



**Work-Ready**  
**Life-Ready**  
**World-Ready**

**SINGAPORE POLYTECHNIC**  
ANNUAL REPORT 2008/09

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Cover: Kuriakin, Diploma in Electronics, Computer & Communication graduate, is the first student in Singapore Polytechnic's 55-year history to score distinctions in all his modules.

## MISSION >>

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

## VISION >>

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

## STRATEGIC GOALS >>

- Providing Holistic Education
- Fostering Global Orientation
- Creating Learning & Social Spaces
- Building Capabilities

## VALUES >>

**S**elf-Discipline  
**P**ersonal Integrity  
**C**are & Concern  
**O**penness  
**R**esponsibility  
**E**xcellence

# CHAIRMAN'S STATEMENT >>



The year 2010 will be a milestone year for Singapore Polytechnic. This is the year that will see our 50<sup>th</sup> batch of students graduate. We look forward to the occasion with pride, motivation and a deep sense of purposefulness.

I will highlight a few key areas, progress and achievements delivered in this review period, building on the work of many past years.

## **Academic Excellence**

At Singapore Polytechnic, our staff members are guided by a deep passion for educational rigour and academic excellence, enabling our students to grow, mature and excel. The outcome of this dedication manifests in a high cohort success rate annually.

This year is no different. In particular, I am most pleased to see more of our students winning prestigious scholarships, gaining admissions to

highly reputable universities and many graduating with top class honours. Our students are also doing very well in international competitions and overseas exchanges and attachments.

We have introduced another avenue to develop our students' intellectual and leadership potential. The Singapore Polytechnic Outstanding Talent (SPOT) programme which aims to groom talented students with a better understanding of social and community responsibilities. The first 150 students to undergo SPOT participated in exchange programmes at Suncheon in Korea, and Fukuoka in Japan, and attended events as far away as Dubai.

As a further opportunity for students' to maximise their academic potential, I welcome the government's move to form the Singapore Institute of Applied Technology to offer more polytechnic students access to a university education. The idea of the Institute running degree programmes offered by top-ranked

foreign universities in partnership with Singapore's polytechnics is to be lauded. In this context, I am pleased to report that Singapore Polytechnic has partnered New Zealand's Massey University to offer the Food Technology (Honours) degree programme, and with the University of Manchester (UK) to offer the Bachelor of Science (Honours) in Optometry degree programme.

### **Management and Governance**

In management, our polytechnic is strong. Singapore Polytechnic was commended in the Auditor-General's Office's report for financial year 2008/09, for the commitment and practice shown to uphold good corporate governance in the Polytechnic over the years.

This year, we have also begun to chart new strategic goals: provide a holistic education; foster global orientation; create learning and social spaces; and build capabilities.

### **Holistic Education**

A holistic education ensures that students not only learn industry-relevant skills and knowledge, but are able to apply them in real industry scenarios. Additionally, they will be nurtured to be sociable and well-rounded people able to pursue and excel in a range of interests, talents and opportunities. They should be caring citizens and independent learners, exuding and inspiring confidence as they embark upon their careers.

In line with the provision of a holistic education, a full review of our courses and curriculum was undertaken during the year. Emphasis will be given to multi-disciplinary and broad-based courses and to niche areas in demand in our economy, such as aero-technology, nutrition and wellness, clean energy and games development.

Increasingly, our continuing education programme will take on greater prominence as we introduce more industry-relevant courses to help mid-career professionals progress, in support of the government's efforts. Many of our graduates are expected to embrace these lifelong learning opportunities to upgrade themselves.

### **Global Outlook**

We will continue to seek alliances that further allow our students to gain international exposure, recognition and hands-on industrial experiences. The year in review saw the signing of an alliance with the Singapore Indian Chamber of Commerce and Industry to raise our students' appreciation of doing business in India. Similarly, students from our School of Business will benefit from greater exposure and exchange through a new collaboration with Suzhou University in China.

Singapore Maritime Academy also expanded its academic liaisons by signing memoranda of understanding with the Toba National College of Maritime Technology and the Oshima National College of Maritime Technology. And our Advanced Materials Technology Centre sealed an agreement on collaborative development with the Engineering Research Centre for Nanophotonics and Advanced Instrument (China Ministry of Education) and the East China Normal University.

International students continue to add to the cosmopolitan vibrancy of our campus, thanks to the efforts of Singapore Polytechnic International (SPI). We hosted visits by graduating international students and held a two-day workshop for students to learn about our course offerings and to tour our facilities. Between July and December 2008, SPI conducted training for educators and government officials from other countries. More than 140 principals, heads and teachers were trained in the

areas of academic quality management system, management framework, curriculum design and development, teaching and learning methodologies, and assessment in higher technical and vocational education.

### **Student-centric Campus**

In delivering a holistic educational experience, we continued to build learning and social spaces. A one-stop Student Service Centre was set up and located near Dover MRT, as a first point of contact for information and services on course and student matters.

Our campus rejuvenation efforts provided well-conceived hotspots for students to gather and share experiences. Additionally, new and upgraded amenities like cafés, library and lecture theatres are in the pipeline.

These efforts to enhance the physical environment kept pace with the vibrancy of student activities. Our campus was buzzing with events throughout the year. In addition to the weekly lunch shows at the Student Hub@Moberly, more musical and cultural performances enlivened the campus under the new Arts@SP initiative launched during the year.

### **New and Critical Capabilities**

To better realise cross-discipline synergies, we restructured our departments and academic schools into clusters during the year. This move was necessary to better reflect the changing nature of each industry. We expect each cluster to provide a platform for the cross-fertilisation of ideas, greater cooperation for inter-disciplinary courses and the development of joint projects for staff and students.

We repositioned one of our schools as the School of Digital Media and Infocomm Technology and one of

our departments as the Department of Educational Development to better reflect their focus. We also established the Department of Organisational Development during the year.

As we move along, we will emphasise more on applied research and development for the industry. We see ourselves as platforms of innovation for industry partners. Many collaborations entered into with partners during the year have provided both students and staff with the opportunity to address real-life challenges in innovation.

Our School of Electrical and Electronic Engineering, for example, sealed collaborative agreements with Ascendas Land and the Data Storage Institute. Also building industry liaisons, our School of Digital Media and Infocomm Technology partnered with Microsoft and Banyan Tree Hotels and Resorts during the year.

To add further impetus to our research and development efforts, construction has started on InnoVillage@SP. As an ecosystem for multi-disciplinary innovation, it brings together partners from the academia, research and development, industry and student communities to collaborate and innovate together.

### **Strategic Goals**

The essence of what we do is to realise our aim to be recognised and respected for – in addition to academic excellence – our ability to produce a new (or renewed) generation of graduates who are grounded in relevance, passionate about a cause, innovative and willing and able to try different approaches to produce positive outcomes. This will also include continuing education and adult training.

This aim is encapsulated into what we now call our SP@2014 vision.

## In Appreciation

In discharging our responsibilities, I am very grateful for all the support we have received. In particular, I would like to thank Mr Leong Charn Huen, who has been a Member of the Board of Governors since April 1995, and Deputy Chairman since April 2000. I appreciate your steadfast support and dedication to Singapore Polytechnic. My appreciation also goes to Mr Perry Lim Cheng Yeow who stepped down from the Board of Governors in July 2008.

