

UEN No. T08GB0062L

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2024



**Index**

	<b>Page</b>
Statement by Board of Governors	1
Independent auditor's report	2
Statements of financial position	6
Statements of comprehensive income	7
Statements of changes in reserves and funds	11
Consolidated statement of cash flows	12
Notes to the financial statements	14

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### STATEMENT BY BOARD OF GOVERNORS

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In the opinion of the Board of Governors,

- (i) the accompanying financial statements set out on pages 6 to 62 of Temasek Polytechnic (the "Polytechnic") and its subsidiary (collectively the "Group") are drawn up so as to present fairly, in all material respects, the financial position of the Group and the Polytechnic as at 31 March 2024, and the consolidated financial performance, changes in accumulated funds and reserves and cash flows of the Group and the financial performance of the Polytechnic and changes in accumulated funds and reserves of the Polytechnic for the year then ended, in accordance with the provisions of the Charities Act 1994 (the "Charities Act"), the Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Temasek Polytechnic Act 1990 (the "TP Act") and Statutory Board Financial Reporting Standards;
- (ii) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Polytechnic during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the TP Act and the requirements of any other written law applicable to moneys of or managed by the Polytechnic;
- (iii) the use of donation moneys is in accordance with the objectives of Temasek Polytechnic General Education Fund (the "Fund") as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations;
- (iv) the Fund has complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations;
- (v) proper accounting and other records have been kept, including records of all assets of the Polytechnic, whether purchased, donated or otherwise; and
- (vi) at the date of this statement, there are reasonable grounds to believe the Polytechnic will be able to pay its debts when they fall due.

On behalf of the Board of Governors,



Loke Wai San  
Chairman



Peter Lam  
Principal & CEO

19 July 2024

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**TO THE BOARD OF GOVERNORS OF TEMASEK POLYTECHNIC**

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**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Temasek Polytechnic (the "Polytechnic") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Polytechnic as at 31 March 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in accumulated funds and reserves and consolidated statement of cash flows of the Group and the statement of profit or loss and other comprehensive income and statement of changes in accumulated funds and reserves of the Polytechnic for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in accumulated funds and reserves of the Polytechnic are properly drawn up in accordance with the provisions of the Charities Act 1994 (the "Charities Act"), the Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Temasek Polytechnic Act 1990 (the "TP Act") and Statutory Board Financial Reporting Standards in Singapore ("SB-FRSs") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Polytechnic as at 31 March 2024 and of the consolidated financial performance, consolidated changes in accumulated funds and reserves and consolidated cash flows of the Group and of the financial performance and changes in accumulated funds and reserves of the Polytechnic for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by Board of Governors on page 1, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

### **INDEPENDENT AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

#### **TO THE BOARD OF GOVERNORS OF TEMASEK POLYTECHNIC**

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#### **Responsibilities of Management and the Board of Governors for the Financial Statements**

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

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to wind up the Group or for the Group to cease operations.

The Board of Governors is responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**TO THE BOARD OF GOVERNORS OF TEMASEK POLYTECHNIC**

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Governors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Polytechnic during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the TP Act and the requirements of any other written law applicable to moneys of or managed by the Polytechnic; and
- (b) proper accounting and other records have been kept, including records of all assets of the Polytechnic whether purchased, donated or otherwise.

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

- (a) the use of donation moneys was not in accordance with the objectives of the Fund as required under Regulation 11 of Charities (Institutions of Public Character) Regulations; and
- (b) the fund has not complied with the requirement of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of Public Character) Regulations.

**Basis for Opinion**

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Compliance Audit section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**TO THE BOARD OF GOVERNORS OF TEMASEK POLYTECHNIC**

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**Responsibilities of Management for Compliance with Legal and Regulatory Requirements**

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the TP Act and the requirements of any other written law applicable to moneys of or managed by the Polytechnic. This responsibility includes monitoring related compliance requirements relevant to the Polytechnic, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

**Auditor's Responsibilities for the Compliance Audit**

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

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.

**Other matter**

The financial statements for the year ended 31 March 2023 were audited by another firm of Chartered Public Accountants who expressed an unmodified opinion on those statements on 12 July 2023.



Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

19 July 2024

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

	Note	Group		Polytechnic	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
<b>Accumulated funds and reserves</b>					
General fund	13	425,797	402,616	425,701	402,559
Restricted funds	13	3,284	3,044	3,284	3,044
		429,081	405,660	428,985	405,603
<b>Temasek Polytechnic Endowment Fund</b>	14	41,071	39,279	41,071	39,279
<b>Funds managed on behalf of others</b>	15	11,304	10,235	11,304	10,235
<b>Net assets of funds managed on behalf of others</b>	15	(11,304)	(10,235)	(11,304)	(10,235)
		470,152	444,939	470,056	444,882
<b>Non-current assets</b>					
Property, plant and equipment	5	382,652	403,858	382,652	403,858
Right-of-use assets	6	55,783	56,776	55,783	56,776
Subsidiary	7	—	—	136	136
Financial assets at fair value through profit or loss	8	123	207	123	207
Other financial assets at amortised cost	9	94,000	74,250	94,000	74,250
		532,558	535,091	532,694	535,227
<b>Current assets</b>					
Financial assets at fair value through profit or loss	8	102,299	94,643	102,299	94,643
Other financial assets at amortised cost	9	36,885	139,497	36,885	139,497
Trade and other receivables	10	35,744	18,192	35,693	18,073
Contract assets	11	72	47	—	—
Prepayments		2,290	3,170	2,290	3,170
Government grant receivables - operating		31,699	59,216	31,699	59,216
Cash and cash equivalents	12	290,483	180,014	289,951	179,004
		499,472	494,779	498,817	493,603
<b>Total assets</b>		1,032,030	1,029,870	1,031,511	1,028,830
<b>Non-current liabilities</b>					
Contract liabilities	16	9,019	9,471	9,019	9,471
Lease liabilities	17	153	159	153	159
Deferred capital grants - Government	18	436,247	458,888	436,247	458,888
Deferred capital grants - Others	19	1,119	1,572	1,119	1,572
Government grants received in advance	20	78,253	80,934	78,253	80,934
		524,791	551,024	524,791	551,024
<b>Current liabilities</b>					
Contract liabilities	16	2,512	1,961	2,364	1,715
Lease liabilities	17	6	245	6	245
Government grants received in advance	20	4,324	2,922	4,324	2,922
Trade and other payables	21	30,242	28,770	29,970	28,042
Income tax payable		3	9	—	—
		37,087	33,907	36,664	32,924
<b>Total liabilities</b>		561,878	584,931	561,455	583,948
<b>Net assets</b>		470,152	444,939	470,056	444,882

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Note	General fund		Group Restricted funds		Total	
		2024	2023	2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating income</b>	27	75,934	71,326	1,357	974	77,291	72,300
<b>Operating expenses</b>							
Salaries, CPF and other related costs		210,862	201,476	–	–	210,862	201,476
Depreciation of property, plant and equipment	5	36,039	38,697	–	–	36,039	38,697
Depreciation of right-of-use assets	6	993	1,296	–	–	993	1,296
Repairs, maintenance and utilities		27,685	32,874	–	–	27,685	32,874
Property, plant and equipment expensed off		6,041	5,225	–	–	6,041	5,225
Teaching materials and resources		3,758	9,320	–	–	3,758	9,320
Student welfare		4,170	2,853	–	–	4,170	2,853
IT maintenance and subscription		20,971	18,713	–	–	20,971	18,713
IT and information communication		211	181	–	–	211	181
Rental - office space and equipment		284	100	–	–	284	100
Consultancy		2,182	1,263	–	–	2,182	1,263
Other expenditure		15,767	16,449	2,557	2,048	18,324	18,497
		<b>328,963</b>	<b>328,447</b>	<b>2,557</b>	<b>2,048</b>	<b>331,520</b>	<b>330,495</b>

