



**NGEE ANN POLYTECHNIC
AND ITS SUBSIDIARY**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

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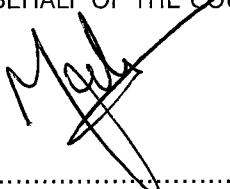
NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

STATEMENT BY Ngee ANN POLYTECHNIC COUNCIL

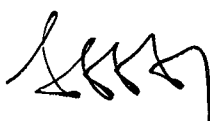
In the opinion of the Council,

- (i) the accompanying financial statements set out on pages 6 to 50 of Ngee Ann Polytechnic (the "Polytechnic") and its subsidiary (collectively the "Group") are drawn up so as to present fairly, in all material respects, the financial position of the Group and the Polytechnic as at 31 March 2025 and the consolidated performance, changes in funds and reserves and cash flows of the Group and the financial performance of the Polytechnic and changes in funds and reserves of the Polytechnic for the year then ended, in accordance with the provisions of the Charities Act 1994 (the "Charities Act"), the Public Sector (Governance) Act 2018 (the "Public Sector (Governance) Act"), the Ngee Ann Polytechnic Act 1967 (the "NP Act") and Statutory Board Financial Reporting Standards;
- (ii) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Polytechnic during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the 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

25 July 2025

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") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Polytechnic as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 50.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "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 aspects, the consolidated financial position of the Group and the financial position of the Polytechnic as at 31 March 2025 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and of the financial performance and changes in funds and reserves of the Polytechnic for the year then ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") 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.

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

Management is responsible for the other information. The other information comprises the information included in the annual report and Statement by Ngee Ann Polytechnic Council on page 1, but does not include the financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF

NGEE ANN POLYTECHNIC

Responsibilities of Management and the Council for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF

NGEE ANN POLYTECHNIC

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the 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

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

Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF NGEE ANN POLYTECHNIC

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the 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.



Public Accountants and
Chartered Accountants
Singapore

25 July 2025

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION **31 March 2025**

		Group		Polytechnic	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>FUNDS AND RESERVES</u>					
Unrestricted funds	3	527,652	479,510	527,454	479,384
Restricted funds	4	359,999	332,697	359,999	332,697
Total funds		887,651	812,207	887,453	812,081
Represented by:					
<u>ASSETS</u>					
Non-current					
Property, plant and equipment	5	245,934	250,995	245,934	250,995
Right-of-use assets	6	34,862	36,534	34,862	36,534
Intangible assets	7	2,990	3,706	2,990	3,706
Subsidiary	8	-	-	258	258
Loans to students and graduates	9	206	126	206	126
Amounts due from subsidiary	10	-	-	100	100
		283,992	291,361	284,350	291,719
Current					
Prepayments		1,726	1,856	1,726	1,856
Loans to students and graduates	9	155	322	155	322
Amounts due from subsidiary	10	-	-	-	48
Sundry receivables	11	10,297	10,209	10,290	10,167
Grants receivables	12	14,147	19,404	14,147	19,404
Financial assets at fair value through profit or loss	13	619,951	583,989	619,951	583,989
Derivative financial instruments	14	332	1,064	332	1,064
Cash and cash equivalents	15	260,958	248,619	260,382	248,010
		907,566	865,463	906,983	864,860
Total assets		1,191,558	1,156,824	1,191,333	1,156,579
<u>LIABILITIES</u>					
Current					
Payables and accruals	16	48,355	71,902	48,328	71,783
Contract liabilities	17	6,185	7,153	6,185	7,153
Lease liabilities	18	189	30	189	30
Derivative financial instruments	14	1,447	1,399	1,447	1,399
		56,176	80,484	56,149	80,365
Net current assets		851,390	784,979	850,834	784,495
Non-current					
Contract liabilities	17	-	10,929	-	10,929
Lease liabilities	18	-	1	-	1
Deferred capital grants	19	247,731	253,203	247,731	253,203
		247,731	264,133	247,731	264,133
Net assets		887,651	812,207	887,453	812,081
Net assets of Trust Funds	20	9,110	8,328	9,110	8,328

See accompanying notes to financial statements.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
Year ended 31 March 2025

		Group					
		Unrestricted funds		Restricted funds		Total	
Note		2025	2024	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
		56,057	56,465	-	-	56,057	56,465
		103	-	3,609	3,848	3,712	3,848
	21	39,957	24,761	(261)	1,775	39,696	26,536
		96,117	81,226	3,348	5,623	99,465	86,849
Operating expenditure							
	22	209,728	204,567	-	-	209,728	204,567
	5	17,971	16,371	21	22	17,992	16,393
	6	2,002	2,084	-	-	2,002	2,084
	7	1,459	1,119	-	-	1,459	1,119
		19,029	16,839	-	-	19,029	16,839
		6,921	8,833	-	-	6,921	8,833
		2,756	2,617	-	-	2,756	2,617
		15,525	15,361	-	-	15,525	15,361
		3,519	3,519	-	-	3,519	3,519
		170	180	3,024	3,003	3,194	3,183
		318	328	-	-	318	328
		5,201	1,993	2,145	3,708	7,346	5,701
		1,041	1,027	8	8	1,049	1,035
	23	23,362	23,500	144	254	23,506	23,754
		309,002	298,338	5,342	6,995	314,344	305,333
		(212,885)	(217,112)	(1,994)	(1,372)	(214,879)	(218,484)
Non-operating income/(expense)							
	24	4,357	3,978	-	-	4,357	3,978
	24.1	12,325	25,341	13,657	28,094	25,982	53,435
		(747)	6,011	(23)	-	(770)	6,011
		15,935	35,330	13,634	28,094	29,569	63,424
		(196,950)	(181,782)	11,640	26,722	(185,310)	(155,060)
Grants							
	25	227,652	218,721	701	945	228,353	219,666
	19	15,800	15,607	-	-	15,800	15,607
		243,452	234,328	701	945	244,153	235,273
Surplus for the year, representing total comprehensive income for the year							
		46,502	52,546	12,341	27,667	58,843	80,213