I would like to welcome Mr Hee Joh Liang, Deputy Principal (Corporate Development), who came on board in February 2009, and Ms Tan Gee Keow, a Member of the Board of Governors.

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

A handwritten signature in black ink, consisting of a large, stylized 'T' followed by several loops and a horizontal stroke at the bottom.

Mr Tan Kay Yong  
Chairman  
Board of Governors  
Singapore Polytechnic

# BOARD OF GOVERNORS >>

The three-year term of the Board of Governors ended on 31 March 2009.



## CHAIRMAN

**1 >>** **Mr Tan Kay Yong**  
*Vice President  
China & India Sourcing & Supply  
Global Manufacturing & Supply  
GlaxoSmithKline PLC*

## DEPUTY CHAIRMAN

**2 >>** **Mr Leong Charn Huen**  
*Principal  
C H Leong & Associates*

## MEMBERS

**3 >>** **Mr Bill Chang York Chye**  
*Executive Vice-President (Business)  
Singapore Telecommunications Ltd*

**4 >>** **Prof Chou Siaw Kiang**  
*Professor  
Department of Mechanical Engineering  
National University of Singapore*

**5 >>** **Mr Stephen Robert Dearnley**  
*Chief Executive Officer  
Schenker (Asia Pacific) Pte Ltd*

**6 >>** **Prof Er Meng Hwa**  
*Senior Associate Provost  
Nanyang Technological University*

**7 >>** **Mr Gan Boon San**  
*President, Asia South  
Sun Microsystems Pte Ltd*

**8 >>** **Mr Liew Choon Boon**  
*Director (Arts and Heritage Development)  
Ministry of Information, Communications  
and the Arts*





**9 >>** **Dr Muhammad Faishal Bin Ibrahim**  
*Assistant Professor*  
*Department of Real Estate*  
*School of Design & Environment*  
*National University of Singapore*

**10 >>** **Mr R Sinnakaruppan**  
*Chairman/CEO*  
*Kip McGrath Worldwide Education*  
*Centres (S) Pte Ltd*

**11 >>** **Ms Tan Gee Keow**  
*Director (Higher Education)*  
*Ministry of Education*  
*(from 23 July 2008)*

**12 >>** **Mr Tan Hang Cheong**  
*Principal*  
*Singapore Polytechnic*

**13 >>** **BG Tan Meng Dui**  
*Director, Military Intelligence*  
*Ministry of Defence*

**14 >>** **Dr Finian Tan Seng Chin**  
*Chairman*  
*Vickers Financial Group Ltd*

**15 >>** **Mr Teh Kong Leong**  
*Consultant*

**Mr Perry Lim Cheng Yeow**  
*Director (Higher Education)*  
*Ministry of Education*  
*(till 22 July 2008)*

**SECRETARY**

**Mr Tan Peng Ann**  
*Senior Director (Student and*  
*Academic Services Cluster) / Registrar*  
*Singapore Polytechnic*

# STANDING COMMITTEES >>

## ADMINISTRATION AND DEVELOPMENT COMMITTEE

### Chairman

Mr Tan Kay Yong

### Deputy Chairman

Mr Leong Charn Huen

### Members

Mr Bill Chang York Chye  
Ms Tan Gee Keow  
Mr Tan Hang Cheong  
Dr Finian Tan Seng Chin

### Secretary

Miss Caroline Hu Wei Choo

### Assistant Secretary

Mrs Cheng Cheng Lin

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## BOARD OF STUDIES

The Board's new two-year term commenced on 1 April 2008. A total of nine academic staff members were elected as new members to serve on the Board: Mr William Chan Weng Lin, Mr Faris Akbar Hajamaideen, Mr Lee Chee Whye, Mr Leong Chun Nam, Mr Caleb Lye Kok Choy, Mrs Helen Mok, Dr Robert A Straughan, Mr Yoong Yuen Soo and Dr Audrey A Yuen. Mr Lim Jit Cheng was re-elected to the Board.

### Chairman

Mr Tan Hang Cheong

### Members

Dr Thomas Chai Min Sen  
Dr Timothy Chan Wai Kuen  
Mr William Chan Weng Lin  
Mr Chang Boon Hai  
Miss Chao Yunn Chyi  
Dr Dave Chong Tad Weng  
Mrs Fang Sin Guek  
Mr Faris Akbar Hajamaideen  
Mr Hee Joh Liang (from 19 February 2009)  
Mr Jeffrey Ho Kiat  
Mrs Lam Yoke Peng  
Mr Lau Lee Yee  
Mr Lee Chee Whye  
Mr Leong Chun Nam  
Mr Liao Kuo Tang  
Mr Lim Cher Yam

Mr Lim Jit Cheng  
Mr Lim Peng Hun  
Mr Caleb Lye Kok Choy  
Mr V Maheantharan  
Mrs Helen Mok  
Mr Ong Eng Chan  
Mr Edward Quah Kok Wah  
Dr Robert A Straughan  
Mr Roland Tan Keng Hock  
Mrs Yap Siew Lay  
Mr Yoong Yuen Soo  
Dr Audrey A Yuen

### Secretary

Mr Tan Peng Ann

# MANAGEMENT TEAM >>

## Principal

Mr Tan Hang Cheong

## Deputy Principal (Corporate Development)

Mr Hee Joh Liang

## Deputy Principal (Services)

Mr Edward Quah Kok Wah

## Deputy Principal (Technology and Industry)

Mr Lim Peng Hun

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## ADMINISTRATIVE SUPPORT

### Director, Computer and Information Systems

Mr Chang Boon Hai

### Director, Continuing Education and Training

Mr Peter Lee Hoong Fatt

### Director, Corporate Communications

Mrs Kai Tamin-Goh

### Director, Educational Development

Mr Lau Lee Yee

### Director, Estates and Development

Mr C Pannirselvam

### Director, Finance

Mrs Cheng Cheng Lin

### Director, Human Resource

Miss Caroline Hu Wei Choo

### Director, Industry Services

Mr Song Nay Hay

### Director, Internal Audit

Mr Ronnie Chan Ching Sing

### Director, Library

Mrs Fang Sin Guek

### Director, Organisation Development

Mrs Yeung-Ng Geak Hong

### >> *Student and Academic Services Cluster*

#### Senior Director

Mr Tan Peng Ann

#### Director, Academic Programmes

Mr Liao Kuo Tang

#### Director, International and Student Services

Mr Chew Cheah Boon

#### Director, Student and Alumni Affairs

Mr Liew Beng Keong

#### Registrar/Director, Academic Services

Mr Tan Peng Ann

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## ACADEMIC

### >> *Applied and Health Sciences Cluster*

#### Senior Director

Dr Thomas Chai Min Sen

#### Director, Chemical and Life Sciences

Dr Thomas Chai Min Sen

#### Director, Mathematics and Science

Miss Chao Yunn Chyi

### >> *Architecture, Design and Environment Cluster*

#### Director

Mr Lim Cher Yam

#### Director, Architecture and the Built Environment

Mr Lim Cher Yam

#### Director, Design

Mr Jeffrey Ho Kiat

### >> *Business, IT and Humanities Cluster*

#### Senior Director

Mr Lim Peng Hun

#### Director, Business

Mr V Maheantharan

#### Director, Communication, Arts and Social Sciences

Mrs Lam Yoke Peng

#### Director, Digital Media and Infocomm Technology

Dr Timothy Chan Wai Kuen

### >> *Engineering Cluster*

#### Senior Director

Dr Dave Chong Tad Weng

#### Director, Electrical and Electronic Engineering

Dr Dave Chong Tad Weng

#### Director, Mechanical and Manufacturing Engineering

Mr Ong Eng Chan

#### Director, Singapore Maritime Academy

Mr Roland Tan Keng Hock

# HIGHLIGHTS >>

## APRIL 2008 >>

President S R Nathan graced a play by Singapore Polytechnic students entitled 'An Inspector Calls', which was staged in support of the President's Challenge. The occasion also saw President Nathan launching the School of Communication, Arts and Social Sciences. ▼