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	General fund		Group Restricted funds		Total	
		2024	2023	2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating deficit</b>		(253,029)	(257,121)	(1,200)	(1,074)	(254,229)	(258,195)
<b>Non-operating income/(expense)</b>							
Interest income	22	12,700	5,610	1,440	1,249	14,140	6,859
Investment gain/(loss)	23	6,299	(5,176)	–	–	6,299	(5,176)
Gain on disposal of property, plant and equipment		35	508	–	–	35	508
<b>(Deficit)/Surplus before grants</b>		(233,995)	(256,179)	240	175	(233,755)	(256,004)
<b>Grants</b>							
Deferred capital grants amortised:							
Government	18	35,613	38,596	–	–	35,613	38,596
Others	19	739	707	–	–	739	707
Operating grants:							
Government	24	220,762	224,867	–	–	220,762	224,867
Others		65	(174)	–	–	65	(174)
		257,179	263,996	–	–	257,179	263,996
<b>Surplus after grants</b>		23,184	7,817	240	175	23,424	7,992
Income tax	26	(3)	(9)	–	–	(3)	(9)
<b>Surplus for the year, representing total comprehensive income for the year</b>		23,181	7,808	240	175	23,421	7,983

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Note	General fund		Polytechnic Restricted funds		Total	
		2024	2023	2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating income</b>	27	75,879	71,208	1,357	974	77,236	72,182
<b>Operating expenses</b>							
Salaries, CPF and other related costs		210,862	201,476	–	–	210,862	201,476
Depreciation of property, plant and equipment	5	36,039	38,697	–	–	36,039	38,697
Depreciation of right-of-use assets	6	993	1,296	–	–	993	1,296
Repairs, maintenance and utilities		27,685	32,874	–	–	27,685	32,874
Property, plant and equipment expensed off		6,041	5,225	–	–	6,041	5,225
Teaching materials and resources		3,758	9,320	–	–	3,758	9,320
Student welfare		4,170	2,853	–	–	4,170	2,853
IT maintenance and subscription		20,971	18,713	–	–	20,971	18,713
IT and information communication		211	181	–	–	211	181
Rental - office space and equipment		284	100	–	–	284	100
Consultancy		2,182	1,263	–	–	2,182	1,263
Other expenditure		15,754	16,439	2,557	2,048	18,311	18,487
		<b>328,950</b>	<b>328,437</b>	<b>2,557</b>	<b>2,048</b>	<b>331,507</b>	<b>330,485</b>

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	General fund		Polytechnic Restricted funds		Total	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Operating deficit</b>		(253,071)	(257,229)	(1,200)	(1,074)	(254,271)	(258,303)
<b>Non-operating income/(expense)</b>							
Interest income	22	12,700	5,610	1,440	1,249	14,140	6,859
Investment gain/(loss)	23	6,299	(5,176)	–	–	6,299	(5,176)
Gain on disposal of property, plant and equipment		35	508	–	–	35	508
<b>(Deficit)/Surplus before grants</b>		(234,037)	(256,287)	240	175	(233,797)	(256,112)
<b>Grants</b>							
Deferred capital grants amortised:							
Government	18	35,613	38,596	–	–	35,613	38,596
Others	19	739	707	–	–	739	707
Operating grants:							
Government	24	220,762	224,867	–	–	220,762	224,867
Others		65	(174)	–	–	65	(174)
		257,179	263,996	–	–	257,179	263,996
<b>Surplus after grants</b>		23,142	7,709	240	175	23,382	7,884
Income tax	26	–	–	–	–	–	–
<b>Surplus for the year, representing total comprehensive income for the year</b>		23,142	7,709	240	175	23,382	7,884

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY****STATEMENTS OF CHANGES IN RESERVES AND FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	<b>General Fund \$'000</b>	<b>Restricted Funds \$'000</b>	<b>Total \$'000</b>
<b><u>Group</u></b>			
At 1 April 2022	394,808	2,869	397,677
Total comprehensive income for the year	7,808	175	7,983
At 31 March 2023 and 1 April 2023	402,616	3,044	405,660
Total comprehensive income for the year	23,181	240	23,421
At 31 March 2024	425,797	3,284	429,081
<b><u>Polytechnic</u></b>			
At 1 April 2022	394,850	2,869	397,719
Total comprehensive income for the year	7,709	175	7,884
At 31 March 2023 and 1 April 2023	402,559	3,044	405,603
Total comprehensive income for the year	23,142	240	23,382
At 31 March 2024	425,701	3,284	428,985

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	<b>Note</b>	<b>Group</b>	
		<b>2024</b>	<b>2023</b>
		\$'000	\$'000
<b>Operating activities</b>			
Deficit before grants		(233,755)	(256,004)
Adjustments for:			
Projects and other grants income		(2,355)	(2,530)
Depreciation of property, plant and equipment	5	36,039	38,697
Depreciation of right-of-use assets	6	993	1,296
Interest expense on lease liabilities		8	7
Interest income	22	(14,140)	(6,859)
Net (gain)/loss arising on financial assets at fair value through profit or loss	23	(6,299)	5,176
Amortisation of fees received in advance	16	(452)	(452)
Gain on disposal of property, plant and equipment		(35)	(508)
Impairment losses on financial assets subject to ECL		244	319
		(219,752)	(220,858)
Changes in:			
Trade and other receivables		(16,369)	6,175
Contract assets		(25)	164
Prepayments		880	471
Trade and other payables		(9,204)	(18,798)
Contract liabilities		551	(594)
Cash used in operations		(243,919)	(233,440)
Interest paid		(8)	(7)
Income tax paid		(9)	(8)
<b>Net cash used in operating activities</b>		(243,936)	(233,455)
<b>Investing activities</b>			
Interest received		12,199	4,172
Acquisition of debt securities		(144,883)	(159,497)
Proceeds from disposal of debt and government securities		227,744	-
Proceeds from disposal of property, plant and equipment		35	787
Purchase of property, plant and equipment	5	(14,857)	(16,239)
<b>Net cash from/(used in) investing activities</b>		80,238	(170,777)

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group	
		2024 \$'000	2023 \$'000
<b>Financing activities</b>			
Capital grants received from Government	18	2,577	9,321
F&E and IT grants set aside from Ministry of Education operating grant		19,378	20,500
Repayment of lease liabilities		(245)	(462)
MOE Bursary received		10,703	11,086
Matching grant received from Government as Endowment Fund	14	1,492	1,181
Operating grants received from Government		240,428	198,880
Donations received for Bursary & Scholarships	14	300	190
<b>Net cash from financing activities</b>		<b>274,633</b>	<b>240,696</b>
Net increase/(decrease) in cash and cash equivalents		110,935	(163,536)
Cash and cash equivalents at beginning of the year		179,278	342,814
<b>Cash and cash equivalents at end of the year</b>	12	<b>290,213</b>	<b>179,278</b>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 1. General information

Temasek Polytechnic (the "Polytechnic") was established under the Temasek Polytechnic Act 1990 (the "TP Act").

The Polytechnic is located at 21 Tampines Avenue 1, Singapore 529757.