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
Year ended 31 March 2025

	Note	Polytechnic					
		Unrestricted funds		Restricted funds		Total	
		2025	2024	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Course fees		56,057	56,465	-	-	56,057	56,465
Donations		103	-	3,609	3,848	3,712	3,848
Other income	21	39,616	24,420	(261)	1,775	39,355	26,195
		<u>95,776</u>	<u>80,885</u>	<u>3,348</u>	<u>5,623</u>	<u>99,124</u>	<u>86,508</u>
Operating expenditure							
Staff costs	22	209,728	204,567	-	-	209,728	204,567
Depreciation of property, plant and equipment	5	17,971	16,371	21	22	17,992	16,393
Depreciation of right-of-use assets	6	2,002	2,084	-	-	2,002	2,084
Amortisation of intangible assets	7	1,459	1,119	-	-	1,459	1,119
Repairs and maintenance		19,029	16,839	-	-	19,029	16,839
Public utilities		6,921	8,833	-	-	6,921	8,833
Staff development and benefits		2,756	2,617	-	-	2,756	2,617
Teaching and library materials		15,525	15,361	-	-	15,525	15,361
Tools, furniture and equipment expensed off		3,519	3,519	-	-	3,519	3,519
Scholarships, bursaries and grants		170	180	3,024	3,003	3,194	3,183
Transport and communication		318	328	-	-	318	328
Student development, activities and welfare		5,201	1,993	2,145	3,708	7,346	5,701
Goods and services tax expense		1,041	1,027	8	8	1,049	1,035
Other expenditure	23	23,095	23,269	144	254	23,239	23,523
		<u>308,735</u>	<u>298,107</u>	<u>5,342</u>	<u>6,995</u>	<u>314,077</u>	<u>305,102</u>
Operating deficit		<u>(212,959)</u>	<u>(217,222)</u>	<u>(1,994)</u>	<u>(1,372)</u>	<u>(214,953)</u>	<u>(218,594)</u>
Non-operating income/(expense)							
Interest income	24	4,359	3,984	-	-	4,359	3,984
Investment income, net	24.1	12,325	25,341	13,657	28,094	25,982	53,435
(Loss)/Gain on disposal of property, plant and equipment and intangible assets		(747)	6,011	(23)	-	(770)	6,011
		<u>15,937</u>	<u>35,336</u>	<u>13,634</u>	<u>28,094</u>	<u>29,571</u>	<u>63,430</u>
Operating(deficit)/surplus before grants		<u>(197,022)</u>	<u>(181,886)</u>	<u>11,640</u>	<u>26,722</u>	<u>(185,382)</u>	<u>(155,164)</u>
Grants							
Operating grants	25	227,652	218,721	701	945	228,353	219,666
Deferred capital grants amortised	19	15,800	15,607	-	-	15,800	15,607
		<u>243,452</u>	<u>234,328</u>	<u>701</u>	<u>945</u>	<u>244,153</u>	<u>235,273</u>
Surplus for the year, representing total comprehensive income for the year		<u>46,430</u>	<u>52,442</u>	<u>12,341</u>	<u>27,667</u>	<u>58,771</u>	<u>80,109</u>

See accompanying notes to financial statements.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN FUNDS AND RESERVES
Year ended 31 March 2025

	Unrestricted funds			Restricted funds		
	Accumulated surplus \$'000	Endowment funds (Capital) \$'000	Subtotal \$'000	Accumulated surplus \$'000	Endowment funds (Capital) \$'000	Subtotal \$'000
Group						
Balance at 1 April 2023	412,592	13,208	425,800	23,898	273,047	296,945
Surplus for the year, representing total comprehensive income for the year	52,546	-	52,546	27,667	-	27,667
MOE matching grant receivable/received	-	1,164	1,164	-	-	-
Donations received	-	-	-	-	8,085	8,085
Balance at 31 March 2024	465,138	14,372	479,510	51,565	281,132	332,697
Surplus for the year, representing total comprehensive income for the year	46,502	-	46,502	12,341	-	12,341
Transfer of net income from Ngee Ann Kongsi Endowment Fund to finance operations	174	-	174	(174)	-	(174)
MOE matching grant receivable/received	-	1,466	1,466	-	3,300	3,300
Donations received	-	-	-	-	11,835	11,835
Balance at 31 March 2025	511,814	15,838	527,652	63,732	296,267	359,999
						887,651

