42,436)	(741)	(927)	(42,753)	(43,363)
Balance at end of year	315,429	342,635	3,176	3,540	318,605	346,175

Total development grants received from Government for purchases of property, plant and equipment since 1 April 1980 is \$956.8 million (2018 - \$945.2 million).

17 Advances received - SIT

	2019 \$'000	2018 \$'000
The Group and The Polytechnic		
Current (Note 14)	-	824
Non-current	-	21,246
	-	22,070

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

	2019 \$'000	2018 \$'000
The Group and The Polytechnic		
(i) Tuition Fee Loan, Student Loan and Staff Housing Loan	8,409	8,676
(ii) Opportunity Fund	1,083	771
(iii) Temasek Foundation Projects Fund	(247)	(527)
(iv) Financial Literacy Fund	317	813
(v) ASEAN Secretariat Projects Fund	(12)	65
(vi) ASEAN-UNICEF Project Fund	20	-
Funds managed on behalf of the Ministry and other entities	9,570	9,798

(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.

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 obligations, in the year in which they finish their National Service. Thereafter, loans are repayable by monthly instalments with interest at 4.75% (2018 - 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 \$2,540,000 (2018 - \$1,783,000) 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 \$42,000 (2018 - \$14,000) 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.

The details of the Tuition Fee Loan, Student Loan and Staff Housing Loan as at 31 March are as follows:

	2019 \$'000	2018 \$'000
The Group and The Polytechnic		
Balance at beginning of year	8,676	8,096
Advances received	2,128	2,262
Interest income	192	149
Written off	(5)	(34)
Advances repaid	(2,582)	(1,797)
Balance at end of year	8,409	8,676
Represented by:		
Cash and cash equivalents	2	16
Tuition fees and study loans	8,439	8,664
Staff housing loans	48	73
Trade and other payables	(80)	(77)
Net assets	8,409	8,676

18 Funds managed on behalf of the Ministry and other entities (Cont'd)**(ii) Opportunity Fund**

The Opportunity Fund was provided to level up enrichment opportunities for Singapore Citizen students from lower income households. This includes assistance for overseas trips and local enrichment programmes and purchase of computer devices. In prior years, the fund was provided on a 3-year cycle which ended 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.

A Revision to Opportunity Fund Scheme was made in February 2019. The Opportunity Fund will be disbursed on an annual basis around February or March each year. The fund can only be used to provide assistance for overseas trips and purchase of computer devices.

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

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Balance at beginning of the year	771	1,794
Amount received during the year	1,205	-
Amount utilised during the year	(746)	(982)
Amount returned during the year	(147)	(41)
Balance at end of the year	1,083	771
Represented by:		
Cash and cash equivalents	1,083	771

(iii) Temasek Foundation Projects Fund

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

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

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

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Balance at beginning of the year	(527)	(590)
Amount received during the year	2,601	2,965
Amount utilised during the year	(2,321)	(2,902)
Balance at end of the year	(247)	(527)
Represented by:		
Cash and cash equivalents	727	506
Trade and other payables	(974)	(1,033)
	(247)	(527)

Note: The credit balance represents expenditures incurred by the Polytechnic for the intended projects on behalf of Temasek Foundation which are pending reimbursement.

18 Funds managed on behalf of the Ministry and other entities (Cont'd)**(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.

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

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Balance at beginning of the year	813	(8)
Amount received from MAS	1,035	2,312
Amount utilised during the year	(1,531)	(1,491)
Balance at end of the year	317	813
Represented by:		
Cash and cash equivalents	572	1,019
Trade and other payables	(255)	(206)
	317	813

(v) ASEAN Secretariat Projects Fund

The Polytechnic collaborates with Association of Southeast Asian Nations ("ASEAN") Secretariat on several projects. In these projects, the Polytechnic is responsible to monitor that the funds disbursed are being used to finance the expenditures incurred by the approved activities and budget determined by the ASEAN Secretariat.

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 projects 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 details of the ASEAN Secretariat Projects Fund as at 31 March are as follows:

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Balance at beginning of the year	65	407
Amount received from ASEAN Secretariat	480	-
Amount utilised during the year	(557)	(342)
Balance at end of the year	(12)	65
Represented by:		
Cash and cash equivalents	400	366
Trade and other payables	(412)	(301)
	(12)	65

Note: The credit balance represents expenditures incurred by the Polytechnic for the intended projects on behalf of ASEAN Secretariat which are pending reimbursement.