The principal activities of the Polytechnic are to provide instruction, training and research in technology, science, commerce, arts and other subjects of learning. The principal activities of the subsidiary are disclosed in Note 7.

The financial statements for the year ended 31 March 2024 were authorised for issue by the Board of Governors on 19 July 2024.

#### 2. Material accounting policy information

##### 2.1 *Basis of preparation*

The financial statements have been prepared in accordance with the applicable requirements of the Charities Act 1994 (the "Charities Act"), Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Temasek Polytechnic Act 1990 (the "TP Act") and Statutory Board Financial Reporting Standards in Singapore ("SB-FRSs"). 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 also the functional currency of the Polytechnic. All the financial information presented in Singapore dollars ("S\$") has been rounded to the nearest thousand ("000") unless otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of SB-FRS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in SB-FRS 36 Impairment of Assets.



## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.1 Basis of preparation (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

##### 2.2 Adoption of new and amended standards and interpretations

On 1 April 2023, the Group has adopted all the new and revised SB-FRSs and Interpretations of SB-FRS ("INT SB-FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised SB-FRSs and INT SB-FRSs does not result in changes to the Group's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

##### 2.3 Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
Amendments to SB-FRS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2024
The Group anticipates that the adoption of the above amendments to SB-FRS in the future periods will not have a material impact on the financial statements in the period of their initial adoption.	

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Polytechnic and entities controlled by the Polytechnic and its subsidiary. Control is achieved when the Polytechnic:

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

The Polytechnic reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Polytechnic has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Polytechnic considers all relevant facts and circumstances in assessing whether or not the Polytechnic's voting rights in an investee are sufficient to give it power, including:

- The size of the Polytechnic's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Polytechnic, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Polytechnic has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Polytechnic obtains control over the subsidiary and ceases when the Polytechnic loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Polytechnic gains control until the date when the Polytechnic ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of the subsidiary to bring their accounting policies into line with the Group's accounting policies.

In the Polytechnic's financial information, investment in the subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. **Material accounting policy information (cont'd)**

##### 2.5 ***Fund accounting***

###### General Fund

Income and expenditure relating to the main activities of the Group are accounted for through the General Fund in the Statement of Comprehensive Income.

###### Restricted Funds

Income and expenditure relating to funds set up for contributions received and expenditure incurred for specific purposes are accounted for through Restricted Funds in the Statement of Comprehensive Income.

Assets and liabilities of these funds are accounted for separately. However, for presentation purposes, they are pooled together with those of General Fund in the Statement of Financial Position.

###### Funds managed on behalf of others

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

This relates to funds that are managed on behalf of others by the Group. The funds comprise tuition fee loans, Opportunity Fund and additional financial assistance managed on behalf of Ministry of Education and Campus Care Network Fund held in trust for the staff and students of the Polytechnic. The assets and liabilities of these managed funds are presented as a line item under the capital and funds managed on behalf of others section on the face of Statement of Financial Position of the financial statements as prescribed by SB-FRS Guidance Note 3. Income and expenditure relating to these funds are accounted for directly in these funds. Details of income, expenditure, net assets relating to these funds are disclosed in Note 15.

##### 2.6 ***Property, plant and equipment***

###### *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Polytechnic has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.6 *Property, plant and equipment (cont'd)*

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

##### Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Property, plant and equipment costing less than \$5,000 each and renovations costing below \$200,000 are charged to profit or loss in the year of purchase.

##### *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	-	30 to 50 years
Building improvements	-	5 years
Furniture, fittings and equipment	-	5 to 10 years
Computer hardware and computer software	-	3 to 5 years
Workshop equipment and machinery	-	5 to 10 years
Vehicles	-	5 years
Plant and machinery	-	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Fully depreciated assets still in use are retained in the financial statements.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.7 *Impairment of non-financial assets*

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimated of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

##### 2.8 *Financial instruments*

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

##### Classification of financial assets

Debt instruments that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.8 Financial instruments (cont'd)

###### Classification of financial assets (cont'd)

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

###### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding ECL, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.8 Financial instruments (cont'd)

###### Classification of financial assets (cont'd)

###### *Amortised cost and effective interest method (cont'd)*

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

###### *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Non-operating income" line item in profit or loss.

###### Impairment of financial assets

The Group recognises a loss allowance for ECL on trade and other receivables, other financial assets at amortised cost and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.8 Financial instruments (cont'd)

###### Impairment of financial assets (cont'd)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

###### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 3 months past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

###### *Definition of default*

The Group considers that default has occurred when a financial asset is more than 12 months past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

###### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.



## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.8 Financial instruments (cont'd)

###### Impairment of financial assets (cont'd)

###### *Write-off policy*

The Group writes-off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables from individuals, when the amounts are over two years past due, whichever occurs sooner. Financial assets written-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

###### *Measurement and recognition of expected credit losses*

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date except for assets for which the simplified approach was used.

###### Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### **Financial liabilities and equity instruments**

###### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

###### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. **Material accounting policy information (cont'd)**

##### 2.8 **Financial instruments (cont'd)**

###### Impairment of financial assets (cont'd)

###### Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

###### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

###### **Offsetting arrangements**

Financial assets and financial liabilities are offset and the net amount is presented in the Statement of Financial Position when the Group has legally enforceable right to set-off the recognised amounts; and intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

##### 2.9 **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, and other short term high liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### 2.10 **Provisions**

Provisions are recognised when the Group has 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.11 Leases

###### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate is defined as the rate of interest that the Group would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.11 Leases (cont'd)

###### The Group as lessee

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever: (cont'd)

- the lease payments change due to changes in an index or rate or change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a lease asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SB-FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SB-FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.7.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Operating expenses' in the statement of comprehensive income.

###### The Group as lessor

The Group enters into lease arrangements as a lessor with respect to its property.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.12 Revenue recognition

###### Student fees

Income from tuition and other related fees comes from the provision of tuition services to full-time and part-time students over the academic period. Tuition and other related fees are recognised as the courses are rendered and satisfied over time. Payments received from students for tuition and other related fees in which the courses have not been rendered is recognised as a deferred income, under contract liabilities, until the courses have been rendered to the students.

###### Income from project, seminars and forums

Income from courses/projects is recognised over time based on percentage of completion. Management has assessed that the stage of completion, determined as the proportion of the total time expressed for the course/project that has elapsed at the end of the reporting period, is an appropriate measure of progress toward the complete satisfactory of these performance obligation under SB-FRS 115.

###### Donations

Donations are recognised upon receipt. Donations received in advance are recognised as deferred income until the time condition is met.

###### Rental income

Rental income is accounted for on a straight line basis over the lease terms.

###### Interest income

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

###### Service fee income

Service fee income is recognised as a performance obligation satisfied over time on a straight-line basis over the period of service.

###### School/department income

School/department income is recognised as a performance obligation satisfied over time on a straight line basis over the period of service.

##### 2.13 Employee benefits

###### Defined contribution plans

The Group contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The Group's contributions to CPF are charged to profit or loss in the period when the employees rendered their services.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. Material accounting policy information (cont'd)

##### 2.13 *Employee benefits (cont'd)*

###### *Employee leave entitlements*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

###### *Key management personnel*

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Polytechnic. The Board of Governors, Principal, Deputy Principals, Senior Directors and Directors are considered key management personnel.

##### 2.14 *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 1947.

The subsidiary of the Polytechnic is subject to tax under Singapore income tax legislation.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax are recognised as an expense or income in profit or loss, except when relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 2. **Material accounting policy information (cont'd)**

##### 2.15 **Government grants**

Government grants related to assets in which the Polytechnic has discretionary management power are taken directly to the Deferred Capital Grant account, or to profit or loss for assets which are expensed-off in the year of purchase.