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN FUNDS AND RESERVES (cont'd)
Year ended 31 March 2025

	Unrestricted funds			Restricted funds		
	Accumulated surplus \$'000	Endowment funds (Capital) \$'000	Subtotal \$'000	Accumulated surplus \$'000	Endowment funds (Capital) \$'000	Subtotal \$'000
<u>Polytechnic</u>						
Balance at 1 April 2023	412,570	13,208	425,778	23,898	273,047	296,945
Surplus for the year, representing total comprehensive income for the year	52,442	-	52,442	27,667	-	27,667
MOE matching grant receivable/received	-	1,164	1,164	-	-	-
Donations received	-	-	-	-	8,085	8,085
Balance at 31 March 2024	465,012	14,372	479,384	51,565	281,132	332,697
Surplus for the year, representing total comprehensive income for the year	46,430	-	46,430	12,341	-	12,341
Transfer of net income from Ngee Ann Kongsi Endowment Fund to finance operations	174	-	174	(174)	-	(174)
MOE matching grant receivable/received	-	1,466	1,466	-	3,300	3,300
Donations received	-	-	-	-	11,835	11,835
Balance at 31 March 2025	511,616	15,838	527,454	63,732	296,267	359,999
						887,453

See accompanying notes to financial statements.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 March 2025

	Group	
	2025	2024
	\$'000	\$'000
Cash flows from operating activities		
Operating deficit before grants	(185,310)	(155,060)
Adjustments for:		
Depreciation of property, plant and equipment	17,992	16,393
Depreciation of right-of-use assets	2,002	2,084
Amortisation of intangible assets	1,459	1,119
Loss/(gain) on disposal of property, plant and equipment	770	(6,012)
Loss on disposal of intangible assets	-	1
Bad debt written off	209	183
Interest income		
- Others	(4,357)	(3,978)
- Investments	(10,821)	(9,693)
Dividend income	(2,543)	(2,759)
Fair value gain on financial assets at fair value through profit or loss and derivatives	(14,492)	(42,662)
Interest expense on lease liabilities	7	1
Termination of service fee recognised as other income	(10,738)	-
Operating deficit before working capital changes	(205,822)	(200,383)
Change in receivables	9,815	2,984
Change in payables	(37,204)	(7,981)
Cash used in operations	(233,211)	(205,380)
Grants received	225,812	213,315
Interest received from student loans	2	1
Loans to students and graduates	87	77
Net cash (used in) from operating activities	(7,310)	8,013
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	(530,392)	(418,251)
Proceeds from disposal of financial assets at fair value through profit or loss	509,701	399,988
Receivables from brokers	2,751	1,178
Payables to brokers	(3,399)	(2,535)
Purchase of property, plant and equipment (Note A)	(14,028)	(28,007)
Acquisition of intangible assets	(635)	(1,071)
Capital grants received	26,522	21,600
Proceeds from disposal of property, plant and equipment	-	7,663
Dividends received	2,563	2,736
Interest received		
- Others	4,088	3,476
- Investments	10,822	9,612
Net cash from (used in) investing activities	7,993	(3,611)
Cash flows from financing activities		
Repayment of lease liabilities (Note B)	(179)	(168)
Donations received for Endowment Funds	11,835	8,085
Net cash from financing activities	11,656	7,917
Net increase in cash and cash equivalents	12,339	12,319
Cash and cash equivalents at beginning of year	248,619	236,300
Cash and cash equivalents at end of year (Note 15)	260,958	248,619

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd) **Year ended 31 March 2025**

Note A

During the current financial year ended 31 March 2025, the Group acquired property, plant and equipment with an aggregate cost of \$13,809,000 (2024 : \$28,392,000) of which \$197,000 (2024 : \$416,000) was accrued as at 31 March 2025. The cash outflow on acquisition of property, plant and equipment amounted to \$14,028,000 (2024 : \$28,007,000).

Note B - Reconciliation of liabilities arising from financing activity

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

	1 April 2024 \$'000	Repayment - cash flows \$'000	Non-cash changes \$'000	31 March 2025 \$'000
Lease liabilities (Note 18)	(31)	179	(337)	(189)

	1 April 2023 \$'000	Repayment - cash flows \$'000	Non-cash changes \$'000	31 March 2024 \$'000
Lease liabilities (Note 18)	(198)	168	(1)	(31)

See accompanying notes to financial statements.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

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1 GENERAL INFORMATION

Ngee Ann Polytechnic (the "Polytechnic") was 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 2025 was 1,292 (2024 : 1,318).

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Polytechnic for the year ended 31 March 2025 were authorised for issue by the Council on 25 July 2025.

2 MATERIAL ACCOUNTING POLICY INFORMATION

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 material accounting policy information below.

The financial statements are presented in Singapore dollars which is the functional currency of the Group. All financial information presented in Singapore dollars ("S\$") has been rounded to the nearest thousand ("000"), except when otherwise indicated.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SB-FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in SB-FRS 36 *Impairment of Assets*.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

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

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

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.2 Adoption of new and revised standards

In the current year, the Group and the Polytechnic have applied all the new and revised SB-FRS Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 April 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards issued but not yet effective

At the date of authorisation of these financial statements, the Group and Polytechnic have not applied the following SB-FRS pronouncements that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SB-FRS 109 and SB-FRS 107 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to SB-FRSs-Volume 11	1 January 2026
SB-FRS 118 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027

Management expects that the adoption of the above pronouncements in future periods will not have a material impact on the financial statements of the Group and of the Polytechnic in the period of their initial adoption except as disclosed below.

