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An educational institution of choice for nurturing innovative, entrepreneurial and cultured professionals.

Fundamental to our success in realising this mission are the values we believe in and practise. Every employee is expected to demonstrate behaviours consistent with Republic Polytechnic’s core values.

We nurture individuals to prepare them for a dynamic world in partnership with stakeholders, leveraging Problem-Based Learning.

**ExCITE**

- **EXcellence**: Continuous learning and innovation are crucial
- **CUSTOMER-ORIENTED**: Customers are the focus of everything we do
- **INITIATIVE**: We will be pro-active and progressive
- **TEAMWORK**: We are a team
- **ETHICS**: Integrity is never compromised
Message from Chairman & Principal/Chief Executive Officer

Academic Year 2012/2013 was an exciting time for Republic Polytechnic (RP) as we celebrated our 10th anniversary. We achieved new milestones and laid the foundation for RP’s continued success in the next decade and beyond.

Our 10th anniversary celebrations in 2012 provided an excellent opportunity to take stock of how far we have come since we started in 2002. From an initial batch of about 800 students, we have seen our enrolment grow tremendously over the past decade to over 14,000 students. This growth has occurred in tandem with the expansion of our academic offering, which now includes 37 full-time diploma programmes and one Common Engineering course and many more part-time programmes, specialist diplomas and short courses.

Our RP alumni numbers are also growing with each passing year, and we are heartened by the success that our graduates are enjoying. Whether they choose to join the workforce, start their own business or pursue further studies, our graduates are showing time and again that RP alumni have something special to offer. We believe that this can be summed up best in the three key traits of RP graduates: Professional, Problem-Solver and Passionate Citizen, or the 3Ps.

Professional
The first of the 3Ps, Professional, reflects the competency of our graduates and their ability to get the job done well. From the start, we have focused on ensuring that RP provides students with an industry-relevant education. This emphasis ensures that our graduates have the confidence, positive attitude and hands-on experience to hit the ground running upon entering the workforce.

Collaboration with industry plays a key role in helping us produce professional graduates. We work closely with industry partners in many areas, including curriculum development, internship programmes and research projects. Our students benefit from this collaboration as it provides opportunities to gain real-world experience and learn directly from industry experts.

We bolstered our collaborative efforts in 2012/2013 with the signing of numerous memoranda of understanding with a wide range of industry partners, including Certis Cisco Security, Pratt & Whitney, Sennheiser Electronic Asia, Fluke South East Asia, Sierra Solutions Pte Ltd, Melbin International, Dethelm Keller Aviation, Singapore Human Resource Institute, SATS, Singapore Airlines, Singapore Technologies Kinetics, Singapore Youth Flying Club and Wildlife Reserves Singapore, amongst others.

We also made internal changes over the past year to support our efforts to produce professional graduates. For example, in October 2012, we merged the Centre for Culture and Communication and the Centre for Innovation and Enterprise to form the new Centre for Enterprise and Communication. In January 2013, we renamed the Centre for Professional Development in 2012 as the Academy for Continuing Education @RP (ACE@RP) to more effectively drive continuing education and training in Singapore.

Our efforts to foster professionalism through industry-relevant programmes were recognised in October 2012 when the RP School of Hospitality won the Best Education Experience (Tourism and Hospitality) award at the 4th Singapore Experience Awards by Singapore Tourism Board. This win provided a strong endorsement of our success in producing high-quality graduates who are sought after in the tourism industry.

Problem-Solver
A Problem-Based Learning pedagogy lies at the heart of our approach to education at RP; so it is natural that our graduates stand out as excellent problem-solvers. Our students solve problems on a daily basis as part of their studies, which helps transform them into analytical, resourceful and savvy self-starters.

We introduced two new diplomas in 2012/2013 to help develop industry-ready problem-solvers in new fields: the Diploma in Electrical and Electronic Engineering and the Diploma in Social Enterprise Management. In addition, we renamed the Diploma in Communication and Information Design as the Diploma in Mass Communication. As with all of our programmes, these three diplomas are aligned with industry needs and reflect the latest industry thinking.

Providing the right infrastructure is another crucial ingredient for creating an environment that supports innovation and discovery. We opened two new facilities in 2012/2013 aimed at providing both students and staff with opportunities for real-world learning and hands-on problem solving. In October 2012 we launched The Aerospace Hub (The ARCH), a 1,500-square-metre aerospace training facility that houses a business jet, light aircraft, air traffic control simulator, and equipment for non-destructive testing.

In January 2013, we opened the RP-HPB Innovation Lab – a collaboration between the RP School of Sports, Health and Leisure and Singapore’s Health Promotion Board – to facilitate research, test-bedding and knowledge sharing amongst students, staff and industry partners in myriad areas related to health and wellness. Both The ARCH and the RP-HPB Innovation Lab have strengthened our capabilities for producing competent, problem-solving graduates.

Problem-solving goes hand-in-hand with research and development (R&D), which is another area where we made strong progress over the past year. In 2012, four R&D projects at RP secured a total of $1.4 million in funding from the Ministry of Education’s Translational R&D and Innovation Fund, which supports proposals with commercial and industry partnership potential. The four projects span diverse fields, including outdoor hot-spot remediation, content management for digital media censorship and classification, wearable thermoelectric cooling technology, and all-solid-state lithium ion thin film micro-batteries.

There were many other examples of innovative problem-solving at RP throughout the year. For instance, a team of students and staff from the RP School of Sports, Health and Leisure collaborated with industry partner Nexway International to design an ergonomic backpack for primary school children. The result of extensive research and testing, the Firefly Explorer backpack is currently being sold across Singapore. Another example is FIME, an innovative application that allows shoppers to try on items of clothing virtually. Developed by two final-year students from the RP School of Engineering, FIME was deployed at two shopping malls in 2012, where it proudly showcased the innovation of RP students.

Passionate Citizen
The third of the 3Ps, Passionate Citizen, encompasses the sense of duty, values and commitment that our students develop at RP and take with them upon graduation. This passion can be seen in the way that our students approach life with a positive attitude and give their best effort while trying to make the world around them a better place.

An excellent example of this is the team of students from RP’s Youth Entrepreneurship interest group who emerged as winners in the Citi-VYCA Youth For Causes Social Enterprise Challenge in 2012. Over a six-month period, the team worked closely with voluntary welfare organisation Simei Care Centre to help its social enterprise arm improve sales and expand the reach of its business.

RP students also demonstrated passion through their dedication to sports. For instance, a team of RP archers put on a remarkable performance in the National University of Singapore Indoor Archery Championships 2012, bringing home an impressive haul of 20 medals. Also in 2012, 11 RP student athletes were awarded Singapore Olympic Foundation-Peter Lim Scholarships to support them in their pursuit of sporting excellence.

Our students also displayed their competitive spirit and pursuit of excellence in areas beyond the sporting world. In July 2012, for example, four RP students clinched medals in the WorldSkills Singapore 2012 competition, including a gold medal won by Ong Kang Yu in the Information Network Cabling category. And in November 2012, a team of students from the Centre for Enterprise and Communication launched 79 other teams to be named champions in the Ngee Ann-AdeLAde Entrepreneurs’ Challenge 2012.

Of course, the idea of passionate citizenry is not limited to students and graduates – it is embraced by RP as well. For example, our academic staff are all committed educators who seek to inspire our students on a daily basis. In 2012, five RP staff were awarded medals in the prestigious National Day Awards for their distinguished service to Singapore. As an organisation, RP was also awarded a Work-Life Excellence Award by the Tripartite Committee in October 2012 and a Platinum Award in the Health Promotion Board’s Singapore HEALTH Award 2012.

Aiming Higher
Acknowledging and learning from past achievements is an important step in the process of growth and development. However, what matters more is how we can build on the legacy of the past to create a brighter future.

With our first 10 years behind us, we are now looking ahead with great anticipation to where we will go from here. We already have bold plans for what we hope RP can achieve in the next decade and beyond, and we believe that these goals are attainable with continued support from our students, staff, alumni, and industry partners. By working hand-in-hand with our stakeholders and applying a professional, problem-solving and passionate mindset, we are confident that RP will continue to soar higher.

Mr Richard Seow
Chairman
Board of Governors
Board of Governors

CHAIRMAN
Mr Richard Seow
Director
Pacific Heights Investments Pte Ltd

DEPUTY CHAIRMAN
Mr Ong Chao Choon
Advisory Leader
PricewaterhouseCoopers LLP

MEMBERS

Mr Ang Hin Kee
Executive Secretary
Education Services Union
(ESU)

Professor Chan Eng Soon
Dean of Engineering
National University of Singapore

Dr Chong Yoke Sin
Chief Executive Officer
Integrated Health Information Systems
Pte Ltd

Mr Paul Chong
Group Chief Executive Officer
Certs CISCO Security Pte Ltd

Mrs Diana Ee-Tan
Board Member
Singapore Tourism Board

Mr Yeo Li Pheow
Principal/Chief Executive Officer
Republic Polytechnic

Mr Ang Hin Kee
General Practitioner
The Rafflesian Clinic & Surgery

COL Lew Chuen Hong
Head
Joint Plans & Transformation Department
MINDEF

Ms Lien Siaou-Sze
Senior Executive Coach
Mobley Group Pacific

Mr John Lim
Director
Higher Education
Ministry of Education

Dr Maszenan Bin Abdul Majid
Senior Research Fellow
Nanyang Environment and Water Research Institute
(NEWRI)
Nanyang Technological University

Dr Janice Khoo Swee Suan
General Practitioner
The Rafflesian Clinic & Surgery

Mr Wilson Tan
Chief Executive Officer
CapitaMall Trust Management Ltd

Mr Christopher Tang
Chief Executive Officer
Frasers Centrepoint Commercial and Greater China Fraser & Neave Ltd

Dr Shashi Jayakumar
Visiting Senior Research Fellow
Lee Kuan Yew School of Public Policy
National University of Singapore

Mr Yeo Li Pheow
Prinicipal
Chief Executive Officer
Republic Polytechnic

Mr Zahidi bin Abdul Rahman
Principal Architect
Zahidi A.R. Arsitek
Management Committee