Other government grants related to assets are initially taken to Government Grant Received In Advance account and upon their utilisation for the purchase of assets, they are transferred to the Deferred Capital Grant account, or to profit or loss for assets which are written-off in the year of purchase.

The deferred capital grants are recognised in profit or loss over the periods necessary to match the depreciation and write-off of the property, plant and equipment purchased with the related grants. Upon the disposal of the property, plant and equipment, the balance of the related deferred capital grants is recognised in profit or loss to reflect the net book value of the assets disposed.

Government grants to meet the current year's operating expenses are taken to profit or loss for the year. Government grants are accounted for on an accrual basis.

#### 3. **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and there is no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 4. Financial instruments, financial risks and capital management

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

	<b>Group</b>		<b>Polytechnic</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Financial assets mandatorily measured at FVTPL	102,422	94,850	102,422	94,850
Financial assets at amortised cost	457,112	411,953	456,529	410,824
	<u>559,534</u>	<u>506,803</u>	<u>558,951</u>	<u>505,674</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	30,242	28,770	29,970	28,042
Lease liabilities	159	404	159	404
	<u>30,401</u>	<u>29,174</u>	<u>30,129</u>	<u>28,446</u>

#### Credit risk management

The Group has procedures in place to manage credit risk and exposure to such risk is monitored on ongoing basis.



TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Financial instruments, financial risks and capital management (cont'd)

Credit risk management (cont'd)

The Group's procedures on assessing ECL comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 3 months past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 12 months past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written-off

The table below details the credit quality of the Group's assets as well as maximum exposure to credit risk:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Group</b>						
<u>2024</u>						
Other financial assets at amortised cost	9	Performing	12-month ECL	130,885	–	130,885
Trade receivables	10	(i)	Lifetime ECL (simplified approach)	4,084	(349)	3,735
Other receivables	10	Performing	12-month ECL	32,009	–	32,009
Contract assets	11	(i)	Lifetime ECL (simplified approach)	72	–	72
Cash and cash equivalents	12	Performing	12-month ECL	290,483	–	290,483
				<u>457,533</u>	<u>(349)</u>	<u>457,184</u>

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Financial instruments, financial risks and capital management (cont'd)

Credit risk management (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Group</b>						
<b>2023</b>						
Other financial assets at amortised cost	9	Performing	12-month ECL	213,747	–	213,747
Trade receivables	10	(i)	Lifetime ECL (simplified approach)	2,934	(416)	2,518
Other receivables	10	Performing	12-month ECL	15,674	–	15,674
Contract assets	11	(i)	Lifetime ECL (simplified approach)	47	–	47
Cash and cash equivalents	12	Performing	12-month ECL	180,014	–	180,014
				<u>412,416</u>	<u>(416)</u>	<u>412,000</u>
	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Polytechnic</b>						
<b>2024</b>						
Other financial assets at amortised cost	9	Performing	12-month ECL	130,885	–	130,885
Trade receivables	10	(i)	Lifetime ECL (simplified approach)	3,900	(349)	3,551
Other receivables	10	Performing	12-month ECL	32,142	–	32,142
Cash and cash equivalents	12	Performing	12-month ECL	289,951	–	289,951
				<u>456,878</u>	<u>(349)</u>	<u>456,529</u>

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**4. Financial instruments, financial risks and capital management (cont'd)**

Credit risk management (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Polytechnic</b>						
<b>2023</b>						
Other financial assets at amortised cost	9	Performing	12-month ECL	213,747	–	213,747
Trade receivables	10	(i)	Lifetime ECL (simplified approach)	2,793	(416)	2,377
Other receivables	10	Performing	12-month ECL	15,696	–	15,696
Cash and cash equivalents	12	Performing	12-month ECL	179,004	–	179,004
				411,240	(416)	410,824

- (i) The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

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

At the end of reporting period, there was no significant concentration of credit risk except for Government grant receivables, unit trusts managed by fund managers and quoted debt securities, which falls under the internal credit rating of "Performing". The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Cash, fixed deposits and funds 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 for utilisation and withdrawal upon request.

Further details of credit risk on trade and other receivables are disclosed in Note 10.

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Financial instruments, financial risks and capital management (cont'd)

Interest rate risk management

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

The interest rates for cash with Accountant-General's Department disclosed in Note 12 are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements.

Foreign exchange risk management

The Group is not exposed to significant foreign currency risk as the transactions are mainly denominated in Singapore dollar, which is the functional currency of the Polytechnic and its subsidiary and the presentation currency of the consolidated financial statements.

Liquidity risk management

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

All financial assets and financial liabilities are due on demand or within 1 year from the end of the reporting period, except for financial assets at fair value through profit or loss, other financial assets at amortised cost and lease liabilities as disclosed in Notes 8, 9 and 17 respectively.

Fair value of financial assets and financial liabilities

(a) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table shows an analysis of financial instruments carried at fair value by the different level of the value hierarchy:

	Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs	Total
Group and Polytechnic	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>				
<u>2024</u>				
Financial assets at fair value through profit or loss:				
Quoted equity securities	42	–	–	42
Unit trusts managed by fund managers	–	102,299	–	102,299
Unquoted equity securities	–	–	81	81
	42	102,299	81	102,422

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Financial instruments, financial risks and capital management (cont'd)

Fair value of financial assets and financial liabilities (cont'd)

(a) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (cont'd)

The following table shows an analysis of financial instruments carried at fair value by the different level of the value hierarchy: (cont'd)

Group and Polytechnic	Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs	Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>				
<u>2023</u>				
Financial assets at fair value through profit or loss:				
Quoted equity securities	88	–	–	88
Unit trusts managed by fund managers	–	94,643	–	94,643
Unquoted equity securities	–	–	119	119
	88	94,643	119	94,850

There was no transfer between the levels in the hierarchy during the year.

*Determination of fair values*

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of the unit trusts managed by fund managers was determined by the Group's fund managers based on the evaluated prices provided by various pricing vendors who utilised observable market-based data in their proprietary pricing model. The Group has used the quoted bid prices in an active market to value the fair value of quoted equity securities. For unquoted equity securities, the Group has used the net asset value disclosed in the financial statements of the entities as their fair value. The carrying amounts of investments at the end of reporting period are disclosed in Note 8.

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Financial instruments, financial risks and capital management (cont'd)

**Fair value of financial assets and financial liabilities (cont'd)**

**(a) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (cont'd)**

The fair value of the Group's unquoted equity securities was determined as follows:

Financial assets/ financial liabilities	Fair value as at (\$'000)				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	2024		2023					
	Assets	Liabilities	Assets	Liabilities				
<b>Financial assets at FVTPL (see Note 8)</b>								
Unquoted equity securities	81	–	119	–	Level 3	Net Asset Value disclosed in financial statements	Net Asset Value	The higher the net asset value, the higher the fair value.

**(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

*Other financial assets at amortised cost, Trade and other receivables, Cash and cash equivalents, Trade and other payables and Lease liabilities*

The carrying amounts of these financial assets and financial liabilities are reasonable approximation of fair values.

**(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value**

There are no financial instruments that are not carried at fair value and whose carrying amounts do not approximate fair value.