Singapore Polytechnic signed an agreement with Microsoft to become the first polytechnic to offer a Console Game Development module using Microsoft's XNA Game Studio to develop games for Xbox 360.

## MAY 2008 >>

Student Hub@Moberly was officially opened by HE Paul Madden, the British High Commissioner to Singapore, on 9 May 2008. ▶



Singapore Polytechnic launched a degree programme with Massey University under the Polytechnic-Foreign Specialised Institution initiative. The Bachelor of Food Technology (Honours) degree is a two-year full-time programme for diploma holders. ▼



## JUNE 2008 >>

The Advanced Materials Technology Centre was established to provide high quality multi-disciplinary research and development facilities and consultancy services to commercial companies.

Singapore Polytechnic students won the National Students in Free Enterprise competition, becoming the only polytechnic team to reach the World Finals.

The Singapore Polytechnic Outstanding Talent programme saw its first batch of 40 students receiving their scholarships at the SP Scholars Award Ceremony on 10 June 2008. The programme aims to develop academically-bright students into well-rounded leaders of tomorrow. ▼



Singapore Polytechnic won in the Best Environmental Report category at the Association of Chartered Certified Accountants' Singapore Environmental and Social Reporting Awards. The report featured the polytechnic's new innovation – a carbon calculator called the SP Neutral – that raised the awareness of an individual's carbon footprint.

### JULY 2008 >>

New diplomas in Creative Writing for TV & New Media, Engineering with Business, and Nutrition, Health & Wellness were introduced. ▼



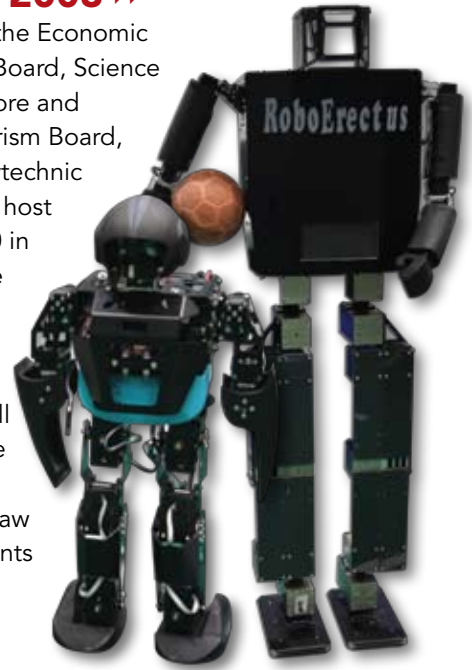
An agreement was signed with Singapore Indian Chamber of Commerce and Industry to enable Singapore Polytechnic students to learn and tap into India's business buzz.

Minister for Defence, Mr Teo Chee Hean, presented Defence Science and Technology Agency Scholarships to four Singapore Polytechnic students to pursue undergraduate studies. They were picked from 710 scholarship applicants for the year.

For the fifth year running, Singapore Polytechnic took first place in the National Management Competition. Diploma in Banking and Financial Services students powered their way to the top in this national business strategy competition organised by the Singapore Institute of Management.

### AUGUST 2008 >>

Together with the Economic Development Board, Science Centre Singapore and Singapore Tourism Board, Singapore Polytechnic won the bid to host RoboCup 2010 in Singapore. The robotics and artificial intelligence mega-event will be held in June 2010 and is expected to draw 3,000 participants from about 40 countries. ▶



The Singapore Maritime Academy expanded its academic liaisons through the signing of a Memorandum of Understanding with Japan's Toba National College of Maritime Technology.

Singapore Polytechnic took the lead in a collaborative effort with Temasek Foundation to upgrade Vietnam's technical and vocational education sector. ▼



Seven Singapore Polytechnic students were awarded the prestigious Lee Kuan Yew Scholarship to Encourage Upgrading 2008.

An Optometry degree programme under the Polytechnic-Foreign Specialised Institution initiative with the University of Manchester was launched on 13 November 2008. ▼

## SEPTEMBER 2008 >>

Singapore Polytechnic won the Watermark Award given in recognition of the institution's commitment towards water conservation. ▼



Elderflower Tea, a new herbal drink created by School of Chemical and Life Sciences students, was marketed by Pokka Corporation Singapore Limited. ▼

South East Asia's first Unreal Technology Lab was set up on campus in collaboration with Epic Games China.



## OCTOBER 2008 >>

The Singapore Maritime Academy won its seventh award at the Lloyd's List Asia Awards 2008, this time in the "Training and Crewing" category.

Students from Singapore Polytechnic bagged 13 medals including five golds at the WorldSkills Singapore competition 2009. ▼

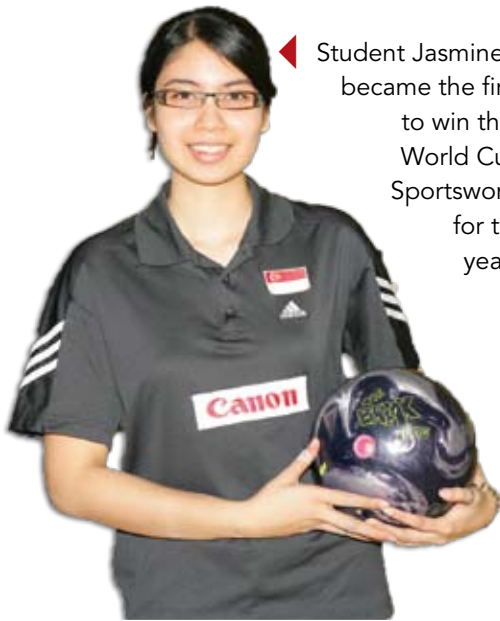
His Excellency, Dr Navinchandra Ramgoolam, Prime Minister, Republic of Mauritius, visited the Singapore Polytechnic campus.

## NOVEMBER 2008 >>

Singapore Polytechnic won the nation's first medal at the World Robot Olympiad (WRO) held in Yokohama, Japan. The robot called SPReEE, invented by first-year School of Electrical and Electronic Engineering students, later competed at the Fukui Exhibition / WRO 2008 where it won a gold medal.



Diploma in Media and Communication students produced *oktoLIVE!* on the new *okto* television channel. Making local history, this was the first time students had conceptualised, planned and produced a weekly show on national television.



