Financial statements
Ngee Ann Polytechnic

For the year ended 31 March 2023

Polytechnic information

Registered Office	535 Clementi Road Singapore 599489
Council Members	Mr Tang Kin Fei (Chairman, appointment ended on 31 March 2023) Mr Yuen Kuan Moon (Member since 1 April 2022 and appointed as Chairman on 1 April 2023) Mr Willie Tan Mr Lim Kok Kiang Mr Goh Kim Hock Mr Jamie Teo (resigned on 31 March 2023) Mr James Teo Mr Dhirendra Shantilal Mr Gilbert Tan Mr Edward Chia Dr Mohamed Elmie Bin Nekmat COL Phua Jia Kia (appointed on 1 April 2022) Professor Benedict Koh Mr Chua Tiow Chye Mr Esa Han Hsien Masood Ms Jan Chua Dr Ayesha Khanna Ms Pauline Goh
Principal and Chief Executive Officer	Mr Lim Kok Kiang
Independent Auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 1 Raffles Place #04-61/62 One Raffles Place Tower 2 Singapore 048616

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Statement by Ngee Ann Polytechnic Council
for the financial year ended 31 March 2023

In the opinion of the Council,

(i) the accompanying financial statements of the Polytechnic which comprise the statement of financial position, statement of comprehensive income, statement of changes in funds and reserves and statement of cash flows together with notes thereto, are drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Ngee Ann Polytechnic Act 1967 (the "NP Act"), the Charities Act 1994 (the "Charities Act") and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the financial position of the Polytechnic as at 31 March 2023 and of the financial performance, changes in funds and reserves and cash flows of the Polytechnic for the year ended on that date;

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

(iii) the use of donation moneys is in accordance with the objectives of the Ngee Ann Polytechnic Fund (the "Fund") as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations;

(iv) the Fund has complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations;

(v) proper accounting and other records have been kept, including records of all assets of the Polytechnic whether purchased, donated or otherwise; and

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

On behalf of the Council

....

MR YUEN KUAN MOON
Chairman

....

MR LIM KOK KIANG
Principal

Dated: 20 July 2023

Independent auditor's report to the Council of Ngee Ann Polytechnic

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ngee Ann Polytechnic (the "Polytechnic"), which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in funds and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Polytechnic are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Ngee Ann Polytechnic Act 1967 (the "NP 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 state of affairs of the Polytechnic as at 31 March 2023 and the results, changes in funds and reserves and cash flows 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 Polytechnic in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the annual report and Statement by Ngee Ann Polytechnic Council, but does not include the financial statements and our auditor's report thereon.

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

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

Independent auditor's report to the Council of Ngee Ann Polytechnic (Cont'd)

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

Responsibilities of Management and the Council for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Public Sector (Governance) Act, the NP 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 Polytechnic's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to wind up the Polytechnic or for the Polytechnic to cease operations.

The responsibilities of the Council include overseeing the Polytechnic's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Polytechnic's internal control.

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

Independent auditor's report to the Council of Ngee Ann Polytechnic (Cont'd)

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Polytechnic'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 Polytechnic to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council 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

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Polytechnic during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the NP 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 Ngee Ann Polytechnic Fund (the "Fund"), nothing has come to our attention that causes us to believe that during the year:

(a) the Fund has not used the donation moneys in accordance with its objectives 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 of the Charities (Institutions of a Public Character) Regulations.

There was no fund raising appeal conducted by the Fund during the year ended 31 March 2023.

Independent auditor's report to the Council of Ngee Ann Polytechnic (Cont'd)

Report on Other Legal and Regulatory Requirements (Cont'd)

Basis for Opinion

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

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the NP 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 Polytechnic's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

Foo Kon Tan LLP

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 20 JUL 2023

Statement of financial position
as at 31 March 2023

	Note	31 March 2023 $'000	31 March 2022 $'000
Unrestricted funds	3	**425,778**	436,759
Restricted funds	4	**296,945**	320,782
Total funds of the Polytechnic		**722,723**	757,541
Represented by:			
Assets			
Non-Current			
Property, plant and equipment	5	**242,361**	254,559
Right-of-use assets	6	**38,618**	40,702
Intangible assets	7	**2,041**	2,319
Subsidiary	8	**258**	258
Loans to students and graduates	9	**84**	164
Amounts due from subsidiary	10	**300**	300
		283,662	298,302
Current			
Prepayments		**852**	599
Loans to students and graduates	9	**441**	513
Amounts due from subsidiary	10	**-**	73
Sundry receivables	11	**10,668**	7,974
Grants receivables	12	**16,208**	40,535
Financial assets at fair value through profit or loss	13	**522,442**	570,376
Derivative financial instruments	14	**1,262**	678
Cash and bank balances	15	**236,465**	176,225
		788,338	796,973
Total assets		**1,072,000**	1,095,275
Liabilities			
Current			
Payables and accruals	16	**77,080**	60,751
Contract liabilities	17	**4,549**	4,513
Lease liabilities	18	**167**	166
Derivative financial instruments	14	**975**	462
		82,771	65,892
Net Current Assets		**705,567**	731,081
Non-Current			
Contract liabilities	17	**11,501**	12,073
Lease liabilities	18	**31**	198
Deferred capital grants	19	**254,974**	259,571
		266,506	271,842
Net assets		**722,723**	757,541
Net assets of Trust Funds	20	8,178	11,279

Statement of comprehensive income
for the financial year ended 31 March 2023

	Note	Unrestricted funds 2023 $'000	Unrestricted funds 2022 $'000	Restricted funds 2023 $'000	Restricted funds 2022 $'000	Total 2023 $'000	Total 2022 $'000
Income							
Course fees		**50,334**	53,222	**-**	-	**50,334**	53,222
Donations		**-**	61	**3,687**	3,786	**3,687**	3,847
Other income	21	**25,830**	25,696	**8**	10	**25,838**	25,706
		76,164	78,979	**3,695**	3,796	**79,859**	82,775
Operating expenditure							
Staff costs	22	**204,760**	217,171	**-**	-	**204,760**	217,171
Depreciation of property, plant and equipment	5	**21,264**	28,050	**22**	24	**21,286**	28,074
Depreciation of right-of-use assets	6	**2,084**	2,091	**-**	-	**2,084**	2,091
Amortisation of intangible assets	7	**1,006**	760	**-**	-	**1,006**	760
Repairs and maintenance		**15,531**	14,695	**-**	-	**15,531**	14,695
Public utilities		**9,520**	4,724	**-**	-	**9,520**	4,724
Staff development and benefits		**2,568**	2,311	**-**	-	**2,568**	2,311
Teaching and library materials		**13,828**	14,119	**79**	74	**13,907**	14,193
Tools, furniture and equipment expensed off		**3,971**	3,317	**-**	-	**3,971**	3,317
Scholarships, bursaries and grants		**185**	208	**3,552**	3,716	**3,737**	3,924
Transport and communication		**381**	650	**-**	-	**381**	650
Student development, activities and welfare		**2,512**	1,448	**488**	89	**3,000**	1,537
Goods and services tax expense		**1,081**	675	**3**	6	**1,084**	681
Other expenditure	23	**32,119**	26,988	**17**	10	**32,136**	26,998
		310,810	317,207	**4,161**	3,919	**314,971**	321,126
Operating deficit		**(234,646)**	(238,228)	**(466)**	(123)	**(235,112)**	(238,351)
Non-operating income/(expense)							
Interest income	24	**1,886**	188	**-**	-	**1,886**	188
Investment (loss)/income, net	24.1	**(16,620)**	(4,559)	**(16,192)**	(4,741)	**(32,812)**	(9,300)
Loss on disposal of property, plant and equipment and intangible assets		**(1,509)**	(93)	**(23)**	-	**(1,532)**	(93)
		(16,243)	(4,464)	**(16,215)**	(4,741)	**(32,458)**	(9,205)
Operating deficit before grants		**(250,889)**	(242,692)	**(16,681)**	(4,864)	**(267,570)**	(247,556)
Grants							
Operating grants	25	**204,138**	218,585	**228**	70	**204,366**	218,655
Deferred capital grants amortised	19	**17,467**	20,161	**-**	-	**17,467**	20,161
		221,605	238,746	**228**	70	**221,833**	238,816
Deficit for the year, representing total comprehensive loss for the year		**(29,284)**	(3,946)	**(16,453)**	(4,794)	**(45,737)**	(8,740)