Corporate Offices

Yeo Li Pheow
Principal/Chief Executive Officer

Seto Lok Yin
Deputy Principal
(Industry Services)

Heng Guan Teck
Deputy Principal
(Student Services/Planning)

Dr Michael Koh
Senior Director
(Academic Services)

Anderson Lim
Director
Office of Corporate Services and
Office of Planning

Windersalam S
Registrar

Eric Teo
Chief Financial Officer

Neo Yong Chiang
Chief Information Officer

Ronald Wong
Director
Office of Corporate Communications

Chia Chew Lee
Deputy Director (until 30 Sept 2012)
Director (from 1 Oct 2012)
Office of Human Resources

Dr Terence Chong
Director
Office of International Relations

John Young
Director
Office of Quality Assurance and Systems

Ganesh Kalyanam
Director
Office of Student and Graduate Affairs and
The Republic Cultural Centre

Fong Yew Chan
Director
Office of Technology Development

Lee Yat Cheong
Director
Office of Estates

Tui Jurn Mun
Deputy Director
Office of Industry and Collaboration

Academic Schools/Centres

Dr Terence Chong
Director
School of Applied Science
(until 30 Sept 2012)

Ashley Chua
Deputy Director
School of Applied Science
(from 1 Oct 2012)

Dr Wang Jianguo
Director
School of Engineering

Albert Toh
Director
School of Hospitality

Fong Yew Chan
Director
School of Infocomm

Goy Soon Lan
Deputy Director (until 30 Sept 2012)
Director (from 1 Oct 2012)
School of Sports, Health and Leisure

Lian Pek
Director
School of Technology for the Arts
(1 July 2012)

Sharen Liu
Director
School of Technology for the Arts
(from 1 Aug 2012)

Warren Wang
Director
Centre for Innovation and Enterprise and
Centre for Culture and Communication
(1 Oct 2012)
Centre for Enterprise and Communication
(from 1 Oct 2012)

Glen O’Grady
Director
Centre for Educational Development
(1 July 2012)

Dr Michael Koh
Director (Covering)
Centre for Educational Development
(from 29 Jun 2012)

Dennis Quek
Director
Centre of Innovation for Supply Chain
Management

Tan Huan Peow
Director
Academy for Continuing Education @RP
(ACE@RP)
Republic Polytechnic Senate

\textbf{Chairman}
Yeo Li Pheow
Principal/Chief Executive Officer

\textbf{Members}
Ashley Chua
Deputy Director
School of Applied Science

Dr Wang Jianguo
Director
School of Engineering

Albert Toh
Director
School of Hospitality

Fong Yew Chan
Director
School of Infocomm and Office of Technology Development

Sharen Liu
Director
School of Technology for the Arts

Goy Soon Lan
Director
School of Sports, Health and Leisure

\textbf{Appointed Members}

Heng Guan Teck
Deputy Principal
Student Services and Planning

Dr Michael Koh
(Deputy Chairman of Senate)
Senior Director
Office of Academic Services and
Director (Covering)
Centre for Educational Development

Windersalam S
(Secretary of Senate)
Registrar
Office of the Registrar

Warren Wang
Director
Centre for Enterprise and Communication

Tan Huan Peow
Director
Academy for Continuing Education @RP (ACE@RP)

Anderson Lim
Director
Office of Planning

\textbf{Elected Members}

Choong Siew Ling
Programme Chair
(Diploma in Business Applications)
School of Infocomm

Elaine Yew
Assistant Director (Capability Development)
Centre for Educational Development

Hisham Moosa
Assistant Director (Academic) and
Programme Chair (Diploma in Biomedical Electronics)
School of Engineering

Lee Kong Sing
Senior Academic Staff
School of Infocomm

Dr Michelle Siow
Assistant Director (Administration)
Centre for Enterprise and Communication

Sim Choon Hou
Assistant Director (Academic)
Centre for Enterprise and Communication
Students, made up of 14,520 full-time students and 318 part-time students kept Republic Polytechnic (RP) buzzing throughout the year. Staff members, comprising 629 academic staff and 301 non-academic staff, created a vibrant campus which was conducive for learning. Interest groups and 13 clubs in myriad areas such as sports, arts, leadership and service-learning offered many opportunities for our students to discover and transform themselves. Full-time diploma programmes and one Common Engineering Programme were offered by six schools and one centre, including three new diplomas – the Diploma in Consumer Behaviour and Research, the Diploma in Mobile Software Development and the Diploma in Sports Coaching.

### STUDENT ENROLMENT

14,838 students were enrolled, made up of 14,520 full-time students and 318 part-time students.

### GRADUATE OUTPUT

4,060 students graduated from full-time diploma programmes and another 107 students graduated from part-time programmes at RP in Academic Year 2012.

### STAFF STRENGTH

930 staff members, comprising 629 academic staff and 301 non-academic staff, created a vibrant campus which was conducive for learning.

### STUDENT INTEREST GROUPS

88 interest groups and 13 clubs in myriad areas such as sports, arts, leadership and service-learning offered many opportunities for our students to discover and transform themselves.
Celebrating a Decade of Transformative Achievements

2002
After announcing the Republic Polytechnic Act on 8 July 2002, Republic Polytechnic (RP) was later established the same year on 1 August 2002. Previously occupied by the Ministry of Education, its Tanglin campus housed a 120-strong staff, with a first intake of over 800 students from the School of Applied Science, School of Engineering and School of Information and Communications Technology. The official RP logo, featuring the now iconic RP shield and the ‘Republic Polytechnic’ wordmark, was launched. It was created by Mr Raymond Lee and was chosen out of a pool of 600 designs submitted in a logo design competition.

2003
RP etched another milestone in its history with a ground-breaking ceremony, attended by Guest-of-Honour former Minister for Education RAmd (NS) Teo Chee Hean on 5 July 2003, to mark the start of construction works at its permanent campus at Woodlands Avenue 9.
In the following month, the polytechnic also celebrated its first anniversary on 1 Aug 2003, and subsequently achieved the ISO 9001, ISO 14001 and ISO 18001 certifications in November 2003.

2004
In 2004, RP became the only academic institution in Singapore to switch to a 100% wireless VoIP phone infrastructure, enabling its staff to be completely free to work from anywhere on campus.
In the same year, it also celebrated its second anniversary at the Fullerton WaterBoat House on 30 July, in which its achievements such as the Singapore Family Friendly Employer Award and ISO awards were recognised.

2005
Mr Tharman Shanmugatnam, former Minister for Education, launched the Republic Polytechnic Centre in an official opening ceremony on 19 November 2005. The year also saw the official launch of the School of Sports, Health and Leisure and the School of Technology for the Arts, each offering new diploma programmes for students.

2006
RP’s first group of 619 students, trained in the Problem-Based Learning (PBL) pedagogy, graduated in the polytechnic’s first Graduation Ceremony on 30 May 2006, attended by Guest-of-Honour Mr Tharman Shanmugatnam, former Minister for Education.

2007
Designed by award-winning Japanese architect Fumihiko Maki and DP Architects, the new 20-hectare RP campus in Woodlands was officially opened on 31 July 2007 by Prime Minister Lee Hsien Loong.

2008
On 31 March 2008, RP School of Hospitality was launched to train professionals to meet the growing hospitality and services sector.

2009
Mr Richard Seow, Chairman of Singapore Exchange-listed Parkway Holdings Limited, took over from Mr Lee Hsien Yang, then Chairman of Singapore Exchange-listed Fraser and Neave Ltd, as the new Chairman of the Board of Governors (BOG) for RP on 1 July 2009.

2010
RP announced the opening of its Continuing Education and Training (CET) Centre on 21 September 2010 in line with the increased focus on expanding CET options by the Ministry of Manpower and the Workforce Development Authority.
In conjunction with the opening, RP also inked two Memoranda of Understanding with NTUC LearningHub Pte Ltd and the Association of Small and Medium Enterprises, as well as a collaborative agreement with the National Community Leadership Institute.

2011
The current RP Logo, with enhancements to the typeface and RP shield design, was launched on 29 July 2011 as part of an RP rebranding exercise.
In January, RP opened Oliva, a Restaurant Training Laboratory for RP School of Hospitality students to gain hands-on experience including front-end management and back-end operations in a food and beverage establishment. Students will take on real-life challenges as Oliva is fully operated by students and patronised by real customers.

2012
RP celebrated its 10th Anniversary with a whole line-up of activities for the year, including Family Day in March, the Republic Run and IGNITE! Music Festival in July.
A hallmark event was a combined Partners’ Appreciation Nite and staging of the Makanplace Musical held on 31 October 2012, which was graced by President Dr Tony Tan Keng Yam.
The Centre for Culture and Communication and the Centre for Innovation and Enterprise merged to form the Centre for Enterprise and Communication from 1 October 2012 to enable us to roll out more programmes, activities and initiatives for our students.
The Centre for Professional Development (CPD) was renamed as the Academy for Continuing Education @ RP (ACE@RP) to better reflect our continuing education and training role.
RP launched the Problem-Based Learning (PBL) Institute, a professional development centre committed to high-quality education and training in PBL.

In the same year, it also celebrated its second anniversary at the Fullerton WaterBoat House on 30 July, in which its achievements such as the Singapore Family Friendly Employer Award and ISO awards were recognised.

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**APRIL 2012**

**RP STUDENTS’ MURAL FEATURED IN MALL**
Designed by a team of three RP School of Technology for the Arts students, the digitally-produced mural was the students’ Final Year Project where they were tasked to transform a plain-looking rooftop wall at the new Changi City Point. The Diploma in New Media students innovatively extended the mural of sunflowers to beyond the stairs and across the amphitheatre where it was unveiled by Mr Lee Hsien Yang, former chairman of Fraser and Neave.

**RP STAFF SECURES $1.4M R&D FUNDING**
Four RP R&D projects secured funding amounting to $1.4 million from the Ministry of Education’s (MOE) Translational R&D and Innovation Fund. This fund is granted to proposals that exhibit commercial and industry partnership potential, reflecting RP’s status as an innovative and world-class educational institution. The four projects are ‘Outdoor Hot-Spot Remediation’, ‘Content Management System for Digital Media Censorship and Classification’, ‘Wearable Thermoelectric Cooler’ and ‘All-solid-state Lithium Ion Thin Film Microbattery for Smart Card Applications’.