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

SB-FRS 118 requires the Group to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. The Group is also required to present newly-defined subtotals. The management-defined performance measures (MPMs) will be disclosed in the notes to the financial statements and the new standard also provides enhanced guidance on the grouping of information for disclosures in the financial statements.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

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The Group is required to use the operating surplus subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group and Polytechnic's statements of comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including the items currently labelled as "Others".

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SB-FRS requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Critical judgements in applying material accounting policies

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are disclosed below.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property, plant and equipment are disclosed in Note 5.

2.4 Fund accounting

Unrestricted Funds

Funds that are expendable at the discretion of the Group 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 Group are included in the statement of comprehensive income of the Group.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

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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 Group under the "restricted funds" caption.

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

Trust Funds

Funds that are held by the Group 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 percentage of investment units held by the funds at the end of each month.

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 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.

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.

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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.

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

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.

2.7 Impairment of non-financial assets

The Group 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 Group 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 Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group'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 Group 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.

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2.8 Consolidation

The consolidated financial statements comprise the financial statements of the Polytechnic and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Polytechnic.

The consolidated financial statements incorporate the financial statements of the Polytechnic and entity (including structured entity) controlled by the Polytechnic and its subsidiary. Control is achieved when the Polytechnic:

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

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

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

Where necessary, adjustments are made to the financial statements of the subsidiary to align its accounting policies with those of the Group. All intra-group balances, income and expenses, unrealised gains and losses resulting from intra-group transactions and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

In the Polytechnic's separate financial statements, investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in the statement of comprehensive income.

2.9 Financial instruments

(a) Financial assets

Classification of financial assets

Debt instruments mainly comprise cash and cash equivalents and 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").

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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.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured 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 income (loss), net" line item (Note 24.1).

Impairment of financial assets

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

Derecognition of financial assets

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) 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.

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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 Group 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.

2.10 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 Group 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.

2.11 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.

2.12 Leases

The Group as a lessee

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

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

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

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Lease payments included in the measurement of the lease liability comprise mainly of fixed lease payments (including in-substance fixed payments), less any lease incentives.

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.

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

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

The Group as a lessor

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

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the 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.

2.13 Income recognition

The Group recognises income from the following major sources:

- Rendering of services.
- Contributions and donations.
- Dividend income.
- Rental income.
- Service fee income.

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

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Rendering of services

Income from tuition and other services is earned from the provision of tuition services to students. Income from tuition and other services are recognised as a performance obligation and is satisfied over time. It includes the provision of course and conference 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 Kongsı 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.

2.14 Employee benefits

Defined contribution plan

Contributions on the employees' salaries are made to the Central Provident Fund ("CPF") as required by law. The CPF contributions are recognised as expenses 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.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

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Key management personnel

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

2.15 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.

2.16 Income tax

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

2.17 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 the Polytechnic of \$527,454,000 (2024 : \$479,384,000) include \$43,485,000 (2024 : \$42,289,000) of Ngee Ann Polytechnic - Education Fund, \$2,278,000 (2024 : \$2,256,000) of sinking funds and \$35,914,000 (2024 : \$34,595,000) 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.

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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 governed 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)	Buildings ^(b)	Building improvements	Furniture, equipment and machinery	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Group and Polytechnic</u>						
Cost:						
At 1 April 2023	41,826	367,915	210,379	153,917	5,669	779,706
Additions	-	-	1,104	1,741	25,547	28,392
Reclassification	-	3,413	2,524	5,179	(11,116)	-
Transfer to intangible assets (Note 7)	-	-	-	-	(1,714)	(1,714)
Disposals	-	(3,312)	(7,018)	(10,860)	-	(21,190)
At 31 March 2024	41,826	368,016	206,989	149,977	18,386	785,194
Additions	-	32	582	3,130	10,065	13,809
Reclassification	-	-	4,450	11,556	(16,006)	-
Transfer to intangible assets (Note 7)	-	-	-	-	(108)	(108)
Disposals	-	(3,895)	(2,586)	(7,935)	-	(14,416)
At 31 March 2025	41,826	364,153	209,435	156,728	12,337	784,479
Accumulated depreciation:						
At 1 April 2023	-	199,287	204,952	133,106	-	537,345
Depreciation for the year	-	6,429	2,849	7,115	-	16,393
Eliminated on disposals	-	(1,700)	(7,018)	(10,821)	-	(19,539)
At 31 March 2024	-	204,016	200,783	129,400	-	534,199
Depreciation for the year	-	6,416	3,074	8,502	-	17,992
Eliminated on disposals	-	(3,129)	(2,586)	(7,931)	-	(13,646)
At 31 March 2025	-	207,303	201,271	129,971	-	538,545
Carrying amount:						
At 31 March 2025	41,826	156,850	8,164	26,757	12,337	245,934
At 31 March 2024	41,826	164,000	6,206	20,577	18,386	250,995

(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 \$151,782,000 and \$5,068,000 (2024 : \$158,802,000 and \$5,198,000), respectively.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS **31 March 2025**

6 RIGHT-OF-USE ASSETS

The Group leases certain leasehold land, office premises, furniture, fittings and equipment. The lease terms are 30 years and 2 years for leasehold land and office premises, respectively. The lease term is 5 years for furniture, fittings and equipment.