Statement of changes in funds and reserves
for the financial year ended 31 March 2023

	Unrestricted funds			Restricted funds			
	Accumulated surplus $'000	Endowment funds (Capital) $'000	Subtotal $'000	Accumulated surplus $'000	Endowment funds (Capital) $'000	Subtotal $'000	Total $'000
Balance at 1 April 2021	426,969	10,134	437,103	63,976	253,832	317,808	754,911
Deficit for the year, representing total comprehensive income for the year	(3,946)	-	(3,946)	(4,794)	-	(4,794)	(8,740)
Transfer of net income from Ngee Ann Kongsi Endowment Fund to finance operations	1,959	-	1,959	(1,959)	-	(1,959)	-
MOE matching grant receivable	-	1,643	1,643	-	3,060	3,060	4,703
Donations received	-	-	-	-	6,667	6,667	6,667
Balance at 31 March 2022	424,982	11,777	436,759	57,223	263,559	320,782	757,541
Deficit for the year, representing total comprehensive income for the year	**(29,284)**	**-**	**(29,284)**	**(16,453)**	**-**	**(16,453)**	**(45,737)**
Transfer of net income from Ngee Ann Kongsi Endowment Fund to finance operations	**16,872**	**-**	**16,872**	**(16,872)**	**-**	**(16,872)**	**-**
MOE matching grant receivable/received	**-**	**1,431**	**1,431**	**-**	**1,050**	**1,050**	**2,481**
Donations received	**-**	**-**	**-**	**-**	**8,438**	**8,438**	**8,438**
Balance at 31 March 2023	**412,570**	**13,208**	**425,778**	**23,898**	**273,047**	**296,945**	**722,723**

Statement of cash flows
for the financial year ended 31 March 2023

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Operating deficit before grants		**(267,570)**	(247,556)
Adjustments for:			
Depreciation of property, plant and equipment	5	**21,286**	28,074
Depreciation of right-of-use assets	6	**2,084**	2,091
Amortisation of intangible assets	7	**1,006**	760
Loss on disposal of property, plant and equipment		**1,527**	92
Loss on disposal of intangible assets		**5**	-
Write-off of student receivables	11	**130**	113
Interest income			
- Others	24	**(1,886)**	(188)
- Investments	24.1	**(8,086)**	(8,389)
Dividend income	24.1	**(3,656)**	(3,154)
Fair value loss on financial assets at fair value through profit or loss and derivatives	24.1	**42,557**	17,776
Interest expense on lease liabilities	18	**3**	4
Operating deficit before working capital changes		**(212,600)**	(210,377)
Change in receivables		**3,762**	(2,809)
Change in payables		**8,608**	(7,840)
Cash used in operations		**(200,230)**	(221,026)
Grants received		**224,825**	191,815
Donations received for Endowment Funds		**8,438**	6,667
Interest received from student loans		**1**	1
Loans to students and graduates		**152**	117
Net cash generated from/(used in) operating activities		**33,186**	(22,426)
Cash flows from Investing Activities			
Purchase of financial assets at fair value through profit or loss		**(524,323)**	(524,101)
Proceeds from disposal of financial assets at fair value through profit or loss		**529,831**	520,307
Receivables from brokers		**(4,968)**	497
Payables to brokers		**5,622**	(7,287)
Purchase of property, plant and equipment	A	**(12,259)**	(9,078)
Acquisition of intangible assets	B	**(267)**	(346)
Capital grants received		**21,651**	17,924
Amounts due from subsidiary		**73**	12
Proceeds from dissolution of subsidiary	8	**-**	475
Dividends received		**3,645**	3,366
Interest received			
- Others		**436**	242
- Investments		**7,803**	8,667
Net cash generated from investing activities		**27,244**	10,678

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

Statement of cash flows (Cont'd)
for the financial year ended 31 March 2023

	Note	2023 $'000	2022 $'000
Cash flows from Financing Activities			
Repayment of lease liabilities	C	**(168)**	(180)
Net cash used in financing activities		**(168)**	(180)
Net increase/(decrease) in cash and cash equivalents		**60,262**	(11,928)
Cash and cash equivalents at beginning of year		**175,388**	187,316
Cash and cash equivalents at end of year	15	**235,650**	175,388

Note A

During the current financial year ended 31 March 2023, the Polytechnic acquired property, plant and equipment with an aggregate cost of $11,096,000 (2022 - $9,547,000) of which $31,000 (2022 - $1,194,000) was accrued as at 31 March 2023. The cash outflow on acquisition of property, plant and equipment amounted to $12,259,000 (2022 - $9,078,000), including payment of amounts due to asset vendors brought forward from 31 March 2022 of $1,194,000 (Note 16) (2022 - $725,000).

Note B

During the current financial year ended 31 March 2023, the Polytechnic acquired intangible assets with an aggregate cost of $267,000 (2022 - $286,000) fully paid. The cash outflow on acquisition of intangible assets amounted to $267,000 (2022 - $346,000 including amounts due to asset vendors brought forward from 31 March 2021 of $60,000).

Note C - Reconciliation of liabilities arising from financing activities

The table below details changes in the Polytechnic's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Polytechnic's statement of cash flows as cash flows from financing activities.

	1 April 2022 $'000	Repayment - cash flows $'000	Non-cash changes $'000	31 March 2023 $'000
Lease liabilities (Note 18)	**(364)**	**168**	**(2)**	**(198)**

	1 April 2021 $'000	Repayment - cash flows $'000	Non-cash changes $'000	31 March 2022 $'000
Lease liabilities (Note 18)	(38)	180	(506)	(364)

Notes to the financial statements
for the financial year ended 31 March 2023

1 General information

The Polytechnic is established under the Ngee Ann Polytechnic Act 1967 (the "NP Act") and is under the purview of the Ministry of Education ("MOE"). As a statutory board, the Polytechnic is subject to the directions of the Ministry of Education and is required to comply with policies and instructions issued from time to time by the supervising ministry and other government ministries and departments such as the Ministry of Finance ("MOF").

The Polytechnic is located at 535 Clementi Road, Singapore 599489.

The principal activity of the Polytechnic is to provide relevant diploma courses to meet the growing needs of industry and commerce in Singapore.

The number of employees as at 31 March 2023 was 1,387 (2022 - 1,476).

The financial statements of the Polytechnic for the year ended 31 March 2023 were authorised for issue by the Council on 20 July 2023.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Ngee Ann Polytechnic Act 1967 (the "NP Act"), the Charities Act 1994 (the "Charities Act") and Statutory Board Financial Reporting Standards ("SB-FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Singapore Dollar which is also the functional currency of the Polytechnic. All financial information presented in Singapore Dollar has been rounded to the nearest thousand unless otherwise stated.

Critical accounting judgements and key sources of estimation on uncertainty

The preparation of the financial statements in conformity with SB-FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

2 Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Critical accounting judgements and key sources of estimation on uncertainty (Cont'd)

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:

Key sources of estimation uncertainty

Depreciation of property, plant and equipment (Note 5)
Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The useful lives of these property, plant and equipment are estimated to be within 3 to 50 years. The carrying amount of Polytechnic's property, plant and equipment as at 31 March 2023 was $242,361,000 (2022 - $254,559,000). Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Allowance for expected credit losses ("ECL") of loans to students and graduates (Note 9) and sundry receivables (Note 11)
The Polytechnic uses a provision matrix to measure the lifetime expected credit loss allowance for receivables by reference to historical credit loss experience, results of recovery efforts, current conditions as well as forward looking estimates.

Valuation of financial assets at fair value through profit or loss (Note 13)
The methodologies used to determine the fair value of bonds classified within Level 2 hierarchy are valued based on assessments by pricing vendors using observable market-based data.

Valuation of derivative financial instruments (Note 14)
Derivative financial instruments are valued using widely accepted pricing models, with market observable inputs including volatilities, yield curves, foreign exchange spot and forward rates.

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

2.2 Adoption of new and revised standards

On 1 April 2022, the Polytechnic 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 1 April 2022. The adoption of these new/revised SB-FRSs and INT SB-FRSs does not result in changes to the Polytechnic's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

2 Significant accounting policies (Cont'd)

2.3 Standards issued but 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 Polytechnic were issued but not yet effective:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SB-FRS 1	Presentation of Financial Statements	1 January 2023
Amendments to SB-FRS Practice Statement 2	Making Materiality Judgements	1 January 2023
Amendments to SB-FRS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to SB-FRS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SB-FRS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

The Polytechnic expects that the adoption of amendments above will have no material impact on the Polytechnic's financial statements in the period of initial application.