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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**4. Financial instruments, financial risks and capital management (cont'd)**

**Fair value of financial assets and financial liabilities (cont'd)**

**(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (cont'd)**

Capital management policies and objectives

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

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. Property, plant and equipment

	Buildings \$'000	Building improvements \$'000	Furniture, fittings and equipment \$'000	Computer hardware \$'000	Workshop equipment and machinery \$'000	Vehicles \$'000	Computer software \$'000	Plant and machinery \$'000	Capital work-in- progress \$'000	Total \$'000
<b>Group and Polytechnic</b>										
<b>Cost</b>										
At 1 April 2022	609,169	94,114	97,911	67,795	50,278	78	31,036	151,606	26,245	1,128,232
Additions	–	1,916	3,670	2,638	3,559	–	2,227	877	1,292	16,179
Transfers	–	3,013	404	673	1,800	–	–	3,104	(8,994)	–
Disposals	–	(1,909)	(2,810)	(7,525)	(3,114)	–	(8,440)	–	–	(23,798)
At 31 March 2023	609,169	97,134	99,175	63,581	52,523	78	24,823	155,587	18,543	1,120,613
Additions	–	2	1,582	2,001	1,926	–	504	1,958	6,860	14,833
Transfers	–	7,764	–	40	1,890	–	–	12,380	(22,074)	–
Disposals	–	(1,376)	(3,197)	(4,824)	(1,910)	(7)	(6,588)	(2,834)	–	(20,736)
At 31 March 2024	609,169	103,524	97,560	60,798	54,429	71	18,739	167,091	3,329	1,114,710
<b>Accumulated depreciation</b>										
At 1 April 2022	254,179	77,964	91,576	66,975	46,134	78	29,683	134,988	–	701,577
Depreciation for the year	13,124	8,356	3,398	2,013	3,469	–	2,430	5,907	–	38,697
Disposals	–	(1,909)	(2,531)	(7,525)	(3,114)	–	(8,440)	–	–	(23,519)
At 31 March 2023	267,303	84,411	92,443	61,463	46,489	78	23,673	140,895	–	716,755
Depreciation for the year	13,124	8,012	3,018	1,765	2,868	–	788	6,464	–	36,039
Disposals	–	(1,376)	(3,197)	(4,824)	(1,910)	(7)	(6,588)	(2,834)	–	(20,736)
At 31 March 2024	280,427	91,047	92,264	58,404	47,447	71	17,873	144,525	–	732,058
<b>Carrying amount</b>										
At 31 March 2024	328,742	12,477	5,296	2,394	6,982	–	866	22,566	3,329	382,652
At 31 March 2023	341,866	12,723	6,732	2,118	6,034	–	1,150	14,692	18,543	403,858



**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**5. Property, plant and equipment (cont'd)**

During the year, property, plant and equipment acquired by the Group that remained unpaid at year-end amounted to approximately \$127,000 (2023: \$151,000) (Note 21). The cash outflow on acquisition of property, plant and equipment amounted to approximately \$14,857,000 (2023 : \$16,239,000).

**6. Right-of-use assets**

The Group leases certain leasehold land, storage facilities and furniture, fittings and equipment. The lease terms for leasehold land and storage facilities are 99 years and 3 years respectively while the lease terms for furniture, fittings and equipment range from 3 to 5 years.

<b>Group and Polytechnic</b>	<b>Leasehold land \$'000</b>	<b>Storage facilities \$'000</b>	<b>Furniture, fittings and equipment \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>				
At 1 April 2022	75,570	26	99	75,695
Additions	–	388	434	822
End of lease	–	–	(32)	(32)
At 31 March 2023	75,570	414	501	76,485
End of lease	–	(25)	–	(25)
At 31 March 2024	75,570	389	501	76,460
<b>Accumulated depreciation</b>				
At 1 April 2022	18,368	23	55	18,446
Depreciation charge	829	304	163	1,296
End of lease	–	–	(33)	(33)
At 31 March 2023	19,197	327	185	19,709
Depreciation charge	829	3	161	993
End of lease	–	(25)	–	(25)
At 31 March 2024	20,026	305	346	20,677
<b>Carrying amount</b>				
At 31 March 2024	55,544	84	155	55,783
At 31 March 2023	56,373	87	316	56,776

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**7. Subsidiary**

	<b>Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Unquoted equity shares, at cost	136	136

Details of the subsidiary are as follows:

Name of subsidiary	Principal activities	Country of registration and operation	Proportion of ownership interest and voting power held	
			2024 %	2023 %
TP Innovation Holdings Pte. Ltd.	The Company is primarily involved in the business of providing business advisories, educational services, consultancy services (whether technical or non-technical in nature), testing and training services to partners in the private and public sectors (including social enterprises).	Singapore	100	100

**8. Financial assets at fair value through profit or loss**

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b>Non-current</b>		
Quoted equity securities	42	88
Unquoted equity securities	81	119
	123	207
<b>Current</b>		
Unit trusts managed by fund managers	102,299	94,643

Unit trusts managed by fund managers form part of the Group's funds which are administered by asset management companies (fund managers). The fund managers are given discretionary powers within certain guidelines to invest the funds.

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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9. Other financial assets at amortised cost

	Group and Polytechnic	
	2024	2023
	\$'000	\$'000
<b>Non-current</b>		
Quoted debt securities	94,000	74,250
<b>Current</b>		
Quoted debt securities	2,495	10,000
Government securities	34,390	129,497
	36,885	139,497

At the end of reporting period, the quoted debt securities and short-term government securities bear interest rate ranging 1.80% to 5.00% (2023: 1.80% to 5.00%) per annum. Interest is receivable on a semi-annual basis. The maturity dates of debt securities and short-term government securities range from 17 September 2024 to 12 May 2031 (2023: 18 April 2023 to 12 May 2031).

Other financial assets at amortised cost are considered to have low credit risk as the counterparties to these investments have a minimum BBB- credit rating. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these assets, management has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the quoted debt securities and short-term government securities operate obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management considered that the ECL for these assets is insignificant as at 31 March 2024 and 31 March 2023.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**10. Trade and other receivables**

	Group		Polytechnic	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables	4,084	2,934	3,900	2,793
Loss allowance	(349)	(416)	(349)	(416)
	3,735	2,518	3,551	2,377
Other receivables:				
Deposits	10	423	10	423
Sundry debtors	31,999	15,251	31,999	15,250
Due from subsidiary (Note 29)	–	–	133	23
	35,744	18,192	35,693	18,073

As at 1 April 2022, the Group and Polytechnic's trade receivables from contracts with customers amounted to \$3.9 million (net of loss allowance of \$0.1 million) and \$3.7 million (net of loss allowance of \$0.1 million) respectively.

Included in sundry debtors were grant receivables of \$9,432,000 (2023: \$5,026,000) and receivables from investments of debt instruments of \$14,798,000 (2023: \$3,856,000).

The credit period given by the Group ranges from 7 to 30 days (2023: 7 to 30 days). No interest is charged on the outstanding balance except for late interest charges on rental and related receivables which ranges between 7.7% to 8.1% (2023: 5.5%) per annum.

Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor, an analysis of the debtor's current financial position and estimates of future economic conditions.