	Leasehold land \$'000	Office premises \$'000	Furniture, fittings and equipment \$'000	Total \$'000
<u>Group and Polytechnic</u>				
Cost:				
At 1 April 2023	57,549	849	27	58,425
End of lease	-	(358)	(17)	(375)
At 31 March 2024	57,549	491	10	58,050
Addition	-	330	-	330
End of lease	-	(491)	-	(491)
At 31 March 2025	57,549	330	10	57,889
Accumulated depreciation:				
At 1 April 2023	19,128	658	21	19,807
Depreciation for the year	1,918	164	2	2,084
End of lease	-	(358)	(17)	(375)
At 31 March 2024	21,046	464	6	21,516
Depreciation for the year	1,918	82	2	2,002
End of lease	-	(491)	-	(491)
At 31 March 2025	22,964	55	8	23,027
Carrying amount:				
At 31 March 2025	34,585	275	2	34,862
At 31 March 2024	36,503	27	4	36,534

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS **31 March 2025**

7 INTANGIBLE ASSETS

	Computer software \$'000
<u>Group and Polytechnic</u>	
Cost:	
At 1 April 2023	17,559
Additions	1,071
Transfer from property, plant and equipment (Note 5)	1,714
Disposals	(412)
At 31 March 2024	19,932
Additions	635
Transfer from property, plant and equipment (Note 5)	108
Disposals	(2,345)
At 31 March 2025	18,330
Accumulated amortisation:	
At 1 April 2023	15,518
Amortisation for the year	1,119
Eliminated on disposals	(411)
At 31 March 2024	16,226
Amortisation for the year	1,459
Eliminated on disposals	(2,345)
At 31 March 2025	15,340
Carrying amount:	
At 31 March 2025	2,990
At 31 March 2024	3,706

8 SUBSIDIARY

	Polytechnic	
	2025	2024
	\$'000	\$'000
Unquoted equity shares, at cost	258	258

Details of the subsidiary are as follows:

Name	Principal activities	Country of incorporation/ principal place of business	Proportion of ownership interest and voting power held	
			2025	2024
			%	%
Ngee Ann Polytechnic Global Pte Ltd	Provision of consultancy, training and global educational services	Singapore	100	100

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

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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 the 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.

9 LOANS TO STUDENTS AND GRADUATES

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Study loans	-	5
Computer loans	361	443
	<u>361</u>	<u>448</u>
Represented by:		
Amounts receivable within one year	155	322
Amounts receivable after one year	206	126
	<u>361</u>	<u>448</u>

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 4.75% (2024 : 4.75%) per annum.

For the purpose of impairment assessment, loans to students and graduates are considered to have low credit risk 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 Group has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors.

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

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS **31 March 2025**

10 AMOUNTS DUE FROM SUBSIDIARY

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Amount due from subsidiary (trade)	-	48
Amounts due from subsidiary (non-trade)	100	100
	<u>100</u>	<u>148</u>
Represented by:		
Amounts receivable within one year	-	48
Amounts receivable after one year	100	100
	<u>100</u>	<u>148</u>

The amounts due from subsidiary include payments made on behalf of and a loan of \$100,000 (2024 : \$100,000) 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% (2024 : 2.39%) per annum and is repayable by 30 June 2026.

11 SUNDRY RECEIVABLES

	Group		Polytechnic	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Accrued dividends	205	225	205	225
Accrued interest	4,584	4,318	4,584	4,318
Sundry receivables	605	294	605	252
Student receivables	906	263	906	263
Non-student receivables	1,789	783	1,789	783
Amount due from Trust Funds (Note 20)	292	282	292	282
Receivables from brokers	1,293	4,044	1,293	4,044
Goods and Services Tax receivable	623	-	616	-
	<u>10,297</u>	<u>10,209</u>	<u>10,290</u>	<u>10,167</u>

The Group and Polytechnic wrote off student receivables amounting to \$181,000 (2024 : \$183,000) for the year ended 31 March 2025.

Receivables from brokers refers to the amount of money owed from brokers resulting from trading and settlement of financial securities in the market.

For the purpose of impairment assessment, sundry receivables are considered to have low credit risk 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").