2.4 Fund accounting

Unrestricted Funds
Funds that are expendable at the discretion of the Polytechnic are accounted for under unrestricted funds.

Restricted Funds
Funds that are set up for specific purposes which may be declared by the donor(s) or created through legal process or have specific restriction on the management's discretion regarding the treatment of the funds dissolution are accounted for under restricted funds.

The operating results of both the unrestricted funds and restricted funds maintained by the Polytechnic are included in the statement of comprehensive income of the Polytechnic.

Donations from external sources to set up or augment the capital of the endowment funds are taken directly to these funds. Income derived from the endowment funds and the related expenditure are included in the statement of comprehensive income of the Polytechnic under the "restricted funds" caption.

Assets and liabilities of the unrestricted and restricted funds are pooled in the statement of financial position.

Trust Funds
Funds that are held by the Polytechnic as the appointed trustee are accounted for as trust funds. The income and expenditure relating to trust funds are accounted for directly in the funds. The net assets of the trust funds are disclosed as a separate item in the statement of financial position.

Allocation of income and expenses to funds
The money from various funds is co-mingled for investment purposes. Investment income and expenses are apportioned to the funds based on the investment units held by the fund at the end of each month.

2 Significant accounting policies (Cont'd)

2.5 Property, plant and equipment

(a) Measurement
All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and artwork are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Polytechnic and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Polytechnic recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Purchases of property, plant and equipment costing less than $5,000 and building renovations below $200,000 are charged to surplus or deficit in the year of purchase.

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.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in surplus or deficit in the year the asset is derecognised.

(b) Depreciation
Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction are not depreciated as these assets are not yet available for use.

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

Buildings on freehold land	50 years
Buildings on leasehold land	Lower of lease period or 30 years
Building improvements	5 years
Furniture, equipment and machinery	3 to 10 years

Depreciation is provided from the month of acquisition to the month before the disposal of assets.

2.6 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 5 years. Computer software costing less than $5,000 is charged to surplus or deficit in the year of purchase.

2 Significant accounting policies (Cont'd)

2.7 Impairment of non-financial assets

The Polytechnic assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Polytechnic makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Polytechnic bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Polytechnic's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in surplus or deficit.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Polytechnic estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot result in an excess of the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in surplus or deficit.

2.8 Consolidation

The financial statements of the subsidiary have not been consolidated with the Polytechnic's financial statements as the Polytechnic is of the view that they are not material to the Polytechnic's financial statements. The balances and transactions of the Polytechnic are not affected by the non-consolidation.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Polytechnic. The Polytechnic controls an investee when it 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.

Investment in the subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in surplus or deficit.

2.10 Financial instruments

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

2 Significant accounting policies (Cont'd)

2.10 Financial instruments (Cont'd)

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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

(a) Financial assets

Classification of financial assets

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables 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.

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

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

- the Polytechnic 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 Polytechnic may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income ("FVTOCI") criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

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

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, 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.

2 Significant accounting policies (Cont'd)

2.10 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Amortised cost and effective interest method (Cont'd)

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

Financial assets at FVTPL

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

- Investments in equity instruments are classified as at FVTPL, unless the Polytechnic 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 Polytechnic has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in surplus or deficit to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in surplus or deficit includes any dividend or interest earned on the financial asset and is included in the "Investment (loss)/income, net" line item (Note 24.1).

Fair value through other comprehensive income ("FVTOCI")

Investments in debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVTOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses".

2 Significant accounting policies (Cont'd)

2.10 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Fair value through other comprehensive income ("FVTOCI") (Cont'd)

Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

The Polytechnic does not have financial assets that are measured at FVTOCI.

Impairment of financial assets

The Polytechnic recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

Significant increase in credit risk

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

2 Significant accounting policies (Cont'd)

2.10 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Significant increase in credit risk (Cont'd)

- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Polytechnic presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Polytechnic has reasonable and supportable information that demonstrates otherwise.

The Polytechnic 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 Polytechnic 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 Polytechnic considers that default has occurred when a financial asset is more than 90 days past due unless the Polytechnic 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 have occurred.

Write-off policy

The Polytechnic 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, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Polytechnic's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

2 Significant accounting policies (Cont'd)

2.10 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Measurement and recognition of expected credit losses

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

If the Polytechnic 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 Polytechnic measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

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

(b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are initially recognised at fair value plus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability and are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and commitments issued by the Polytechnic to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2 Significant accounting policies (Cont'd)

2.10 Financial instruments (Cont'd)

(b) Financial liabilities and equity instruments (Cont'd)

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition

A financial liability is derecognised when its contractual obligations are discharged, cancelled or 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 a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

(c) Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when the Polytechnic has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the assets and settle the liability 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 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently remeasured to their fair value at the end of each reporting period. The Polytechnic does not apply hedge accounting. Changes in the fair value of derivative instruments are recognised in surplus or deficit in the financial year in which the changes arise.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and bank deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

2 Significant accounting policies (Cont'd)

2.13 Leases

<u>The Polytechnic as lessee</u>

The Polytechnic assesses whether a contract is or contains a lease, at inception of the contract. The Polytechnic 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 Polytechnic 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 lessee uses its incremental borrowing rate specific to the lease.

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

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

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

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

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

The Polytechnic 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 a 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

2 Significant accounting policies (Cont'd)

2.13 Leases (Cont'd)

The Polytechnic as lessee (Cont'd)

- 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 Polytechnic incurs an obligation for costs to dismantle and remove a leased 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 Polytechnic 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 Polytechnic applies SB-FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in above.

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 'Other expenditure' in statement of comprehensive income.

The Polytechnic as lessor

The Polytechnic enters into lease agreements as a lessor with respect to its premises and a plot of freehold land.

Leases for which the Polytechnic is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks 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 Significant accounting policies (Cont'd)

2.14 Income recognition

The Polytechnic recognises revenue from the following major sources:
- Rendering of services.
- Contributions and donations.
- Dividend income.
- Rental income.
- Service fee income

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

Rendering of services
Income from tuition and other services is earned from the provision of tuition services to undergraduate or postgraduate students. Income from tuition and other services are recognised as a performance obligation is satisfied over time. It includes the provision of course and conference fees and clinical and consultancy fees rendered to the students over the academic period. Tuition and other related fees are recognised as the courses are rendered and satisfied over time. Payments received from students for tuition and other related fees in which the courses have not been rendered is recognised as deferred income, under contract liabilities, until the courses have been rendered to the students.

Contributions and donations
Contributions from Ngee Ann Kongsi and other donations are recognised at a point in time, when received.

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

Dividend income
Dividend income is recognised at a point in time when the right to receive payment is established.

Rental income
Rental income from operating leases on property, plant and equipment is recognised on a straight-line basis over the lease term.

Service fee income
Income from provision of administrative services supporting courses conducted by the service provider on the Polytechnic's premises is recognised over time on a straight-line basis over the period of service.

2.15 Employee benefits

Defined contribution plan

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

Employee leave entitlements

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

2 Significant accounting policies (Cont'd)

2.15 Employee benefits (Cont'd)

Key management personnel

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

2.16 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Singapore Dollar at the rate of exchange ruling at the end of the reporting period. Transactions in foreign currencies are recorded on initial recognition in Singapore Dollar at exchange rates approximating those ruling at the transaction dates. Exchange differences arising from such transactions are recognised in surplus or deficit in the period in which they arise.

2.17 Income tax

All registered and exempt charities will enjoy automatic income tax exemption. There is, hence, no income tax payable by the Polytechnic.

2.18 Grants

Grants are recognised when there is reasonable assurance that the grant will be received and the Polytechnic will comply with all attached conditions.

Grants for the purchase of depreciable assets are taken to the grants received in advance account in the first instance. They are transferred to the deferred capital grants account upon the utilisation of the grants for purchase of assets, which are capitalised, or to the statement of comprehensive income for purchase of assets which are expensed in the year of purchase.

Deferred capital grants are recognised in the statement of comprehensive income over the periods necessary to match the depreciation, write off and/or impairment loss of the assets purchased with the related grants. Upon disposal of the assets, the balance of the related deferred capital grants is recognised in the statement of comprehensive income to match the carrying amount of the assets written off.