**MOU WITH EPICENTRE**
An MOU was signed between RP and EpiCentre on 24 April 2012. To further boost the mobile commerce (m-commerce) development, this collaboration will spearhead m-commerce related entrepreneurship initiatives. This MOU will also provide industry-relevant consumer and market research projects for RP students where they can understand consumer behaviour and trends in the m-commerce industry.

**RP’S VIRTUAL FITTING APPLICATION DEBUTS AT SHOPPING CENTRES**
Developed by RP Diploma in Digital Entertainment Electronic students, Zaw Htet and Min Htet Aung, their final-year project, “Fitting Made Easy” (FitME) features a conventional glass window display that supports virtual fitting of clothes. FitME made its first public debut at PARCO Marina Bay from 2 to 15 April 2012 and was also engaged by AsiaMalls to set up a similar virtual fitting booth, “Dress Me Up” at Liang Court Atrium from 28 May to 24 June 2012.

**MAY 2012**

**MOU WITH SEMI SOUTHEAST ASIA**
During SEMICON Singapore held on 24 April 2012, RP and SEMI Southeast Asia signed a Memorandum of Understanding (MOU). Through this partnership, RP students can join the SEMICON University programme to gain valuable insights and technology developments from mentors in the semiconductor industry. The partnership also encompasses internship opportunities with local global leading companies.

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**ONE HEART!**
Originally named the Supermarket Run, this year, for the fifth run, RP’s Service Learning Club upped the ante by renaming this event One Heart! and ran it in collaboration with four polytechnics – Nanyang Polytechnic, Ngee Ann Polytechnic, Singapore Polytechnic and Temasek Polytechnic. One Heart! aimed to promote intergenerational bonding between the elderly and student volunteers, and provide financial assistance for senior citizens to purchase their daily necessities in the supermarket. It allowed students from different polytechnics to interact and forge friendships. The event on 26 May 2012 saw over 270 students serving approximately 100 seniors from three beneficiaries – Indus Moral Centre, Christalite Methodist Home and Sarah Senior Activity Centre.

**RP GRADUATES’ COMPUTER APPLICATION HELPS BUILD YOUTHS’ RESILIENCE**
RP graduates designed a computer application ‘OXYGEN’ to help youths between 15 and 22 years old set their life goals and build resilience. Together with Children-At-Risk-Empowerment Association (CARE), their final-year project aims to develop a person’s focus in life and mental strength, which are vital to success in life. The application offers activities such as adversity-coping assessment goals, value-setting exercises and interactive games to enhance a person’s resilience quotient.
AUGUST 2012

SINGAPORE NATIONAL DAY AWARDS
Five RP staff were awarded the Singapore National Day Award medals and they were among the 2,845 individuals who received the National Day Honours. The Singapore National Day Awards recognise the various merit and service shown by the recipients.

MOU WITH SINGAPORE AIRLINES
RP and Singapore Airlines, one of the most respected travel brands around the world, signed an MOU on 10 August 2012 that aims to meet the increasing needs of the aviation industry. The agreement encompasses various initiatives such as student internships, sponsorships as well as continuing education and training programmes.

JULY 2012

MOU WITH QBE INSURANCE (INTERNATIONAL)
13 RP students were selected as recipients of the QBE-MILK Scholarship, which was set up to help finance needy students’ tuition fees. The scholarship recipients were also given an opportunity to give back to the community when they organised an excursion together with QBE Singapore branch employees and brought 50 residents from the Sunlove Home to Gardens by the Bay.

WORLDSKILLS SINGAPORE 2012
Four RP students did RP proud by sweeping four medals in the 10th WorldSkills Singapore 2012 competition held from 5 to 7 July 2012. Diploma in Restaurant and Culinary Operations student Guo Mei Ling clinched silver in the Restaurant Service category while Diploma in Aerospace Avionics students Huang Yaomin, Andrew Yong and Ong Kang Yu swept three medals in the Information Network Cabling category.

SPORTS SCHOLARSHIPS FOR PROMISING RP ATHLETES
11 RP student athletes were among the 270 who were awarded the Singapore Olympic Foundation – Peter Lim Scholarship, which aims to help promising young athletes excel and achieve their goals in sports performance. The scholarship recipients represent a variety of sports such as athletics, football, table tennis and swimming.

JUNE 2012

MOU WITH SAGE SOFTWARE SOLUTIONS
RP inked an MOU with Sage Software Solutions, a leading global provider of software solutions on 5 June 2012. Under this MOU, RP School of InfoComm will collaborate with Sage in curriculum development and final-year projects. Sage will provide RP students with academic award sponsorships and internships as well.

MOU WITH BIZLINK EXHIBITION SERVICES
On 25 July 2012, RP signed an MOU with Bizlink Exhibition Services (a subsidiary of Singapore Press Holdings Ltd). Under this partnership, enterprising students from RP and winners of RP’s entrepreneurship competition ‘National Pushcart Challenge’ will be given an opportunity to showcase their innovative products at the Singapore Gifts & Premiums Fair and StationeryOfficeLink to garner industry support for commercialisation of their products.

SINGAPORE CHALLENGE 2012
Seven RP students won the Best Performing Team award for being the fastest team to complete a task at the Sengkang leg of the Singapore Challenge 2012. Organised by the Singapore International Foundation, the Singapore Challenge is an annual joint-polytechnic event, which aims to foster bonding between international and Singaporean students through games and quizzes that promote Singapore’s heritage and culture.

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SEPTEMBER 2012

iCHEF 2012
With its inaugural launch in 2011, iChef 2012 saw a marked increase in the number of participants. More than 120 teams from 40 secondary schools took part in the preliminary rounds, with 10 teams chosen to compete in the finals for the title of iChef Champion 2012. Organised by RP School of Hospitality, iChef is a cooking competition that aims to promote interest among secondary school students in the culinary arts.

HOME TEAM PARTNER AWARD
RP was conferred the distinguished Home Team Partner Award for the fifth time at an awards presentation ceremony on 26 September 2012. The annual Home Team National Service Awards recognise and reward employers and Home Team National Servicemen for their significant contributions to the safety and security of Singapore.

MOU WITH SINGAPORE TECHNOLOGIES KINETICS
During the RP Technology Forum 2012, RP and Singapore Technologies Kinetics (ST Kinetics) – land systems and specially vehicles arm of ST Engineering – signed an MOU which will provide internship opportunities, scholarship sponsorships, seminars and collaborative research projects with students and staff from RP School of Engineering.

MOU WITH CERTIS CISCO SECURITY
RP inked an MOU with Certis CISCO Security Pte Ltd detailing collaborations with RP School of Sports, Health and Leisure in specific, to enhance intellectual assets and curriculum for both parties respectively. This MOU will provide students employment programmes, student projects and site visits, scholarships and sponsorships. The partnership with Certis CISCO Security will also extend to RP Continuing Education and Training programmes and projects.

MOU WITH PAR INTERNATIONAL HOLDINGS
RP and Par International Holdings Pte Ltd signed an MOU which will see to collaborative research projects and student learning activities such as industry talks, visits and workshops which are beneficial to RP School of Applied Science students.

MOU WITH MEIBAN INTERNATIONAL
On 7 September 2012, RP signed an MOU with Meiban International during the RP Technology Forum 2012. The partnership will encompass industry-relevant research projects and student-centric learning activities for RP School of Applied Science students where they can attend industry talks, visits and workshops.

OCTOBER 2012

WORK-LIFE EXCELLENCE AWARD
RP was awarded the Work-Life Excellence Award 2012, which recognises employers in Singapore for their achievements and contributions in promoting greater flexibility and work-life harmony. The Work-Life Excellence Award is held once every two years and is organised by the Tripartite Committee.

BEST EDUCATION EXPERIENCE AWARD
RP’s School of Hospitality clinched the Best Education Experience (Tourism and Hospitality) award at the fourth Singapore Experience Awards. Organised by the Singapore Tourism Board, the Award Ceremony is held annually to honour the most outstanding individuals and organisations across all tourism-related industries.

THE ARCH
The opening of a new 1,500 square-metre facility marks an important milestone for RP as it became the first Institute of Higher Learning in Singapore to launch a purpose-built hangar on campus. Named The ARCH, short for The Aerospace Hub, the training facility houses a Polaris Amphibian recreational aircraft, a Jabiru-120 and a six-seater Learjet 35 and gives RP students an opportunity to acquire hands-on experience working with fully functional aircrafts.

SINGAPORE HEALTH AWARD
RP was awarded the Platinum Award in Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award 2012. The Singapore HEALTH Award is presented by the Health Promotion Board to give national recognition to organisations with commendable Workplace Health Promotion programmes.

THREE NEW DIPLOMAS
RP launched the Diploma in Communication and Information Design as the Diploma in Mass Communication. Two new diplomas were also launched - Diploma in Electrical and Electronic Engineering and Diploma in Social Enterprise Management.

MOU WITH PRATT & WHITNEY
RP and American aviation industry giant Pratt & Whitney signed a two-year MOU aimed at training future aviation professionals to be industry-relevant and industry-ready. Apart from providing internships and work attachments to RP students, Pratt & Whitney will also develop a six-year fast track programme at one of its facilities, Turbine Overhaul Services Pte Ltd, for recruited graduates from RP School of Engineering.

MOU WITH DIETHELM KELLER AVIATION
RP inked an MOU with Diethelm Keller Aviation Pte Ltd – one of the world’s leading manufacturers of airline galley equipment. The MOU will provide students with internship opportunities, final-year project mentorship, and exclusive collaboration in technology development.

MOU WITH HAWKER PACIFIC ASIA
RP and Hawker Pacific Asia Pte Ltd – a leading player in the aviation industry providing sales and maintenance services – signed a two-year MOU which will allow RP students to benefit from internships, final year mentoring, industry training, student sponsorships and scholarships, and employment opportunities.