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS **31 March 2025**

In determining the ECL, the Group has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

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

12 GRANTS RECEIVABLES

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

	Group and Polytechnic					
	MOE		Others		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April	5,112	1,119	14,292	15,089	19,404	16,208
Grants received	(175,234)	(173,010)	(24,860)	(18,630)	(200,094)	(191,640)
Grants utilised and recognised in surplus or deficit (Note 25)	173,048	174,213	23,794	27,568	196,842	201,781
MOE matching grants received/receivable	(62)	(57)	-	-	(62)	(57)
MOE development grant received/receivable	(5,144)	(8,208)	-	-	(5,144)	(8,208)
Development/Other grants utilised and transferred to deferred capital grants (Note 19)	3,506	8,774	26	280	3,532	9,054
Reclassification to grant received in advance (Note 16)	-	(22)	(331)	(10,444)	(331)	(10,466)
Others	(69)	2,303	69	429	-	2,732
Balance at 31 March	1,157	5,112	12,990	14,292	14,147	19,404

Others relate to grants to the Polytechnic from government agencies, other than MOE, on a reimbursement basis to fund the Polytechnic's activities.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS **31 March 2025**

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Bonds	383,058	362,868
Equity investments	236,893	221,121
	<u>619,951</u>	<u>583,989</u>

The Group's and 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 6.5% (2024 : 0% to 6.75%) per annum. The maturity dates of bonds range from 11 April 2025 to 25 March 2073 (2024 : 2 April 2024 to 25 March 2073).

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

	Group and Polytechnic		
	Contract/ notional amount	Assets	Liabilities
	\$'000	\$'000	\$'000
31 March 2025			
Forward currency contracts	<u>186,947</u>	<u>332</u>	<u>(1,447)</u>
31 March 2024			
Forward currency contracts	<u>264,013</u>	<u>1,064</u>	<u>(1,399)</u>

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.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS **31 March 2025**

15 CASH AND CASH EQUIVALENTS

	Group		Polytechnic	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash managed by fund managers	96,840	94,167	96,840	94,167
Cash with Accountant-General's Department	163,542	153,843	163,542	153,843
Cash at bank	424	457	-	-
Fixed deposit	152	152	-	-
	<u>260,958</u>	<u>248,619</u>	<u>260,382</u>	<u>248,010</u>

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 3.08% (2024 : 3.38%) per annum.

Management considered that the ECL on cash and cash equivalents is insignificant as at 31 March 2025 and 2024.

16 PAYABLES AND ACCRUALS

	Group		Polytechnic	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Accruals	13,510	16,583	13,489	16,484
Property, plant and equipment vendors	197	416	197	416
CPF payable	395	390	395	390
Refundable deposits	525	728	525	728
Accrual for unconsumed leave	8,296	8,853	8,296	8,853
Sundry payables	17,256	22,735	17,250	22,723
Good and services tax payable	-	9,507	-	9,499
Payables to brokers	2,660	6,059	2,660	6,059
Grants received in advance	5,495	6,631	5,495	6,631
Amount due to Trust Funds (Note 20)	21	-	21	-
	<u>48,355</u>	<u>71,902</u>	<u>48,328</u>	<u>71,783</u>

Payable to brokers refers to the amount of money owed to brokers resulting from trading and settlement of financial securities in the market.

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

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 March 2025

	Group and Polytechnic					
	MOE		Others		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Grants received in advance						
Balance at 1 April	3,419	3,497	3,212	3,586	6,631	7,083
Grants received	779	332	10,201	10,749	10,980	11,081
Development grants utilised and transferred to deferred capital grants (Note 19)	(282)	(65)	-	-	(282)	(65)
Grants utilised and recognised in surplus or deficit (Note 25)	(777)	(323)	(10,726)	(679)	(11,503)	(1,002)
Reclassification from grant receivables (Note 12)	-	(22)	(331)	(10,444)	(331)	(10,466)
Balance as at 31 March	3,139	3,419	2,356	3,212	5,495	6,631

17 CONTRACT LIABILITIES

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Student fees received in advance	5,994	6,581
Service fees received in advance	191	11,501
	<u>6,185</u>	<u>18,082</u>
Represented by:		
Current	6,185	7,153
Non-current	-	10,929
	<u>6,185</u>	<u>18,082</u>

As at 1 April 2023, the Group's and Polytechnic's contract liabilities amounted to \$16,050,000.

Service 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.

During the year, SIT gave notice to terminate its 30-year land lease and service fee agreement with the Polytechnic, with the effective date of handover on 1 August 2025. Based on the service fee agreement between SIT and the Polytechnic, there shall be no refund of any service fee paid in the event of termination and, as such the unutilised service fee will be forfeited. The unutilised portion of the service fee (which excludes the service fee for the period subsequent to 31 March 2025 but before 1 August 2025) of \$10,738,000 has been recognised as other income (Note 21) during the year as a result of the forfeiture.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 March 2025

The Group's and Polytechnic's income recognised that was included in the contract liabilities balance at the beginning of the period:

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Student fees received in advance	6,581	3,977
Service fees received in advance	572	572
	<u>7,153</u>	<u>4,549</u>

18 LEASE LIABILITIES

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Maturity analysis:		
Year 1	192	30
Year 2	-	1
	<u>192</u>	<u>31</u>
Less: unearned interest	(3)	-
	<u>189</u>	<u>31</u>
Analysed as:		
Current	189	30
Non-current	-	1
	<u>189</u>	<u>31</u>

Interest expense on lease liabilities of \$7,000 (2024 : \$1,100) is recognised within "Other expenditure" in profit or loss.

Total cash outflows related to lease payments in the year amount to \$546,000 (2024 : \$400,000).