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

3 Unrestricted funds

The unrestricted funds of $425,778,000 (2022 - $436,759,000) include $39,701,000 (2022 - $42,294,000) of Ngee Ann Polytechnic - Education Fund, $2,201,000 (2022 - $2,181,000) of sinking funds and $31,855,000 (2022 - $33,546,000) of scholarship and bursary funds.

4 Restricted Funds - Ngee Ann Polytechnic Fund

The Ministry of Education has an Education Central Fund, which has been designated as an Institution of Public Character ("IPC"). NP Fund was established on 1 April 2003 as a member of this Education Central Fund. Under this membership, the Fund is allowed to issue tax-deductible receipts to donors. Donations received by the Polytechnic are channelled to the Fund.

The Fund has several sub-funds and the total fund balance comprised mainly accumulated surpluses of the sub-funds and the capital of endowment funds. A separate set of audited financial statements is prepared for the Fund.

The Fund is managed by a Management Committee which is also the Council Committee of the Polytechnic. Under the rules and regulations of the Fund, the Fund shall not be dissolved unless so decided by the Polytechnic's Council and the Commissioner of Charities is notified. In the event that the Fund is dissolved, the balance in the Fund shall be donated to another fund for the advancement of education in a Polytechnic which has IPC status or in the absence of such a fund, to the Education Fund of the Ministry of Education.

5 Property, plant and equipment

	Freehold land [a] $'000	Buildings [b] $'000	Building improvements $'000	Furniture, equipment and machinery $'000	Assets under construction $'000	Total $'000
Cost						
At 1 April 2021	40,700	375,376	207,013	157,543	6,930	787,562
Additions	1,126	-	-	4,165	4,256	9,547
Reclassification	-	-	4,937	2,841	(7,778)	-
Transfer to intangible assets (Note 7)	-	-	-	-	(701)	(701)
Disposals	-	(240)	(1,492)	(4,776)	-	(6,508)
At 31 March 2022	41,826	375,136	210,458	159,773	2,707	789,900
Additions	-	-	**710**	**914**	**9,472**	**11,096**
Reclassification	-	-	**1,160**	**4,884**	**(6,044)**	-
Transfer to intangible assets (Note 7)	-	-	-	-	**(466)**	**(466)**
Disposals	-	**(7,221)**	**(1,949)**	**(11,654)**	-	**(20,824)**
At 31 March 2023	**41,826**	**367,915**	**210,379**	**153,917**	**5,669**	**779,706**
Accumulated depreciation						
At 1 April 2021	-	192,050	190,735	130,898	-	513,683
Depreciation for the year	-	6,573	11,477	10,024	-	28,074
Disposals	-	(167)	(1,493)	(4,756)	-	(6,416)
At 31 March 2022	-	198,456	200,719	136,166	-	535,341
Depreciation for the year	-	**6,514**	**6,182**	**8,590**	-	**21,286**
Adjustment	-	**15**	-	-	-	**15**
Disposals	-	**(5,698)**	**(1,949)**	**(11,650)**	-	**(19,297)**
At 31 March 2023	-	**199,287**	**204,952**	**133,106**	-	**537,345**
Net book value						
At 31 March 2023	**41,826**	**168,628**	**5,427**	**20,811**	**5,669**	**242,361**
At 31 March 2022	41,826	176,680	9,739	23,607	2,707	254,559

(a) Freehold land comprise two plots of freehold land contributed by Ngee Ann Kongsi in previous years.

(b) Buildings comprise buildings on freehold and leasehold land with carrying amounts of $166,737,000 and $1,891,000 (2022 - $174,609,000 and $2,071,000), respectively.

6 Right-of-use assets

The Polytechnic leases certain leasehold land, office premises, furniture, fittings and equipment. The lease terms are 99 years and 3 years for leasehold land and office premises, respectively. The lease term ranges from 2 to 5 years for furniture, fittings and equipment.

	Leasehold land $'000	Office premises $'000	Furniture, fittings and equipment $'000	Total $'000
Cost				
At 1 April 2021	57,549	384	25	57,958
Additions	-	491	10	501
At 31 March 2022	57,549	875	35	58,459
Additions	-	-	-	-
Disposals	-	(26)	(8)	(34)
At 31 March 2023	**57,549**	**849**	**27**	**58,425**
Accumulated depreciation				
At 1 April 2021	15,291	358	17	15,666
Depreciation for the year	1,919	162	10	2,091
At 31 March 2022	17,210	520	27	17,757
Depreciation for the year	**1,918**	**164**	**2**	**2,084**
Disposals	-	(26)	(8)	(34)
At 31 March 2023	**19,128**	**658**	**21**	**19,807**
Net book value				
At 31 March 2023	**38,421**	**191**	**6**	**38,618**
At 31 March 2022	40,339	355	8	40,702

7 Intangible assets

	Computer software $'000
Cost	
At 1 April 2021	25,642
Additions	286
Transfer from property, plant and equipment (Note 5)	701
Disposals	(769)
At 31 March 2022	25,860
Additions	**267**
Transfer from property, plant and equipment (Note 5)	**466**
Disposals	**(9,034)**
At 31 March 2023	**17,559**
Accumulated amortisation	
At 1 April 2021	23,550
Amortisation for the year	760
Disposals	(769)
At 31 March 2022	23,541
Amortisation for the year	**1,006**
Disposals	**(9,029)**
At 31 March 2023	**15,518**
Net book value	
At 31 March 2023	**2,041**
At 31 March 2022	2,319

8 Subsidiary

	2023 $'000	2022 $'000
Unquoted equity shares, at cost	**258**	258

Details of the subsidiary are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interest and voting power held 2023	2022	Principal activities
Ngee Ann Polytechnic Global Pte Ltd	Singapore	**100**	100	Provision of consultancy, training and global educational services

Ngee Ann Polytechnic Global Pte Ltd was incorporated on 8 September 2006 with a paid-up capital of $100,000.

The financial statements of the subsidiary have not been consolidated with the Polytechnic's financial statements as the Polytechnic is of the view that the subsidiary's financial statements is not material to the Polytechnic's financial statements. The balances and transactions of the Polytechnic are not affected by the non-consolidation.

The Polytechnic is the sole member of the School of Science and Technology, Singapore ("SST"), a company limited by guarantee. The principal activities of SST are to provide a holistic and balanced secondary school education with a focus on applied learning, innovation and entrepreneurship in science and technology. Upon the winding up or dissolution of SST, all its assets and liabilities shall not be paid or distributed among its members but shall be dealt in accordance with Articles of Association of SST and the Charities Act 1994 (the "Charities Act"), and shall be given or transferred to other institutions registered under Charities Act. As the Polytechnic does not have the ability to exercise control over SST and does not have rights to variable returns from its involvement with SST, SST is not accounted for as a subsidiary of the Polytechnic.

NP Enterprise (S) Pte Ltd, a former subsidiary, was struck off the Register of Companies with effect from 8 November 2021. The Polytechnic received proceeds of $475,000 from dissolution of the subsidiary.

9 Loans to students and graduates

	2023 $'000	2022 $'000
Overseas student programs loans	**2**	9
Study loans	**14**	39
Computer loans	**509**	629
	525	677
Represented by:		
Amounts receivable within one year	**441**	513
Amounts receivable after one year	**84**	164
	525	677

9 Loans to students and graduates (Cont'd)

Overseas student programs loans, study loans and computer loans are unsecured during the course of study and are repayable by monthly instalments over periods ranging from 2 to 10 years after the borrowers' graduation. Interest is charged based on the average of the prevailing prime rates of the 3 local banks. The interest rate for these loans at the end of the reporting period is 5.25% (2022 - 5.25%) per annum.

For the purpose of impairment assessment, loans to students and graduates 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 expected credit losses ("ECL").

In determining the ECL, the Polytechnic has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors.

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

10 Amounts due from subsidiary

	2023 $'000	2022 $'000
Amounts due from subsidiary (non-trade)	**300**	373
Represented by:		
Amounts receivable within one year	**-**	73
Amounts receivable after one year	**300**	300
	300	373

The amounts due from subsidiary include payments made on behalf of and a loan of $300,000 (2022 - $300,000) granted to the subsidiary. The payments made on behalf are unsecured, interest-free and are repayable on demand. The loan bears interest of 2.39% (2022 - 2.39%) per annum and is repayable by 30 June 2026.