MOU WITH SATS
Building on past collaborative efforts, RP and SATS Ltd signed a three-year MOU, strengthening their partnership in creating more opportunities for joint research and work stints for RP students to gain relevant work experience.
NOVEMBER 2012

SINGAPORE OLYMPIC ACADEMY ROLL OF HONOUR

Ms Goy Soon Lan, Director of RP School of Sports, Health and Leisure was awarded the Singapore Olympic Academy (SOA) 2012 Roll of Honour. The award is in recognition of her significant contributions towards sports in Singapore and was presented by Mr Ng Ser Miang, International Olympics Committee Vice-President and Chairman of the SOA Board of Governors.

FIREFLY EXPLORER BACKPACK

The RP School of Sports, Health and Leisure research team led by students and academic staff developed the ergonomic backpack, named Firefly Explorer, with the aim of helping primary school children to better manage their heavy school bags. Supported by the Ministry of Education Innovation Fund Grant, the research team developed a prototype and tested it against conventional ergonomic backpacks for its efficacy. The prototype was then refined to further improve its design. Through a collaboration with Nexway, the Firefly Explorer was successfully commercialised and brought to the market, becoming the first product developed by RP to be made commercially available.

MOU WITH WILDLIFE RESERVES SINGAPORE

RP signed an MOU with Wildlife Reserves Singapore (WRS) on 9 November 2012. The agreement paves the way for RP students to enhance their technical and service skills at some of Singapore's tourist attractions – Jurong Bird Park, Night Safari, Singapore Zoo and the River Safari. The three-year partnership will provide training and employment opportunities at WRS' parks in fields including applied science for environmental conservation, veterinary and animal husbandry, infocomm technology, hospitality, and health and leisure.

JANUARY 2013

SIT BUILDS ECO-FRIENDLY CAMPUS IN RP

The Singapore Institute of Technology (SIT) marked the completion of its first phase of development with the announcement of its fifth and final campus located at RP. Named SIT@RP, the new campus was announced at the official groundbreaking ceremony on 29 January 2013. The integration of strategic measures in the design has resulted in a more eco-friendly concept for the building, earning it a Green Mark Platinum Award from the Building and Construction Authority.

RP-HPB INNOVATION LAB

RP School of Sports, Health and Leisure and the Health Promotion Board (HPB) achieved a collaborative milestone with the launch of the RP-HPB Innovation Lab in Physical Activity. A joint effort between HPB’s Physical Activity Centre of Excellence, the lab aims to foster innovation for health promotion and to research and develop solutions to key public health concerns. The Innovation Lab comprises three centres dedicated to research, testing and knowledge-sharing – all located within a central building.

GLOBAL GAME JAM SINGAPORE 2013

RP hosted the Global Game Jam for the fourth consecutive year, welcoming more than 190 local participants. The event brought participants together to develop new game prototypes from basic ideas in the given time of 48 hours. With a total of 319 jam sites in 63 countries, Singapore finished with a total of 37 completed games.

DECEMBER 2012

RP STUDENTS DEVELOP WINNING BUSINESS PLAN

Four first-year students Caleb Lee, Kenneth Ong, Daron Leong and Vanessa Chang from the Diploma in Consumer Behaviour and Research won a seed funding of $4000 and a trip to University of Adelaide with their daring idea of a multi-functional bra at the University of Adelaide Singapore eChallenge 2012. They emerged as the overall champion from a total of 80 teams in the competition that aimed to foster new ideas into genuine commercial prospects.

FEBRUARY 2013

RP CAREER FAIR 2013

RP held its largest career fair in eight years with 70 companies represented and more than 3,000 jobs on offer. Besides the career fair, RP also organised resume writing workshops, photo shoots and mock interviews to prepare students for employment opportunities.
Republic Polytechnic’s (RP) Student Development & Welfare Fund (SDWF) was set up to provide funding support for student development and welfare programmes, service-learning activities, Staff’s continuing education and development, infrastructure upgrading and so on. The fund was conferred Institutions of Public Character (IPC) status in April 2003 and the donations received are tax-deductible. SDWF is a member of the Education Central Fund administered by the Ministry of Education. It is managed by a management committee set up by the polytechnic to ensure that the usage of the donations received is in line with its objectives.

OBJECTIVES OF THE FUND
- To provide bursaries, equipment loans and other forms of financial assistance schemes to students, as well as scholarships/book prizes to students who excel academically and in core curricular activities.
- To provide funding support for activities associated with student development, welfare and social activities. This can include donation of computer and other equipment in lieu of cash.
- To provide funding for continuing education, upgrading courses/seminars/lectures and other programmes for staff.
- To fund the setting up and upgrading of physical infrastructure, equipment and applications which are in line with the development of technological skills and special projects undertaken by the polytechnic for the students. This can include donation of equipment and other donation in kind besides cash.

MANAGEMENT COMMITTEE
The following members are appointed as Management Committee of Student Development and Welfare Fund (SDWF) for two years, with effect from 1 January 2013 to 31 December 2014:

<table>
<thead>
<tr>
<th>APPOINTMENT</th>
<th>NAME AND OCCUPATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHAIRMAN</td>
<td>Mr Heng Guan Teck, Deputy Principal (Student Services/Planning), Republic Polytechnic</td>
</tr>
<tr>
<td>DEPUTY CHAIRMAN</td>
<td>Mr Albert Toh, Director, School of Hospitality, Republic Polytechnic</td>
</tr>
<tr>
<td>DEPUTY CHAIRMAN</td>
<td>Mr Ganesh Kalyanam, Director, Office of Student and Graduate Affairs, Republic Polytechnic</td>
</tr>
<tr>
<td>SECRETARY</td>
<td>Mr Tui Jurn Mun, Deputy Director, Office of Industry and Collaboration, Republic Polytechnic</td>
</tr>
<tr>
<td>TREASURER</td>
<td>Mr Eric Tan, Chief Financial Officer, Office of Finance, Republic Polytechnic</td>
</tr>
</tbody>
</table>

FUNDING SOURCES
In the financial year 2012/2013, SDWF received donations from generous organisations and individuals. Staff from RP also contributed generously to SDWF through their monthly payroll or one-off contributions. Proceeds from a few fund-raising activities organised by staff and students of RP were also donated to SDWF. Some examples of the fund-raising activities include the Jive Fiesta, Graduate Gift Campaign, Donate a Shoe Campaign, We Love ‘Futbol’ and Sales of Graduation Bears.

RESERVES POLICY
Donations received by SDWF are well-defined by the respective donors to be executed for specific purpose within a specific period in one or more of the following programmes or activities:
- Scholarships
- Bursaries
- Book Prizes
- Student Emergency Money Scheme
- Other student-related activities

As such, SDWF does not set aside reserves. In the event that a donation is not utilised in the current financial year, the donation will be carried forward to the next financial year to be utilised for the same purpose.

CONFLICT OF INTEREST POLICY
Upon assuming their appointment, the committee members of SDWF are required to read and understand the conflict of interest policy as prescribed under the Code of Governance guideline for Charities and Institutions of a Public Character. They are also required to make full disclosure of any interest and relationship that could potentially result in conflicts of interest in the course of operation. When conflicts of interest arise, the affected member(s) shall abstain from discussion, decision making and voting of such transaction.

Disclosure involving committee members should be made to the Chairman. If the Chairman is the one with the conflict, disclosure will be made to the Secretary who shall bring the matter to Principal/Chief Executive Officer of Republic Polytechnic.

SDWF does not remunerate committee members for their services rendered to SDWF.

In the financial year 2012/2013, SDWF received donations from generous organisations and individuals. Staff from RP also contributed generously to SDWF through their monthly payroll or one-off contributions. Proceeds from a few fund-raising activities organised by staff and students of RP were also donated to SDWF. Some examples of the fund-raising activities include the Jive Fiesta, Graduate Gift Campaign, Donate a Shoe Campaign, We Love ‘Futbol’ and Sales of Graduation Bears.

<table>
<thead>
<tr>
<th>DONATIONS ARE AS FOLLOWS:</th>
<th>Current Year FY2012 $’000</th>
<th>Previous Year FY2011 $’000</th>
<th>% increase / (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-endowed Donations and Interest Income Carried Forward to Next Financial Year1</td>
<td>1,380</td>
<td>991</td>
<td>39%</td>
</tr>
<tr>
<td>Endowed Donation</td>
<td>8,537</td>
<td>7,034</td>
<td>21%</td>
</tr>
<tr>
<td>Matching Grants</td>
<td>3,053</td>
<td>1,376</td>
<td>122%</td>
</tr>
<tr>
<td>Endowment Fund</td>
<td>11,590</td>
<td>8,410</td>
<td>38%</td>
</tr>
<tr>
<td>Total Funds2</td>
<td>12,970</td>
<td>9,401</td>
<td>38%</td>
</tr>
<tr>
<td>Expenditure3</td>
<td>964</td>
<td>818</td>
<td>18%</td>
</tr>
<tr>
<td>Ratio of Non-endowed Donations1 to Expenditure3</td>
<td>1.43 : 1</td>
<td>1.21 : 1</td>
<td></td>
</tr>
</tbody>
</table>

1 Unutilised non-endowed donation that is carried forward to new financial year
2 Total funds include non-endowed donation and endowment fund
3 Disbursement and expenses as supported/specifyed by donors

Unutilised non-endowed donation that is carried forward to new financial year.

Total funds include non-endowed donation and endowment fund.

Disbursement and expenses as supported/specifyed by donors.
PROGRAMMES & ACTIVITIES

Scholarships

Scholarships are awarded to RP students based on merits of their academic and co-curriculum activity achievements. 133 scholarships were awarded to deserving candidates in the financial year 2012/2013.

Bursaries

Bursaries are awarded to RP students who come from low-income families. Factors such as gross household income, number of family members in the household and special needs or medical challenges, are taken into consideration when RP evaluates the applications. 56 bursaries were awarded to deserving candidates in the financial year 2012/2013.

Book Prizes

Book prizes are awarded to RP students who have excelled in their studies. The three major categories of book prizes are:

Gold Medals. This is awarded to the top graduating student who excelled in the diploma.
Diploma Prizes. This is awarded to the top student who excelled in the diploma.
Module Prizes. This is awarded to the top student who excelled in the module.

A total of 320 book prizes were awarded to deserving candidates in the financial year 2012/2013.