The Group 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:

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Short term leases	259	118
Low value assets	80	101
	<u>339</u>	<u>219</u>

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
31 March 2025
19 DEFERRED CAPITAL GRANTS

	Group and Polytechnic					
	MOE		Others		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April	248,248	249,696	4,955	5,278	253,203	254,974
Grants recognised as deferred income:						
Grants received from MOE	26,522	21,600	-	-	26,522	21,600
Transfer from grant receivables (Note 12)	3,506	8,774	26	280	3,532	9,054
Transfer from grant received in advance (Note 16)	282	65	-	-	282	65
	<u>278,558</u>	<u>280,135</u>	<u>4,981</u>	<u>5,558</u>	<u>283,539</u>	<u>285,693</u>
Grants taken to surplus or deficit:						
Purchase of non-capitalised assets using Information Technology ("IT") and Furniture and equipment ("F&E") grants (Note 25)	(20,008)	(16,883)	-	-	(20,008)	(16,883)
Amortisation of deferred capital grants	(15,198)	(15,004)	(602)	(603)	(15,800)	(15,607)
	<u>(35,206)</u>	<u>(31,887)</u>	<u>(602)</u>	<u>(603)</u>	<u>(35,808)</u>	<u>(32,490)</u>
Balance at 31 March	<u>243,352</u>	<u>248,248</u>	<u>4,379</u>	<u>4,955</u>	<u>247,731</u>	<u>253,203</u>
Represented by:						
Grants utilised	186,657	189,102	4,379	4,955	191,036	194,057
Grants unutilised	56,695	59,146	-	-	56,695	59,146
	<u>243,352</u>	<u>248,248</u>	<u>4,379</u>	<u>4,955</u>	<u>247,731</u>	<u>253,203</u>

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS
31 March 2025

20 TRUST FUNDS

	Funds held on behalf of MOE									
	Liu Yin Soon Scholarship Trust Fund			Tuition fee loan, Study Loan and Overseas Student Programme Loans			Opportunity Fund			Total
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trust Funds (Capital)										
Balance at 1 April	2,280	2,280	4,732	4,439	961	997	7,973	7,716		
Received during the year	-	-	1,669	1,158	282	-	1,951	1,158		
Refunded during the year	-	-	(938)	(852)	-	(36)	(938)	(888)		
Write-off during the year	-	-	-	(13)	-	-	-	(13)		
Balance at 31 March	2,280	2,280	5,463	4,732	1,243	961	8,986	7,973		
Accumulated surplus										
Balance at 1 April	802	608	35	36	(482)	(182)	355	462		
(Deficit) Surplus for the year	54	194	2	(1)	(287)	(300)	(231)	(107)		
Balance at 31 March	856	802	37	35	(769)	(482)	124	355		
Total funds as at 31 March	3,136	3,082	5,500	4,767	474	479	9,110	8,328		
Income										
Interest income	49	44	2	(1)	-	-	51	43		
Dividend income	11	13	-	-	-	-	11	13		
Other income	99	235	-	-	-	-	99	235		
	159	292	2	(1)	-	-	161	291		
Less: Expenditure										
Disbursement of scholarship awards	78	73	-	-	243	254	321	327		
Depreciation	11	11	-	-	-	-	11	11		
Other expenditure	16	14	-	-	44	46	60	60		
	105	98	-	-	287	300	392	398		
Surplus (Deficit) for the year	54	194	2	(1)	(287)	(300)	(231)	(107)		

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 March 2025

	Funds held on behalf of MOE									
	Liu Yin Soon Scholarship Trust Fund		Programme Loans				Opportunity Fund			
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Represented by:										
Right-of-use assets	213	224	-	-	-	-	-	-	-	213
Sundry receivables and deposits	17	30	100	91	-	-	-	-	-	117
Financial assets at fair value through profit or loss	3,219	3,103	-	-	-	-	-	-	3,219	3,103
Cash and cash equivalents	-	-	-	-	-	474	479	474	479	479
Payables	(21)	(32)	-	-	-	-	-	-	(21)	(32)
Loans to students	-	-	5,379	4,715	-	-	-	-	5,379	4,715
Amount due to Ngee Ann Polytechnic (Note 11)	(292)	(243)	-	(39)	-	-	-	-	(292)	(282)
Amount due from Ngee Ann Polytechnic (Note 16)	-	-	21	-	-	-	-	-	21	-
Net assets as at 31 March	3,136	3,082	5,500	4,767	474	479	9,110	8,328		

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 1994 on 27 May 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.

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

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- (ii) 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% (2024 : 4.75%) per annum. Repayments (including interests) received from the borrowers will need to be refunded to MOE.

- (iii) 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

	Group					
	Unrestricted Funds		Restricted Funds		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rental income (Note 27(b))	3,963	3,184	-	-	3,963	3,184
Service fee income	28,461	17,993	-	-	28,461	17,993
Recoveries for expenses	2,656	1,434	-	2	2,656	1,436
Sundry income	4,632	2,163	(261)	93	4,371	2,256
Others	245	(13)	-	1,680	245	1,667
	<u>39,957</u>	<u>24,761</u>	<u>(261)</u>	<u>1,775</u>	<u>39,696</u>	<u>26,536</u>