◀ Student Jasmine Yeong-Nathan became the first Singaporean to win the AMF Bowling World Cup. She was the Sportswoman of the Year for two consecutive years at Singapore Polytechnic.

Business students emerged champions in the local category at the 5th Annual International Marketing competition.

## DECEMBER 2008 >>

Keele University Scholarships were awarded to four Diploma in Music and Audio Technology students for them to pursue their Bachelor of Science (Honours) in Music and Music Technology in the United Kingdom.

Students from the Diploma in Banking and Financial Services course faced off with corporate teams across the region in the Asian Management Game 2008 held in Hong Kong. They emerged runners-up, behind the corporate team from Singapore.

## JANUARY 2009 >>

Singapore Polytechnic reorganised its academic schools and departments into clusters for greater synergy in planning of courses and sharing of academic and administrative resources.

## FEBRUARY 2009 >>

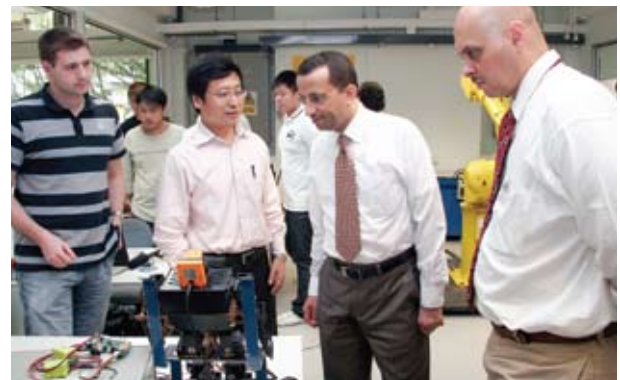
The Advanced Diploma in Kindergarten Education – Teaching was announced by Minister for Education, Dr Ng Eng Hen, to give training of kindergarten teachers a boost.

The School of Digital Media and Infocomm Technology sealed a partnership with Korea Game Academy (KGA) of Chung-Ang University to co-design game-related training programmes, establish a joint laboratory and set up a KGA branch in Singapore.

Singapore Polytechnic claimed six medals at the Singapore Robotic Games 2009, including the top two spots in the Intelligent Robot category and the top spot in the pole-balancing category. In total, Singapore Polytechnic earned two gold, one silver and three bronze medals.

## MARCH 2009 >>

Mr Ali Bin Nasser Al Ghafis – Governor of Technical and Vocational Training Corporation, Kingdom of Saudi Arabia, visited Singapore Polytechnic. ▼



# FACTS AND FIGURES

(Academic Year 2008/09)

## Student Enrolment

16,926

comprising 15,046 full-time and 1,880 part-time students. The new intake of 6,153 students was made up of 5,238 full-time and 915 part-time students.

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## Foreign Student Enrolment

10.5%

of all full-time students were international students.

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## Graduate Output

4,896

students graduated from Singapore Polytechnic in the academic year 2007/08. Of these, 4,507 graduated from diploma courses and 389 from advanced, specialist and post-diploma courses.

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## Student Clubs

133

student clubs and sports teams contributed to a vibrant campus life. The overall Co-curricular Activities participation rate was 99.6%.

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## Continuing Education Programmes

40,124

participants attended a total of 1,002 continuing education programmes offered by Singapore Polytechnic. The programmes included 25 Singapore Workforce Skills Qualification courses, 463 short courses, 271 tailor-made courses and 58 e-learning courses.

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## Staff Strength

1,475

comprising 867 academic staff and 608 administrative staff.

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# FINANCIAL REPORT >>

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## Statement by Board of Governors >>

In our opinion, the financial statements set out on pages 19 to 41 are drawn up so as to give a true and fair view of the state of affairs of the Polytechnic as at 31 March 2009 and the income and expenditure, changes in equity and cash flows of the Polytechnic for the year ended on that date, in accordance with the provisions of the Singapore Polytechnic Act, Chapter 303 (the "Act") and Statutory Board Financial Reporting Standards.

On behalf of the Board



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**Tan Kay Yong**  
Chairman



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**Tan Hang Cheong**  
Principal

30 June 2009

# Independent Auditors' Report >>

## Members of the Board of Governors Singapore Polytechnic

### Report on the financial statements

We have audited the financial statements of Singapore Polytechnic (the "Polytechnic"), which comprise the balance sheet as at 31 March 2009, the income and expenditure statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 41.

### Management's responsibility for the financial statements

The Polytechnic's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Polytechnic Act, Chapter 303 (the "Act") and Statutory Board Financial Reporting Standards.

Management has acknowledged that its responsibility includes:

- (a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

### Auditors' responsibility

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

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

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

## Opinion

In our opinion:

- (a) the financial statements of the Polytechnic are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards to present fairly, in all material respects, the state of affairs of the Polytechnic as at 31 March 2009 and of the income and expenditure, changes in equity and cash flows of the Polytechnic for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Polytechnic have been properly kept in accordance with the provisions of the Act, including records of all assets of the Polytechnic whether purchased, donated or otherwise.

## Report on other legal and statutory requirements

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

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



**KPMG LLP**

*Public Accountants and  
Certified Public Accountants*

Singapore  
30 June 2009

## Balance Sheet ▶▶

as at 31 March 2009

	Note	2009 \$'000	2008 \$'000
<b>Endowment fund (Capital)</b>	3	13,078	11,884
<b>Accumulated surplus</b>			
General fund		72,866	61,010
Other funds	4	79,742	73,596
Fair value reserve		575	765
		<b>166,261</b>	<b>147,255</b>
<b>Funds managed on behalf of the Ministry</b>	5	5,224	5,246
<b>Funds' net assets managed on behalf of the Ministry</b>	5	(5,224)	(5,246)
		-	-
<b>Total capital and other funds</b>		<b>166,261</b>	<b>147,255</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	251,520	244,337
Investment in subsidiaries	7	1,100	1,100
Available-for-sale assets	8	8,500	8,690
Loan to Singapore Polytechnic Graduates' Guild	9	-	-
Staff and student loans	10	283	220
		<b>261,403</b>	<b>254,347</b>
<b>Current assets</b>			
Staff and student loans	10	39	57
Trade and other receivables	11	59,959	47,773
Cash and cash equivalents	12	155,391	135,078
		<b>215,389</b>	<b>182,908</b>
<b>Current liabilities</b>			
Trade and other payables	13	35,715	31,758
Development grants received in advance	14	27,498	17,827
		<b>63,213</b>	<b>49,585</b>
<b>Net current assets</b>		<b>152,176</b>	<b>133,323</b>
<b>Non-current liabilities</b>			
Deferred capital grants	15	247,318	240,415
<b>Net assets</b>		<b>166,261</b>	<b>147,255</b>

