ANNUAL REPORT

2025
/
2026

A POLYTECHNIC FOR ALL AGES, IN THE AGE OF AI



SP Singapore Polytechnic

OUR **MISSION**

As a polytechnic for all ages, we prepare our learners to be life-ready, work-ready and world-ready for the transformation of Singapore.

OUR **VISION**

Inspired Learner.
Serve with Mastery.
Caring Community.

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

OUR **CORE VALUES**

The SP CORE values are:

Self-Discipline
Personal Integrity
Care & Concern
Openness
Responsibility
Excellence

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CHAIRMAN'S MESSAGE



Ms Janet Ang
Chairman
The Board of Governors
Singapore Polytechnic

2025 is a landmark year. As Singapore marks its 60th birthday, Singapore Polytechnic (SP) looks firmly to the future, not merely to keep pace with technological change, but to help shape it. Amid accelerating workforce transformation, demographic ageing and economic uncertainty, the defining question is how progress can continue to expand human potential.

For SP, this means embracing AI in a way that is purposeful, ethical and deeply human-centred. As AI transforms education and the workplace, its value lies not simply in enhancing learning, productivity and decision-making, but in how it complements human capabilities. Used well, AI can empower individuals, widen opportunities and ensure that innovation remains anchored in fairness, transparency, inclusivity, and respect for human values.

This belief has guided the Board of Governors' support for strategic investments in AI, lifelong learning, sustainability, and industry partnerships, positioning SP as a polytechnic for learners of all ages. I am proud of how far we have come, and grateful to all who made it possible.

Advancing Educational Excellence

The year opened with SP's 65th Graduation, where we celebrated the achievements of more than 5,000 graduates, including our first batch of minor programme graduates. Their future-ready capabilities and commitment to community service reflected the kind of adaptable, purpose-driven talent that SP seeks to nurture.

That same commitment to future readiness has guided SP's institution-wide transformation. With the Board of Governors' support, we have continued to equip both students and working adults with the capabilities needed in an AI-enabled economy. For our full-time students, this means expanding AI-augmented pedagogy across all disciplines. Every SP student, regardless of field, now completes the "Artificial Intelligence and its Impact" module within the Common Core Curriculum, equipping them to craft effective prompts, use AI tools ethically, and critically evaluate machine-generated data.

For our educators, this shift goes beyond introducing new tools. It means embedding Generative AI directly into inquiry-based learning, critical thinking exercises, and problem-solving assessments, while continuing to place human judgement at the centre of the academic journey. In this way, AI strengthens rather than replaces the learning experience. One example is SP's Virtual Patient Simulator, a custom-built application that brings AI into clinical education in a practical and meaningful way. Through AI-powered virtual patient encounters, healthcare students can practise consultation skills, conduct clinical investigations, take patient histories, order diagnostic tests, interpret laboratory results, and submit structured clinical assessments through real-time voice and text interactions. Unlike traditional case studies, which present predefined information, the simulator provides a more dynamic and authentic learning environment, helping students sharpen their clinical reasoning, build confidence, and prepare more effectively for their professional roles.



Such examples reinforce the need for human judgement to remain central, even as AI becomes increasingly embedded in learning and the workplace. Humanistic skills such as teamwork, ethical judgement, communication, and the ability to navigate ambiguity are becoming more valuable, not less, precisely because they represent capabilities that AI cannot replicate. SP builds these competencies through its Teamwork Development Framework, in which students learn and practise effective teamwork, peer feedback, and self-reflection in collaborative settings throughout their three years of study.

Guided by teachers as facilitators, students progressively strengthen these skills through the Common Core Curriculum and domain-specific projects. The Certificate of Achievement in Teamwork, awarded to graduates, formally recognises these capabilities, signalling to employers that SP graduates are not only technically competent but also well-prepared to collaborate effectively in a technology-driven economy.

This focus on future-ready capabilities extends beyond our full-time students to adult learners as well. Through PACE Academy, SP has expanded its Generative AI training with the AI Jumpstart roadmap, offering more than 50 short courses and stackable Specialist Diploma programmes in AI and Data Science. These programmes equip professionals with the skills to apply AI in practical workplace settings, improve productivity, redesign work processes, and drive innovation within their organisations. Together, these efforts reflect SP's broader role in supporting Singapore's workforce transformation. As AI reshapes the nature of work across almost every sector, we are helping adult learners reskill and upskill with confidence, while enabling individuals and organisations to adopt AI capabilities, strengthen their competitiveness, and contribute to Singapore's continued growth as a leading digital economy.



Strengthening Industry Partnerships

Strong industry partnerships remain central to SP's ability to educate for the future. In a year shaped by rapid advances in AI and digital transformation, our collaborations have helped connect learning more closely with national priorities, emerging sectors and the evolving needs of employers.

Our alliance with AI Singapore is one such example. Students who complete our Minor in Data and AI together with relevant internships now graduate with an AI Data Apprenticeship certificate awarded by AI Singapore. This provides a clear industry signal of their capabilities and strengthens their readiness for a critical area of future growth.

We have also contributed to Singapore's digital infrastructure ambitions. In January 2026, SP signed an MOU with ST Telemedia Global Data Centres and three other Institutes of Higher Learning to expand training pathways in next-generation power and digital infrastructure, including talent development to support the region's first High Voltage Direct Current-powered AI infrastructure.

Across our schools, partnerships with organisations such as AWS, Cloudsine and ST Engineering have made learning more current and applied, giving students hands-on exposure to advanced machine learning, smart manufacturing and autonomous mobile robotics.

Our collaborations have also extended beyond Singapore. At RINC 2025, SP spearheaded the launch of the Enabling Platform Partnership, bringing together a cross-border coalition to accelerate talent development and technology adoption within the Johor-Singapore Special Economic Zone.

At the same time, we continued to advance human-centred innovation. SP hosted the Don Norman Design Award Summit, which marked the launch of the Human-Centred Design (HCD+) Innovation Playbook and the expansion of our DT|UX Regional Consortium to include Bakrie University in Indonesia, The Design Village in India, and the Communication University of China.

Together, these collaborations show how SP works with industry and regional partners to build capability across learners, schools and sectors.



They also affirm our role in preparing students not only to enter today's industries, but to help shape tomorrow's.

Championing Sustainability

Sustainability at SP is lived, not just taught, and this year brought meaningful progress on that front. We continue to advance our 60–30 Vision to reduce campus emissions and remain on track towards this goal. In FY2025, we also met our initial 5% energy improvement target, reflecting continued efforts to improve energy efficiency across campus.





Complementing these efforts, key infrastructure developments are being implemented. Our on-campus solar photovoltaic system has commenced operations, and our next Zero Energy Building is expected to be completed soon. These developments will support further reductions in emissions in the coming years. As we ask our students to think about the kind of future they want to build, it matters that our campus itself reflects those values.

Celebrating Innovation with Purpose

This spirit of purposeful progress was also evident within our schools. As the School of Chemical & Life Sciences (CLS) marked its 60th anniversary alongside SG60, it continued to demonstrate how applied education can advance both scientific excellence and sustainability. CLS became the first academic institution in Singapore to secure the international My Green Lab certification for its Medical Technology Suite and Chemistry Labs Cluster, while strengthening its on-campus biomedical ecosystem through co-location with partners Fisheroo Rules Bio, Immodx, and Denova Sciences.

In its 40th anniversary year, the School of Business (SB) built on the momentum of its Business Essentials Through Action (BETA) Programme, giving first-year students a platform to apply enterprise, values, and real-world learning. At SP Open House 2026, students showcased their BETA ventures, while BETA Day saw them enter the Singapore Book of Records for hosting the "Largest Students' Bazaar", with 61 active stalls. In the spirit of SB40, all profits were donated to Honour Singapore in support of youth leadership programmes. Through BETA and the Act, Reflect, Transform (A.R.T®) framework, SB will continue to nurture an entrepreneurial mindset that I believe will serve these students well throughout their careers.

Recognising Our People and Community

None of what we achieved this year happened in isolation. It was made possible by a community of students, staff, alumni, industry partners, and friends who believe in the power of applied education to change lives and evolve with the future in mind.

In July 2025, SP was named a Champion of Good by the National Volunteer & Philanthropy Centre (NVPC) - the highest tier in its Company of Good framework for our integrated contributions across People, Society, Environment, Governance, and the Economy. This speaks to the values that our community embodies today.

Members of the SP community were honoured at the 2025 National Day Awards, including our Deputy Chairman, Mr Marcus Lam, and 20 colleagues. I was humbled to be among those recognised, and I accept this honour as a reflection of the collective dedication of everyone in the SP community, whose contributions are often quiet and unseen. These form the steady foundation of everything we achieve.



Looking Ahead

The past year has confirmed something I have long believed: the age of AI is not a challenge to be managed, but an opportunity to be led. SP is choosing to lead. Through our curriculum, research, industry partnerships, students' enterprise, and the tireless dedication of our staff and Board of Governors, we are building an institution that does not merely adapt to change but shapes it.

To my fellow Board of Governors members, thank you for your insightful guidance. To our management team, dedicated staff, students, alumni, industry partners, and friends, your leadership, tireless efforts, energy, and enduring support continue to inspire and strengthen our institution.

I am proud of what this community has built, and confident in what we will build next.

BOARD OF GOVERNORS

From 1 April 2025 to 31 March 2026



Ms Janet Ang
(Chairman)
Chairman,
Public Transport Council
Chairman,
Institute of Systems Science, NUS
Chairman,
SISTIC



Mr Marcus H C Lam
(Deputy Chairman)
Executive Chairman
PwC Singapore



Mr Ang Wee Keong
(Member)
Chief Executive, MPA



Ms Jamie Ang
(Member)
Chief Financial Officer
Mediacorp Pte Ltd



Dr Azlinda Bte Anwar
(Member)
Former Executive Director
(Biomedical Research Council)
A*STAR



Prof Freddy Boey Yin Chiang
(Member)
President & University Distinguished Professor
City University of Hong Kong



Dr Bicky Bhangu
(Member)
Operating Partner
Emerging Technologies
Temasek Holdings



Mr Albert Chan
(Member)
Senior Advisor
Kepner-Tregoe Inc.



Ms Betul Genc
(Member)
Senior Vice President & Country Head
Australia and New Zealand
Adecco



Mr Amos Leong
(Member)
Business Partner
MiRXES Ptd Ltd



Mr Albert Pek
(Member)
Divisional Director, Higher Education (Planning, Skills & Academic Research)
Ministry of Education



Ms Sim Cher Whee
(Member)
Vice-President, Global Talent
Micron Technology Inc.