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, the Group has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written-off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

10. Trade and other receivables (cont'd)

Group	Trade receivables - days past due				Total \$'000
	Not past due	< 3 months	3 - 12 months	> 12 months	
	\$'000	\$'000	\$'000	\$'000	
<b>2024</b>					
Expected credit loss rate	–	0.33%	10.20%	82.35%	
Estimated total gross carrying amount at default	1,703	1,534	490	357	4,084
Lifetime ECL	–	(5)	(50)	(294)	(349)
					3,735
<b>2023</b>					
Expected credit loss rate	0.22%	0.55%	14.59%	81.68%	
Estimated total gross carrying amount at default	1,388	543	610	393	2,934
Lifetime ECL	(3)	(3)	(89)	(321)	(416)
					2,518
<b>Polytechnic</b>					
Polytechnic	Trade receivables - days past due				Total \$'000
	Not past due	< 3 months	3 - 12 months	> 12 months	
	\$'000	\$'000	\$'000	\$'000	
<b>2024</b>					
Expected credit loss rate	–	0.34%	11.04%	82.12%	
Estimated total gross carrying amount at default	1,604	1,485	453	358	3,900
Lifetime ECL	–	(5)	(50)	(294)	(349)
					3,551
<b>2023</b>					
Expected credit loss rate	0.23%	0.58%	14.59%	81.68%	
Estimated total gross carrying amount at default	1,277	513	610	393	2,793
Lifetime ECL	(3)	(3)	(89)	(321)	(416)
					2,377

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024****10. Trade and other receivables (cont'd)**

Movements in credit loss allowance are as follows:

	<b>Collectively assessed</b>	<b>Individually assessed</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 April 2022	97	–	97
Charged during the year	8	311	319
Balance as at 31 March 2023 and 1 April 2023	105	311	416
Charged during the year	(37)	(30)	(67)
Balance as at 31 March 2024	68	281	349

**11. Contract assets**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Consultancy services	72	47

As at 1 April 2022, the Group's contract assets relating to consultancy services amounted to \$211,000.

Amounts relating to consultancy services are balances due from customers when the Group receives payments from customers in line with a series of performance-related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. None of the amounts from customers at the end of the reporting period is past due.

There has been no changes in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**12. Cash and cash equivalents**

	Group		Polytechnic	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at bank and on hand	3,840	2,722	3,308	1,712
Cash with Accountant-General's Department	286,643	177,292	286,643	177,292
<b>Total cash and bank balances</b>	<b>290,483</b>	<b>180,014</b>	<b>289,951</b>	<b>179,004</b>
Less:				
Cash and cash equivalents managed by fund managers:				
- Cash at bank and on hand	(270)	(736)	(270)	(736)
<b>Net cash and cash equivalents in consolidated statement of cash flows</b>	<b>290,213</b>	<b>179,278</b>	<b>289,681</b>	<b>178,268</b>

Cash with the Accountant-General's Department ("AGD") refers to cash that is managed by AGD under Centralised Liquidity Management ("CLM") as set out in the Accountant-General's Circular No.4/2009 Centralised Liquidity Management for Statutory Boards and Ministries.

The interest rate of cash with AGD, defined as the ratio of the interest earned to the average cash balance, is 3.38% (2023: 1.56%) per annum and ranges from 2.62% to 3.65% (2023: 0.49% to 2.85%) per annum.

Management considered that the ECL on cash and cash equivalents is insignificant as at 31 March 2024 and 31 March 2023.

**13. Accumulated surplus and reserves**

General Fund

As at the reporting date, the Group has capital commitments for property, plant and equipment of approximately \$47,453,000 million (2023: \$6,590,000 million) that will be funded by general fund and government grants.

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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13. Accumulated surplus and reserves (cont'd)

Restricted Funds

Restricted Funds comprise the following funds:

<u>Name of Fund</u>	<u>Purpose</u>
Bursary, Scholarship and Awards Fund	Providing financial assistance to needy students, scholarship to students and book prizes and medals to students and graduates who excel academically and in extra-curricular activities.
Temasek Polytechnic Endowment Fund	Providing financial support for: a) Staff development b) Student development, focusing on international exchange c) Promotion of innovation d) Bringing relevant world-class expertise to Polytechnic e) Scholarships to outstanding students; and f) Bursaries to deserving needy students

The Bursary, Scholarship and Awards Fund and Temasek Polytechnic Endowment Fund are included in the Temasek Polytechnic General Education Fund (Note 25).



TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. Accumulated surplus and reserves (cont'd)

Restricted Funds

Restricted Funds	Bursary, scholarship and awards fund		Temasek Polytechnic Endowment Fund		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group and Polytechnic</b>						
<b>Operating income</b>						
Donations	1,357	974	–	–	1,357	974
<b>Operating expense</b>						
Other expenditure	(1,420)	(1,083)	(1,137)	(965)	(2,557)	(2,048)
Operating deficit	(63)	(109)	(1,137)	(965)	(1,200)	(1,074)
<b>Non-operating income</b>						
Interest income	7	8	1,433	1,241	1,440	1,249
(Deficit)/Surplus before grants	(56)	(101)	296	276	240	175
Accumulated surplus at 1 April	486	587	2,558	2,282	3,044	2,869
Accumulated surplus at 31 March	430	486	2,854	2,558	3,284	3,044
Represented by:						
Trade and other receivables	229	192	467	435	696	627
Cash and cash equivalents	557	836	2,387	2,123	2,944	2,959
Trade and other payables	(356)	(542)	–	–	(356)	(542)
Accumulated surplus at 31 March	430	486	2,854	2,558	3,284	3,044

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**14. Temasek Polytechnic Endowment Fund**

Donations and contributions made to the Temasek Polytechnic Endowment Fund are retained as principal capital to be kept intact to earn income. Income and expenditure of the fund are taken to "Restricted Funds" in the Statement of Comprehensive Income.

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 April	39,279	37,908
Donations received	300	190
Matching grant received/receivable from Government	1,492	1,181
Balance as at 31 March	<u>41,071</u>	<u>39,279</u>
Represented by:		
Investment in debt securities	<u>41,071</u>	<u>39,279</u>

During the financial year, for donations received under endowment fund of \$300,000 (2023: \$190,000), the Polytechnic received a matching grant from MOE at 1.5 times of the amount donated totalling \$450,000 (2023: \$285,000).

During the year, matching grant received from MOE amounted to \$1,042,000 (2023: \$896,000) for non-endowed donations received which were recognised in profit or loss.

**15. Funds managed on behalf of others**

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Tuition fee loans	10,474	9,084
Campus Care Network Fund	426	407
MOE Opportunity Fund	404	744
Total funds managed on behalf of others	<u>11,304</u>	<u>10,235</u>
Total net assets of funds managed on behalf of others	<u>(11,304)</u>	<u>(10,235)</u>

**Tuition Fee Loans**

Tuition fee loans comprise advances from the Government, which provides tuition fee loans to students. The tuition fee loans are administered by a financial institution. Loans given to students are interest-free until the year of their graduation, or for those with National Service obligation, in the year in which they finish their National Service. Thereafter, loans are repayable by monthly instalments with interest based on the average prime rates of banks or such other rate as may be determined by the Polytechnic.

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024****15. Funds managed on behalf of others (cont'd)****Tuition Fee Loans (cont'd)**

Repayment of the loans will eventually be returned to the Government. Accordingly, the carrying amounts of student loans approximate their fair values.

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 April	9,084	8,727
Amount contributed by Government	2,707	2,043
Amount refunded to Government	(1,317)	(1,686)
Balance as at 31 March	<u>10,474</u>	<u>9,084</u>
Represented by:		
Outstanding loans:		
Tuition fee loans	<u>10,474</u>	<u>9,084</u>

**Campus Care Network Fund**

The campus care network ("CCN") fund was set up to provide crisis assistance, emergency assistance as well as education assistance to needy students. The source of fund comes mainly from proceeds collected through fund raising activities among students and staff within the campus on CCN days. The fund is managed by a CCN committee.