Student Emergency Money Scheme (SEMS)

SEMS aims to provide compassionate assistance to needy RP students from low-income families. It is intended to assist needy students during times of crisis by providing financial support where a clear need exists such as sudden death or hospitalisation of the family members of the needy students. In the financial year 2012/2013, 12 students benefited from the scheme.

Student Pocket Money Scheme (SPMS)

SPMS aims to support needy RP students from low-income families who are struggling with their daily expenses on transportation or meals in school. In the financial year 2012/2013, 447 students benefited from the scheme.

Student Financial Aid

In the financial year of 2012/2013, 592 needy students benefited from the student financial aid scheme that targets the neediest students in RP. Each recipient received a one-off amount of $500.

Glitz Award (Sports Excellence Award)

RP’s Glitz Award (Sports Excellence Award) is awarded to student athletes who have achieved high standards and excellence in sports. It aims to encourage more student participation in sports. In the financial year 2012/2013, the award was given out to one sportsman and one sportswoman of the year, and provides funding support to deserving athletes.

OTHER STUDENT-RELATED ACTIVITIES

Other student-related activities that were funded by donors in the financial year 2012/2013 include:

1. Reflections 2012 Musical Show - Makanplace

Singapore’s first original musical which premiered at the Victoria Theatre in March 1988. Restaged and reproduced by RP’s own staff and students, this musical carried the message of continually striving for one’s dream and facing the challenges in life.

2. Inter-Poly Service-Learning Project - One Heart!

An event organised by RP Service Learning Club jointly supported by the other four polytechnics, Nanyang Polytechnic, Ngee Ann Polytechnic, Singapore Polytechnic and Temasek Polytechnic. The event served approximately 100 senior citizens from three beneficiaries, namely Indus Moral Care, Christalite Methodist Home and Sarah Senior Activity Centre. The event provided opportunity for our students to experience the intercultural and intergenerational connection within the community.

3. Republic Polytechnic Financial Challenge

198 students participated in a series of challenges and activities. The students gained a renewed and refreshed perspective on financial literacy. Students were also introduced to the Central Business District and other financial areas of Singapore.

4. CEC Organisation Development Business Competition 2012/13

Event was organised to provide a platform for students to gain consultancy experience by applying their creativity and problem-solving skills to a real business challenge. 31 teams signed up for the competition with five finalist teams presenting their analysis and recommendations for the business case study based on a local SME, Brilliant Advertising (outdoor ads company), with a staff mentor to prepare them for the finals.
In the opinion of the board of governors, the accompanying financial statements set out on pages 40 to 64 are drawn up so as to give a true and fair view of the state of affairs of the Polytechnic as at 31 March 2013 and of the results, changes in accumulated surplus and cash flows of the Polytechnic for the financial year ended 31 March 2013.

On behalf of the Board of Governors

RICHARD SEOW
Chairman, Board of Governors

YEO LI PHEOW
Principal/Chief Executive Officer

25 June 2013

INDEPENDENT AUDITORS’ REPORT

We have audited the accompanying financial statements of Republic Polytechnic (the “Polytechnic”) which comprise the statement of financial position of the Polytechnic as at 31 March 2013, and the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows of the Polytechnic for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 64.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Republic Polytechnic Act, Chapter 270 (the “Act”), the Singapore Charities Act, Chapter 37 (the “Charities Act”) and Statutory Board Financial Reporting Standards (“SB-FRS”) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
INDEPENDENT AUDITORS’ REPORT TO THE BOARD OF GOVERNORS OF REPUBLIC POLYTECHNIC (CONT’D)

Opinion

In our opinion, the financial statements of the Polytechnic are properly drawn up in accordance with the provisions of the Act, the Charities Act and SB-FRS so as to present fairly, in all material aspects, the state of affairs of the Polytechnic as at 31 March 2013 and the results, changes in accumulated surplus and statement of cash flows of the Polytechnic for the year ended on that date.

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on management’s compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management’s compliance.
### Republic Polytechnic
#### Statement of Financial Position

**as at 31 March 2013**

<table>
<thead>
<tr>
<th>Note</th>
<th>2012/2013 $’000</th>
<th>2011/2012 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Surplus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>167,480</td>
<td>144,883</td>
</tr>
<tr>
<td>Other funds</td>
<td>1,380</td>
<td>991</td>
</tr>
<tr>
<td>Endowment Fund (Capital)</td>
<td>168,860</td>
<td>145,874</td>
</tr>
<tr>
<td>3</td>
<td>11,590</td>
<td>8,410</td>
</tr>
<tr>
<td>Total capital and other funds</td>
<td>180,450</td>
<td>154,284</td>
</tr>
</tbody>
</table>

Represented by:

**Assets**

- Non-current assets:
  - Property, plant and equipment: 4 404,958 424,147
  - Intangible assets: 5 21,742 14,685
  - Subsidiary: 6 60 60
  - Held-to-maturity investments: 7 32,116 21,949

  - Total non-current assets: 406,936 400,831

- Current assets:
  - Trade and other receivables: 8 18,008 13,859
  - Non-government grants receivable: 955 493
  - Cash and cash equivalents: 9 142,498 129,744

  - Total current assets: 161,061 144,096

**Current Liabilities**

- Government grants received in advance: 10 13,767 9,772
- Non-government grant received in advance: 339 307
- Trade and other payables: 11 16,298 18,139
- Fees received in advance: 12 4,283 3,216

  - Total current liabilities: 36,687 31,434

**Net current assets**

- 124,374 112,662

**Non-current Liabilities**

- Provision for reinstatement of land: 13 1,970 1,970
- Deferred capital grants:
  - Government: 14 400,059 416,152
  - Non-government: 14 831 1,097

  - Total non-current liabilities: 402,860 419,219

**Net assets**

- 180,450 154,284

**Funds managed on behalf of others**

- 15 5,423 4,691

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

---

### Republic Polytechnic
#### Statement of Comprehensive Income

**for the financial year ended 31 March 2013**

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Other Funds</th>
<th>Endowment Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student fees</td>
<td>40,155</td>
<td>36,164</td>
<td>-</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Tax deductible</td>
<td>-</td>
<td>-</td>
<td>1,046</td>
</tr>
<tr>
<td>- Non tax deductible</td>
<td>102</td>
<td>74</td>
<td>26</td>
</tr>
<tr>
<td>Rental income</td>
<td>3,283</td>
<td>3,217</td>
<td>-</td>
</tr>
<tr>
<td>Other operating income</td>
<td>16</td>
<td>1,545</td>
<td>1,824</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>45,085</td>
<td>41,279</td>
<td>1,072</td>
</tr>
</tbody>
</table>

**Less:**

**Operating expenditure**

- Staff costs: 17 119,644 106,737 - - - - 119,644 106,737
- Depreciation of property, plant and equipment: 4 34,064 38,100 1 1 - - - 34,065 38,101
- Amortisation of intangible assets: 5 4,988 1,571 - - - - - 4,988 1,571
- Repairs, maintenance and utilities: 29,142 22,988 - - - - - 29,142 22,988
- Office equipment and furniture: 732 454 - - - - - 732 454
- Computing resources: 691 1,090 - - - - - 691 1,090
- Traveling and communication: 1,231 1,038 - - - - - 1,231 1,038
- Student welfare and CCA activities: 5,377 3,090 903 740 55 68 6,355 4,768
- Teaching materials and resources: 3,630 4,095 1 5 - - - 3,631 4,100
- Public relations and publicity: 2,278 2,286 5 3 - - - 2,283 2,289
- Consultancy, legal and other professional services: 8,913 7,707 - - - - - 8,913 7,707
- Office supplies and stationery: 762 528 - - - - - 762 528
- Rental expense: 172 127 - - - - - 172 127
- Other expenditure: 18 509 769 - - - - - 509 769

**Total operating expenditure**

- 212,153 192,268 910 749 55 68 213,118 193,086

**Operating (deficit)/surplus**

- (167,068) (150,989) 162 323 (55) (69) (165,961) (150,753)

**Non-operating income**

- Interest income: 1,177 729 8 5 274 141 1,459 875

**Non-operating expense**

- Loss on disposal of property, plant and equipment and intangible assets: - (103) - - - - - (103)

**(Deficit)/surplus before grants**

- (165,961) (150,989) 170 328 219 72 (165,502) (149,984)

**Grants**

- Deferr ed capital grants amortised:
  - Government: 14 35,140 37,295 - - - - - 35,140 37,295
  - Non-Government: 14 448 512 - - - - - 448 512
- Grants utilised:
  - Government: 10 2,862 2,582 - - - - - 2,862 2,582
  - Non-Government: 929 399 - - - - - 929 399
- Operating grants from:
  - Government: 19 149,019 141,664 - - - - - 149,019 141,664
  - Non-government: 90 266 - - - - - 90 266

**Total**

- 188,488 182,718 - - - - - 188,488 182,718

**Surplus for the year**

- 22,597 32,556 170 328 219 72 22,996 32,755

**Other comprehensive income**

- - - - - - - -

**Total comprehensive income for the year**

- 22,597 32,556 170 328 219 72 22,996 32,755

The annexed notes form an integral part of and should be read in conjunction with these financial statements.
## Republic Polytechnic Statement of Changes in Accumulated Surplus

### for the financial year ended 31 March 2013

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Student Development &amp; Welfare Fund</th>
<th>Endowment Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>Year</td>
<td>Year</td>
<td>Year</td>
</tr>
<tr>
<td>2012/2013</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 April</td>
<td>144,883</td>
<td>112,528</td>
<td>816</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>22,597</td>
<td>32,355</td>
<td>170</td>
</tr>
<tr>
<td>Balance at 31 March</td>
<td>167,480</td>
<td>144,883</td>
<td>986</td>
</tr>
</tbody>
</table>