Mr Soh Wai Wah
(Member)
Principal & CEO
Singapore Polytechnic



A/Prof Tan Poh Hong
(Member)
Adjunct Associate Professor
Department of Real Estate
National University of Singapore



Mr David Tan Wei-Son
(Member)
Founder and CEO
TrustCapital Advisors Investment Management Pte Ltd



BG Wong Shi Ming
(Member)
Chief of Staff, General Staff
Singapore Armed Forces

STANDING COMMITTEES

From 1 April 2025 to 31 March 2026

ADMINISTRATION & DEVELOPMENT COMMITTEE

Chairman
A/Prof Tan Poh Hong

Members
Mr Albert Chan
Dr Azlinda Bte Anwar
Mr Soh Wai Wah

Secretary
Mr Henry Tan

AUDIT COMMITTEE

Chairman
Mr Marcus Lam

Members
Ms Jamie Ang
BG Wong Shi Ming

Secretary
Mr Teo Wui Khiang

INDUSTRY & INNOVATION COMMITTEE

Chairman
Mr Amos Leong

Members
Mr Ang Wee Keong
Dr Bicky Bhangu
Ms Betul Genc (from 1 May 2025)
Mr Soh Wai Wah

Secretary
Ms Georgina Phua

INVESTMENT COMMITTEE

Chairman
Mr David Tan Wei-Son

Members
Ms Jamie Ang
Dr Azlinda Bte Anwar
Mr Soh Wai Wah

Secretary
Mr Teo Wui Khiang

NOMINATING COMMITTEE

Chairman
Mr Marcus Lam

Members
Ms Janet Ang
Mr Soh Wai Wah

Secretary
Mr Joseph Teo

RISK MANAGEMENT COMMITTEE

Chairman
Ms Janet Ang

Members
Prof Freddy Boey Yin Chiang
A/Prof Tan Poh Hong
Mr Soh Wai Wah

Secretary
Mr Henry Tan

STAFF DISCIPLINARY COMMITTEE

Chairman
Prof Freddy Boey Yin Chiang

Members
Mr Amos Leong
Ms Joan Moh
Mr Albert Pek

Secretary
Ms Lim Mong Ling

SUSTAINABILITY COMMITTEE

Chairman
Ms Janet Ang

Members
Prof Freddy Boey Yin Chiang
A/Prof Tan Poh Hong
Mr David Tan Wei-Son
Mr Soh Wai Wah

Secretary
Mr Lee Seng Teck

TALENT DEVELOPMENT COMMITTEE

Chairman
Ms Janet Ang

Members
Mr Albert Chan
Ms Sim Cher Whee
Mr Soh Wai Wah

Secretary
Ms Lim Mong Ling

MANAGEMENT TEAM

Principal & CEO
Mr Soh Wai Wah

Deputy Principal
Mr Loh Yew Chiong, Deputy Principal *(Academic)*
Mr Henry Tan Hin Teck, Deputy Principal *(Administration)*
Ms Georgina Phua Hwee Choo, Deputy Principal *(Development)*

Senior Director
Mr Toh Ser Khoon, Senior Director *(Engineering)*
Ms Tan Yen Yen, Senior Director *(Business & The Creatives)*
Dr Faris Akbar Hajamaideen, Senior Director *(Built Environment & Maritime)*
Ms Chao Yunn Chyi, Senior Director *(Common Core) (till 20 Dec 2025)*
Ms Lim Lee Yee, Acting Senior Director *(Common Core) (from 21 Dec 2025)*
Dr Tan Tuan Lin, Senior Director *(Computing, Chemical & Life Sciences)*
Mr Joseph Teo Chee Kian, Senior Director *(Student & Academic Affairs)* and *(Special Projects)*

Deputy Senior Director
Mr Liew Chin Chuan, Deputy Senior Director *(Computing, Chemical & Life Sciences)*
Capt Chatur Wahyu Pinandoro, Deputy Senior Director *(Built Environment & Maritime)*
Mr Duncan Sih Wei Cheong, Deputy Senior Director *(Engineering)*
Dr Lim Joo Ghee, Deputy Senior Director *(Engineering)*
Ms Lim Lee Yee, Deputy Senior Director *(Common Core) (till 20 Dec 2025)*
Dr Edna Chan, Acting Deputy Senior Director *(Common Core) (from 21 Dec 2025)*
Mr Lucas Immanuel Tok Wenjie, Deputy Senior Director *(Business & The Creatives)*
Mr Mark Lu Shengli, Deputy Senior Director *(Business & The Creatives)*

Registrar
Mr Wong Jian Chang, Registrar/Secretary to the Board of Governors

ACADEMIC SCHOOLS

BUILT ENVIRONMENT & MARITIME

Director, Architecture & the Built Environment
Dr Faris Akbar Hajamaideen

Director, Singapore Maritime Academy
Capt Chatur Wahyu Pinandoro

BUSINESS & THE CREATIVES

Director, Business
Mr Lucas Immanuel Tok Wenjie

Director, Media, Arts & Design
Mr Mark Lu Shengli

COMMON CORE

Director, Life Skills & Communication
Ms Lim Lee Yee

Director, Mathematical Sciences & Analytics
Ms Chao Yunn Chyi *(till 20 Dec 2025)*

Acting Director, Mathematical Sciences & Analytics
Dr Edna Chan *(from 21 Dec 2025)*

COMPUTING, CHEMICAL & LIFE SCIENCES

Director, Chemical & Life Sciences
Dr Tan Tuan Lin

Director, Computing
Mr Liew Chin Chuan

ENGINEERING

Director, Electrical & Electronic Engineering
Dr Lim Joo Ghee

Director, Mechanical & Aeronautical Engineering
Mr Duncan Sih Wei Cheong

DEPARTMENTS

ACADEMIC

Director, Educational Development
Ms Chan Mei Yee

Director, Academic Quality & Resources
Dr Pee Suat Hoon

ADMINISTRATION

Director, Communications
Ms Low Su-Lin

Director, Finance
Mr Teo Wui Khiang

Director, Information & Digital Technology Services
Mr Chua Kee Koon

PLANNING, ORGANISATION DEVELOPMENT & SUSTAINABILITY

Director & Chief Sustainability Officer, Planning, Organisation Development & Sustainability
Mr Lee Seng Teck *(till 31 Mar 2026)*

Director Designate, Planning, Organisation Development & Sustainability
Ms Choy Pui Yee *(from 1 Feb 2026)*

DEVELOPMENT

Director, Human Resource
Ms Lim Mong Ling

Director, Industry & Partnership
Ms Tan Yen Yen

Director, Professional & Adult Continuing Education Academy
Mr David Chai Yih Ming

Director, Technology, Innovation & Enterprise
Dr Chong Chee Wei

STUDENT & ACADEMIC AFFAIRS

Director, Academic Services
Mr Yap Wee Hau

Director, Student Development
Ms Evelynn Koh Sock Hoon

Director, Student Services
Mr Clarence Chua Eng Chye *(till 30 Sep 2025)*

Acting Director, Student Services
Mr Robert Tan *(from 1 Oct 2025)*

SPECIAL PROJECTS

Acting Director, Estates & Development
Er Angelia Goh

FACTS AND FIGURES

As at 31 March 2026



16,555 TOTAL STUDENT ENROLMENT

12,713*
Total PET enrolment

1,768
Post-Diploma students

2,074
Part-time Diploma students

Advanced Diploma students: 62
Specialist Diploma students: 1,487
Diploma (conversion): 219

** Includes students on sea training*



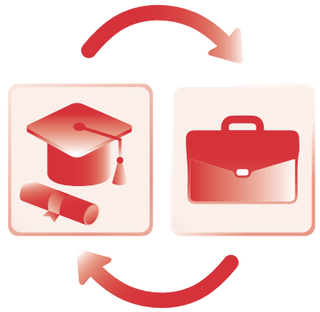
STUDENT INTAKE FOR THE ACADEMIC YEAR 2025/2026

4,253
PET intake

1,232
Post-Diploma students

965
Part-time Diploma students

Advanced Diploma: 45
Specialist Diploma: 1,011
Diploma (conversion): 176



GRADUATE OUTPUT/EMPLOYMENT

5,406 STUDENTS GRADUATED FROM SINGAPORE POLYTECHNIC IN THE ACADEMIC YEAR 2025/2026

3,830
Graduated from full-time courses

1,576
Graduated from part-time courses

According to the 2025 Polytechnic Graduate Employment Survey, 86.3% of fresh graduates and 90.9% of post-National Service (NS) graduates who are in the labour force secured employment within six months of graduation or after completion of full-time NS.



112,271 TRAINING PLACES WITH MORE THAN 700 CONTINUING EDUCATION PROGRAMMES OFFERED BY SINGAPORE POLYTECHNIC

618
Short Courses and Certification Courses

37
Post-Diplomas

13
SkillsFuture Career Transition Programmes

15
Work Study Programmes

18
Part-time Diplomas



97 STUDENT CLUBS

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



426 STUDENTS ENROLLED IN THE POLYTECHNIC FOUNDATION PROGRAMME



1,445 STAFF STRENGTH

Comprising 723 academic staff and 722 non-teaching staff.

HIGHLIGHTS OF FY 2025–2026

Across the year, SP's engagement with industry and the broader community generated a rich programme of events and outcomes.

May 2025



SP's 65th Graduation Ceremony conferred diplomas and specialist qualifications on over 5,000 graduands, growing its alumni network to over 240,000 members. The ceremony also marked the first graduates of SP's new Minor programmes, with about 163 students completing minors in areas such as AI, sustainability, and entrepreneurship.

June 2025

SP partnered with climate tech firm Zevero to strengthen Singapore's product-level carbon certification ecosystem, reflecting SP's commitment to turning sustainability education into real-world action.

September 2025



For the SG60 celebrations, SP hosted the Polytechnic Forum 2025, a key event within the SG Youth Plan, bringing together 500 youth leaders from all five polytechnics to discuss national issues and reimagine Singapore's future. A highlight was "Red Dot City: Crossroads (A Game of Trade-Offs)," an immersive simulation game created by five SP alumni that challenged participants to navigate real-world policy trade-offs.

September 2025



SP forged a strategic partnership with ESGpedia to support its Sustainability Capability Development programme, delivering tailored learning journeys, training, and consultancy using ESGpedia's carbon accounting platform. SP also runs energy efficiency assessments under the Energy Efficiency Grant to help businesses decarbonise, supporting the Singapore Green Plan 2030.

September 2025

At BEX Asia 2025, SP showcased its role in CORENET X, the national initiative to digitise regulatory workflows in the built environment, helping industry partners adopt the system and prepare their teams for the sector's digital shift.