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 April	407	373
Contribution received	39	36
Other income	34	36
Relief to students	(54)	(38)
Balance as at 31 March	<u>426</u>	<u>407</u>
Represented by:		
Cash and cash equivalents	<u>426</u>	<u>407</u>

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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**15. Funds managed on behalf of others (cont'd)**

**Ministry of Education Opportunity Fund**

During financial year 2013/2014, the Ministry of Education (“MOE”) extended the Ministry of Education Opportunity Funds (“MOEOF”) to Polytechnics. These grants are to be used to level up co-curriculum development opportunities for Singaporean students from lower income households.

During financial year 2015/2016, MOE confirmed that interest earned by the unutilised funds since the inception of MOEOF need not be refunded. Previous and future interest earned from unutilised MOEOF funds will be recognised as the Group’s interest income and no further interest will need to be accrued.

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 April	744	912
Contribution received	146	205
Financial assistance to students	(486)	(373)
Balance as at 31 March	404	744
Represented by:		
Payables	(84)	–
Cash and cash equivalents	488	744

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**16. Contract liabilities**

	Group		Polytechnic	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fees received in advance	9,019	9,471	9,019	9,471
Deferred income	2,512	1,961	2,364	1,715
	<u>11,531</u>	<u>11,432</u>	<u>11,383</u>	<u>11,186</u>
Movement for fees received in advance:				
Balance as at 1 April	9,471	9,923	9,471	9,923
Amortisation of fees received in advance	(452)	(452)	(452)	(452)
Balance as at 31 March	<u>9,019</u>	<u>9,471</u>	<u>9,019</u>	<u>9,471</u>
Analysed as:				
Non-current	9,019	9,471	9,019	9,471
Current	2,512	1,961	2,364	1,715
	<u>11,531</u>	<u>11,432</u>	<u>11,383</u>	<u>11,186</u>

As at 1 April 2022, the Group's and Polytechnic's contract liabilities amounted to \$12.5 million and \$12.3 million respectively.

Fees received in advance from Singapore Institute of Technology ("SIT") for the usage of the Polytechnic's facilities by SIT students will be amortised over a 30-year period commencing from 14 March 2014 in accordance with the service agreement between the Polytechnic and SIT.

There were no significant changes in the contract liability balances during the reporting period.

The amount of revenue recognised in the current reporting period which relates to brought-forward Group's and Polytechnic's contract liabilities is \$1,961,000 (2023: \$2,556,000) and \$1,715,000 (2023: \$2,349,000).

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. Lease liabilities

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<u>Maturity analysis</u>		
Due in 1 year	155	249
Due in 2 to 5 years	6	161
	161	410
Less: unearned interest	(2)	(6)
	159	404
Analysed as:		
Non-current	153	159
Current	6	245
	159	404

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function.

As at 31 March 2024 and 31 March 2023, the fair values of the Group's lease liabilities approximate their carrying amounts.

18. Deferred capital grants – Government

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Grants utilised as at 1 April	458,888	482,655
Grants utilised on property, plant and equipment:		
Development grants	2,291	8,140
Operating grants (Note 24)	5,810	4,707
Furniture and equipment ("F&E") and Information Technology ("IT") grants	4,871	1,982
	471,860	497,484
Amortisation	(35,613)	(38,596)
Grants utilised as at 31 March	436,247	458,888

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18. Deferred capital grants – Government (cont'd)

*Reconciliation of movement of liabilities to cash flows from financing activities*

Group	Deferred capital grants -government (Note 18) \$'000	Government grants received in advance (Note 20) \$'000	Deferred capital grants -others (Note 19) \$'000	Lease liabilities (Note 17) \$'000	Temasek Polytechnic endowment fund (Note 14) \$'000	Total \$'000
<b>2024</b>						
<b>Balance as at 1 April 2023</b>	458,888	83,856	1,572	404	39,279	583,999
<b>Changes from financing cash flows</b>						
Capital grants utilised	2,291	–	286	–	–	2,577
F&E and IT grants set aside from MOE operating grant	–	19,378	–	–	–	19,378
Matching grant received from Government	–	–	–	–	1,492	1,492
Donations received for Bursaries & Scholarships	–	–	–	–	300	300
Repayment of lease liabilities	–	–	–	(245)	–	(245)
<b>Net cash from financing activities</b>	2,291	19,378	286	(245)	1,792	23,502
Amortisation of grants	(35,613)	–	(739)	–	–	(36,352)
Utilisation/(receipt) of non-capital grants	10,681	(20,657)	–	–	–	(9,976)
<b>Total liability – related other changes</b>	(24,932)	(20,657)	(739)	–	–	(46,328)
<b>Balance as at 31 March 2024</b>	436,247	82,577	1,119	159	41,071	561,173

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18. Deferred capital grants – Government (cont'd)

*Reconciliation of movement of liabilities to cash flows from financing activities (cont'd)*

Group	Deferred capital grants -government (Note 18) \$'000	Government grants received in advance (Note 20) \$'000	Deferred capital grants -others (Note 19) \$'000	Lease liabilities (Note 17) \$'000	Temasek Polytechnic endowment fund (Note 14) \$'000	Total \$'000
<b>2023</b>						
<b>Balance as at 1 April 2022</b>	482,655	81,204	1,098	44	37,908	602,909
<b>Changes from financing cash flows</b>						
Capital grants utilised	8,140	–	1,181	–	–	9,321
F&E and IT grants set aside from MOE operating grant	–	20,500	–	–	–	20,500
Matching grant received from Government	–	–	–	–	1,181	1,181
Donations received for Bursaries & Scholarships	–	–	–	–	190	190
Repayment of lease liabilities	–	–	–	(462)	–	(462)
<b>Net cash from financing activities</b>	8,140	20,500	1,181	(462)	1,371	30,730
Amortisation of grants	(38,596)	–	(707)	–	–	(39,303)
Utilisation/(receipt) of non-capital grants	6,689	(17,848)	–	–	–	(11,159)
New lease liabilities	–	–	–	822	–	822
<b>Total liability – related other changes</b>	(31,907)	(17,848)	(707)	822	–	(49,640)
<b>Balance as at 31 March 2023</b>	458,888	83,856	1,572	404	39,279	583,999



TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

19. Deferred capital grants – others

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Balance as at 1 April	1,572	1,098
Grants utilised (transferred) on property, plant and equipment	286	1,181
	1,858	2,279
Amortisation	(739)	(707)
Balance as at 31 March	1,119	1,572

20. Government grants received in advance

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<u>F&amp;E and IT grants</u>		
Balance as at 1 April	80,934	80,201
Grants received	19,378	20,500
Grants utilised	(22,059)	(19,767)
Balance as at 31 March	78,253	80,934
<u>Development grants and others</u>		
Balance as at 1 April	2,922	1,003
Grants received/(utilised)	1,402	1,919
Balance as at 31 March	4,324	2,922
Total	82,577	83,856

Breakdown as follows:

**Non-current**

F&E and IT grants	78,253	80,934
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**Current**

Operating and development grants received in advance	4,324	2,922
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The Group received a grant of approximately \$20,526,000 (2023: \$17,403,000) from the MOE to reimburse the Goods and Services Tax ("GST") on the full tuition fees paid to the Inland Revenue Authority of Singapore.