18 Funds managed on behalf of the Ministry and other entities (Cont'd)**(vi) ASEAN-UNICEF Project Fund**

During the FY18/19, the Polytechnic received an amount of \$107,500 from United Nations Children's Fund ("UNICEF") under the project title ASEAN-UNICEF Conference on 21st Century Skills and Young People's Participation. 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 UNICEF. This programme was held in Singapore on 8th to 9th November 2018. 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 details of the ASEAN-UNICEF Project Fund as at 31 March are as follows:

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Balance at beginning of the year	-	-
Amount received from UNICEF	107	-
Amount utilised during the year	(87)	-
Balance at end of the year	20	-
Represented by:		
Cash and cash equivalents	20	-

19 Operating Income

	At point in time		Over time		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group						
Course fees	-	-	65,162	62,109	65,162	62,109
Consultancy fees	3,258	3,347	-	-	3,258	3,347
Other fees	-	-	417	418	417	418
	3,258	3,347	65,579	62,527	68,837	65,874

	At point in time		Over time		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Polytechnic						
Course fees	-	-	65,162	62,109	65,162	62,109
Other fees	-	-	417	418	417	418
	-	-	65,579	62,527	65,579	62,527

20 Staff costs

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	186,563	185,991	185,666	185,266
Employer's contribution to Central Provident Fund	21,477	21,876	21,352	21,777
Other staff benefits	3,066	3,084	3,047	3,070
	211,106	210,951	210,065	210,113

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

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Wages and salaries	8,383	8,155
Employer's contribution to defined contribution plans, including Central Provident Fund	668	696
	9,051	8,851

21 Other expenditure

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Water and electricity	6,193	5,100	6,193	5,100
IT support and other services	2,631	1,615	2,631	1,615
IT related expenditure	8,774	9,070	8,774	9,070
Consultancy services	2,716	2,614	783	808
Local/overseas industrial training	752	985	752	985
Campus events and activities	4,274	4,008	4,274	4,008
Bursaries and scholarships	2,389	1,994	2,389	1,994
Maintenance and upgrading of facilities	1,042	2,329	1,042	2,329
Loss on disposal of property, plant and equipment	228	72	228	72
Other expenses	11,092	10,850	10,922	10,770
	40,091	38,637	37,988	36,751

22 Other income, net

	The Group		The Polytechnic	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Funding for research and development projects	2,168	1,820	2,168	1,820
Student welfare fund, prizes and award	490	662	490	662
Income from use of campus and sports facilities	1,539	1,711	1,539	1,711
Project revenue and other consulting fee	2,313	2,068	2,313	2,068
Funding for IT system and Education Career Guidance (ECG) counsellors	103	236	103	236
Income from UniSim's programme	1,025	479	1,025	479
Miscellaneous income	1,520	2,777	1,755	2,990
Share of associate company's result (Note 6)	-	(124)	-	-
Gain on disposal of investment in associate	336	-	-	-
	9,494	9,629	9,393	9,966

23 Grants

	General Fund		Other Funds		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
The Group and The Polytechnic						
Operating grants received from:						
- Government (Note 25)	213,178	205,184	-	-	213,178	205,184
- Non-government	2,153	2,469	-	-	2,153	2,469
Development and other grants utilised (Note 15)	8,302	7,455	-	-	8,302	7,455
Deferred capital grants amortised						
- Government (Note 16)	42,012	42,436	-	-	42,012	42,436
- Non-government (Note 16)	741	927	-	-	741	927
	266,386	258,471	-	-	266,386	258,471

24 Income tax expense

The Group	2019 \$'000	2018 \$'000
Current taxation	-	20
Deferred taxation (Note 11)	(41)	2
Adjustments in respect of prior years	14	(10)
	(27)	12

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	2019 \$'000	2018 \$'000
Surplus before taxation	27,144	14,880
Tax at statutory rate of 17% (2018 - 17%)	4,614	2,530
Tax effect on surplus of the Polytechnic exempted from tax	(4,599)	(2,500)
Tax effect on income not subject to tax	(56)	-
Tax effect on tax incentives	-	(30)
Tax effect on unutilised losses carry forward	-	21
Adjustments in respect of prior years	14	(10)
Deferred tax assets not recognised	-	1
	(27)	12

The Polytechnic	2019 \$'000	2018 \$'000
Surplus before taxation	27,052	14,704
Tax at statutory rate of 17% (2018 - 17%)	4,599	2,500
Tax effect on surplus of the Polytechnic exempted from tax	(4,599)	(2,500)
	-	-

25 Operating grants – Government

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Operating grants received/receivable during the year	235,496	235,239
Less:		
Grants utilised on property, plant and equipment transferred to Deferred capital grants (Note 16)	(3,224)	(10,978)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	(19,094)	(19,077)
Operating grants taken to profit and loss (Note 23)	213,178	205,184

Operating grants received from Government since 1 April 1980 amount to \$5,311 million (2018 - \$5,075.5 million). This includes the operating grants received from SkillsFuture Singapore (SSG) of \$8.1 million (2018 - \$5.8 million) during the year and cumulative operating grants for GST subsidy of \$280.2 million (2018 - \$261.1 million).