October 2025

At SWITCH 2025, SP highlighted its entrepreneurship ecosystem. Student start-up Stick'Em won the 2025 Hult Prize, while SnapRent, Rehabify, and Broby Pets swept the Batey Challenge 2025, underscoring SP's commitment to nurturing innovative, socially conscious startups.



November 2025

At the Don Norman Design Award Summit, SP launched its Human-Centred Design (HCD+) Innovation Playbook and expanded its regional consortium of higher education institutions advancing human-centred design across Asia. The DNDA ceremony also honoured design solutions that have a lasting impact on society and business.



January 2026

The 2025 Graduate Employment Survey showed steady outcomes for polytechnic graduates, with fresh graduates earning higher median salaries, reaffirming the strong market relevance of an SP education.



January 2026

SP Open House 2026 highlighted several milestones. In industry collaboration, SP partnered with Gourmet Supplies on new low-sugar Haus Brew flavours launched in celebration of SG60 and CLS's 60th anniversary, and with skincare firm Serich on a microbiome-friendly moisturiser for eczema sufferers. In curriculum development, School of Mathematics & Science was renamed the School of Mathematical Sciences & Analytics, and the Media, Arts & Design School launched Changemaker Scholarships.



March 2026





NEXUS: MAD Grad Experience and Concert 2026 showcased the Media, Arts & Design School's vision for graduates in a fast-changing creative economy, spotlighting new industry partnerships and how AI can support student creativity.

March 2026



The School of Architecture & the Built Environment presented Lumen: ABE Graduation Show 2026, featuring over 182 final-year projects in architecture, landscape architecture, and interior design, many of which were developed in consultation with agencies including MOE and URA.

Singapore Polytechnic

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@singaporepoly youtube.com/singaporepolytechnic

Deloitte.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

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SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

STATEMENT BY BOARD OF GOVERNORS

In the opinion of the Board of Governors,

(a) the consolidated financial statements set out on pages 6 to 62 of Singapore 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 March 31, 2026, and the financial performance, changes in funds and reserves of the Group and the Polytechnic and cash flows of the Group for the year then ended, in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Governance Act"), the Singapore Polytechnic Act 1954 (the "SP Act"), the Charities Act 1994 (the "Charities Act") and Statutory Board Financial Reporting Standards;

(b) at the date of this statement, there are reasonable grounds to believe that the Polytechnic will be able to pay its debts when they fall due;

(c) proper accounting and other records have been kept, including records of all assets of the Polytechnic and of the subsidiary incorporated in Singapore whether purchased, donated or otherwise; and

(d) the receipts, expenditure, investment of moneys, and the acquisition and disposal of assets by the Polytechnic during the year are, in all material respects, in accordance with the provisions of the Governance Act, the SP Act and the requirements of any other written law applicable to moneys of or managed by the Polytechnic.

On behalf of the Board of Governors

.....
JANET ANG
Chairman

.....
SOH WAI WAH
Principal and Chief Executive Officer

Singapore
03 AUG 2026

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF

SINGAPORE POLYTECHNIC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Polytechnic (the "Polytechnic") and its 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 March 31, 2026, the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group and statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 62.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Governance Act"), the Singapore Polytechnic Act 1954 (the "SP Act"), the Charities Act 1994 (the "Charities Act") and Statutory Board Financial Reporting Standards ("SB-FRS") 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 March 31, 2026 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and of the financial performance and the changes in 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 ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Singapore. We have also 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report and 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.

Deloitte & Touche LLP (Unique Entity No. T08LL0721A) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF

SINGAPORE POLYTECHNIC

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 Governance Act, the SP Act, the Charities 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 intention to wind up the Group or for the Group to cease operations.

The responsibilities of the Board of Governors include 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:

(a) 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF

SINGAPORE POLYTECHNIC

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

(e) 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.

(f) Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Governance Act, the SP 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 Singapore Polytechnic Endowment 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 the Charities (Institutions of a Public Character) Regulations; and

(b) the Fund has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF

SINGAPORE POLYTECHNIC

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 Governance Act, the SP 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 Governance Act, the SP 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.

The engagement partner on the audit resulting in this independent auditor's report is Chua How Kiat.

Deloitte & Touche LLP.

Public Accountants and
Chartered Accountants
Singapore

August 3, 2026

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION
March 31, 2026

	Note	The Group		The Polytechnic	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
Endowment Fund (Capital)	3(iii)	119,172	112,733	119,172	112,733
Accumulated surplus					
- General Fund		378,436	371,496	370,273	366,174
- Other Funds	3(viii)	143,087	136,943	147,781	138,891
Fair value reserve	17	13,502	7,206	13,502	7,206
Total capital and other funds		654,197	628,378	650,728	625,004
Represented by:					
Assets					
Non-current					
Property, plant and equipment	4	218,118	212,458	218,118	212,458
Right-of-use assets	5	40,471	40,446	40,471	40,446
Intangible assets	6	1,686	2,529	1,686	2,529
Subsidiary	7	-	-	2,800	2,800
Financial assets, at fair value through other comprehensive income (debt instruments)	8	351,916	364,334	351,916	364,334
Deferred tax assets	9	8	8	-	-
		612,199	619,775	614,991	622,567
Current					
Trade and other receivables	10	41,666	51,342	41,352	49,881
Financial assets, at fair value through other comprehensive income (debt instruments)	8	65,559	-	65,559	-
Cash and cash equivalents	11	284,359	321,199	278,467	316,378
		391,584	372,541	385,378	366,259
Total assets		1,003,783	992,316	1,000,369	988,826
Liabilities					
Current					
Trade and other payables	12	43,141	44,492	43,212	44,376
Lease liabilities	13	-	8	-	8
Government grants received in advance	14	87,612	88,131	87,612	88,131
Contract liabilities	16	9,028	7,959	9,012	7,959
		139,781	140,590	139,836	140,474
Net current assets		251,803	231,951	245,542	225,785
Non-current					
Deferred capital grants	15	209,718	223,267	209,718	223,267
Contract liabilities	16	87	81	87	81
		209,805	223,348	209,805	223,348
Total liabilities		349,586	363,938	349,641	363,822
Net assets		654,197	628,378	650,728	625,004
Net assets of funds managed on behalf of the Ministry and other entities	18	19,786	16,970	16,725	13,741

See accompanying notes to financial statements.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME
Year ended March 31, 2026

		The Group					
		General Fund		Other Funds		Total	
	Note	2026	2025	2026	2025	2026	2025
		$'000	$'000	$'000	$'000	$'000	$'000
Operating income							
Course fees	19	56,326	53,544	18,280	18,217	74,606	71,761
Consultancy fees	19	-	-	1,162	723	1,162	723
Other fees	19	618	562	-	-	618	562
		56,944	54,106	19,442	18,940	76,386	73,046
Operating expenditure							
Staff costs	20	(224,888)	(214,933)	(10,744)	(10,428)	(235,632)	(225,361)
Teaching materials		(2,432)	(2,591)	(185)	(305)	(2,617)	(2,896)
Repairs and maintenance		(18,798)	(18,985)	(772)	(1,614)	(19,570)	(20,599)
Depreciation of property, plant and equipment	4	(19,729)	(21,901)	(3,019)	(2,723)	(22,748)	(24,624)
Depreciation of right-of-use assets	5	(1,299)	(1,279)	-	-	(1,299)	(1,279)
Amortisation of intangible assets	6	(783)	(1,112)	(1,064)	(1,192)	(1,847)	(2,304)
Development expenses		(9,010)	(9,538)	-	-	(9,010)	(9,538)
Staff development and benefits		(4,875)	(4,164)	(157)	(551)	(5,032)	(4,715)
Other expenditure	21	(50,082)	(48,110)	(13,313)	(12,106)	(63,395)	(60,216)
		(331,896)	(322,613)	(29,254)	(28,919)	(361,150)	(351,532)
Operating deficit		(274,952)	(268,507)	(9,812)	(9,979)	(284,764)	(278,486)
Non-operating income							
Donations		63	-	1,943	680	2,006	680
Interest income		9,544	11,730	7,305	7,994	16,849	19,724
Rental income		1,964	2,420	2,388	2,196	4,352	4,616
Fair value gain - financial assets at fair value through other comprehensive income (debt instruments)		35	-	6	-	41	-
Other income	22	7,786	23,514	1,363	1,951	9,149	25,465
Operating (deficit) surplus before grants and tax		(255,560)	(230,843)	3,193	2,842	(252,367)	(228,001)
Grants	23	262,500	249,723	2,991	-	265,491	249,723
Surplus before income tax		6,940	18,880	6,184	2,842	13,124	21,722
Income tax	24	-	-	(40)	(15)	(40)	(15)
Net surplus for the year		6,940	18,880	6,144	2,827	13,084	21,707

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
Year ended March 31, 2026

		The Group					
		General Fund		Other Funds		Total	
	Note	2026	2025	2026	2025	2026	2025
		$'000	$'000	$'000	$'000	$'000	$'000
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Net change in fair value of financial assets, at fair value through other comprehensive income (debt instruments)	17	3,441	5,653	2,855	2,788	6,296	8,441
Other comprehensive income for the year, net of tax		3,441	5,653	2,855	2,788	6,296	8,441
Total comprehensive income for the year		10,381	24,533	8,999	5,615	19,380	30,148

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
Year ended March 31, 2026

		The Polytechnic					
		General Fund		Other Funds		Total	
	Note	2026	2025	2026	2025	2026	2025
		$'000	$'000	$'000	$'000	$'000	$'000
Operating income							
Course fees	19	56,326	53,544	18,436	18,217	74,762	71,761
Other fees	19	618	562	-	-	618	562
		56,944	54,106	18,436	18,217	75,380	72,323
Operating expenditure							
Staff costs	20	(224,888)	(214,933)	(9,771)	(9,479)	(234,659)	(224,412)
Teaching materials		(2,432)	(2,714)	(185)	(305)	(2,617)	(3,019)
Repairs and maintenance		(18,798)	(18,985)	(772)	(1,607)	(19,570)	(20,592)
Depreciation of property, plant and equipment	4	(19,729)	(21,901)	(3,019)	(2,723)	(22,748)	(24,624)
Depreciation of right-of-use assets	5	(1,299)	(1,279)	-	-	(1,299)	(1,279)
Amortisation of intangible assets	6	(783)	(1,112)	(1,064)	(1,192)	(1,847)	(2,304)
Development expenses		(9,010)	(9,538)	-	-	(9,010)	(9,538)
Staff development and benefits		(4,875)	(4,164)	(144)	(540)	(5,019)	(4,704)
Other expenditure	21	(53,477)	(51,315)	(10,276)	(9,224)	(63,753)	(60,539)
		(335,291)	(325,941)	(25,231)	(25,070)	(360,522)	(351,011)
Operating deficit		(278,347)	(271,835)	(6,795)	(6,853)	(285,142)	(278,688)
Non-operating income							
Donations		63	-	1,943	680	2,006	680
Interest income		9,544	11,730	7,254	7,920	16,798	19,650
Rental income		2,067	2,507	2,388	2,197	4,455	4,704
Fair value gain - financial assets at fair value through other comprehensive income (debt instruments)		35	-	6	-	41	-
Other income	22	8,237	23,609	1,103	1,670	9,340	25,279
Operating (deficit) surplus before grants and tax		(258,401)	(233,989)	5,899	5,614	(252,502)	(228,375)
Grants	23	262,500	249,723	2,991	-	265,491	249,723
Surplus before income tax		4,099	15,734	8,890	5,614	12,989	21,348
Income tax	24	-	-	-	-	-	-
Net Surplus for the year		4,099	15,734	8,890	5,614	12,989	21,348