### Republic Polytechnic Statement of Cash Flows

### for the financial year ended 31 March 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>$'000</th>
<th>Year</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows from Operating Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating deficit before grants</td>
<td>(165,502)</td>
<td>(149,963)</td>
<td></td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>(1,459)</td>
<td>(875)</td>
<td></td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment and intangible assets</td>
<td>-</td>
<td>103</td>
<td></td>
</tr>
<tr>
<td>Impairment loss and bad debts</td>
<td>1B</td>
<td>(36)</td>
<td>110</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>4</td>
<td>34,065</td>
<td>38,101</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>5</td>
<td>4,988</td>
<td>1,571</td>
</tr>
<tr>
<td>Total</td>
<td>(127,944)</td>
<td>(110,953)</td>
<td></td>
</tr>
<tr>
<td>Changes in trade and other receivables</td>
<td>(1,425)</td>
<td>(1,210)</td>
<td></td>
</tr>
<tr>
<td>Changes in trade and other payables</td>
<td>818</td>
<td>3,999</td>
<td></td>
</tr>
<tr>
<td>Changes in fees received in advance</td>
<td>1,067</td>
<td>2,309</td>
<td></td>
</tr>
<tr>
<td>Cash used in operations</td>
<td>(126,895)</td>
<td>(105,492)</td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>589</td>
<td>453</td>
<td></td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(126,895)</td>
<td>(105,492)</td>
<td></td>
</tr>
</tbody>
</table>

### Cash Flows from Investing Activities |
| Purchase of property, plant and equipment | (15,548) | (5,008) |
| Proceeds from disposal of property, plant and equipment | 4 | 12 | 20 |
| Purchase of intangible assets | (12,045) | (11,789) |
| Withdrawal of fixed deposits | - | 6,248 |
| Investment in quoted bonds | (10,443) | (10,801) |
| Proceeds from redemption of held-to-maturity investments | - | 1,500 |
| Interest received from held-to-maturity investments | 773 | 553 |
| Net cash used in investing activities | (37,251) | (19,857) |

### Cash Flows from Financing Activities |
| Government grants received |
| - Operating grants | 147,879 | 139,828 |
| - Development grants | 1,894 | 113 |
| - Information technology and furniture and equipment grants | 23,641 | 22,635 |
| - Other grants | 667 | 251 |
| Refund of development grant | (283) | - |
| Operating grants received from non-government organisations | 242 | 2,332 |
| Contributions received for Endowment Fund (Capital) | 2,860 | 2,024 |
| Net cash from financing activities | 176,900 | 167,083 |
| Net increase in cash and cash equivalents | 12,754 | 41,734 |
| Cash and cash equivalents at beginning of the year | 129,744 | 88,010 |
| Cash and cash equivalents at end of the year | 142,498 | 129,744 |

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

The financial statements of the Polytechnic for the year ended 31 March 2013 were authorised for issue by the Board of Governors on 25 June 2013.

The Polytechnic was established in 2002 under the Republic Polytechnic Act, Chapter 270, (the “Act”) and domiciled in the Republic of Singapore.

The Polytechnic is located at 9 Woodlands Avenue 9, Singapore 738964.

The principal activities of the Polytechnic are to provide diploma level education and training in preparation for career in domains associated with engineering, science and technology, sports and wellness management, creative arts and hospitality.

2(a) Basis of accounting

The financial statements of the Polytechnic have been prepared in accordance with the provisions of the Act, the Singapore Charities Act, Chapter 37 (the “Charities Act”) and the 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 as disclosed in the accounting policies below.

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

Significant accounting estimates and judgements

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

Critical assumptions used and accounting estimates in applying accounting policies are described below:

Depreciation of property, plant and equipment and amortisation of intangible assets

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. 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. The carrying amounts of property, plant and equipment are disclosed in Note 4 to the financial statements.

Impairment of trade and other receivables

Impairment of bad and doubtful debts is based on an assessment of the recoverability of trade and other receivables. Impairment is applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed. The carrying amounts of trade and other receivables are disclosed in Note 8 to the financial statements.

2(b) Adoption of new and revised standards

On 1 April 2012, the Polytechnic adopted all the new and revised SB-FRSs and Interpretations to SB-FRS (“INT SB-FRSs”) that are effective from that date and are relevant to its operations. The adoption of these new/ revised SB-FRS and INT SB-FRSs does not result in changes to the Polytechnic’s accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of the financial statements, the management anticipates that the adoption of the SB-FRSs, INT SB-FRSs and amendments to SB-FRSs that were issued but effective only in future periods will not have a material impact on the financial statements of the Polytechnic in the period of their initial adoption.


2(c) Summary of significant accounting policies (Cont’d)

Fund accounting (Cont’d)

(i) Endowment Fund

The Endowment Fund provides financial assistance to needy students, promotes excellence in teaching amongst the academic staff. Income and expenditure of the Endowment Fund are accounted for in the “Other Funds – Endowment Fund” column in the statement of comprehensive income.

(ii) Subsidiary

A subsidiary is an entity controlled by the Polytechnic. Control exists when the Polytechnic has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investment in subsidiary is stated in the Polytechnic’s statement of financial position at cost less impairment losses.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Property, plant and equipment costing less than $2,000 each, building renovations below $200,000 and library books are expensed as incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method over their estimated useful lives as follows:

- Leasehold land and buildings: Lease period of 30 years
- Building improvements: 5 years
- Computer systems: 3 to 5 years
- Building systems: 10 to 20 years
- Furniture, fittings and equipment: 5 to 10 years

No depreciation is computed on capital work-in-progress. Depreciation will commence when the asset is completed and ready for its intended use.

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

2(c) Summary of significant accounting policies (Cont’d)

Property, plant and equipment and depreciation (Cont’d)

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before that expenditure was made, will flow to the Polytechnic and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

The gain or loss arising from disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of comprehensive income.

Intangible assets

Computer software including software development costs are capitalised on the basis of the costs incurred to acquire or develop and bring the software to use. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Cost associated with maintaining computer software is recognised as an expense when incurred.

Computer software is stated at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 3 to 5 years. Computer software costing less than $2,000 each is expensed as incurred.

Computer software shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from derecognition are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income.

Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Polytechnic at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in statement of comprehensive income.
Financial instruments
Financial assets and financial liabilities are recognised on the Polytechnic's statement of financial position when the Polytechnic becomes a party to the contractual provisions of the instrument.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets
All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

The Polytechnic determines the classification of its financial assets at the time of initial recognition.

Held-to-maturity investments
Bonds with fixed or determinable payments and fixed maturity dates where the Polytechnic has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables
Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

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 statement of comprehensive income.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and bank deposits and other short-term highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Financial liabilities
The Polytechnic's financial liabilities include trade and other payables.

Financial liabilities are recognised when the Polytechnic becomes a party to the contractual agreements of the instrument.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities
The Polytechnic derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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 statement of comprehensive income for purchase of assets which are written off in the year of purchase.

Deferred capital grants are recognised in the statement of comprehensive income 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 statement of comprehensive income to match the carrying amount 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.


2(c) Summary of significant accounting policies (Cont’d)

Impairment of non-financial assets

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

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro rata to other assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the statement of comprehensive income unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or where there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

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 if no impairment loss had been recognised.

Provisions

Provisions are recognised when the Polytechnic has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for reinstatement of land is recognised for the expected costs associated with reinstatement of land used by the Polytechnic (Note 13). The provision is based on the best estimate of the direct expenditures to be incurred which are both necessarily entailed by the reinstatement of land and not associated with the on-going activities of the Polytechnic.

Revenue recognition

Student fees and other fees for the academic year are recognised on an accrual basis.

Donations are recognised upon receipt.

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

Revenue from workshops are recognised when conducted.

Interest income is recognised on a time proportionate basis using the effective interest method.
2(c) Summary of significant accounting policies (Cont’d)

Income tax
The Polytechnic is registered as a charitable institution.

With effect from the Year of Assessment 2008 or the 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.

3 Endowment Fund (Capital)

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>At 1 April</td>
<td>8,410</td>
<td>5,202</td>
</tr>
<tr>
<td>Externally restricted donated funds</td>
<td>3,180</td>
<td>3,208</td>
</tr>
<tr>
<td>At 31 March</td>
<td>11,590</td>
<td>8,410</td>
</tr>
</tbody>
</table>

Represented by:

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash placed with Accountant-General’s Department</td>
<td>9</td>
<td>358</td>
</tr>
<tr>
<td>Matching grant receivable from MDE</td>
<td>1,695</td>
<td>1,376</td>
</tr>
<tr>
<td>Bonds (at cost)</td>
<td>9,886</td>
<td>6,676</td>
</tr>
<tr>
<td>Total</td>
<td>11,590</td>
<td>8,410</td>
</tr>
</tbody>
</table>

4 Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Leasehold land and buildings</th>
<th>Furniture and equipment in-progress</th>
<th>Total property, plant and equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>At 1 April 2011</td>
<td>426,608</td>
<td>1,686</td>
<td>126,895</td>
</tr>
<tr>
<td>Transfers</td>
<td>441</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>(151)</td>
<td>-</td>
<td>(865)</td>
</tr>
<tr>
<td>At 31 March 2012</td>
<td>426,887</td>
<td>1,804</td>
<td>126,953</td>
</tr>
<tr>
<td>Additions</td>
<td>440</td>
<td>137</td>
<td>221</td>
</tr>
<tr>
<td>Transfers</td>
<td>2,066</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>2,066</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 March 2013</td>
<td>429,493</td>
<td>1,941</td>
<td>127,174</td>
</tr>
</tbody>
</table>

Accumulated depreciation

<table>
<thead>
<tr>
<th></th>
<th>2011/2012</th>
<th>2012/2013</th>
<th>2013/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>At 1 April 2011</td>
<td>89,090</td>
<td>545</td>
<td>19,916</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>15,464</td>
<td>362</td>
<td>7,962</td>
</tr>
<tr>
<td>Disposals</td>
<td>(33)</td>
<td>(865)</td>
<td>(706)</td>
</tr>
<tr>
<td>At 31 March 2012</td>
<td>104,492</td>
<td>907</td>
<td>40,186</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>15,562</td>
<td>319</td>
<td>7,977</td>
</tr>
<tr>
<td>Disposals</td>
<td>(33)</td>
<td>(865)</td>
<td>(706)</td>
</tr>
<tr>
<td>At 31 March 2013</td>
<td>120,054</td>
<td>1,226</td>
<td>53,163</td>
</tr>
</tbody>
</table>

Carrying amount

<table>
<thead>
<tr>
<th></th>
<th>2011/2012</th>
<th>2012/2013</th>
<th>2013/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>At 1 April 2011</td>
<td>309,439</td>
<td>715</td>
<td>5,728</td>
</tr>
<tr>
<td>At 31 March 2012</td>
<td>322,495</td>
<td>897</td>
<td>1,489</td>
</tr>
</tbody>
</table>