11 Sundry receivables

	2023 $'000	2022 $'000
Accrued dividends	**202**	191
Accrued interest	**3,736**	2,005
Sundry receivables	**412**	1,933
Goods and Services Tax receivable	**-**	503
Student receivables	**9**	18
Non-student receivables	**833**	2,594
Amount due from Trust funds (Note 20)	**254**	476
Receivables from brokers (Note 31.6)	**5,222**	254
	10,668	7,974

The Polytechnic wrote off student receivables amounting to $130,000 (2022 - $113,000) for the year ended 31 March 2023.

12 Grants receivables

These are grants from Ministry of Education ("MOE") and other government agencies to finance the operations of the Polytechnic.

	MOE		Others		Total	
	2023	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance at 1 April	**6,509**	437	**34,026**	15,705	**40,535**	16,142
Grants received	**(147,854)**	(166,841)	**(52,893)**	(24,473)	**(200,747)**	(191,314)
Grants utilised and recognised in profit or loss (Note 25)	**147,582**	167,637	**33,297**	39,825	**180,879**	207,462
MOE matching grants received /receivable	**(4,081)**	4,703	**-**	-	**(4,081)**	4,703
MOE development grant received/ receivable	**(3,502)**	929	**-**	-	**(3,502)**	929
Development/Other grants utilised and transferred to deferred capital grants (Note 19)	**2,443**	-	**792**	6	**3,235**	6
Reclassification from grant received in advance (Note 16)	**22**	192	**184**	3,004	**206**	3,196
Others	**-**	(548)	**(317)**	(41)	**(317)**	(589)
Balance at 31 March	**1,119**	6,509	**15,089**	34,026	**16,208**	40,535

Others relate to grants to the Polytechnic from government agencies, other than MOE, on a reimbursement basis to fund the Polytechnic's activities which have largely been transferred to sundry receivables.

Grants receivables are considered to have a low credit risk.

13 Financial assets at fair value through profit or loss

	2023	2022
	$'000	$'000
Bonds	**350,255**	356,430
Quoted equity investments	**172,187**	213,946
(Note 31.6)	**522,442**	570,376

The Polytechnic's investments are mainly managed by external fund managers. The fund managers are given discretionary powers within certain guidelines to invest the funds.

Bonds include investments in fixed income instruments via segregated accounts and pooled vehicles. The interest rate on bonds ranges from 0% to 7.40% (2022 - 0% to 7.40%) per annum. The maturity dates of bonds range from 5 April 2023 to 20 March 2060 (2022 - 5 April 2022 to 22 July 2068).

Quoted equity investments represent investments in quoted equities via segregated accounts and pooled vehicles. The fair values of the financial instruments traded in active markets are based on quoted market prices available at the end of the reporting period.

14 Derivative financial instruments

	Contract/ notional amount $'000	Assets $'000	Liabilities $'000
31 March 2023			
Forward currency contracts	**274,355**	**1,262**	**(975)**
31 March 2022			
Forward currency contracts	177,054	678	(462)

The forward currency contracts are used in the currency hedging programs which aim to reduce the foreign currency risks of the investment portfolio. The Polytechnic does not apply hedge accounting.

15 Cash and bank balances

	2023 $'000	2022 $'000
Cash managed by fund managers (Note 31.6)	**103,119**	85,879
Cash with Accountant-General's Department	**133,346**	90,346
	236,465	176,225
Less: Cash attributable to Trust Funds	**(815)**	(837)
	235,650	175,388

The Centralised Liquidity Management ("CLM") scheme involves placing funds directly with the Accountant-General's Department ("AGD") and allows for better credit risk management by the government. Under this scheme, the Polytechnic's cash at bank in excess of a certain threshold is transferred to the AGD. Cash placed with AGD is interest-bearing. Interest is computed on the basis as set out in the Accountant-General's Department Circular No. 4/2009. The interest rate for cash placed with AGD at the reporting date is 1.56% (2022 - 0.30%) per annum.

16 Payables and accruals

	2023 $'000	2022 $'000
Accruals	**22,952**	19,542
Fixed assets vendors	**31**	1,194
CPF payable	**397**	364
Refundable deposits	**798**	871
Accrual for unconsumed leave	**8,538**	11,749
Sundry payables	**19,390**	18,887
Good and Services Tax payable	**8,482**	-
Payables to brokers (Note 31.6)	**8,594**	2,972
Grants received in advance	**7,083**	4,335
Amount due to Trust funds (Note 20)	**815**	837
	77,080	60,751

16 Payables and accruals (Cont'd)

Grants received in advance represent amounts received by the Polytechnic from MOE and other government agencies.

	MOE		Others		Total	
	2023	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Grants received in advance						
Balance at 1 April	**2,776**	3,646	**1,559**	1,172	**4,335**	4,818
Grants received	**1,487**	501	**12,526**	-	**14,013**	501
Development grants utilised and transferred to deferred capital grants (Note 19)	**(133)**	(197)	**-**	(139)	**(133)**	(336)
Grants utilised and recognised in profit or loss (Note 25)	**(655)**	(1,351)	**(10,683)**	(2,493)	**(11,338)**	(3,844)
Reclassification of debit balance to grant receivables (Note 12)	**22**	192	**184**	3,004	**206**	3,196
Others	**-**	(15)	**-**	15	**-**	-
Balance as at 31 March	**3,497**	2,776	**3,586**	1,559	**7,083**	4,335

17 Contract liabilities

	2023	2022
	$'000	$'000
Student fees received in advance	**3,977**	3,941
Service fees received in advance [(a)]	**12,073**	12,645
	16,050	16,586
Represented by:		
- Current	**4,549**	4,513
- Non-current	**11,501**	12,073
	16,050	16,586

(a) Fees received in advance from Singapore Institute of Technology ("SIT") for the usage of the Polytechnic's facilities by SIT students are amortised over a 30-year period commencing from 9 May 2014 in accordance with the service agreement between the Polytechnic and SIT.

The Polytechnic's revenue recognised that was included in the contract liability balance at the beginning of the period:

	2023	2022
	$'000	$'000
Student fees received in advance	**3,941**	3,974
Service fees received in advance	**572**	572
	4,513	4,546

18 Lease liabilities

	2023 $'000	2022 $'000
Maturity analysis		
Year 1	**168**	168
Year 2	**30**	168
Year 3	**1**	30
Year 4	**-**	2
	199	368
Less: unearned interest	**(1)**	(4)
	198	364
Analysed as:		
- Current	**167**	166
- Non-current	**31**	198
	198	364

Interest expense on lease liabilities of $3,000 (2022 - $4,000) is recognised within "Other expenditure" in profit or loss.

Total cash outflows related to lease payments in the year amount to $168,000 (2022 - $180,000).

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

Rental expenses not capitalised in lease liabilities but recognised within "operating expenditure" in profit or loss are set out below:

	2023 $'000	2022 $'000
Short term leases	**163**	122
Low value assets	**131**	154
(Note 23)	**294**	276

19 Deferred capital grants

	MOE		Others		Total	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000
Balance at 1 April	**254,408**	262,096	**5,163**	5,790	**259,571**	267,886
Grants recognised as deferred income:						
Grants received from MOE	**21,651**	17,924	**-**	-	**21,651**	17,924
Transfer from grant receivables (Note 12)	**2,443**	929	**792**	6	**3,235**	935
Transfer from grants received in advance (Note 16)	**133**	197	**-**	139	**133**	336
	278,635	281,146	**5,955**	5,935	**284,590**	287,081
Grants taken to surplus or deficit:						
Purchase of non-capitalised assets using IT and F&E grants (Note 25)	**(12,149)**	(7,349)	**-**	-	**(12,149)**	(7,349)
Amortisation of deferred capital grants	**(16,790)**	(19,389)	**(677)**	(772)	**(17,467)**	(20,161)
	(28,939)	(26,738)	**(677)**	(772)	**(29,616)**	(27,510)
Balance at 31 March	**249,696**	254,408	**5,278**	5,163	**254,974**	259,571
Represented by:						
Grants utilised	**189,174**	198,436	**5,278**	5,163	**194,452**	203,599
Grants unutilised	**60,522**	55,972	**-**	-	**60,522**	55,972
	249,696	254,408	**5,278**	5,163	**254,974**	259,571