26 Capital commitments

Capital expenditure approved but not provided for in the accounts:

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Amount approved and contracted for	24,210	29,219
Amount approved but not contracted for	77,092	44,925

The above capital commitments are funded by Government grants.

27 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.

27 Related party transactions (Cont'd)

(a) Sales and purchase of goods and services (Cont'd)

	2019	2018
	\$'000	\$'000

The Polytechnic

Subsidiaries

Management service fees received from subsidiaries	41	41
Consultancy fees charged to subsidiary	70	32
Rental received from subsidiary	87	87
General support fee paid to subsidiary	(367)	(356)
General support fee received from subsidiary	157	159
Professional fees paid to subsidiary	(2,858)	(3,134)

Related party

Rental received from related party	24	24
Staff cost reimbursed from related party	68	68
Professional fees reimbursed from related party	25	43

The Group and the Polytechnic

Entities affiliated to Board of Governors

IT related expenditures	(4,992)	(4,227)
Utilities	(983)	(906)
Disbursement of MaritimeONE Scholarships	-	(186)
Telecommunications, network and training collaborations fees	(338)	(115)
Training and assessment fees	(101)	(31)
Course fees and consultancy services	-	552

Other Ministries

Training fees	(236)	(210)
GEBIZ charges	(343)	(329)
License network fees	(137)	(62)
Training and assessment fees	(101)	(31)
Course fees, project and consultancy services	1,506	1,678

Other Polytechnics

Projects and events costs	(379)	(359)
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(b) Key management's remuneration

Key management personnel remuneration as disclosed in Note 20 relates to directors and heads of departments.

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 trade and other receivables, cash and cash equivalents, funds managed by external fund managers and quoted debt securities.

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

At the end of the reporting period, the Group's grants and fees receivables include 5 debtors (2018 - 3 debtors) that individually accounts for between 2% and 69.7% (2018 - 2-8%) 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 at bank is held with creditworthy financial institutions. Cash held with the AGD under the CLM are placed with high credit quality financial institutions, and are available upon request. Trade and other receivables that are neither past due nor impaired are substantially counterparties with good collection track records with the Group. Financial assets at fair value through profit or loss are investments held with high credit quality counterparties.

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

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

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

	2019	2018
	\$'000	\$'000
The Group and The Polytechnic		
Past due one month	490	679
Past due two months	291	46
Past due over two months	242	329
Past due over five months	1,033	1,767
	2,056	2,821

28 Financial risk management (Cont'd)**Credit risk (Cont'd)**

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:

The Group and The Polytechnic	2019 \$'000	2018 \$'000
Fees receivables	1,743	1,460
Less: Impairment loss	(31)	(127)
	1,712	1,333
<hr/>		
Movement in impairment loss:	2019 \$'000	2018 \$'000
Balance at beginning of financial year	127	-
Amounts recovered for the year	(31)	-
Written off for the year	(96)	-
Allowance charge for the year	31	127
Balance at end of financial year	31	127

Exposure to credit risk

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

			Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
The Group					
31 March 2019					
Staff and student loans (Note 10)	(1)	Lifetime ECL	77	-	77
Trade and other receivables (Note 12)	(2)	Lifetime ECL	26,832	(31)	26,801
31 March 2018					
Loan to Singapore Polytechnic					
Graduates' Guild (Note 9)	(1)	Lifetime ECL	135	-	135
Staff and student loans (Note 10)	(1)	Lifetime ECL	137	-	137
Trade and other receivables (Note 12)	(2)	Lifetime ECL	65,880	(127)	65,753
The Polytechnic					
31 March 2019					
Staff and student loans (Note 10)	(1)	Lifetime ECL	77	-	77
Trade and other receivables (Note 12)	(2)	Lifetime ECL	26,734	(31)	26,703
31 March 2018					
Loan to Singapore Polytechnic					
Graduates' Guild (Note 9)	(1)	Lifetime ECL	135	-	135
Staff and student loans (Note 10)	(1)	Lifetime ECL	137	-	137
Trade and other receivables (Note 12)	(2)	Lifetime ECL	65,888	(127)	65,761

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

28 Financial risk management (Cont'd)

Credit risk (Cont'd)

- (1) Loan to Singapore Polytechnic Graduates' Guild (Note 9), Staff and student loans (Note 10)

These loans are considered to have low credit risk. There has been no significant increase in the credit risk of the amounts due from the counterparties since initial recognition. In determining the ECL, management has taken into account the payment history and financial situation of the counterparties, and a forward-looking analysis of their repayment ability.

Management has assessed that The Group and The Polytechnic are not exposed to significant credit loss in respect of the loans due from the counterparties.