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
Year ended March 31, 2026

		The Polytechnic					
		General Fund		Other Funds		Total	
	Note	2026	2025	2026	2025	2026	2025
		$'000	$'000	$'000	$'000	$'000	$'000
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Net change in fair value of financial assets, at fair value through other comprehensive income (debt instruments)	17	3,441	5,653	2,855	2,788	6,296	8,441
Other comprehensive income for the year, net of tax		3,441	5,653	2,855	2,788	6,296	8,441
Total comprehensive income for the year		7,540	21,387	11,745	8,402	19,285	29,789

See accompanying notes to financial statements.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN FUNDS AND RESERVES
Year ended March 31, 2026

The Group	Endowment Fund (Capital)	General Fund	Other Funds	Fair Value Reserve	Total
	$'000 (Note 3(iii))	$'000	$'000 (Note 3 (vii),(viii))	$'000	$'000
Balance at April 1, 2024	102,647	352,616	135,409	(1,235)	589,437
Net surplus for the year	-	18,880	2,827	-	21,707
Other comprehensive income for the year	-	-	-	8,441	8,441
Total comprehensive income for the year	-	18,880	2,827	8,441	30,148
Contributions and donations received for the endowment fund (capital)	8,793	-	-	-	8,793
Transfer to Endowment Fund	1,293	-	(1,293)	-	-
Balance at March 31, 2025	112,733	371,496	136,943	7,206	628,378
Net surplus for the year	-	6,940	6,144	-	13,084
Other comprehensive income for the year	-	-	-	6,296	6,296
Total comprehensive income for the year	-	6,940	6,144	6,296	19,380
Contributions and donations received for the endowment fund (capital)	6,439	-	-	-	6,439
Balance at March 31, 2026	119,172	378,436	143,087	13,502	654,197

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN FUNDS AND RESERVES (cont'd)
Year ended March 31, 2026

	Endowment Fund (Capital)	General Fund	Other Funds	Fair Value Reserve	Total
	$'000 (Note 3(iii))	$'000	$'000 (Note 3 (vii),(viii))	$'000	$'000
The Polytechnic					
Balance at April 1, 2024	102,647	350,440	134,570	(1,235)	586,422
Net surplus for the year	-	15,734	5,614	-	21,348
Other comprehensive income for the year	-	-	-	8,441	8,441
Total comprehensive income for the year	-	15,734	5,614	8,441	29,789
Contributions and donations received for the endowment fund (capital)	8,793	-	-	-	8,793
Transfer to Endowment Fund	1,293	-	(1,293)	-	-
Balance at March 31, 2025	112,733	366,174	138,891	7,206	625,004
Net surplus for the year	-	4,099	8,890	-	12,989
Other comprehensive income for the year	-	-	-	6,296	6,296
Total comprehensive income for the year	-	4,099	8,890	6,296	19,285
Contributions and donations received for the endowment fund (capital)	6,439	-	-	-	6,439
Balance at March 31, 2026	119,172	370,273	147,781	13,502	650,728

See accompanying notes to financial statements.

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended March 31, 2026

	Note	The Group 2026	2025
		$'000	$'000
Cash flows from operating activities			
Operating deficit before grants and before tax		(252,367)	(228,001)
Adjustments for:			
Depreciation of property, plant and equipment	4	22,748	24,624
Depreciation of right-of-use assets	5	1,299	1,279
Amortisation of intangible assets	6	1,847	2,304
Interest income		(16,849)	(19,724)
Accrued grant income		(26,872)	(33,262)
Loss on disposal of property, plant and equipment	21	406	448
Fair value gain on financial assets, at fair value through other comprehensive income (debt instruments)		(41)	-
One-off gain due to early termination of SIT@SP service agreement	16,22	-	(16,030)
Amortisation of interest for bonds		(1,018)	(2,919)
Loss allowance on fees receivables		74	57
Operating cash flows before working capital changes		(270,773)	(271,224)
Change in trade and other receivables		35,320	43,939
Change in trade and other payables		(1,227)	(9,182)
Cash used in operations		(236,680)	(236,467)
Development grants received from Government		279	1,735
IT and Furniture & Equipment grants received from Government		8,673	6,848
Innovation grants received from Government		863	2,805
Operating grants received from Government		220,978	193,805
Operating grants received from non-government organisations		8,589	5,846
Contributions and donations received for the endowment fund (capital)		6,439	8,793
Income tax paid		(15)	(15)
Net cash from (used in) operating activities		9,126	(16,650)
Cash flows from investing activities			
Interest received		16,849	19,724
Purchase of property, plant and equipment	A	(27,888)	(15,491)
Proceeds from disposal of property, plant and equipment		-	250
Addition of intangible assets		(1,004)	(1,114)
Addition of debts securities		(66,346)	(70,844)
Redemption and disposal of financial assets, at fair value through other comprehensive income (debt instruments)		20,560	100,000
Development grants received from Government		726	156
IT and Furniture & Equipment grants received from Government		5,727	7,152
Innovation grants received from Government		233	139
Operating grants received from Government		5,093	8,681
Operating grants received from non-government organisations		92	190
Net cash (used in) from investing activities		(45,958)	48,843

SINGAPORE POLYTECHNIC AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
Year ended March 31, 2026

	Note	The Group	
		2026	2025
		$'000	$'000
Cash flows from financing activities			
Repayment of lease liability		(8)	(17)
Net cash used in financing activities		(8)	(17)
Net (decrease) increase in cash and cash equivalents		(36,840)	32,176
Cash and cash equivalents at beginning of year		321,199	289,023
Cash and cash equivalents at end of year	11	284,359	321,199

Reconciliation of liabilities arising from financing activities

The following is the disclosure of the reconciliation of liabilities arising from financing activities:

			Non-cash changes		
	At beginning of year	Financing cash flow	New leases	Interest expense	At end of year
	$'000	$'000	$'000	$'000	$'000
2026					
Lease liabilities	8	(8)	-	-	-
2025					
Lease liabilities	25	(17)	-	-	8

Note A

During the year, the Group accrued for the acquisition of property, plant and equipment with an aggregate cost of $3,370,000 (2025 : $2,444,000). The cash outflow on acquisition of property, plant and equipment amounted to $27,888,000 (2025 : $15,491,000).

See accompanying notes to financial statements.

1 GENERAL

Singapore Polytechnic (the "Polytechnic"), established under the Singapore Polytechnic Act 1954 (the "SP Act"), is domiciled in Singapore.

The Polytechnic is located at 500 Dover Road, Singapore 139651.

The Polytechnic is principally engaged in providing studies, training and research in technology, science, commerce and arts. The principal activities of its subsidiary are disclosed in Note 7.

The consolidated financial statements of the Group and statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic for the year ended March 31, 2026 were authorised for issue by the Board of Governors on August 3, 2026.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

(a) Basis of accounting

The financial statements have been prepared in accordance with the applicable requirements of the Public Sector (Governance) Act 2018, the Singapore Polytechnic Act 1954, the Charities Act 1994 and Statutory Board Financial Reporting Standards ("SB-FRS"). SB-FRS include Statutory Board Financial Reporting Standards Interpretations of SB-FRS ("INT SB FRS") and SB-FRS Guidance Notes as promulgated by the Accountant General. The financial statements have been prepared under the historical cost convention, except as disclosed in the material accounting policy information 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 ("$") 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 net realisable value in SB-FRS 2 *Inventories* or value in use in SB-FRS 36 *Impairment of Assets*.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.1 Basis of preparation (cont'd)

(a) Basis of accounting (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.

(b) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SB-FRS requires the use of judgements, estimates and assumptions that affect the application of material accounting policies and the reported amounts of assets, liabilities, income and expenses at the end of each reporting period. However, 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.

Critical judgements in applying the entity's material accounting policies

Management is of the opinion that there are no applications of judgement expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Adoption of new and revised standards

On April 1, 2025, the Group has adopted all the new and revised SB-FRSs and Interpretations of SB-FRS ("INT SB-FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2025. 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 amounts reported for the current or prior financial years.

2.3 New or revised accounting standards and interpretations not effective

At the date of authorisation of these financial statements, the following SB-FRSs and amendments to SB-FRS that are relevant to the Group were issued but not yet effective:

Effective for annual periods beginning on or after January 1, 2026

- Amendments to SB-FRS 109 and SB-FRS 107: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SB-FRSs-Volume 11

Effective for annual periods beginning on or after January 1, 2027

- SB-FRS 118 *Presentation and Disclosure in Financial Statements*

Management anticipates that the adoption of the above SB-FRSs and amendments to SB-FRS in future periods will not have a material impact on the financial statements of the Group and of the Polytechnic in the period of their initial adoption except as described below.

SB-FRS 118: *Presentation and Disclosure in Financial Statements*

SB-FRS 118 will replace SB-FRS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements.

SB-FRS 118 requires the Group to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. The Group is also required to present a newly-defined operating surplus with the net surplus remains unchanged. The Management-defined performance measures (MPMs) and enhanced guidance on the grouping will be disclosed in the notes to the financial statements.

The Group is required to use the operating surplus subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group and Polytechnic's statements of comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs.

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 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.5 Funds

(i) 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.

(ii) Other Funds

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

(iii) Endowment Fund

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

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.

2.6 Funds managed on behalf of others

Funds managed on behalf of others relate to funds set up to account for contributions received from external sources for specific purposes.

The net assets of the funds managed on behalf of Ministry of Education ("MOE") and Other Entities – Tuition Fee Loan, Opportunity Fund, Temasek Foundation Projects Fund and Financial Literacy Fund are presented as a line item under the capital and funds managed on behalf of others section on the face of the statement of financial position 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 18.