20 Trust funds

	Liu Yin Soon Scholarship Trust Fund		Ngee Ann Polytechnic Students' Union Trust Fund		Funds held on behalf of MOE: Tuition fee loan, Study Loan and Overseas Student Programme Loans		Funds held on behalf of MOE: Opportunity Fund		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trust Funds (capital)										
Balance at 1 April	2,280	2,280	2,587	2,587	4,386	4,592	895	853	10,148	10,312
Received during the year	-	-	-	-	989	881	102	42	1,091	923
Refunded during the year	-	-	-	-	(936)	(1,085)	-	-	(936)	(1,085)
Write-off during the year	-	-	-	-	-	(2)	-	-	-	(2)
Return of funds to the Ngee Ann Polytechnic Students Union	-	-	(2,587)	-	-	-	-	-	(2,587)	-
Balance at 31 March	2,280	2,280	-	2,587	4,439	4,386	997	895	7,716	10,148
Accumulated surplus										
Balance at 1 April	809	902	356	483	36	-	(70)	-	1,131	1,385
Reclassification from Payables-MOE to interest on loans	-	-	-	-	-	71	-	-	-	71
(Deficit)/Surplus for the year	(201)	(93)	(261)	(127)	-	(35)	(112)	(70)	(574)	(325)
Return of funds to the Ngee Ann Polytechnic Students Union	-	-	(95)	-	-	-	-	-	94	-
Balance at 31 March	608	809	-	356	36	36	(182)	(70)	651	1,131
Total funds as at 31 March	2,888	3,089	-	2,943	4,475	4,422	815	825	8,178	11,279
Income										
Interest income	37	38	18	42	-	9	-	-	55	89
Dividend income	17	15	10	15	-	-	-	-	27	30
Other income	36	36	(196)	97	-	-	-	-	(160)	133
	90	89	(168)	154	-	9	-	-	(78)	252
Less: Expenditure										
Disbursement of scholarship awards	69	69	80	80	-	-	76	-	225	149
Depreciation	11	11	-	-	-	-	-	-	11	11
Other expenditure	211	102	13	201	-	44	36	70	260	417
	291	182	93	281	-	44	112	70	496	577
(Deficit)/Surplus for the year	(201)	(93)	(261)	(127)	-	(35)	(112)	(70)	(574)	(325)
Represented by:										
Right-of-use assets	235	246	-	-	-	-	-	-	235	246
Sundry receivables and deposits	35	11	-	12	93	73	-	-	128	96
Financial assets at fair value through profit or loss	2,865	3,020	-	2,837	-	-	-	-	2865	5,857
Cash and bank balances	-	-	-	427	-	-	-	-	-	427
Payables	(46)	(25)	-	(20)	-	-	-	-	(46)	(45)
Loans to students	-	-	-	-	4,435	4,337	-	-	4,435	4,337
Amount due to Ngee Ann Polytechnic (Note 11)	(201)	(163)	-	(313)	(53)	-	-	-	(254)	(476)
Amount due from Ngee Ann Polytechnic (Note 16)	-	-	-	-	-	12	815	825	815	837
Net assets as at 31 March	2,888	3,089	-	2,943	4,475	4,422	815	825	8,178	11,279

20 Trust funds (Cont'd)

Trust funds includes:

(i) Liu Yin Soon Scholarship Trust Fund

The Liu Yin Soon Scholarship Trust Fund (Registration No. 0657) was registered as a charity under the Charities Act (Cap. 37) on May 27, 1989. The trustee of the fund is Ngee Ann Polytechnic. The objective of the fund is to award scholarships to students of the Polytechnic, who in the view of the trustee of the fund, have excelled in their performance.

There are no fund-raising activities for Liu Yin Soon Scholarship Trust Fund during the year.

The capital sum in the Liu Yin Soon Scholarship Trust Fund was from the sale proceeds of two pieces of bequeathed properties.

(ii) Ngee Ann Polytechnic Students' Union Trust Fund

The Ngee Ann Polytechnic Students' Union Trust Fund comprises monies held in trust by the Polytechnic for the students' union. The monies were co-mingled with the Polytechnic's investible funds which is placed with fund managers for investment returns. During the year, after a review of the investment strategy, the Polytechnic liquidated the students' union's investment and returned the funds to the students' union.

(iii) Tuition Fee, Study and Overseas Student Programme Loans held on behalf of the Ministry of Education ("MOE")

The Tuition Fee, Study and Overseas Student Programme Loans are managed on behalf of the Ministry of Education ("MOE"). The Funds are set up via advances from the MOE for the purpose of providing those loans to students.

The loans are interest-free and unsecured during the course of study. They are repayable by monthly instalments for a period of up to 10 years after the borrowers' graduation. Interest is charged based on the average prevailing prime rates of the 3 local banks. The interest rate at the end of the reporting period for those loans are 4.75% (2022 - 4.75%) per annum. Repayments (including interests) received from the borrowers will need to be refunded to MOE.

(iv) Opportunity Fund held on behalf of MOE

Opportunity Fund is set up by MOE to provide financial assistance for student overseas trips and purchase of computer devices to meet learning needs. The Polytechnic taps on the Fund to subsidise needy students' overseas trips and purchase of computer devices. The Fund is disbursed in advance by MOE and any unutilised balance will be offset against subsequent disbursement from MOE.

21 Other income

	Unrestricted Funds		Restricted Funds		Total	
	2023	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Rental income (Note 27(b))	**3,121**	3,300	**-**	-	**3,121**	3,300
Service fee income	**18,359**	19,349	**-**	-	**18,359**	19,349
Recoveries for expenses	**1,750**	1,316	**2**	3	**1,752**	1,319
Sundry income	**1,584**	998	**-**	-	**1,584**	998
Others	**1,016**	733	**6**	7	**1,022**	740
	25,830	25,696	**8**	10	**25,838**	25,706

22 Staff costs

	2023 $'000	2022 $'000
Key management personnel:		
- Salaries and related costs	**8,317**	9,040
- CPF contributions and Skills Development Levy	**548**	654
	8,865	9,694
Other than key management personnel:		
- Salaries and related costs	**172,738**	183,388
- CPF contributions and Skills Development Levy	**23,157**	24,089
	195,895	207,477
	204,760	217,171

23 Other expenditure

	Unrestricted Funds		Restricted Funds		Total	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000
Consultancy fees	**1,106**	2,730	-	-	**1,106**	2,730
GeBIZ fees	**269**	304	-	-	**269**	304
Guard services	**1,075**	1,247	-	-	**1,075**	1,247
Legal and professional fees	**292**	301	-	-	**292**	301
Short-term rental expenses (Note 18)	**294**	276	-	-	**294**	276
Royalty expenses	**13,814**	10,879	-	-	**13,814**	10,879
Outsourced services	**460**	220	-	-	**460**	220
Consumables and materials for R&D	**41**	59	-	-	**41**	59
Copyright and licensing fees	**349**	737	-	-	**349**	737
Computer services	**9,970**	7,976	-	8	**9,970**	7,984
Property tax	**407**	376	-	-	**407**	376
Printing and office supplies	**526**	628	**2**	2	**528**	630
Advertising expenses	**2,095**	797	-	-	**2,095**	797
Bad debt written off	**130**	113	-	-	**130**	113
Bank charges	**81**	77	-	-	**81**	77
Others	**1,210**	268	**15**	-	**1,225**	268
	32,119	26,988	**17**	10	**32,136**	26,998

24 Interest income

	Unrestricted Funds		Restricted Funds		Total	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000
Cash with Accountant-General's Department	**1,878**	180	-	-	**1,878**	180
Student loans	**1**	1	-	-	**1**	1
Loan to subsidiary	**7**	7	-	-	**7**	7
	1,886	188	-	-	**1,886**	188

24.1 Investment (loss)/income, net

	Unrestricted Funds		Restricted Funds		Total	
	2023	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Interest income from investments	**4,000**	4,289	**4,086**	4,100	**8,086**	8,389
Dividend income	**1,813**	1,614	**1,843**	1,540	**3,656**	3,154
Fair value loss on financial assets at fair value through profit or loss and derivatives	**(21,448)**	(8,898)	**(21,109)**	(8,878)	**(42,557)**	(17,776)
Fund management expenses	**(471)**	(1,082)	**(489)**	(1,042)	**(960)**	(2,124)
Custodian fees	**(393)**	(359)	**(401)**	(344)	**(794)**	(703)
Miscellaneous charges	**(121)**	(123)	**(122)**	(117)	**(243)**	(240)
	(16,620)	(4,559)	**(16,192)**	(4,741)	**(32,812)**	(9,300)

25 Operating grants

	MOE		Others		Total	
	2023	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Operating grants (Notes 12 and 16)	**148,237**	168,988	**43,980**	42,318	**192,217**	211,306
Transferred from deferred capital grants (Note 19)	**12,149**	7,349	**-**	-	**12,149**	7,349
	160,386	176,337	**43,980**	42,318	**204,366**	218,655

26 Related party transactions

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

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

	2023	2022
	$'000	$'000
MOE		
Funds received/receivable	**202,783**	212,220
Subsidiary		
Administrative support and trainers fee income	**90**	122
Rental income	**13**	24
Interest income	**7**	7
Other income	**23**	2
Administrative expense	**2**	2
Placement fee expense	**-**	3

27 Commitments

(a) Capital commitment

	2023 $'000	2022 $'000
Amount approved and contracted for		
- property, plant and equipment	**29,719**	2,669
- intangible assets	**1,596**	1,937
	31,315	4,606
Amount approved but not contracted for	**41,420**	18,963

(b) Operating lease commitment (non-cancellable)

Where the Polytechnic is the lessor
During the year ended 31 March 2023, the Polytechnic recognised rental income of $3,121,000 (2022 - $3,300,000) (Note 21). Leases are with lease term up to 30 years.