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

## Income and Expenditure Statement >>

Year ended 31 March 2009

		General fund		Other funds		Total	
	Note	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Operating income</b>							
Course fees		37,170	34,058	9,949	14,995	47,119	49,053
Other fees		894	835	-	35	894	870
		<u>38,064</u>	<u>34,893</u>	<u>9,949</u>	<u>15,030</u>	<u>48,013</u>	<u>49,923</u>
<b>Operating expenditure</b>							
Staff costs		154,239	143,516	4,888	5,535	159,127	149,051
Teaching materials		8,539	7,695	535	353	9,074	8,048
Repairs and maintenance		14,766	12,554	-	-	14,766	12,554
Depreciation of property, plant and equipment		28,603	30,219	364	411	28,967	30,630
Development expenses written off		6,632	7,285	-	-	6,632	7,285
Staff development and benefits		3,545	3,571	-	4	3,545	3,575
Other expenditure		18,631	18,038	6,633	8,229	25,264	26,267
		<u>234,955</u>	<u>222,878</u>	<u>12,420</u>	<u>14,532</u>	<u>247,375</u>	<u>237,410</u>
<b>Operating (deficit)/surplus</b>		(196,891)	(187,985)	(2,471)	498	(199,362)	(187,487)
<b>Non-operating income</b>							
Donations		-	-	670	608	670	608
Interest income – banks		553	1,214	1,091	1,831	1,644	3,045
Rental income – operating leases		245	-	1,659	1,441	1,904	1,441
Other income		939	1,404	4,303	3,831	5,242	5,235
		<u>(195,154)</u>	<u>(185,367)</u>	<u>5,252</u>	<u>8,209</u>	<u>(189,902)</u>	<u>(177,158)</u>
<b>(Deficit)/Surplus before grants</b>	16	(195,154)	(185,367)	5,252	8,209	(189,902)	(177,158)
<b>Grants</b>	17	207,010	193,059	894	-	207,904	193,059
<b>Surplus for the year</b>		<b>11,856</b>	<b>7,692</b>	<b>6,146</b>	<b>8,209</b>	<b>18,002</b>	<b>15,901</b>

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

## Statement of Changes in Equity >>

Year ended 31 March 2009

	Endowment fund (Capital) (Note 3) \$'000	General fund \$'000	Other funds (Note 4) \$'000	Fair value reserve \$'000	Total \$'000
At 1 April 2007	9,916	53,318	65,387	625	129,246
Net gain on revaluation	-	-	-	140	140
Net gains recognised directly in equity	-	-	-	140	140
Net surplus for the year	1,968	7,692	8,209	-	17,869
Total recognised income and expense for the year	1,968	7,692	8,209	140	18,009
<b>At 31 March 2008</b>	<b>11,884</b>	<b>61,010</b>	<b>73,596</b>	<b>765</b>	<b>147,255</b>
At 1 April 2008	11,884	61,010	73,596	765	147,255
Net gain on revaluation	-	-	-	(190)	(190)
Net gains recognised directly in equity	-	-	-	(190)	(190)
Net surplus for the year	1,194	11,856	6,146	-	19,196
Total recognised income and expense for the year	1,194	11,856	6,146	-	19,006
<b>At 31 March 2009</b>	<b>13,078</b>	<b>72,866</b>	<b>79,742</b>	<b>575</b>	<b>166,261</b>

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

## Cash Flow Statement >>

Year ended 31 March 2009

	Note	2009 \$'000	2008 \$'000
<b>Operating activities</b>			
Deficit before grants		(189,902)	(177,158)
Adjustment for:			
Depreciation of property, plant and equipment	6	28,967	30,630
Interest income		(1,644)	(3,045)
Loss on disposal of property, plant and equipment		86	357
		<u>(162,493)</u>	<u>(149,216)</u>
Changes in working capital:			
Trade and other receivables		5,897	(7,210)
Staff and student loans		(45)	(184)
Trade and other payables		3,957	14,042
<b>Cash flows from operating activities</b>		<b><u>(152,684)</u></b>	<b><u>(142,568)</u></b>
<b>Investing activities</b>			
Interest received		1,644	3,045
Purchases of property, plant and equipment	6	(36,300)	(28,498)
Proceeds from disposals of property, plant and equipment		64	90
<b>Cash flows from investing activities</b>		<b><u>(34,592)</u></b>	<b><u>(25,263)</u></b>
<b>Financing activities</b>			
Development grants received from Government	14	16,366	12,186
IT and F & E grants received from Government		17,858	14,376
Operating grants received from Government		169,024	131,289
Operating grants received from non-government organisations		3,147	2,009
Contributions and donations received for the endowment fund (capital)		1,194	1,968
Net decrease / (increase) in fixed deposits with more than three months maturity		3,696	(3,362)
<b>Cash flows from financing activities</b>		<b><u>211,285</u></b>	<b><u>158,460</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>24,009</b>	<b>(9,465)</b>
Cash and cash equivalents at beginning of the year		130,968	140,433
<b>Cash and cash equivalents at end of the year</b>	12	<b><u>154,977</u></b>	<b><u>130,968</u></b>

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



# Notes to the Financial Statements >>

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Governors on 30 June 2009.

## 1 Domicile and Activities

The Singapore Polytechnic (the "Polytechnic") was established under the Singapore Polytechnic Act, Chapter 303, and is domiciled in Singapore. The Polytechnic's campus is situated at 500 Dover Road, Singapore 139651.

The Polytechnic is principally engaged in providing studies, training and research in technology, science, commerce and arts. The principal activities of the subsidiaries are set out in note 7 to the financial statements.

The Polytechnic also acts as the administrator for the staff housing loan and tuition fee and study loan for Ministry of Education (the "Ministry").

## 2 Summary of Significant Accounting Policies

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Polytechnic Act, Chapter 303 and Statutory Board Financial Reporting Standards (SB-FRS). SB-FRS include Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General.

The financial statements have been prepared on the historical cost basis except certain financial assets and financial liabilities which are measured at fair value. Non-current assets and assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

The financial statements are presented in Singapore dollars which is the Polytechnic's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with SB-FRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 6 – measurement of recoverable amounts of property, plant and equipment
- Note 8 – valuation of financial instruments
- Note 11 – valuation of trade receivables

Except for the above change, the accounting policies used by the Polytechnic have been applied consistently to all periods presented in these financial statements.

## **2.2 Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the Polytechnic at the exchange rate at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the income and expenditure statement.

## **2.3 Funds**

### *Endowment fund*

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

### *General fund*

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

### *Other funds*

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

## **2.4 Funds managed / held on behalf for others**

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

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

## **2.5 Property, plant and equipment**

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

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

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

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

Construction-in-progress is stated at cost. No depreciation is charged on construction-in-progress. Upon completion of the construction-in-progress, the property, plant and equipment are transferred to the respective property, plant and equipment categories and depreciated accordingly.

Except for construction-in-progress, depreciation is recognised in the income and expenditure on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

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

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

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

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in income and expenditure statement.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

## 2.6 Subsidiaries

A subsidiary is a company controlled by the Polytechnic. Control exists when the Polytechnic has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investment in subsidiary is stated in the Polytechnic's balance sheet at cost less impairment losses.

## 2.7 Financial instruments

### *Non-derivative financial instruments*

Non-derivative financial instruments comprise investment in debt securities, trade and other receivables, cash and cash equivalents, financial liabilities, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Polytechnic becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Polytechnic's contractual rights to the cash flows from the financial assets expire or if the Polytechnic transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Polytechnic commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Polytechnic's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and deposits placed in financial institutions.

#### ***Available-for-sale financial assets***

Quoted investments classified as available-for-sale are stated at fair value, with any resultant gain or loss being recognised directly in equity. When the quoted investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income and expenditure statement.