2.7 Property, plant and equipment

(a) Measurement

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Donated assets are recorded at valuation and subsequently carried at aforementioned 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 asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.7 Property, plant and equipment (cont'd)

(a) Measurement (cont'd)

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

Property, plant and equipment costing less than $10,000 each and renovations costing below $200,000 are charged to profit or loss in the year of purchase.

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(b) Depreciation

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

Building (campus and staff quarters)	Maximum of 50 years
Building improvements	5 years
Equipment and furniture	3 to 10 years

No depreciation is provided for construction work-in-progress.

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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the profit or loss when the changes arise.

(c) Subsequent costs

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.7 Property, plant and equipment (cont'd)

(d) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Intangible assets

Computer software including software development costs are capitalised on the basis of the cost incurred to acquire or develop the software for its intended use. Computer software is stated at cost less accumulated amortisation and impairment loss, if any. These costs are amortised using the straight-line method over their estimated useful life of 3 to 5 years. Computer software costing less than $10,000 is charged to profit or loss in the year of purchase.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.9 Impairment of non-financial assets

At the end of each reporting period, 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 the asset does not generate cash flows that are independent from other assets, 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 estimate 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 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.10 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 instruments.

Financial assets and financial liabilities are initially measured at fair value. 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.

Financial assets

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.

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.10 Financial instruments (cont'd)

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 paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("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.

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.

Debt instruments classified as at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. Fair value is determined in the manner described in Note 29. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of fair value reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.10 Financial instruments (cont'd)

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 investment in debt instruments that are measured at FVTOCI and trade and other receivables. 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. 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.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if 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.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.10 Financial instruments (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Polytechnic 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 6 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 24 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.

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, when the amounts are over three 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.10 Financial instruments (cont'd)

Measurement and recognition of ECL

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.

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.

Financial liabilities

Classification as debt

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.10 Financial instruments (cont'd)

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 enforcement 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.

2.11 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.11 Leases (cont'd)

The Group as lessee (cont'd)

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;

- 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 2.9.

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 expenditure' in the statement of comprehensive income.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.11 Leases (cont'd)

The Group as lessor

The Group enters into lease arrangements as a lessor with respect to its staff apartments and on-campus premises.

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.

2.12 Cash and cash equivalents

The Polytechnic is required to participate in the Centralised Liquidity Management Framework ("CLM") in accordance with the Accountant-General's Circular No.4/2009 dated November 2, 2009. Selected bank accounts of the Polytechnic maintained with selected banks are linked up with the Accountant-General's Department's ("AGD") bank accounts for available excess cash to be automatically aggregated for central management on a daily basis. The deposits held with AGD are short-term highly liquid investments that are readily convertible to known amounts of cash and are classified in cash and cash equivalents as "Cash with AGD".

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and at bank and cash held with AGD.

2.13 Revenue recognition

The Group recognises revenue from the following major sources:

- Rendering of services.
- Rental income.
- Interest income.
- Donations.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.13 Revenue recognition (cont'd)

Rendering of services

Revenue for course and other fees is earned from the provision of studies, training and research services in technology, science, commerce and arts. Consultancy fees are revenue derived by the subsidiary related to training, education and education-related services. Revenue for course, consultancy and other fees for the year are recognised as a performance obligation which is satisfied over time.

Payments received from students for course and other fees in which the courses have not been rendered is recognised as deferred income, under contract liabilities, until the services have been rendered to the students.

Rental income

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

Interest income

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

Donations

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

2.14 Employee compensation

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

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.14 Employee compensation (cont'd)

(c) Key Management Personnel

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

2.15 Grants

Grants are not recognised until there is reasonable assurance that the Polytechnic will comply with the conditions attaching to them and the grants will be received.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Development grants from government and contributions from other organisations utilised for the purchase of depreciable assets or to finance capital projects are recorded in the deferred capital grants account if the assets are capitalised or taken to profit or loss if the assets purchased are written off in the year of purchase.

Deferred capital grants are recognised in profit or loss over the periods necessary to match the depreciation of the assets with the related grants. On disposal of the property, plant and equipment, the balance of the related grants is recognised in profit or loss to match the net book value of property, plant and equipment written off.

Government grants to meet the current year's operating expenses are taken to profit or loss for the year. Government grants are accounted for on an accrual basis. With effect from April 1, 2016, based on the Board of Governor's endorsement, Information Technology and Furniture and Equipment grants are set aside from the government operating grants and are included in the "Government grants received in advance" prior to utilisation.

Other government grant received but not utilised are included in the "Grant received in advance" account.

2.16 Income taxes

The Polytechnic is a tax-exempted institution under the provisions of the Income Tax Act 1947. The subsidiary of the Polytechnic is subject to local 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.16 Income taxes (cont'd)

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).

3 ENDOWMENT FUND AND OTHER FUNDS

Details of the Polytechnic's funds are as follows:

(i)

Name of Fund	Purpose
Endowment Fund	Provides financial assistance to needy students, recognise achievements of outstanding students and provides assistance for the benefit of graduates.

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

(ii) The total amount of tax-deductible donations received during the year is $2,901,000 (2025 : $1,869,000).

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

	2026	2025
	$'000	$'000
The Group and The Polytechnic		
At beginning of the year	112,733	102,647
MOE matching donation grant	4,372	6,042
Donations received from third parties	2,067	2,751
Transferred from Other Funds	-	1,293
At end of the year	119,172	112,733
Represented by:		
Financial assets, fair value through other comprehensive income (debt instruments)	108,949	105,949
Cash and cash equivalents	10,223	6,784
	119,172	112,733

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

(iv) The Endowment Fund (non-capital) is presented under Other Funds.

(v) Student Welfare and Development Fund provides funding to support student welfare and development activities and is presented under Other Funds.

(vi) Miscellaneous Funds provides funding for:

(i) short and continuing education courses;
(ii) upgrading courses;
(iii) upgrading campus facilities to meet the demand for development in technological skills;
(iv) implementation of programmes to achieve the goals of the Polytechnic;
(v) maintenance and upgrading of staff quarters;
(vi) exploitation of technologies developed within the Polytechnic; and
(vii) provision of training, education and education-related services.

Miscellaneous Funds is presented under Other Funds.

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

(vii) The details of the income and expenditure for Other Funds are as follows:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
The Group	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operating income								
Course fees	-	-	-	-	18,280	18,217	18,280	18,217
Consultancy fees	-	-	-	-	1,162	723	1,162	723
	-	-	-	-	19,442	18,940	19,442	18,940
Operating expenditure								
Staff costs	-	-	-	-	(10,744)	(10,428)	(10,744)	(10,428)
Teaching materials	-	-	-	-	(185)	(305)	(185)	(305)
Repairs and maintenance	-	-	-	-	(772)	(1,614)	(772)	(1,614)
Depreciation of property, plant and equipment	-	-	-	(44)	(3,019)	(2,679)	(3,019)	(2,723)
Amortisation of intangible assets	-	-	-	-	(1,064)	(1,192)	(1,064)	(1,192)
Staff development and benefits	-	-	-	-	(157)	(551)	(157)	(551)
Other expenditure	(4,834)	(4,714)	(203)	(206)	(8,276)	(7,186)	(13,313)	(12,106)
	(4,834)	(4,714)	(203)	(250)	(24,217)	(23,955)	(29,254)	(28,919)
Operating deficit	(4,834)	(4,714)	(203)	(250)	(4,775)	(5,015)	(9,812)	(9,979)
Non-operating income								
Donations	1,943	680	-	-	-	-	1,943	680
Interest income	3,887	3,636	68	94	3,350	4,264	7,305	7,994
Rental income	-	-	-	-	2,388	2,196	2,388	2,196
Fair value gain								
- financial assets at fair value through other comprehensive income (debt instruments)	6	-	-	-	-	-	6	-
Other income	89	19	222	231	1,052	1,701	1,363	1,951
Surplus (deficit) before grants and tax	1,091	(379)	87	75	2,015	3,146	3,193	2,842
Grants	-	-	-	-	2,991	-	2,991	-
Surplus (deficit) before income tax	1,091	(379)	87	75	5,006	3,146	6,184	2,842
Income tax	-	-	-	-	(40)	(15)	(40)	(15)
Net surplus (deficit) for the year	1,091	(379)	87	75	4,966	3,131	6,144	2,827

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

(vii) The details of the income and expenditure for Other Funds are as follows:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
The Polytechnic	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operating income								
Course fees	-	-	-	-	18,436	18,217	18,436	18,217
	-	-	-	-	18,436	18,217	18,436	18,217
Operating expenditure								
Staff costs	-	-	-	-	(9,771)	(9,479)	(9,771)	(9,479)
Teaching materials	-	-	-	-	(185)	(305)	(185)	(305)
Repairs and maintenance	-	-	-	-	(772)	(1,607)	(772)	(1,607)
Depreciation of property, plant and equipment	-	-	-	(44)	(3,019)	(2,679)	(3,019)	(2,723)
Amortisation of intangible assets	-	-	-	-	(1,064)	(1,192)	(1,064)	(1,192)
Staff development and benefits	-	-	-	-	(144)	(540)	(144)	(540)
Other expenditure	(4,834)	(4,714)	(203)	(206)	(5,239)	(4,304)	(10,276)	(9,224)
	(4,834)	(4,714)	(203)	(250)	(20,194)	(20,106)	(25,231)	(25,070)
Operating deficit	(4,834)	(4,714)	(203)	(250)	(1,758)	(1,889)	(6,795)	(6,853)
Non-operating income								
Donations	1,943	680	-	-	-	-	1,943	680
Interest income	3,887	3,636	68	94	3,299	4,190	7,254	7,920
Rental income	-	-	-	-	2,388	2,197	2,388	2,197
Fair value gain								
- financial assets at fair value through other comprehensive income (debt instruments)	6	-	-	-	-	-	6	-
Other income	89	19	222	231	792	1,420	1,103	1,670
Surplus (deficit) before grants and tax	1,091	(379)	87	75	4,721	5,918	5,899	5,614
Grants	-	-	-	-	2,991	-	2,991	-
Surplus (deficit) before income tax	1,091	(379)	87	75	7,712	5,918	8,890	5,614
Income tax	-	-	-	-	-	-	-	-
Net surplus (deficit) for the year	1,091	(379)	87	75	7,712	5,918	8,890	5,614