- (2) Trade and other receivables

Loss allowance for trade and other receivables is measured at an amount equal to lifetime expected credit losses. The ECL on other receivables is estimated by reference to track record of the counterparties, their business and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the reporting date, no loss allowance for trade and other receivables was required except as disclosed.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the ability to close out market positions at a short notice.

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			
At 31 March 2019			
Trade and other payables	36,128	-	-
At 31 March 2018			
Trade and other payables	28,026	-	-
The Polytechnic			
At 31 March 2019			
Trade and other payables	37,140	-	-
At 31 March 2018			
Trade and other payables	29,180	-	-

The above trade and other payables exclude advances received and contract liabilities.

28 Financial risk management (Cont'd)

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.

The Group's exposure to interest rate risk arises from interest-earning cash and cash equivalents.

Cash flow sensitivity analysis for variable rate instruments

A 20 basis points (bp) increase in interest rates at the reporting date would increase surplus by \$804,000 (2018 - \$566,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A 20 bp (2018 - 20 bp) decrease in interest rates at the reporting date 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.

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				
At 31 March 2019				
Financial assets, at fair value through profit or loss	100,936	-	-	100,936
Financial assets, at fair value through other comprehensive income (debt instruments)	36,142	-	-	36,142
Financial assets, at fair value through other comprehensive income (equity instruments)	-	-	337	337
At 31 March 2018				
Available-for-sale financial assets	25,705	-	-	25,705
Financial assets, at fair value through profit or loss	140,039	-	-	140,039

28 Financial risk management (Cont'd)

Financial instruments by category

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Note	Financial assets at fair value through profit or loss \$'000	Financial assets at fair value through other comprehensive income (debt instruments) \$'000	Financial assets at fair value through other comprehensive income (equity instruments) \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
31 March 2019							
Financial assets							
Financial assets, at fair value through profit or loss	7	100,936	-	-	-	-	100,936
Financial assets, at fair value through other comprehensive income (debt instruments)	8.1	-	36,142	-	-	-	36,142
Financial assets, at fair value through other comprehensive income (equity instruments)	8.2	-	-	337	-	-	337
Staff and student loans	10	-	-	-	77	-	77
Trade and other receivables*	12	-	-	-	7,206	-	7,206
Cash and cash equivalents	13	-	-	-	403,002	-	403,002
		100,936	36,142	337	410,285	-	547,700
Financial liabilities							
Trade and other payables**	14	-	-	-	-	45,491	45,491
31 March 2018							
Financial assets							
Financial assets, at fair value through profit or loss	7		140,039	-	-	-	140,039
Available-for-sale financial assets	8		-	25,705	-	-	25,705
Loan to Singapore Polytechnic Graduates' Guild ("SPGG")	9		-	-	135	-	135
Staff and student loans	10		-	-	137	-	137
Trade and other receivables*	12		-	-	5,104	-	5,104
Cash and cash equivalents	13		-	-	283,912	-	283,912
			140,039	25,705	289,288	-	455,032
Financial liabilities							
Trade and other payables**	14		-	-	-	35,967	35,967

* excludes grants receivables, goods and services tax receivable, prepayments and staff and student loans

** excludes goods and services tax payable

28 Financial risk management (Cont'd)

Financial instruments by category (Cont'd)

	Note	Financial assets at fair value through profit or loss \$'000	Financial assets at fair value through other comprehensive income (debt instruments) \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
The Polytechnic						
31 March 2019						
Financial assets						
Financial assets, at fair value through profit or loss	7	100,936	-	-	-	100,936
Financial assets, at fair value through other comprehensive income (debt instruments)	8.1	-	36,142	-	-	36,142
Staff and student loans	10	-	-	77	-	77
Trade and other receivables*	12	-	-	7,141	-	7,141
Cash and cash equivalents	13	-	-	399,669	-	399,669
		100,936	36,142	406,887	-	543,965
Financial liabilities						
Trade and other payables**	14	-	-	-	46,574	46,574

	Note	Financial assets at fair value through profit or loss \$'000	Available-for-sale financial assets \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
The Polytechnic						
31 March 2018						
Financial assets						
Financial assets, at fair value through profit or loss	7	140,039	-	-	-	140,039
Available-for-sale financial assets	8	-	25,705	-	-	25,705
Loan to Singapore Polytechnic Graduates' Guild ("SPGG")	9	-	-	135	-	135
Staff and student loans	10	-	-	137	-	137
Trade and other receivables*	12	-	-	5,122	-	5,122
Cash and cash equivalents	13	-	-	280,693	-	280,693
		140,039	25,705	286,087	-	451,831
Financial liabilities						
Trade and other payables**	14	-	-	-	37,185	37,185

* excludes grants receivables, goods and services tax receivable, prepayments and staff and student loans

** excludes goods and services tax payable

29 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Governors on 16 July 2019.



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