The fair value of the quoted investments classified as available-for-sale is determined as the quoted bid price at the balance sheet date.

Quoted investments are recognised by the Polytechnic on the date it commits to purchase the investments, and derecognised on the date a sale is committed.

#### ***Others***

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

#### ***Impairment of financial assets***

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income and expenditure statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income and expenditure statement when there is objective evidence that the asset is impaired.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

## **2.8 Impairment – non-financial assets**

The carrying amounts of the Polytechnic's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income and expenditure

statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses in respect of other assets recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **2.9 Employee benefits**

### *Defined contribution plans*

Contributions to defined contribution plans are recognised as an expense in the income and expenditure statement.

### *Short-term employee benefits*

All short-term employee benefits, including accumulated compensated absences, are recognised in the income and expenditure statement in the period in which the employees render their services to the Polytechnic.

## **2.10 Grants**

Government grants and contributions from other organisations for the purchase of depreciable assets or to finance research or capital projects are taken to the grants received in advance account in the first instance. They are taken to the deferred capital grants account upon the utilisation of the grants for purchase of assets, which are capitalised, or to the income and expenditure statement for purchase of assets which are written off in the year of purchase.

Deferred capital grants are recognised in the income and expenditure statement over the periods necessary to match the depreciation, write off and/or impairment loss of the assets purchased with the related grants. Upon the disposal of property, plant and equipment, the balance of the related deferred capital grants is recognised in the income and expenditure statement to match the net book value of the property, plant and equipment written off.

Government grants to meet the current year's operating expenses are recognised as income in the same year. Government grants are accounted for on the accrual basis.

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

## **2.11 Income recognition**

### *Course and other fees*

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

### *Donations*

Donations are recognised upon receipt.

### *Interest income*

Interest income is recognised on a time proportion basis.

### 3 Endowment Fund (Capital)

The purpose of the endowment fund is to provide financial assistance to needy students, promote excellence in teaching amongst the academic staff and provide assistance for the benefit of graduates.

Donations, which donors have specified to be kept intact, are taken directly to the Endowment Fund (Capital) to earn income. Other donations together with other income and expenditure of the Fund are taken to the Fund's operating account under "Other Funds – Endowment Fund" of the income and expenditure statement [Note 4(b)].

The principal capital comprises the following:

	2009 \$'000	2008 \$'000
At 1 April	11,884	9,916
Donations received	1,194	1,968
<b>At 31 March</b>	<b>13,078</b>	<b>11,884</b>
Represented by:		
Fixed deposits	11,265	10,063
Bonds (at cost)	1,800	1,800
Cash at bank	13	21
	<b>13,078</b>	<b>11,884</b>

### 4 Other Funds

(a) Other funds comprise the following funds:

Name of fund	Purpose
Endowment fund	Provides financial assistance to needy students, promotes excellence in teaching amongst the academic staff and provides assistance for the benefit of graduates.
Student welfare & development fund	Provides funding to support student welfare and development activities.
Miscellaneous funds	Provides funding for: <ul style="list-style-type: none"> <li>(i) short and continuing education courses;</li> <li>(ii) upgrading courses;</li> <li>(iii) upgrading campus facilities to meet the demand for development in technological skills;</li> <li>(iv) implementation of programmes to achieve the goals of the Polytechnic; and</li> <li>(v) maintenance and upgrading of staff quarters.</li> </ul>

(b) The breakdown of the income, expenditure, assets and liabilities of the individual funds are as follows:

	Endowment fund		Student welfare & development fund		Miscellaneous funds		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Operating income</b>								
Course fees	-	-	-	-	9,949	14,995	9,949	14,995
Other fees	-	-	-	-	-	35	-	35
	-	-	-	-	9,949	15,030	9,949	15,030
<b>Operating expenditure</b>								
Staff costs	-	-	-	-	4,888	5,535	4,888	5,535
Staff benefits	-	-	-	-	-	4	-	4
Depreciation of property, plant and equipment	-	-	56	57	308	354	364	411
Teaching materials	-	-	-	-	535	353	535	353
Other expenditure	860	721	535	604	5,238	6,904	6,633	8,229
	860	721	591	661	10,969	13,150	12,420	14,532
<b>Operating surplus</b>	(860)	(721)	(591)	(661)	(1,020)	1,880	(2,471)	498
<b>Non-operating income</b>								
Donations	670	608	-	-	-	-	670	608
Interest income – banks	270	373	30	61	791	1,397	1,091	1,831
Rental income – operating leases	-	-	-	-	1,659	1,441	1,659	1,441
Other income	99	84	762	689	3,442	3,058	4,303	3,831
<b>Surplus before grants</b>	179	344	201	89	4,872	7,776	5,252	8,209
Grants	-	-	-	-	894	-	894	-
<b>Surplus for the year</b>	179	344	201	89	5,766	7,776	6,146	8,209
Accumulated surplus at 1 April,	4,092	3,748	3,891	3,802	65,613	57,837	73,596	65,387
Accumulated surplus at 31 March	<b>4,271</b>	<b>4,092</b>	<b>4,092</b>	<b>3,891</b>	<b>71,379</b>	<b>65,613</b>	<b>79,742</b>	<b>73,596</b>
Represented by:								
Property, plant and equipment	-	-	749	786	3,453	3,136	4,202	3,922
Staff and student loans	-	-	315	227	8	50	323	277
Investment in subsidiaries	-	-	-	-	1,100	1,100	1,100	1,100
Available-for-sale assets	520	540	-	-	6,108	6,206	6,628	6,746
Fair value reserve	(20)	(40)	-	-	(483)	(581)	(503)	(621)
Cash and cash equivalents	3,760	3,613	3,036	2,891	62,958	56,980	69,754	63,484
Receivables, deposits and prepayments	96	60	-	-	2,540	2,284	2,636	2,344
Payables, deposits and accruals	(85)	(81)	(8)	(13)	(4,305)	(3,562)	(4,398)	(3,656)
	<b>4,271</b>	<b>4,092</b>	<b>4,092</b>	<b>3,891</b>	<b>71,379</b>	<b>65,613</b>	<b>79,742</b>	<b>73,596</b>

## 5 Funds Managed on Behalf of the Ministry

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

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

	2009 \$'000	2008 \$'000
Advances from the Ministry		
At 1 April	5,246	5,408
Add:		
Advances received	74	22
Interest income	112	114
Less:		
Advances repaid	(208)	(297)
Bad debts	-	(1)
At 31 March	<b>5,224</b>	<b>5,246</b>
Represented by:		
Amount due from the Ministry	-	(55)
Cash and bank balances	66	-
Tuition fees and study loans	4,337	4,386
Staff housing loans	821	915
Net assets	<b>5,224</b>	<b>5,246</b>

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

Loans given to students are interest-free until 1 June or 1 December in the year of their graduation, or for those with National Service obligation, in the year in which they finish their National Service. Thereafter, loans are repayable by monthly instalments with interest at 4.75% (2008: 4.75%) per annum which is based on the average prime rates of banks or such other rates as may be determined by the Polytechnic from time to time. The interest on the tuition fee loans is remitted in full to the Ministry. The students are given an option to repay by monthly instalments over a period of up to 10 years after the borrowers' graduation.