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**21. Trade and other payables**

	<b>Group</b>		<b>Polytechnic</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade payables	4,583	4,237	4,583	4,237
Other payables:				
Sundry creditors	8,270	5,122	8,270	5,122
Accruals for property, plant and equipment projects (Note 5)	127	151	127	151
Other accruals	17,262	19,260	16,990	18,532
	<u>30,242</u>	<u>28,770</u>	<u>29,970</u>	<u>28,042</u>

**22. Interest income**

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash with Accountant-General's Department	8,332	2,492
Debt securities	5,808	4,367
	<u>14,140</u>	<u>6,859</u>

**23. Investment gain/(loss)**

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Net gain/(loss) arising from financial assets at fair value through profit or loss	6,299	(5,176)
	<u>6,299</u>	<u>(5,176)</u>

**24. Operating grants – government**

	<b>Group and Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating grants received/receivable during the year	226,572	229,574
Less:		
Operating grants utilised on property, plant and equipment transferred to deferred capital grants – Government (Note 18)	(5,810)	(4,707)
	<u>220,762</u>	<u>224,867</u>

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

#### 25. The Temasek Polytechnic General Education Fund

In November 2002, the Board of Governors of the Polytechnic approved the setup of the Temasek Polytechnic General Education Fund. The Fund was subsequently granted the membership by the Ministry of Education under the Education Central Fund. The membership was renewed for a period of five years, effective from 1 April 2022 to 31 March 2027.

Under this membership, the Polytechnic is allowed to issue tax-deductible receipts to donors for donations contributed towards Bursary, Scholarship and Awards Fund, Temasek Polytechnic Endowment Fund and other education related activities which qualify for tax deduction. The Polytechnic has set up a Management Committee to administer the receipts and disbursement of the donations given by the donors.

The financial statements of the Temasek Polytechnic General Education Fund are given below:

	<b>Group and Polytechnic 2024</b>	<b>2023</b>
	\$'000	\$'000
<b>Income</b>		
Donations received:		
Bursaries, scholarships and awards	1,357	974
Interest income	1,440	1,249
	<hr/> 2,797	<hr/> 2,223
<b>Expenditure</b>		
Disbursements:		
Endowment Fund	(1,137)	(965)
Bursaries, scholarships and awards	(1,420)	(1,083)
	<hr/> (2,557)	<hr/> (2,048)
Net surplus for the year	240	175
Accumulated surplus at 1 April	3,059	2,884
Accumulated surplus at 31 March	<hr/> <hr/> 3,299	<hr/> <hr/> 3,059

The disbursements were made from donations received in current and prior years.

The reserves set aside are to provide financial stability and to ensure a continuous supply of funds to meet the objectives of the Fund. The target is to maintain the reserves at a level equivalent to one year's disbursements and expenses. The reserves will be used to provide financial assistance to needy students, scholarships, bursaries, book prizes and for other education related activities. The Management Committee will review the reserves on a yearly basis to ensure they are adequate to fulfil the objectives of the Fund.

The donations and disbursements are recorded in the respective funds in the financial statements.

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024****26. Income tax**

Domestic income tax is calculated at 17% (2023: 17%) of the estimated assessable income for the year.

The income tax for the year can be reconciled to the surplus after grants as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Surplus after grants	23,424	7,992
Income tax expense calculated at domestic income tax rate	3,982	1,359
Effects of:		
- Effect of surplus exempt from taxation	(3,975)	(1,340)
- Exempt income	(4)	(10)
	<u>3</u>	<u>9</u>
	<b>Polytechnic</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Surplus after grants	23,382	7,884
Income tax expense calculated at domestic income tax rate	3,975	1,340
Effects of:		
- Effect of surplus exempt from taxation	(3,975)	(1,340)
	<u>-</u>	<u>-</u>

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. Operating income

	General Fund		Group Restricted Funds		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Type of services</b>						
Student fees	49,850	50,203	–	–	49,850	50,203
Donations	–	3	1,357	974	1,357	977
Project, seminars and forums	8,510	5,047	–	–	8,510	5,047
Service fee income	9,875	9,083	–	–	9,875	9,083
Rental income	4,153	2,863	–	–	4,153	2,863
School/department income	1,496	1,225	–	–	1,496	1,225
Others	2,050	2,902	–	–	2,050	2,902
	75,934	71,326	1,357	974	77,291	72,300
<b>Timing of revenue recognition</b>						
Over time	75,934	71,323	–	–	75,934	71,323
At a point in time	–	3	1,357	974	1,357	977
	75,934	71,326	1,357	974	77,291	72,300

TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. Operating income (cont'd)

	General Fund		Polytechnic Restricted Funds		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Type of services</b>						
Student fees	49,850	50,203	–	–	49,850	50,203
Donations	–	3	1,357	974	1,357	977
Project, seminars and forums	8,510	5,047	–	–	8,510	5,047
Service fee income	9,875	9,083	–	–	9,875	9,083
Rental income	4,153	2,863	–	–	4,153	2,863
School/department income	1,496	1,225	–	–	1,496	1,225
Others	1,995	2,784	–	–	1,995	2,784
	75,879	71,208	1,357	974	77,236	72,182
<b>Timing of revenue recognition</b>						
Over time	75,879	71,205	–	–	75,879	71,205
At a point in time	–	3	1,357	974	1,357	977
	75,879	71,208	1,357	974	77,236	72,182

## TEMASEK POLYTECHNIC AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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#### 28. Appropriation of accumulated surplus

The Group received a memorandum from the Ministry of Education dated 3 July 2002 which confirmed that the Ministry of Finance ("MOF") had no objection for the Group to retain the unutilised surpluses generated prior to financial year ended 31 March 2001 as working capital.

With effect from 1 April 2001, the Polytechnic is allowed to retain all the surpluses generated in accordance with the MOF's circular dated 4 December 2000. The circular was subsequently replaced by the MOF's circular dated 4 May 2011 which states the same stand on the surplus retention.

#### 29. Related parties

The Polytechnic is a statutory board domiciled in Singapore under the TP Act. As a statutory board, all Government ministries and departments, and statutory boards are deemed related parties of the Polytechnic and the Group.

Some of the Group's and 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.

	Group		Polytechnic	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Grant/Operating income</u>				
Ministry of Education	252,883	245,012	252,883	245,012
Related parties where key management personnel has control/significant influence	10,328	10,026	10,328	10,026
Subsidiary	–	–	641	963
<u>Expenses</u>				
Ministry of Education	(1,888)	(2,569)	(1,888)	(2,569)
Related parties where key management personnel has control/significant influence	(2,937)	(2,437)	(2,937)	(2,437)

**TEMASEK POLYTECHNIC AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**29. Related parties (cont'd)**

	Group		Polytechnic	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Balances due from related parties as at 31 March</u>				
Ministry of Education	174	7	174	7
Related parties where key management personnel has control/significant influence	1,700	344	1,700	344
Subsidiary	–	–	133	23
<u>Balances due to related parties as at 31 March</u>				
Ministry of Education	1,559	62	1,559	62
Related parties where key management personnel has control/significant influence	1	–	1	–

*Compensation of Directors and key management personnel*

Key management personnel of the Group and Polytechnic are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Board of Governors, Principal, Deputy Principals, Senior Directors and Directors are considered as key management personnel of the Group and Polytechnic.

	Group and Polytechnic	
	2024 \$'000	2023 \$'000
Short-term benefits	9,589	8,690
Employer's contribution to defined contribution plans including Central Provident Fund	495	495
	10,084	9,185

**30. Comparative figures**

The financial statements for the financial year ended 31 March 2023 were audited by another firm of Chartered Public Accountants.