During the year, the Polytechnic accrued for the acquisition of property, plant and equipment with an aggregate cost of $454,000 (FY 2011/2012: $1,114,000). The cash outflow on acquisition of plant and equipment amounted to $15,548,000 (FY 2011/2012: $5,608,000).
5 Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>Computer software</th>
<th>Capital work-in-progress</th>
<th>Total intangible assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2011</td>
<td>11,363</td>
<td>2,143</td>
<td>13,506</td>
</tr>
<tr>
<td>Additions</td>
<td>2,353</td>
<td>9,416</td>
<td>11,769</td>
</tr>
<tr>
<td>Transfers</td>
<td>1,207</td>
<td>(1,207)</td>
<td>-</td>
</tr>
<tr>
<td>At 31 March 2012</td>
<td>14,923</td>
<td>10,352</td>
<td>25,275</td>
</tr>
<tr>
<td>Additions</td>
<td>8,342</td>
<td>3,703</td>
<td>12,045</td>
</tr>
<tr>
<td>Transfers</td>
<td>13,784</td>
<td>(13,784)</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>(5)</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>At 31 March 2013</td>
<td>37,044</td>
<td>271</td>
<td>37,315</td>
</tr>
</tbody>
</table>

Accumulated amortisation

|                      | $'000             |                          |                        |
| Amortisation for the year | 1,571             | -                        | 1,571                  |
| Amortisation for the year | 4,988             | -                        | 4,988                  |
| Disposals             | (5)               | (5)                      |                         |
| At 31 March 2013      | 15,573            | -                        | 15,573                 |

Carrying amount

|                      | $'000             |                          |                        |
| At 31 March 2012     | 4,333             | 10,352                   | 14,685                 |
| At 31 March 2013     | 21,471            | 271                      | 21,742                 |

6 Subsidiary

<table>
<thead>
<tr>
<th>Name of subsidiary</th>
<th>Principal activities (Country of incorporation) (Place of business)</th>
<th>Effective equity held by the Polytechnic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/2013 $'000</td>
<td>2011/2012 $'000</td>
</tr>
<tr>
<td>Republic Polytechnic</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>International Pte. Ltd. (The Republic of Singapore)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7 Held-to-maturity investments

<table>
<thead>
<tr>
<th></th>
<th>2012/2013 $'000</th>
<th>2011/2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Held-to-maturity quoted bonds, at amortised cost</td>
<td>32,176</td>
<td>21,949</td>
</tr>
</tbody>
</table>

Held-to-maturity quoted bonds, at amortised cost

Fair value

The bonds bear interest ranging from 2.82% to 5.75% (FY 2011/2012: 2.92% to 4.47%) per annum. The effective interest rate ranges from 1.80% to 4.33% (FY 2011/2012: 1.80% to 3.88%) per annum. The maturity period of the bonds ranges from October 2015 to August 2022 (FY 2011/2012: October 2015 to July 2021).

At the reporting date, the fair values of the quoted bonds were determined by reference to published market prices.

8 Trade and other receivables

Receivables from students

Allowance for impairment loss

Receivables from non-students

Trade amount owing by subsidiary

Non-trade amount owing by subsidiary

Other receivables

Cash advances

Matching grants receivable from MOE

Operating government grants receivable

Goods and services tax receivable

Prepayments

The average credit period on trade receivables from students is 7 to 14 days (FY 2011/2012: 7 to 14 days). No interest is charged on the outstanding trade receivables.

Trade and other receivables are denominated in Singapore dollars.

(i) Analysis of receivables from students and non-students

<table>
<thead>
<tr>
<th></th>
<th>2012/2013 $'000</th>
<th>2011/2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not past due and not impaired</td>
<td>897</td>
<td>387</td>
</tr>
<tr>
<td>Past due but not impaired</td>
<td>29</td>
<td>23</td>
</tr>
<tr>
<td>Impaired receivables</td>
<td>161</td>
<td>292</td>
</tr>
<tr>
<td>Total</td>
<td>1,087</td>
<td>702</td>
</tr>
<tr>
<td>Less: Allowance for impairment</td>
<td>(161)</td>
<td>(292)</td>
</tr>
<tr>
<td></td>
<td>926</td>
<td>410</td>
</tr>
</tbody>
</table>
8 Trade and other receivables (Cont’d)

(i) Analysis of receivables from students and non-students (Cont’d)

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
<th>$’000</th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-student receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not past due and not impaired</td>
<td>861</td>
<td>289</td>
<td>861</td>
<td>289</td>
</tr>
<tr>
<td>Past due but not impaired</td>
<td>280</td>
<td>330</td>
<td>510</td>
<td>519</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,141</td>
<td>619</td>
</tr>
</tbody>
</table>

(ii) Aging of receivables that are past due but not impaired:

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
<th>$’000</th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Past due 1 semester</td>
<td>29</td>
<td>23</td>
<td>52</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-student receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Past due less than 30 days</td>
<td>105</td>
<td>156</td>
<td>261</td>
<td>316</td>
</tr>
<tr>
<td>Past due 31 to 60 days</td>
<td>106</td>
<td>12</td>
<td>118</td>
<td>138</td>
</tr>
<tr>
<td>Past due 61 to 90 days</td>
<td>44</td>
<td>2</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Past due over 90 days</td>
<td>25</td>
<td>160</td>
<td>185</td>
<td>162</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>280</td>
<td>330</td>
</tr>
</tbody>
</table>

*Semesters at the Polytechnic can range between 130 to 150 days.

(iii) Movements in allowance for impairment:

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
<th>$’000</th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for impairment of student receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>292</td>
<td>430</td>
<td>292</td>
<td>430</td>
</tr>
<tr>
<td>Amounts written off during the year</td>
<td>(99)</td>
<td>(238)</td>
<td>(198)</td>
<td>(238)</td>
</tr>
<tr>
<td>Amounts recovered during the year</td>
<td>(83)</td>
<td>(96)</td>
<td>(179)</td>
<td>(192)</td>
</tr>
<tr>
<td>Impairment loss (reversed)/ recognised (Note 18)</td>
<td>(32)</td>
<td>100</td>
<td>(32)</td>
<td>100</td>
</tr>
<tr>
<td>At 31 March</td>
<td>181</td>
<td>292</td>
<td>181</td>
<td>292</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
<th>$’000</th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for impairment of non-student receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Amounts recovered during the year</td>
<td>-</td>
<td>(1)</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>At 31 March</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

9 Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
<th>$’000</th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>753</td>
<td>1,167</td>
<td>753</td>
<td>1,167</td>
</tr>
<tr>
<td>Cash placed with Accountant-General’s Department</td>
<td>141,745</td>
<td>128,637</td>
<td>141,745</td>
<td>128,637</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>142,498</td>
<td>120,744</td>
<td>142,498</td>
<td>120,744</td>
</tr>
</tbody>
</table>

*The effective interest rate for cash placed with Accountant-General’s Department at the reporting date is 0.55% (FY 2011/2012: 0.59%) per annum. Interest rates are repriced within 12 months.

Cash and cash equivalents are denominated in Singapore dollars.

10 Government grants received in advance

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
<th>$’000</th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April</td>
<td>9,772</td>
<td>4,201</td>
<td>9,772</td>
<td>4,201</td>
</tr>
<tr>
<td>Grants received/ receivable during the year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Development grants</td>
<td>1,894</td>
<td>113</td>
<td>1,894</td>
<td>113</td>
</tr>
<tr>
<td>- Information technology and furniture and equipment grants</td>
<td>23,641</td>
<td>22,635</td>
<td>23,641</td>
<td>22,635</td>
</tr>
<tr>
<td>- Other grants</td>
<td>667</td>
<td>251</td>
<td>667</td>
<td>251</td>
</tr>
<tr>
<td>Refund of development grant</td>
<td>(283)</td>
<td>-</td>
<td>(283)</td>
<td>-</td>
</tr>
<tr>
<td>Interest on grants reversed during the year</td>
<td>(15)</td>
<td>-</td>
<td>(15)</td>
<td>-</td>
</tr>
<tr>
<td>Amount taken to the statement of comprehensive income (Note *)</td>
<td>(2,862)</td>
<td>(2,582)</td>
<td>(2,862)</td>
<td>(2,582)</td>
</tr>
<tr>
<td>Grants utilised during the year (Note 14)</td>
<td>(19,047)</td>
<td>(14,846)</td>
<td>(19,047)</td>
<td>(14,846)</td>
</tr>
<tr>
<td>At 31 March</td>
<td>13,767</td>
<td>9,772</td>
<td>13,767</td>
<td>9,772</td>
</tr>
</tbody>
</table>

*Note: This represents fixed assets expensed off and project staff expenses funded by MOE.

11 Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
<th>$’000</th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundry payables</td>
<td>6,593</td>
<td>8,242</td>
<td>6,593</td>
<td>8,242</td>
</tr>
<tr>
<td>Amount owing to subsidiary</td>
<td>37</td>
<td>-</td>
<td>37</td>
<td>-</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>2,982</td>
<td>2,339</td>
<td>2,982</td>
<td>2,339</td>
</tr>
<tr>
<td>Accrued capital expenditure</td>
<td>454</td>
<td>1,114</td>
<td>454</td>
<td>1,114</td>
</tr>
<tr>
<td>CPF payable</td>
<td>6,763</td>
<td>4,991</td>
<td>6,763</td>
<td>4,991</td>
</tr>
<tr>
<td>Provision for unconsumed leave</td>
<td>345</td>
<td>391</td>
<td>345</td>
<td>391</td>
</tr>
<tr>
<td>Advance payments received</td>
<td>358</td>
<td>281</td>
<td>358</td>
<td>281</td>
</tr>
<tr>
<td>Other payables and deposits</td>
<td>766</td>
<td>781</td>
<td>766</td>
<td>781</td>
</tr>
<tr>
<td></td>
<td>14,306</td>
<td>16,139</td>
<td>14,306</td>
<td>16,139</td>
</tr>
</tbody>
</table>

Trade and other payables are denominated in Singapore dollars.