Loans to staff consist of housing loan made in accordance with the regulations of the Polytechnic. With effect from January 2002, housing loan benefit is no longer provided and the unutilised grants as well as the repayment of these staff loans amounting to \$141,000 (2008: \$182,000) were refunded to the Ministry of Education. Existing housing loans will continue to be funded. Staff and student loans are disbursed from advances from the government and repayment of the loans will eventually be returned to the government. These loans are denominated in Singapore dollars.



## 6 Property, Plant and Equipment

	Leasehold land \$'000	Building (campus and staff quarters) \$'000	Building improvements \$'000	Equipment and furniture \$'000	Motor vehicles \$'000	Construction-in-progress \$'000	Total \$'000
<b>Cost</b>							
At 1 April 2007	56,518	235,344	48,121	256,092	176	210	596,461
Additions	-	444	3,273	18,965	-	5,816	28,498
Disposals	-	(756)	-	(17,727)	-	-	(18,483)
At 31 March 2008	56,518	235,032	51,394	257,330	176	6,026	606,476
Additions	-	-	12,613	22,047	-	1,640	36,300
Disposals	-	-	(627)	(17,935)	-	-	(18,562)
At 31 March 2009	<b>56,518</b>	<b>235,032</b>	<b>63,380</b>	<b>261,442</b>	<b>176</b>	<b>7,666</b>	<b>624,214</b>
<b>Accumulated depreciation</b>							
At 1 April 2007	15,733	89,172	41,725	202,739	176	-	349,545
Depreciation for the year	809	4,925	2,167	22,729	-	-	30,630
Disposals	-	(376)	-	(17,660)	-	-	(18,036)
At 31 March 2008	16,542	93,721	43,892	207,808	176	-	362,139
Depreciation for the year	809	4,907	2,571	20,680	-	-	28,967
Disposals	-	-	(592)	(17,820)	-	-	(18,412)
At 31 March 2009	<b>17,351</b>	<b>98,628</b>	<b>45,871</b>	<b>210,668</b>	<b>176</b>	<b>-</b>	<b>372,694</b>
<b>Carrying amount</b>							
At 1 April 2007	40,785	146,172	6,396	53,353	-	210	246,916
At 31 March 2008	39,976	141,311	7,502	49,522	-	6,026	244,337
At 31 March 2009	<b>39,167</b>	<b>136,404</b>	<b>17,509</b>	<b>50,774</b>	<b>-</b>	<b>7,666</b>	<b>251,520</b>

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

The costs of property, plant and equipment are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be between 3 to 86 years. The Polytechnic reviews annually the estimated useful lives of plant and equipment based on the factors that include asset utilisation, internal technical evaluation, technological changes, anticipated use of the assets and related

industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of plant and equipment would increase depreciation expense and decrease non-current assets.

## 7 Investment in Subsidiaries

	2009 \$'000	2008 \$'000
Investment in subsidiaries, at cost	1,100	1,100

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2009 %	2008 %
Innomart Pte Ltd	Investment holding company	Singapore	100	100
Singapore Polytechnic International Pte Ltd	Recruitment of full-fee paying foreign students to study in the Polytechnic and licensing local and overseas education institutions to conduct in whole and in part the Polytechnic's diploma courses offshore	Singapore	100	100

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

## 8 Available-for-Sale Assets

	2009 \$'000	2008 \$'000
Quoted bonds, at fair value	8,500	8,690

The bonds are denominated in Singapore dollars and earn an interest rate of 4.17% to 4.81% (2008: 4.17% to 4.81%) per annum. \$3 million of the bonds will mature in 2010 while the remaining bonds will mature in 2016.

## 9 Loan to Singapore Polytechnic Graduates' Guild

	2009 \$'000	2008 \$'000
Loan	2,500	2,500
Interest receivable	246	246
	<hr/>	<hr/>
	2,746	2,746
Allowance for doubtful receivables	(2,746)	(2,746)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The loan to Singapore Polytechnic Graduates' Guild ("SPGG"), which is denominated in Singapore dollars, has a mortgage in escrow over the SPGG's clubhouse subject to the security interest created by SPGG in favour of OCBC Bank Limited ("OCBC"). The loan and interest are repayable within a period of 10 years commencing from the date of first drawdown of the loan. First repayment will be due on the first day of each month following the last and final instalment repayment to OCBC in respect of the loan granted by the latter to SPGG or such other dates thereafter as the Polytechnic has subordinated its right to repayment of indebtedness of SPGG to OCBC. The expected first principal monthly repayment will not be within the next 12 months of the financial year ended 31 March 2009.

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

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

## 10 Staff and Student Loans

	2009 \$'000	2008 \$'000
Repayable after 12 months		
- Staff loans	5	38
- Student loans	278	182
	<hr/>	<hr/>
	283	220
Repayable within 12 months		
- Staff loans	3	12
- Student loans	36	45
	<hr/>	<hr/>
	39	57
	<hr/>	<hr/>

## 11 Trade and Other Receivables

	2009 \$'000	2008 \$'000
Trade receivables	5,324	5,234
Allowance for doubtful receivables	-	(315)
	<u>5,324</u>	<u>4,919</u>
Goods and services tax receivable	1,794	1,296
Grants receivables	51,421	40,669
Prepayments and other receivables	1,396	884
Deposits	24	5
	<b><u>59,959</u></b>	<b><u>47,773</u></b>

Included in trade receivables are operating and IT and F&E grant receivables from the Ministry of Education of \$51,421,349 (2008: \$40,668,799). Trade and other receivables are denominated in Singapore dollars.

	2009		2008	
	Gross \$'000	Impairment losses \$'000	Gross \$'000	Impairment losses \$'000
Not past due	4,755	-	4,490	-
Past due 0 – 30 days	323	-	129	-
Past due 31 – 90 days	125	-	119	-
Over 91 days	121	-	497	(315)
	<b><u>5,324</u></b>	<b><u>-</u></b>	<b><u>5,234</u></b>	<b><u>(315)</u></b>

The Polytechnic maintains allowance for doubtful receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Polytechnic on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Polytechnic's relationship with debtors, their payment behaviour and known market factors. The Polytechnic reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Polytechnic made different judgement or utilised different estimates. An increase in the Polytechnic's allowance for doubtful receivables would increase the Polytechnic's recorded operating expenses and decrease current assets.

## 12 Cash and Cash Equivalents

	2009 \$'000	2008 \$'000
Cash at bank and in hand	30,260	20,983
Fixed deposits	125,131	114,095
	-----	-----
Cash and cash equivalents	155,391	135,078
Fixed deposits with more than 3 months maturity	(414)	(4,110)
	-----	-----
Cash and cash equivalents per cash flow statement	<b>154,977</b>	<b>130,968</b>

The effective interest rates per annum relating to cash and cash equivalents at the balance sheet date are 0.69% (2008: 1.50%). Interest rates reprice at intervals of less than 1 year.

The Polytechnic manages a bank account on behalf of the Singapore Polytechnic Students' Union. As at balance sheet date, the bank balance of \$568,091 (2008: \$497,847) comprising cash at bank of \$367,185 (2008: \$146,725) and fixed deposit of \$200,906 (2008: \$351,122) has not been included in the cash and cash equivalents of the Polytechnic.