Maturity analysis of operating lease payments:

	2023 $'000	2022 $'000
Year 1	**1,767**	2,666
Year 2	**1,025**	1,271
Year 3	**544**	774
Year 4	**516**	516
Year 5	**516**	516
Year 6 and onwards	**7,772**	7,836
	12,140	13,579

Where the Polytechnic is the lessee
At 31 March 2023, the Polytechnic is committed to approximately $174,000 (2022 - $117,000) for low-value leases in respect of laptops and equipment.

28 Ngee Ann Kongsi's Contribution

(a) Following Section 20A of the Ngee Ann Kongsi (Incorporation) Ordinance 1933, the Ngee Ann Kongsi donates 25% of its net income to the Polytechnic. The monies received will be partially channelled to an education fund that will support the Polytechnic's students through bursaries, scholarships and student aid grants, and bolster student development programs. The remaining will be placed in an endowment fund. The investment income from the endowment fund will be channelled to the education fund and to fund the operations of the Polytechnic.

During the financial year, the Polytechnic received $9,738,000 (2022 - $6,627,000) from Ngee Ann Kongsi.

(b) In accordance with the agreed arrangement with MOE, when the funds management contracts with the Polytechnic's fund managers expire, the gain or loss of the contracts would be taken as realised. During the financial year, $16,872,000 (2022 - $1,959,000), representing 75% of the Ngee Ann Kongsi Endowment Fund's share of the gains of the expired fund management contracts, was transferred to unrestricted fund to finance the operations of the Polytechnic. MOE reduces the operating grant to the Polytechnic by the same amount accordingly for the current financial year.

(c) As disclosed in Note 5 to the financial statements, Ngee Ann Kongsi had also donated freehold lands to the Polytechnic.

29 IPC Regulations

The Ngee Ann Polytechnic Fund (the "Fund") 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 will be published on the Charity Portal (www.charities.gov.sg) from 1 April 2009. In line with the requirement, the Polytechnic's checklist can be found on the above website.

30 Taxation

All registered and exempt charities will enjoy automatic income tax exemption. There is, hence, no income tax payable by the Polytechnic.

31 Financial risk management

The Polytechnic's management monitors and manages the financial risks relating to the operations of the Polytechnic to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (including interest rate risk and currency risk), credit risk and liquidity risk.

The Polytechnic has written guidelines relating to financial assets at fair value through profit or loss for fund managers.

The Polytechnic, other than for financial assets at fair value through profit or loss managed by its fund managers, does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

31.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Polytechnic's currency risk arises mainly from financial assets at fair value through profit or loss denominated in the United States Dollar.

At the end of the reporting period, the carrying amounts of financial assets denominated in currencies other than the Polytechnic's functional currency are as follows:

	Assets		Liabilities	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
United States Dollar	**218,390**	254,613	**-**	-

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Polytechnic's management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the United States Dollar were to weaken/strengthen by 10% against the Singapore Dollar, the Polytechnic's deficit for the year will decrease/increase by $21,839,000 (2022 - $25,461,000).

31 Financial risk management (Cont'd)

31.2 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Surplus funds arising from the Polytechnic's operations are placed with reputable banks and financial assets at fair value through profit or loss with fund managers. The Polytechnic's earnings are affected by changes in interest rates due to the impact those changes have on its interest income from bank deposits and interest-bearing non-equity investments.

The Polytechnic's exposure to movements in market interest rates relates primarily to its floating interest rate financial assets at fair value through profit or loss, including financial assets at fair value through profit or loss with fund managers. A 100 basis point increase or decrease is used when reporting interest rate risk internally to the Polytechnic's management and represents the Polytechnic's management's assessment of the reasonably possible change in interest rates.

The carrying values of these assets as at the end of the reporting period are as follows:

	2023	2022
	$'000	$'000
Financial assets at fair value through profit or loss	**5,268**	5,206

With all other variables held constant, a 100 (2022 - 100) basis points increase/decrease in interest rates will result in a $53,000 (2022 - $52,000) increase/decrease in the Polytechnic's deficit for the year.

31.3 Price risk

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.

The financial assets at fair value through profit or loss that are subject to price risks total $522,442,000 (2022 - $570,376,000) as disclosed in Note 13. The market risk associated with these financial assets at fair value through profit or loss is the potential loss in fair value resulting from the decrease in market prices of these financial assets at fair value through profit or loss. The Polytechnic's strategies and policies relating to financial assets at fair value through profit or loss are determined by its Investment Committee. 10% is the sensitivity rate used when reporting market risk internally to the Investment Committee and represents management's assessment of the reasonably possible change in market risk that the Polytechnic is exposed to.

With all other variables held constant, a 10% (2022 - 10%) increase/decrease in of market values of financial assets at fair value through profit or loss will result in a $52,244,000 (2022 - $57,038,000) increase/decrease in the Polytechnic's deficit for the year.

31.4 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instrument should a counterparty default on its obligations.

The Polytechnic has no significant concentration of credit risk. Cash and cash equivalents and investments are placed with reputable banks, Accountant-General's Department and fund managers.

31 Financial risk management (Cont'd)

31.4 Credit risk (Cont'd)

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those financial assets stated in the statement of financial position.

The Polytechnic develops and maintains its credit risk categorisation according to the degree of risk of default.

For the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). In determining the ECL, the Polytechnic has taken into account the historical default experience, and knowledge of any events or circumstances impeding recovery of the amounts, adjusted for factors that are specific to the debtors and the economic environment.

The Polytechnic's current credit risk categorisation is as follows:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Polytechnic has no realistic prospect of recovery.	Amount is written off

A summary of the Polytechnic's exposures to credit risk for receivables is as follows:

	Note	Category	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
2023						
Loan to students and graduates	9	Performing	12-month ECL	**525**	-	**525**
Amount due from subsidiary	10	Performing	12-month ECL	**300**	-	**300**
Sundry receivables	11	Performing	12-month ECL	**10,668**	-	**10,668**
Grant receivables	12	Performing	12-month ECL	**16,208**	-	**16,208**
2022						
Loan to students and graduates	9	Performing	12-month ECL	677	-	677
Amount due from subsidiary	10	Performing	12-month ECL	373	-	373
Sundry receivables @	11	Performing	12-month ECL	7,471	-	7,471
Grant receivables	12	Performing	12-month ECL	40,535	-	40,535

@ Excluding Goods and Services Tax receivable

31 Financial risk management (Cont'd)

31.5 Liquidity risk

Liquidity risk is the risk that the Polytechnic will encounter difficulty in meeting its financial obligations due to shortage of funds.

The Polytechnic maintains an adequate level of highly liquid assets in the form of cash.