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

(viii) Other Funds comprise the following:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
The Group	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated surplus at March 31	16,811	15,720	3,986	3,899	122,290	117,324	143,087	136,943
Represented by:								
Property, plant and equipment	-	-	-	-	13,498	15,080	13,498	15,080
Intangible assets	-	-	-	-	474	1,538	474	1,538
Financial assets, at fair value through other comprehensive income (debt instruments)	11,343	11,175	-	-	25,000	10,000	36,343	21,175
Cash and cash equivalents	4,565	3,791	3,987	3,900	78,731	87,147	87,283	94,838
Receivables, deposits and prepayments	1,131	1,092	-	-	10,720	9,485	11,851	10,577
Payables, deposits, accruals and contract liabilities	(228)	(338)	(1)	(1)	(6,141)	(5,934)	(6,370)	(6,273)
Deferred tax assets	-	-	-	-	8	8	8	8
	16,811	15,720	3,986	3,899	122,290	117,324	143,087	136,943

3 ENDOWMENT FUND AND OTHER FUNDS (cont'd)

(viii) Other Funds comprise the following:

	Endowment Fund (non-capital)		Student Welfare and Development Fund		Miscellaneous Funds		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
The Polytechnic	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated surplus at March 31	16,811	15,720	3,986	3,899	126,984	119,272	147,781	138,891
Represented by:								
Property, plant and equipment	-	-	-	-	13,498	15,080	13,498	15,080
Intangible assets	-	-	-	-	474	1,538	474	1,538
Investment in subsidiary	-	-	-	-	2,800	2,800	2,800	2,800
Financial assets, at fair value through other comprehensive income (debt instruments)	11,343	11,175	-	-	25,000	10,000	36,343	21,175
Cash and cash equivalents	4,565	3,791	3,987	3,900	80,888	87,646	89,440	95,337
Receivables, deposits and prepayments	1,131	1,092	-	-	10,143	8,026	11,274	9,118
Payables, deposits, accruals and contract liabilities	(228)	(338)	(1)	(1)	(5,819)	(5,818)	(6,048)	(6,157)
	16,811	15,720	3,986	3,899	126,984	119,272	147,781	138,891

4 PROPERTY, PLANT AND EQUIPMENT

The Group	Building (campus and staff quarters)	Building improvements	Equipment and furniture	Total
	$'000	$'000	$'000	$'000
Cost				
At April 1, 2024	361,150	156,985	255,493	773,628
Additions	-	7,416	9,553	16,969
Disposals	-	(33)	(12,410)	(12,443)
At March 31, 2025	361,150	164,368	252,636	778,154
Additions	-	20,857	7,957	28,814
Disposals	-	(1,228)	(20,615)	(21,843)
At March 31, 2026	361,150	183,997	239,978	785,125
Accumulated depreciation				
At April 1, 2024	191,052	135,314	226,451	552,817
Depreciation for the year	7,457	6,021	11,146	24,624
Eliminated on disposals	-	(24)	(11,721)	(11,745)
At March 31, 2025	198,509	141,311	225,876	565,696
Depreciation for the year	7,412	6,141	9,195	22,748
Eliminated on disposals	-	(1,228)	(20,209)	(21,437)
At March 31, 2026	205,921	146,224	214,862	567,007
Carrying amount				
At March 31, 2026	155,229	37,773	25,116	218,118
At March 31, 2025	162,641	23,057	26,760	212,458

Assets under construction

The Group's property, plant and equipment includes $23.5 million (2025 : $10.4 million) relating to in-progress renovation classified within building improvements and equipment and furniture.

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Polytechnic	Building (campus and staff quarters)	Building improvements	Equipment and furniture	Total
	$'000	$'000	$'000	$'000
Cost				
At April 1, 2024	361,150	156,985	255,428	773,563
Additions	-	7,416	9,553	16,969
Disposals	-	(33)	(12,345)	(12,378)
At March 31, 2025	361,150	164,368	252,636	778,154
Additions	-	20,857	7,957	28,814
Disposals	-	(1,228)	(20,615)	(21,843)
At March 31, 2026	361,150	183,997	239,978	785,125
Accumulated depreciation				
At April 1, 2024	191,052	135,314	226,396	552,762
Depreciation for the year	7,457	6,021	11,146	24,624
Eliminated on disposals	-	(24)	(11,666)	(11,690)
At March 31, 2025	198,509	141,311	225,876	565,696
Depreciation for the year	7,412	6,141	9,195	22,748
Eliminated on disposals	-	(1,228)	(20,209)	(21,437)
At March 31, 2026	205,921	146,224	214,862	567,007
Carrying amount				
At March 31, 2026	155,229	37,773	25,116	218,118
At March 31, 2025	162,641	23,057	26,760	212,458

Assets under construction

The Polytechnic's property, plant and equipment includes $23.5 million (2025 : $10.4 million) relating to in-progress renovation classified within building improvements and equipment and furniture.

5 RIGHT-OF-USE ASSETS

The Group leases certain leasehold land and office equipment. The lease term ranges from 21 to 86 years (2025 : 21 to 86 years) for leasehold land. The lease term of office equipment is 3 years (2025 : 3 to 5 years).

	Leasehold land	Office equipment	Total
The Group and The Polytechnic	$'000	$'000	$'000
Cost			
At April 1, 2024	75,618	61	75,679
Derecognition	-	(15)	(15)
At March 31, 2025	75,618	46	75,664
Additions	1,324	-	1,324
Derecognition	-	(46)	(46)
At March 31, 2026	76,942	-	76,942
Accumulated depreciation			
At April 1, 2024	33,917	37	33,954
Depreciation for the year	1,262	17	1,279
Eliminated on derecognition	-	(15)	(15)
At March 31, 2025	35,179	39	35,218
Depreciation for the year	1,292	7	1,299
Eliminated on derecognition	-	(46)	(46)
At March 31, 2026	36,471	-	36,471
Carrying amount			
At March 31, 2026	40,471	-	40,471
At March 31, 2025	40,439	7	40,446

Leasehold land includes donated assets. The valuations of two pieces of leasehold land were provided by the Chief Valuer, Inland Revenue Department in 1986 ($52,660,000) and Colliers Jardine (S) Pte Ltd in 1994 ($740,000), on a market value basis.

6 INTANGIBLE ASSETS

The Group and The Polytechnic	2026 $'000	2025 $'000
Computer software		
Cost		
At April 1	27,818	26,953
Additions	1,004	938
Disposals	(269)	(73)
At March 31	28,553	27,818
Accumulated amortisation		
At April 1	25,289	23,058
Amortisation for the year	1,847	2,304
Eliminated on disposals	(269)	(73)
At March 31	26,867	25,289
Carrying amount		
At March 31	1,686	2,529

The Group's computer software includes $0.1 million (2025 : $0.2 million) relating to in-progress software development projects.

7 SUBSIDIARY

The Polytechnic	2026 $'000	2025 $'000
Unquoted equity shares, at cost	2,800	2,800

The balances with subsidiary are unsecured, interest-free, repayable on demand and expected to be settled in cash unless otherwise stated.

Details of the subsidiary are as follows:

Name	Country of Incorporation/ principal place of business	Proportion of ownership and voting rights held by the Group		Principal activities
		2026 %	2025 %	
Singapore Polytechnic International Pte Ltd	Singapore	100	100	Provision of training, education and education-related services

8 FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (DEBT INSTRUMENTS)

	2026	2025
	$'000	$'000
The Group and The Polytechnic		
Quoted debt securities - Singapore	417,475	364,334
Represented by:		
Current	65,559	-
Non-current	351,916	364,334
	417,475	364,334
Balance at beginning of year	364,334	382,130
Additions	66,346	70,844
Redemption and disposals (including amortisation of interest for bonds)	(19,501)	(97,081)
Fair value gain recognised in other comprehensive income	6,296	8,441
Balance at end of year	417,475	364,334

Details of the quoted debt securities:

	2026	2025
Interest rates	1.25% - 5.00%	1.25% - 5.00%
Maturity dates	2026 - 2035	2026 - 2034

The Group holds an interest in quoted debt securities including government bonds and corporate bonds with a range of interest rates and maturity periods.

The quoted debt securities are held by the Group within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Hence the aforementioned are classified as at FVTOCI.

The quoted debt securities are considered to have low credit risk. For the purpose of impairment assessment, the loss allowance of these financial assets 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 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.

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.

9 DEFERRED TAX ASSETS

The Group	2026 $'000	2025 $'000
Balance at beginning and end of year	8	8

10 TRADE AND OTHER RECEIVABLES

	The Group		The Polytechnic	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Grants receivables	26,872	33,262	26,872	33,262
Fees receivables	3,426	3,298	3,426	3,298
Other receivables	7,291	9,854	6,934	8,322
Deposits	41	25	41	25
Subsidiary (Note 7)	-	-	82	87
Goods and services tax receivable	1,886	1,298	1,882	1,354
Prepayments	2,247	3,665	2,212	3,593
	41,763	51,402	41,449	49,941
Less: Loss allowance on fees receivables	(97)	(60)	(97)	(60)
	41,666	51,342	41,352	49,881

As at April 1, 2024, fees receivables for the Group and the Polytechnic amounted to $4,340,000 (net of loss allowance of $78,000).

The credit period given by the Group and the Polytechnic is in a range of up to 30 days (2025 : up to 30 days). No interest is charged on the outstanding balances except for late interest charges on rental receivables which ranges from 6% to 12% (2025 : 7.7% to 12%) per annum.

Grant receivables relate to amounts granted to the Group and the Polytechnic from MOE, government agencies and non-government agencies on a reimbursement basis to fund the Polytechnic's activities. Such grant income is set off against expenses in the statement of comprehensive income.

Included in the Group's and the Polytechnic's other receivables are interest to be received from cash held with Accountant-General's Department ("AGD") of $2,166,000 (2025 : $3,901,000).

Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent for all receivables over two years past due and assessed not to be recoverable based on historical experience.

10 TRADE AND OTHER RECEIVABLES (cont'd)

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.

The Group has recognised a loss allowance of $97,000 (2025 : $60,000) which is due to specific credit impaired factors arising on certain debtors. The Group has assessed and noted immaterial loss allowance required for the remaining balances as historical experience has indicated that these receivables are generally recoverable.

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

Movements of the loss allowance are as follows:

The Group and The Polytechnic	2026 $'000	2025 $'000
Balance at beginning of year	60	78
Amounts written off	(37)	(75)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	74	57
Balance at end of year	97	60

11 CASH AND CASH EQUIVALENTS

	The Group		The Polytechnic	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Cash at bank and on hand	23,042	38,129	17,150	33,308
Cash with Accountant-General's Department	261,317	283,070	261,317	283,070
	284,359	321,199	278,467	316,378

Cash held with AGD earns interest based on fixed deposits rates determined by financial institutions with which AGD deposits the monies. The interest rate for cash placed with AGD for the financial year is 2.03% (2025 : 3.17%) per annum.

The Polytechnic administers bank accounts on behalf of the Singapore Polytechnic Students' Union. As at the reporting date, the bank balance of $2,007,000 (2025 : $1,931,000) has not been included in the cash and cash equivalents of the Polytechnic.