## 13 Trade and Other Payables

	2009 \$'000	2008 \$'000
Sundry creditors	8,676	8,234
Deposits	567	558
Accruals	26,472	22,966
	-----	-----
	35,715	31,758

The expected contractual undiscounted cash outflows of trade and other payables amounting to \$35,715,000 (2008: \$31,758,000) are due within 1 year.

## 14 Development Grants Received in Advance

	Note	2009 \$'000	2008 \$'000
At 1 April		17,827	15,246
Grants received/receivable during the year			
- Government development grants		16,366	12,186
- Government IT and F & E grants		17,999	17,171
Transfer to deferred capital grants (government)	15	(18,062)	(19,491)
Amount taken to Income and Expenditure Statement	17	(6,632)	(7,285)
At 31 March		<u>27,498</u>	<u>17,827</u>

## 15 Deferred Capital Grants

	Government		Non-Government		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
At 1 April	235,771	240,090	4,644	2,914	240,415	243,004
Add:						
Grants received for purchases of property, plant and equipment						
- development (Note 14)	18,062	19,491	-	-	18,062	19,491
- operating (Note 18)	15,226	5,733	-	-	15,226	5,733
Grants received for purchases of property, plant and equipment	-	-	2,367	2,853	2,367	2,853
	<u>33,288</u>	<u>25,224</u>	<u>2,367</u>	<u>2,853</u>	<u>35,655</u>	<u>28,077</u>
Less:						
Grants taken to Income and Expenditure Statement						
- amortisation charge for the year (Note 17)	(27,310)	(29,543)	(1,442)	(1,123)	(28,752)	(30,666)
At 31 March	<b><u>241,749</u></b>	<b><u>235,771</u></b>	<b><u>5,569</u></b>	<b><u>4,644</u></b>	<b><u>247,318</u></b>	<b><u>240,415</u></b>

## 16 Deficit Before Grants

The following items have been included in arriving at deficit before grants:

	2009 \$'000	2008 \$'000
Contribution to Central Provident Fund included in salaries and allowances	11,867	11,963
Loss on disposal of property, plant and equipment	86	357

## 17 Grants

	Note	General fund		Other funds		Total	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Operating grants received from / (refunded or refundable to)							
- Government	18	170,846	155,952	894	-	171,740	155,952
- Non-government		780	(844)	-	-	780	(844)
Deferred capital grants amortised							
- Government	15	27,310	29,543	-	-	27,310	29,543
- Non-government	15	1,442	1,123	-	-	1,442	1,123
Development grants utilised	14	6,632	7,285	-	-	6,632	7,285
		<u>207,010</u>	<u>193,059</u>	<u>894</u>	<u>-</u>	<u>207,904</u>	<u>193,059</u>

## 18 Government Operating Grants

	Note	2009 \$'000	2008 \$'000
Operating grants received / receivable during the year		202,542	174,611
Payment for goods and services tax on tuition fees and tuition grants		(15,576)	(12,926)
		186,966	161,685
Operating grants utilised on property, plant and equipment transferred to deferred capital grants (government)	15	(15,226)	(5,733)
Operating grants taken to Income and Expenditure Statement	17	<b>171,740</b>	<b>155,952</b>

Operating grants received from Government since 1 April 1980: \$2,976.5 million (2008: \$2,774.0 million) which include the cumulative operating grants for GST subsidy of \$92.6 million (2008: \$77.0 million).

## 19 Key Management Personnel Compensation

Key management personnel of the Polytechnic are those persons having the authority and responsibility for planning, directing and controlling the activities of the Polytechnic. The Singapore Polytechnic Management Team ("SPM") are considered as key management personnel of the Polytechnic. Key management personnel compensation comprised:

	2009 \$'000	2008 \$'000
Short-term employee benefits	5,385	5,435

## 20 Taxation

The Polytechnic is registered as a charitable institution and by virtue of Section 13M(2)(b) of the Income Tax Act, Chapter 134.

Before 1 January 2007, all registered charities are required to spend at least 80% of their annual receipts on charitable objects in Singapore within two (2) years in order to be free from paying income tax.



With effect from the Year of Assessment 2008 or financial year ended 31 March 2007, all registered charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule and there is no need to file income tax returns by virtue of Section 13(1)(zm) of the Income Tax Act, Chapter 134.

## 21 Capital Commitments

The Polytechnic has the following commitments as at 31 March:

	2009 \$'000	2008 \$'000
Approved and contracted for	22,380	19,136
Approved but not contracted for	8,135	12,336

The capital commitments are mainly funded from government grants.

## 22 Financial Instruments

Risk management is integral to the operations of the Polytechnic. The Polytechnic has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Polytechnic continually monitors its risk management process to ensure that an appropriate balance between risk and control is achieved.

### *Credit risk*

Credit risk is the potential loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Polytechnic, as and when they fall due.

The Polytechnic is exposed to credit risk through its investments in cash, fixed deposits and bonds.

The Polytechnic's exposure to credit risk is minimal as cash and fixed deposits are placed with banks and financial institutions which are regulated and it invests only in bonds with low credit risk. The credit ratings relating to its bonds amounting to \$8,500,000 (2008: \$8,690,000) are not rated as these bonds are issued by a statutory board.

At the balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

### *Liquidity risk*

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

### *Interest rate risk*

Surplus funds from the Polytechnic's operations are invested in fixed deposits and bonds. The Polytechnic's exposure to fair value interest rate risks relate primarily to the bonds. Fair value interest rate risk is the risk that the fair value (price) of a financial instrument will fluctuate due to changes in market interest rates. The Polytechnic does not have any interest-bearing borrowings.

The carrying amounts and effective interest rates of fixed deposits by maturity are as follows:

	Note	Interest rate per annum %	Total \$'000	Fixed interest rate maturing		
				Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
<b>2009</b>						
Bonds	8	4.17 – 4.81	8,500	-	3,120	5,380
<b>2008</b>						
Bonds	8	4.17 – 4.81	8,690	-	3,240	5,450

**Foreign currency risk**

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

**Fair value**

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

The notional amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

## 23 New SB-FRS and Interpretations not yet Adopted

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

- SB-FRS 1 (revised 2008) *Presentation of Financial Statements*
- SB-FRS 23 (revised 2007) *Borrowing Costs*
- Amendments to SB-FRS 32 *Financial Instruments: Presentation* and SB-FRS 1 *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to SB-FRS 39 *Financial Instruments: Recognition and Measurement - Eligible Hedged Items*
- Amendments to SB-FRS 101 *First-time Adoption of Financial Reporting Standards* and SB-FRS 27 *Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to SB-FRS 102 *Share-based Payment - Vesting Conditions and Cancellations*
- SB-FRS 108 *Operating Segments*
- Improvements to FRSs 2008
- INT SB-FRS 113 *Customer Loyalty Programmes*
- INT SB-FRS 116 *Hedges of a Net Investment in a Foreign Operation*
- INT SB-FRS 117 *Distributions of Non-cash Assets to Owners*

The initial application of these standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Polytechnic's financial statements. The Polytechnic has not considered the impact of accounting standards issued after the balance sheet date.

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