Analysis of financial instruments by remaining contractual maturities
The table below summarises the maturity profile of the Polytechnic's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	Between 1 and 5 years $'000
2023				
Financial assets:				
Financial assets at amortised cost	**247,958**	**247,958**	**247,574**	**384**
Financial assets at fair value through profit or loss	**522,442**	**522,442**	**522,442**	**-**
Derivative financial instruments	**1,262**	**1,262**	**1,262**	**-**
Total undiscounted financial assets	**771,662**	**771,662**	**771,278**	**384**
Financial liabilities:				
Financial liabilities at amortised cost #	**52,977**	**52,977**	**52,977**	**-**
Derivative financial instruments	**975**	**975**	**975**	**-**
Lease liabilities	**198**	**198**	**167**	**31**
Total undiscounted financial liabilities	**54,150**	**54,150**	**54,119**	**31**
Total net undiscounted financial assets	**717,512**	**717,512**	**717,159**	**353**
2022				
Financial assets:				
Financial assets at amortised cost @	184,746	184,746	184,282	464
Financial assets at fair value through profit or loss	570,376	570,376	570,376	-
Derivative financial instruments	678	678	678	-
Total undiscounted financial assets	755,800	755,800	755,336	464
Financial liabilities:				
Financial liabilities at amortised cost #	44,667	44,667	44,667	-
Derivative financial instruments	462	462	462	-
Lease liabilities	364	364	166	198
Total undiscounted financial liabilities	45,493	45,493	45,295	198
Total net undiscounted financial assets	710,307	710,307	710,041	266

@ Excluding Goods and Services Tax receivable
# Excluding grants received in advance, accrual for unconsumed leave and Goods and Services Tax payable

31 Financial risk management (Cont'd)

31.6 Amounts under fund management

The carrying amounts of funds under fund management by professional managers and held in trust by a custodian can be analysed as follows:

	Note	2023 $'000	2022 $'000
Receivables from brokers	11	**5,222**	254
Financial assets at fair value through profit or loss	13	**522,442**	570,376
Derivative financial instruments, net		**287**	216
Cash and bank balances	15	**103,119**	85,879
Payables to brokers	16	**(8,594)**	(2,972)
		622,476	653,753

31.7 Fair value measurements

The following presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Polytechnic has no financial assets and financial liabilities measured at fair value Level 3 as at 31 March 2023 and 2022.

	Note	Level 1 $'000	Level 2 $'000	Total $'000
At 31 March 2023				
Financial assets:				
Financial assets at fair value through profit or loss	13	**171,206**	**351,236**	**522,442**
Derivative financial instruments	14	**-**	**1,262**	**1,262**
		171,206	**352,498**	**523,704**
Financial liabilities:				
Derivative financial instruments	14	**-**	**(975)**	**(975)**

31 Financial risk management (Cont'd)

31.7 Fair value measurements (Cont'd)

	Note	Level 1 $'000	Level 2 $'000	Total $'000
At 31 March 2022				
Financial assets:				
Financial assets at fair value through profit or loss	13	231,597	338,779	570,376
Derivative financial instruments	14	-	678	678
		231,597	339,457	571,054
Financial liabilities:				
Derivative financial instruments	14	-	(462)	(462)

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 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. Bonds classified within Level 2 hierarchy are valued based on assessments by pricing vendors using observable market-based data. Derivative financial instruments are valued using widely accepted pricing models, with market observable inputs including volatilities, yield curves, foreign exchange spot and forward rates.

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

The carrying amounts of loans to students and graduates, amounts due from subsidiary, sundry receivables (excluding Goods and Services Tax receivable), cash and bank balances, and payables and accruals (excluding grants received in advance, accrual for unconsumed leave and Goods and Services Tax payable) are reasonable approximation of fair values due to the short period to maturity.

Loans to students and graduates and amounts due from subsidiary (non-current)

The carrying amounts of loans to students and graduates and amounts due from subsidiary classified as non-current assets are not materially different from the fair values determined using discounted estimated cash flows.

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

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

31 Financial risk management (Cont'd)

31.8 Financial instruments by category

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

	Note	2023 $'000	2022 $'000
Financial assets at amortised cost:			
Loans to students and graduates	9	**525**	677
Amounts due from subsidiary	10	**300**	373
Sundry receivables @	11	**10,668**	7,471
Cash and bank balances	15	**236,465**	176,225
		247,958	184,746
Financial assets at fair value through profit or loss:			
Financial assets at fair value through profit or loss	13	**522,442**	570,376
Derivative financial instruments	14	**1,262**	678
Financial liabilities at amortised cost:			
Payables and accruals #	16	**52,977**	44,667
Lease liabilities	18	**198**	364
		53,175	45,031
Financial liabilities at fair value through profit or loss:			
Derivative financial instruments	14	**975**	462

@ Excluding Goods and Services Tax receivable
\# Excluding grants received in advance, accrual for unconsumed leave and Goods and Services Tax payable

32 Capital management policies and objectives

The Polytechnic's main objective when managing capital is to safeguard the Polytechnic's ability to continue as a going concern. The Polytechnic considers the future capital requirements, prevailing and projected operating cash flows, projected capital expenditure and projected strategic investment opportunities as part of its capital management process.

The capital structure of the Polytechnic comprises total funds as presented in the statement of financial position. The Polytechnic is not subject to externally imposed capital requirements. The Polytechnic's overall strategy remains unchanged from prior year.

33 Comparatives

Certain comparative figures have been reclassified to conform to current year's presentation. Accordingly, prior year comparatives have been reclassified as follows:

Statement of financial position as at 31 March 2022

	As reported $'000	Reclassification $'000	As reclassified $'000
Sundry receivables	7,471	503	7,974
Total current assets	796,470	503	796,973
Total assets	1,094,772	503	1,095,275
Payables and accruals	60,248	503	60,751
Total current liabilities	65,389	503	65,892

Goods and Services Tax receivable of $503,000 has been reclassified from "Payables and accruals" to "Sundry receivables" in the statement of financial position as at 31 March 2022.

	Unrestricted Funds			Restricted Funds			Total		
	2022 $'000 As reported	$'000 Reclassification	2022 $'000 As reclassified	2022 $'000 As reported	$'000 Reclassification	2022 $'000 As reclassified	2022 $'000 As reported	$'000 Reclassification	2022 $'000 As reclassified
Other expenditure (Note 23)									
Outsourced services	5,194	(4,974)	220	8	(8)	-	5,202	(4,982)	220
Computer services	3,002	4,974	7,976	-	8	8	3,002	4,982	7,984
Investment (loss)/income, net (Note 24.1)									
- Interest income from investments	4,277	12	4,289	4,088	12	4,100	8,365	24	8,389
- Fair value loss on financial assets at fair value through profit or loss and derivatives	(8,324)	(574)	(8,898)	(8,311)	(567)	(8,878)	(16,635)	(1,141)	(17,776)
- Loss on foreign exchange	(562)	562	-	(555)	555	-	(1,117)	1,117	-

Interest income of $24,000 has been reclassified from "Fair value loss on financial assets at fair value through profit or loss and derivatives" to "Interest income from investments" within "Investment (loss)/income, net" (Note 24.1) activities in the statement of comprehensive income for the financial year ended 31 March 2022.

Exchange differences of $1,117,000 has been reclassified from "Loss on foreign exchange" to "Fair value loss on financial assets at fair value through profit or loss and derivatives" within "Investment (loss)/income, net" (Note 24.1) activities in the statement of comprehensive income for the financial year ended 31 March 2022.

33 Comparatives (Cont'd)

Statement of cash flows for the financial year ended 31 March 2022

	As reported $'000	Reclassification $'000	As reclassified $'000
Cash Flows from Operating Activities			
Interest income			
- Investments	(8,365)	(24)	(8,389)
Fair value loss on financial assets at fair value through profit or loss and derivatives	16,635	1,141	17,776
Operating deficit before working capital changes	(211,494)	1,117	(210,377)
Change in receivables	(3,136)	327	(2,809)
Change in payables	(7,513)	(327)	(7,840)
Cash used in operations	(222,143)	1,117	(221,026)
Net cash used in operating activities	(23,543)	1,117	(22,426)
Cash flows from Investing Activities			
Purchase of financial assets at fair value through profit or loss	(531,388)	7,287	(524,101)
Proceeds from disposal of financial assets at fair value through profit or loss	521,921	(1,614)	520,307
Receivables from brokers	-	497	497
Payables to brokers	-	(7,287)	(7,287)
Net cash generated from investing activities	11,795	(1,117)	10,678

Cash inflow of $497,000 related to amounts due from broker has been reclassified from "proceeds from disposal of financial assets at fair value through profit or loss" in investing activities to "receivables from brokers" in investing activities in the statement of cash flows for the financial year ended 31 March 2022.

Cash inflow of $327,000 related to Goods and Services Tax receivable has been reclassified from "change in payables" to "change in receivables" in operating activities in the statement of cash flows for the financial year ended 31 March 2022.

Cash outflow of $7,287,000 related to amounts due to broker has been reclassified from "purchase of financial assets at fair value through profit or loss" in investing activities to "payable to brokers" in investing activities in the statement of cash flows for the financial year ended 31 March 2022.