12 TRADE AND OTHER PAYABLES

	The Group		The Polytechnic	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Sundry creditors	3,951	7,570	3,877	7,570
Advances received – others	734	169	734	169
Deposits	1,125	1,016	1,125	1,016
Provision for unutilised leave	10,795	10,287	10,760	10,252
Accrued operating expenses and capital expenditures	26,329	25,243	26,059	25,061
Subsidiary (Note 7)	-	-	450	101
Amount due to MOE	207	207	207	207
Trade and other payables	43,141	44,492	43,212	44,376

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is about 30 days (2025 : about 30 days).

13 LEASE LIABILITIES

The Group and The Polytechnic	2026 $'000	2025 $'000
Undiscounted lease payments due:		
- Year 1	-	8
Lease liabilities (current)	-	8

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

The total cash outflow for leases (including short-term leases and leases of low value assets) amount to $34,000 (2025 : $36,000).

14 GOVERNMENT GRANTS RECEIVED IN ADVANCE

	Note	2026	2025
		$'000	$'000
The Group and The Polytechnic			
Balance at beginning of year		88,131	86,282
Grants received during the year			
- Government development grants		1,005	1,891
- Government IT and Furniture & Equipment grants		14,400	14,000
- Government innovation grants		1,096	2,944
Transfer to deferred capital grants (Government)	15	(8,010)	(7,448)
Amount recorded in profit or loss	23	(9,010)	(9,538)
Balance at end of year		87,612	88,131

Unutilised IT and Furniture & Equipment balance of $86.6 million (2025 : $84.7 million) is retained by the Polytechnic for future use.

15 DEFERRED CAPITAL GRANTS

	Government		Non-Government		Total	
	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000
The Group and The Polytechnic						
Balance at beginning of year	221,153	227,017	2,114	3,684	223,267	230,701
Development grants, Furniture and equipment and Information Technology grants and Innovation grants from MOE (Note 14)	8,010	7,448	-	-	8,010	7,448
Transfer from operating grants (Note 25)	5,093	8,681	-	-	5,093	8,681
Grants received	-	-	92	190	92	190
	13,103	16,129	92	190	13,195	16,319
Amount recorded in profit or loss (Note 23)						
- Amortisation to profit or loss	(19,742)	(21,993)	(1,204)	(1,760)	(20,946)	(23,753)
- Adjustment	(5,798)	-	-	-	(5,798)	-
Balance at end of year	208,716	221,153	1,002	2,114	209,718	223,267

16 CONTRACT LIABILITIES

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

(i) Course fees, for which revenue is recognised over the course period; and

(ii) Service fees from Singapore Institute of Technology ("SIT") for the usage of the Polytechnic's facilities by SIT students.

The details are as follows:

	The Group			The Polytechnic		
	March 31, 2026	March 31, 2025	April 1, 2024	March 31, 2026	March 31, 2025	April 1, 2024
	$'000	$'000	$'000	$'000	$'000	$'000
Course fees	8,866	7,499	5,780	8,866	7,499	5,780
Service fees	-	273	17,127	-	273	17,127
Other deferred income	249	268	116	233	268	116
	9,115	8,040	23,023	9,099	8,040	23,023
Represented by:						
Current	9,028	7,959	6,669	9,012	7,959	6,669
Non-current	87	81	16,354	87	81	16,354
	9,115	8,040	23,023	9,099	8,040	23,023

During the year, revenue recognised by the Group and the Polytechnic that was included in contract liability balance at the beginning of the year includes:

	The Group and The Polytechnic	
	2026	2025
	$'000	$'000
Course fees	7,056	5,588
Service fees	273	824
One-off gain due to early termination of SIT@SP service agreement (Note 22)	-	16,030
Other deferred income	176	51

Early Termination of SIT@SP Lease and Service Agreement

In 2025, SIT gave notice to terminate its 30-year land lease with the Polytechnic, with the effective date of handover on August 1, 2025. Based on the service fee agreement between SIT and the Polytechnic, there was no refund of any service fee paid in the event of termination and, as such, the unutilised service fee was forfeited. The unutilised portion of the service fee (which excluded the service fee for the period subsequent to March 31, 2025 but before August 1, 2025) of $16,030,000 was recognised as other income (Note 22).

17 FAIR VALUE RESERVE

The fair value reserve represents the cumulative gains and losses arising on the revaluation of investments in debt instruments classified as at FVTOCI, net of cumulative gain/loss reclassified to profit or loss upon disposal.

	The Group and The Polytechnic	
	2026	2025
	$'000	$'000
Balance at beginning of year	7,206	(1,235)
Fair value gain on investments in debt instruments classified as at FVTOCI	6,296	8,441
Balance at end of year	13,502	7,206

18 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES

		The Group		The Polytechnic	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
(i)	Tuition Fee Loan	16,531	13,562	16,531	13,562
(ii)	Opportunity Fund	441	303	441	303
(iii)	Temasek Foundation Projects Fund	(247)	(124)	(247)	(124)
(iv)	Financial Literacy Fund	3,061	3,229	-	-
	Funds managed on behalf of the Ministry and other entities	19,786	16,970	16,725	13,741

(i) Tuition Fee Loan

Pursuant to the Tuition Fee and Study Loan Schemes, the Polytechnic acts as the agent for the tuition fee loan and the MOE as the financier providing the advances.

The tuition fee loan fund was set up from advances from the MOE for the purpose of providing loans to students.

Loans given to students are interest-free until June 1 or December 1 in the year of their graduation, or for those with National Service obligations, in the year in which they finish their National Service. Thereafter, loans are repayable by monthly instalments with interest at 4.50% (2025 : 4.75%) per annum which is based on the average prime rates of banks or such other rates as may be determined by the Polytechnic from time to time. The interest on the tuition fee loans is remitted in full to the MOE. The students are given an option to repay by monthly instalments over a period of up to 10 years after the borrowers' graduation. Repayment of tuition fee loan received by the Polytechnic amounting to $2,119,000 (2025 : $2,235,000) were repaid to the MOE.

18 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (cont'd)

(i) Tuition Fee Loan (cont'd)

The details of the Tuition Fee Loan as at March 31 are as follows:

The Group and The Polytechnic	2026 $'000	2025 $'000
Balance at beginning of year	13,562	11,583
Advances received	4,856	3,999
Interest income	241	244
Bad debts written off	(9)	(29)
Advances repaid	(2,119)	(2,235)
Balance at end of year	16,531	13,562
Represented by:		
Tuition fee loan	16,533	13,560
Other (payables) receivables	(2)	2
Net assets	16,531	13,562

(ii) Opportunity Fund

The Opportunity Fund was set up to provide enrichment opportunities for Singapore Citizen students from lower income households. The fund can be used to provide assistance for overseas trips and purchase of computer devices.

The Opportunity Fund is disbursed on an annual basis.

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

The Group and The Polytechnic	2026 $'000	2025 $'000
Balance at beginning of the year	303	680
Amount received during the year	609	206
Amount utilised during the year	(471)	(583)
Balance at end of the year	441	303
Represented by:		
Cash and cash equivalents	441	303

18 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (cont'd)

(iii) Temasek Foundation Projects Fund

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

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

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

	2026	2025
The Group and The Polytechnic	$'000	$'000
Balance at beginning of the year	(124)	(170)
Amount received during the year	124	138
Amount utilised during the year	(247)	(92)
Balance at end of the year	(247)	(124)
Represented by:		
Cash and cash equivalents	124	207
Trade and other payables	(371)	(331)
	(247)	(124)

The credit balance represented expenditures incurred by the Group for the intended projects on behalf of Temasek Foundation which were pending reimbursement.

18 FUNDS MANAGED ON BEHALF OF THE MINISTRY AND OTHER ENTITIES (cont'd)

(iv) Financial Literacy Fund

The Singapore Polytechnic Institute of Financial Literacy was launched in collaboration with Monetary Authority of Singapore ("MAS") to provide free and unbiased financial programmes to the public. Under the arrangement, the Group is responsible for the administration and monitoring of the programme.

Funds are disbursed by MAS to support the expenditures of Institute of Financial Literacy on a semi-annual basis. Unutilised funds at the end of the funding period are to be returned to MAS. Financial Literacy Fund is maintained in a separate bank account.

With effect from November 1, 2021, the entire business and operations of Institute of Financial Literacy was transferred to the subsidiary, Singapore Polytechnic International Pte. Ltd. where the terms and conditions remained the same. Prior to that, another collaboration agreement was established between MAS and a former subsidiary of the Polytechnic.

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

	The Group		The Polytechnic	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Balance at beginning of the year	3,229	981	-	-
Amount received during the year	2,167	4,379	-	-
Amount utilised during the year	(2,335)	(2,131)	-	-
Balance at end of the year	3,061	3,229	-	-
Represented by:				
Cash and cash equivalents	2,848	4,390	-	-
Trade receivables (payables)	213	(1,161)	-	-
	3,061	3,229	-	-

19 OPERATING INCOME

	The Group		The Polytechnic	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Course fees	74,606	71,761	74,762	71,761
Consultancy fees	1,162	723	-	-
Other fees	618	562	618	562
	76,386	73,046	75,380	72,323
Timing of revenue recognition:				
At a point in time	1,162	723	-	-
Over time	75,224	72,323	75,380	72,323
	76,386	73,046	75,380	72,323

20 STAFF COSTS

	The Group		The Polytechnic	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Wages and salaries	209,107	199,432	208,278	198,606
Employer's contribution to Central Provident Fund	22,812	22,343	22,685	22,235
Other staff benefits	3,713	3,586	3,696	3,571
	235,632	225,361	234,659	224,412

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

	The Group		The Polytechnic	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Wages and salaries	8,995	8,704	8,902	8,617
Employer's contribution to defined contribution plans, including Central Provident Fund	556	545	551	540
	9,551	9,249	9,453	9,157

21 OTHER EXPENDITURE

	The Group		The Polytechnic	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Water and electricity	6,440	8,005	6,440	8,005
Outsourcing and other services	15,026	13,564	14,868	13,326
Software and other IT cost	13,140	11,275	13,140	11,275
Local/overseas industrial training	2,776	2,528	3,196	3,001
Campus events and activities	7,545	7,144	7,815	7,430
Bursaries and scholarships	4,834	4,714	4,834	4,714
Maintenance and upgrading of facilities	747	700	747	700
Security and epidemic expenses	1,544	1,442	1,544	1,442
Publication, marketing and advertising	2,521	2,533	2,521	2,533
Loss on disposal of property, plant and equipment	406	448	406	438
Audit fees paid to the auditors of the Polytechnic	99	96	99	96
Other expenses:				
Subsidiary (Note 7)	-	-	28	8
Outside parties	8,317	7,767	8,115	7,571
	63,395	60,216	63,753	60,539

There is no non-audit fees paid or payables to the auditors of the Polytechnic for the year ended March 31, 2026 and 2025.