Trade payables have credit terms of between 30 to 90 days (FY 2011/2012: 30 to 90 days).

12 Fees received in advance

The fees received in advance are mainly enrolment fees (for Singaporean/ PR students) and Academic Year 2013/2014 Semester 1 advance fees (required only for international students) from all international students. These payments will be used to offset the tuition and supplementary fees chargeable for the new academic year starting April 2013.
13 Provision for reinstatement of land

Under the land lease agreement, the Polytechnic has the obligation to reinstate the land to its original state when the lease expires if the lessor so requires. In compliance with SB-FRS 16, an estimation of the cost to remove all buildings and structures on the land has been made and a provision made amounting to $1,750,000 in FY2006/2007, with additional provision of $220,000 made in FY2010/2011 to reflect the best estimate of the direct expenditures to be incurred which are entailed by the reinstatement of land.

14 Deferred capital grants

<table>
<thead>
<tr>
<th></th>
<th>Government</th>
<th>Non-Government</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 April</td>
<td>$416,152</td>
<td>$438,601</td>
<td>$1,097</td>
</tr>
<tr>
<td>Grants utilised during the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Development grants</td>
<td>3,222</td>
<td>1,744</td>
<td></td>
</tr>
<tr>
<td>- Information technology and furniture and equipment grants</td>
<td>15,585</td>
<td>12,975</td>
<td></td>
</tr>
<tr>
<td>- Other grants</td>
<td>240</td>
<td>127</td>
<td>182</td>
</tr>
<tr>
<td>Amount taken to the statement of comprehensive income</td>
<td>(35,140)</td>
<td>(37,295)</td>
<td>(448)</td>
</tr>
<tr>
<td>Balance at 31 March</td>
<td>400,059</td>
<td>416,152</td>
<td>831</td>
</tr>
</tbody>
</table>

15 Funds managed on behalf of others

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>(i) Tuition fee and Study loans</td>
<td>5,489</td>
<td>4,746</td>
</tr>
<tr>
<td>(ii) Khoo Teck Puat International Opportunity Programme Trust Fund</td>
<td>(66)</td>
<td>(55)</td>
</tr>
<tr>
<td>Total</td>
<td>5,423</td>
<td>4,801</td>
</tr>
</tbody>
</table>

(ii) Khoo Teck Puat International Opportunity Programme Trust Fund

The Estate of Tan Sri Khoo Teck Puat launched the Khoo Teck Puat Education Fund on 18 December 2007. The Khoo Teck Puat International Opportunity Programme (“KTPiOP”) is supported by this fund. This programme aims to provide needy students from the Polytechnic with an opportunity to obtain an overseas education experience. The fund is managed by MOE and is disbursed to the Polytechnic for administration of application and awards processing on behalf of the donor.

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>At 1 April</td>
<td>834</td>
<td>584</td>
</tr>
<tr>
<td>Amounts written off during the year</td>
<td>(118)</td>
<td>(31)</td>
</tr>
<tr>
<td>Increase in allowance recognised</td>
<td>86</td>
<td>281</td>
</tr>
<tr>
<td>At 31 March</td>
<td>802</td>
<td>834</td>
</tr>
</tbody>
</table>

Represented by:

Tuition fee and study loans | 5,489 | 4,746

Movement of the allowance for impairment is as follows:

At 1 April | $’000 | $’000
Amounts written off during the year | 834 | 584
Increase in allowance recognised | 86 | 281
At 31 March | 802 | 834

Represented by:

Other receivables (included in other receivables in Note 8) | (66) | (55)
## Other operating income

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from workshops</td>
<td>551</td>
<td>400</td>
</tr>
<tr>
<td>Income from provision of shared services</td>
<td>38</td>
<td>60</td>
</tr>
<tr>
<td>Sundry income</td>
<td>955</td>
<td>1,364</td>
</tr>
<tr>
<td>Foreign exchange gain (net)</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,545</td>
<td>1,824</td>
</tr>
</tbody>
</table>

## Staff costs

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management personnel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Salaries and related costs</td>
<td>5,536</td>
<td>5,350</td>
</tr>
<tr>
<td>- CPF contributions</td>
<td>333</td>
<td>298</td>
</tr>
<tr>
<td></td>
<td>5,869</td>
<td>5,648</td>
</tr>
<tr>
<td>Other than key management personnel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Salaries and related costs</td>
<td>101,495</td>
<td>90,691</td>
</tr>
<tr>
<td>- CPF contributions</td>
<td>12,280</td>
<td>10,398</td>
</tr>
<tr>
<td></td>
<td>113,775</td>
<td>101,089</td>
</tr>
<tr>
<td></td>
<td>119,644</td>
<td>106,737</td>
</tr>
</tbody>
</table>

## Other expenditure

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment loss (reversed)/ recognised on student receivables (Note 8)</td>
<td>(32)</td>
<td>100</td>
</tr>
<tr>
<td>Bad debts (recovered)/ written off</td>
<td>(4)</td>
<td>10</td>
</tr>
<tr>
<td>Staff recruitment expenses</td>
<td>131</td>
<td>124</td>
</tr>
<tr>
<td>Corporate events</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>License fees and property taxes</td>
<td>257</td>
<td>385</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>157</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>509</td>
<td>769</td>
</tr>
</tbody>
</table>

## Operating grants from Government

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating grants received / receivable during the year</td>
<td>149,019</td>
<td>141,864</td>
</tr>
</tbody>
</table>

MOE has reimbursed $16,678,674 (FY 2011/2012: $15,422,870) for the amount of output goods and services tax on the full tuition fees paid to the Inland Revenue Authority of Singapore. This amount is not included in the above operating grants received from Government.

## Commitments

### (a) Capital commitments

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments approved and contracted for but not provided for</td>
<td>16,102</td>
<td>12,458</td>
</tr>
<tr>
<td>Commitments approved but not contracted for</td>
<td>75,129</td>
<td>27,139</td>
</tr>
</tbody>
</table>

The capital commitments are mainly funded from government grants.

### (b) Operating lease commitments (non-cancellable)

Where the Polytechnic is the lessor

At the reporting date, the Polytechnic had the following rentals receivable under non-cancellable operating leases for leasing its premises to third parties.

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental income due</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>1,676</td>
<td>1,671</td>
</tr>
<tr>
<td>More than one year but less than five years</td>
<td>1,530</td>
<td>1,312</td>
</tr>
</tbody>
</table>
21 Related party transactions

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

Other than disclosed elsewhere in the financial statements, the Polytechnic entered into the following significant transactions with its parent Ministry, MOE, and other related parties during the financial year:

<table>
<thead>
<tr>
<th>MOE</th>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>Operating grants</td>
<td>149,019</td>
<td>141,664</td>
</tr>
<tr>
<td></td>
<td>Other grants</td>
<td>687</td>
<td>251</td>
</tr>
<tr>
<td></td>
<td>Matching grants</td>
<td>1,677</td>
<td>1,184</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>176,615</td>
<td>165,847</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Management fee income from subsidiary</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Re-charge of payroll costs for staff seconded to subsidiary</td>
<td>39</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Charges for services rendered to subsidiary</td>
<td>206</td>
<td>318</td>
</tr>
<tr>
<td></td>
<td>Charges for services provided by subsidiary</td>
<td>(133)</td>
<td>(129)</td>
</tr>
<tr>
<td>Entitles affiliated to Board of Governors</td>
<td>Outsourced manpower services</td>
<td>2,795</td>
<td>2,304</td>
</tr>
<tr>
<td></td>
<td>Rental of venue and income from workshops</td>
<td>175</td>
<td>14</td>
</tr>
</tbody>
</table>

22 Financial instruments, financial risks and capital risks management

(a) Categories of financial instruments

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

<table>
<thead>
<tr>
<th></th>
<th>2012/2013</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Loans and receivables (including cash and cash equivalents)</td>
<td>147,169</td>
<td>132,355</td>
</tr>
<tr>
<td>Held-to-maturity investments</td>
<td>32,176</td>
<td>21,949</td>
</tr>
<tr>
<td>Total</td>
<td>179,345</td>
<td>154,304</td>
</tr>
</tbody>
</table>

(b) Financial risk management policies and objectives

The Polytechnic’s overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Polytechnic. There has been no change to the Polytechnic’s exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Foreign currency risk management

The Polytechnic is not exposed to significant foreign currency risk as its transactions, financial assets and liabilities are denominated in Singapore dollars.

(ii) Interest rate risk management

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

The interest rates for cash placed with Accountant-General’s Department disclosed in Note 9 to the financial statements are based on deposit rates determined by financial institutions with which cash are deposited and are expected to move in tandem with market interest rate movements.

Reasonable changes in interest rates for cash placed with Accountant-General’s Department would not have a material effect on the Polytechnic’s income and expenditure and equity.

(iii) Credit risk management

Credit risk refers to the risk that students and non-students will default on their obligations to repay the amount owing to the Polytechnic, resulting in financial loss to the Polytechnic. The Polytechnic has adopted procedures in monitoring collections from students and in monitoring default of payments from students and non-students.

At the reporting date, there is no significant concentration of credit risk. Concentration of credit risk relating to trade receivables is limited due to the Polytechnic’s varied customer base. Credit risk of grant receivables is remote as claims made are within funding guidelines and it is unlikely that the Government will default on payment. Cash and cash equivalents are placed with banks and financial institutions which are regulated.

The cash with Accountant-General’s Department under Centralised Liquidity Management (“CLM”) are placed with high credit quality financial institutions and are available upon request. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Further details of credit risk on trade and other receivables are disclosed in Note 8.
22 Financial instruments, financial risks and capital risks management (Cont’d)

(b) Financial risk management policies and objectives (Cont’d)

(iv) Liquidity risk management

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 flows.

All financial assets and liabilities are repayable on demand or due within one year from the end of the reporting period.

(v) Fair value of financial assets and financial liabilities

The fair value of held-to-maturity investments is disclosed in Note 7 to the financial statements. The carrying amounts of financial assets and liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments unless otherwise disclosed.

The fair values of quoted equity investments that are traded on active liquid markets are determined with reference to quoted market prices.

(c) Capital risk management policies and objectives

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