22 OTHER INCOME

	The Group		The Polytechnic	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Non-recurring Research and Development service income	2,538	2,220	2,538	2,220
Student welfare fund, prizes and award	311	249	311	249
Income from use of campus and sports facilities	679	1,506	679	1,506
Project revenue and other consulting fee	3,224	3,435	3,224	3,435
Miscellaneous income	2,397	2,025	2,588	1,839
One-off gain due to early termination of SIT@SP service agreement (Note 16)	-	16,030	-	16,030
	9,149	25,465	9,340	25,279

23 GRANTS

	The Group and The Polytechnic					
	General Fund		Other Funds		Total	
	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000
Operating grants received from:						
- Government (Note 25)	221,148	210,586	-	-	221,148	210,586
- Non-government	5,598	5,846	2,991	-	8,589	5,846
Development and other grants utilised (Note 14)	9,010	9,538	-	-	9,010	9,538
Deferred capital grants amortised:						
- Government (Note 15)	25,540	21,993	-	-	25,540	21,993
- Non-government (Note 15)	1,204	1,760	-	-	1,204	1,760
	262,500	249,723	2,991	-	265,491	249,723

24 INCOME TAX

The tax on surplus before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax of 17% (2025 : 17%) as follows:

	The Group		The Polytechnic	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Surplus before income tax	13,124	21,722	12,989	21,348
Tax at statutory rate of 17% (2025 : 17%)	2,231	3,693	2,208	3,629
Tax effect on surplus of the Polytechnic exempted from tax	(2,208)	(3,629)	(2,208)	(3,629)
Tax effect on income not subject to tax and non-deductible expense	17	14	-	-
Others	-	(63)	-	-
	40	15	-	-

25 OPERATING GRANTS - GOVERNMENT

The Group and The Polytechnic	2026 $'000	2025 $'000
Operating grants received/receivable during the year	250,452	242,651
Less:		
Grants utilised on property, plant and equipment transferred to deferred capital grants (Note 15)	(5,093)	(8,681)
Operating grants received for goods and services tax subsidies on tuition fees and tuition grants	(24,211)	(23,384)
Operating grants taken to profit or loss (Note 23)	221,148	210,586

26 CAPITAL COMMITMENTS

Capital expenditure approved but not provided for in the accounts:

The Group and The Polytechnic	2026 $'000	2025 $'000
Amount approved and contracted for	38,355	44,511

27 RELATED PARTY TRANSACTIONS

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

27 RELATED PARTY TRANSACTIONS (cont'd)

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

(a) Sales and purchase of goods and services

The Group provides continuing education training to various Ministries, Organs of States and other Statutory Boards. The Group also engages Information Technology ("IT") and miscellaneous services from various Ministries, Organs of States and other Statutory Boards. The transactions are conducted in the ordinary course of business at market terms.

	2026	2025
	$'000	$'000
The Group		
Related party		
Rental received from related party	22	22
Project and Consultancy services	(20)	-
MOE		
Operating grants (including IT and furniture and equipment grants)	213,999	207,807
Development grants and innovation grants	4,426	2,573
Matching grants	4,372	6,042
Manpower, course fee and other fees	513	250
Manpower, training and other fees	(968)	(885)
Other Ministries and Statutory boards		
Grants	39,605	34,005
Course fees, project and consultancy services	3,011	2,582
Rental and utilities charges	51	260
GEBIZ charges	(311)	(311)
ICT related expenditures	(5,596)	(4,287)
Training and assessment fees	(719)	(446)
Demand aggregate management fees	(87)	(170)
Service fee for shared services	(153)	(105)
Foreign workers levy	(137)	(103)
Other Polytechnics		
Training, Projects and events costs	(215)	(395)
Course fees, project and consultancy services	1,208	517

(b) Key management's remuneration

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

28 OPERATING LEASE COMMITMENTS

Group as a lessor

Operating leases, in which the Group is the lessor, relates to on-campus premises and staff apartments owned by the Group with lease terms of between 1 to 4 years (2025 : 1 to 5 years). The lessee does not have an option to renew the leases nor to purchase at the expiry of the lease periods.

During the year ended March 31, 2026 the Group recognised rental income of $4,352,000 (2025 : $4,616,000).

	2026	2025
	$'000	$'000
Maturity analysis of operating lease payment:		
Year 1	1,393	1,812
Year 2	901	412
Year 3	303	218
Year 4	4	14
Year 5	-	4
Total	2,601	2,460

Polytechnic as a lessor

Operating leases, in which the Polytechnic is the lessor, relates to on-campus premises and staff apartments owned by the Polytechnic with lease terms of between 1 to 4 years (2025 : 1 to 5 years). The lessee does not have an option to renew the leases nor to purchase at the expiry of the lease periods.

During the year ended March 31, 2026 the Polytechnic recognised rental income of $4,455,000 (2025 : $4,704,000).

	2026	2025
	$'000	$'000
Maturity analysis of operating lease payment:		
Year 1	1,497	1,812
Year 2	1,005	412
Year 3	303	218
Year 4	4	14
Year 5	-	4
Total	2,809	2,460

29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

Categories of financial instruments

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

	The Group		The Polytechnic	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Financial assets				
Financial assets, at FVTOCI (debt instruments)	417,475	364,334	417,475	364,334
Financial assets at amortised cost	295,020	334,316	288,853	328,050
Financial liabilities				
Financial liabilities at amortised cost	42,407	44,323	42,478	44,207
Lease liabilities	-	8	-	8

Financial risk management policies and objectives

Risk management is integral to the operations of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The treasury team/principal/Board of Governors continually monitor its risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Financial risk factors

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are trade and other receivables, cash and cash equivalents and quoted debt securities.

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

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own records to rate its major customers and other debtors. The ECLs on other receivables is estimated by reference to track record of the counterparties, their financial conditions where information is available, knowledge of any events or circumstances impeding recovery of the amounts, and forward-looking macroeconomic influences.

29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Financial risk factors (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 > 6 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 > 24 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 there is no realistic prospect of recovery.	Amount is written-off

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

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
The Group				$'000	$'000	$'000
2026						
Financial assets at fair value through other comprehensive income (Debt instruments)	8	Performing	12-month ECL	417,475	-	417,475
Trade receivables	10	(i)	Lifetime ECL (simplified approach)	3,426	(97)	3,329
Other receivables	10	Performing	12-month ECL	7,332	-	7,332
Cash and cash equivalents	11	Performing	12-month ECL	284,359	-	284,359
2025						
Financial assets at fair value through other comprehensive income (Debt instruments)	8	Performing	12-month ECL	364,334	-	364,334
Trade receivables	10	(i)	Lifetime ECL (simplified approach)	3,298	(60)	3,238
Other receivables	10	Performing	12-month ECL	9,879	-	9,879
Cash and cash equivalents	11	Performing	12-month ECL	321,199	-	321,199

29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Financial risk factors (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
The Polytechnic						
2026						
Financial assets at fair value through other comprehensive income (Debt instruments)	8	Performing	12-month ECL	417,475	-	417,475
Trade receivables	10	(i)	Lifetime ECL (simplified approach)	3,426	(97)	3,329
Other receivables	10	Performing	12-month ECL	7,057	-	7,057
Cash and cash equivalents	11	Performing	12-month ECL	278,467	-	278,467
2025						
Financial assets at fair value through other comprehensive income (Debt instruments)	8	Performing	12-month ECL	364,334	-	364,334
Trade receivables	10	(i)	Lifetime ECL (simplified approach)	3,298	(60)	3,238
Other receivables	10	Performing	12-month ECL	8,434	-	8,434
Cash and cash equivalents	11	Performing	12-month ECL	316,378	-	316,378

(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.

29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Financial risk factors (cont'd)

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

At the end of the reporting period, there was no significant concentration of credit risk except for grant receivables. 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.

Cash at bank is held with creditworthy financial institutions. Cash held with the AGD under the CLM are placed with high credit quality financial institutions, and are available upon request. Trade and other receivables that are neither past due nor impaired are substantially counterparties with good collection track records with the Group.

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.

The total contractual undiscounted cash flow of the Group's financial assets, other than financial assets at fair value, and financial liabilities are the same as their carrying amounts and are due within one year, except for lease liabilities as disclosed in Note 13.

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 11 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 its transactions are mainly denominated in Singapore dollars, which is the functional currency of the Group.

Price risk management

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

29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Price risk management (cont'd)

The financial assets at fair value through other comprehensive income that are subject to price risks total $417,475,000 (2025 : $364,334,000), as disclosed in Note 8. The market risk associated with these financial assets is the potential loss in fair value resulting from the decrease in market prices of these financial assets. The Group's management regularly monitors the potential loss in fair value, if any. The Group's strategies and policies relating to financial assets at fair value are determined by its Investment Committee. The sensitivity rate of 5% represents management's assessment of the reasonably possible change in market risk that the Group is exposed to.

With all other variables held constant, a 5% (2025 : 5%) increase/decrease of market values of all debt instrument will result in $20,874,000 (2025 : $18,217,000) increase/decrease in the fair value of financial assets at fair value through other comprehensive income.

Fair value measurements

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

	Note	**Quoted prices in active markets for identical instruments** Level 1	**Significant other observable inputs** Level 2	**Significant unobservable inputs** Level 3	Total
The Group and The Polytechnic		$'000	$'000	$'000	$'000
2026					
Financial assets, at fair value through other comprehensive income					
- Quoted debt securities	8	417,475	-	-	417,475
2025					
Financial assets, at fair value through other comprehensive income					
- Quoted debt securities	8	364,334	-	-	364,334

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

29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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 Group's quoted financial assets was determined on the basis set out in Note 2.10.

The fair values of quoted securities, if traded in active markets such as over-the counter securities, are based on quoted market prices at the end of the reporting period.

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

Trade and other receivables, Cash and cash equivalents, Trade and other payables and lease liabilities

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short term nature.

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.

30 IPC REGULATIONS

The Polytechnic has complied with the requirement that the total fund-raising and sponsorship expenses have not exceeded 30% of the total gross receipts from the fund raising and sponsorships for the financial year.

The donation monies received are used in accordance with the objective of the Fund.

To promote greater disclosure and accountability to the public, the Governance Evaluation Checklist of all IPCs is published on the Charity Portal (www.charities.gov.sg) from April 1, 2009. In line with the requirement, the Fund's checklist can be found on the above website.