	Polytechnic					
	Unrestricted Funds		Restricted Funds		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rental income (Note 27(b))	3,963	3,184	-	-	3,963	3,184
Service fee income	28,461	17,993	-	-	28,461	17,993
Recoveries for expenses	2,998	1,570	-	2	2,998	1,572
Sundry income	3,949	1,686	(261)	93	3,688	1,779
Others	245	(13)	-	1,680	245	1,667
	<u>39,616</u>	<u>24,420</u>	<u>(261)</u>	<u>1,775</u>	<u>39,355</u>	<u>26,195</u>

NGEE ANN POLYTECHNIC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 March 2025

22 STAFF COSTS

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Key management personnel:		
- Salaries and related costs	8,976	8,759
- CPF contributions and Skills Development Levy	579	558
	<u>9,555</u>	<u>9,317</u>
Other than key management personnel:		
- Salaries and related costs	178,018	172,942
- CPF contributions and Skills Development Levy	22,155	22,308
	<u>200,173</u>	<u>195,250</u>
	<u>209,728</u>	<u>204,567</u>

23 OTHER EXPENDITURE

	Group					
	Unrestricted Funds		Restricted Funds		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consultancy fees	651	705	-	-	651	705
GeBIZ fees	303	320	-	-	303	320
Guard services	1,184	1,118	-	-	1,184	1,118
Legal and professional fees	165	166	-	-	165	166
Audit fees paid to the auditors of the Group	136	132	-	-	136	132
Non-audit fees paid to auditors of the Polytechnic	18	-	-	-	18	-
Short-term rental expenses (Note 18)	339	219	-	-	339	219
Royalty expenses	2,155	2,173	-	-	2,155	2,173
Outsourced services	1,171	1,255	-	-	1,171	1,255
Consumables and materials for R&D	116	57	-	-	116	57
Copyright and licensing fees	280	271	-	-	280	271
Computer services	11,895	12,612	-	-	11,895	12,612
Property tax	468	408	-	-	468	408
Printing and office supplies	553	409	-	-	553	409
Advertising expenses	1,894	1,848	-	-	1,894	1,848
Bad debt written off	209	187	-	-	209	187
Bank charges	130	102	-	-	130	102
Others	1,695	1,518	144	254	1,839	1,772
	<u>23,362</u>	<u>23,500</u>	<u>144</u>	<u>254</u>	<u>23,506</u>	<u>23,754</u>

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	Polytechnic					
	Unrestricted Funds		Restricted Funds		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consultancy fees	480	506	-	-	480	506
GeBIZ fees	303	320	-	-	303	320
Guard services	1,184	1,118	-	-	1,184	1,118
Legal and professional fees	163	164	-	-	163	164
Audit fees paid to the auditors of the Polytechnic	125	120	-	-	125	120
Non-audit fees paid to auditors of the Polytechnic	18	-	-	-	18	-
Short-term rental expenses (Note 18)	339	219	-	-	339	219
Royalty expenses	2,155	2,173	-	-	2,155	2,173
Outsourced services	1,171	1,255	-	-	1,171	1,255
Consumables and materials for R&D	116	57	-	-	116	57
Copyright and licensing fees	280	271	-	-	280	271
Computer services	11,895	12,612	-	-	11,895	12,612
Property tax	468	408	-	-	468	408
Printing and office supplies	553	409	-	-	553	409
Advertising expenses	1,894	1,848	-	-	1,894	1,848
Bad debt written off	209	183	-	-	209	183
Bank charges	130	102	-	-	130	102
Others	1,612	1,504	144	254	1,756	1,758
	<u>23,095</u>	<u>23,269</u>	<u>144</u>	<u>254</u>	<u>23,239</u>	<u>23,523</u>

24 INTEREST INCOME

	Group					
	Unrestricted Funds		Restricted Funds		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash with Accountant-General's Department	4,355	3,977	-	-	4,355	3,977
Student loans	2	1	-	-	2	1
	<u>4,357</u>	<u>3,978</u>	<u>-</u>	<u>-</u>	<u>4,357</u>	<u>3,978</u>

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	Polytechnic					
	Unrestricted Funds		Restricted Funds		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash with Accountant-General's Department	4,355	3,977	-	-	4,355	3,977
Student loans	2	1	-	-	2	1
Loan to subsidiary	2	6	-	-	2	6
	<u>4,359</u>	<u>3,984</u>	<u>-</u>	<u>-</u>	<u>4,359</u>	<u>3,984</u>

24.1 INVESTMENT INCOME/(LOSS), NET

	Group and Polytechnic					
	Unrestricted Funds		Restricted Funds		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income from investments	5,121	4,677	5,700	5,016	10,821	9,693
Dividend income	1,205	1,331	1,338	1,428	2,543	2,759
Fair value gain on financial assets at fair value through profit or loss and derivatives	6,886	20,143	7,606	22,519	14,492	42,662
Fund management expenses	(478)	(418)	(533)	(449)	(1,011)	(867)
Custodian fees	(302)	(287)	(336)	(308)	(638)	(595)
Miscellaneous charges	(107)	(105)	(118)	(112)	(225)	(217)
	<u>12,325</u>	<u>25,341</u>	<u>13,657</u>	<u>28,094</u>	<u>25,982</u>	<u>53,435</u>

25 OPERATING GRANTS

	Group and Polytechnic					
	MOE		Others		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating grants (Notes 12 and 16)	173,825	174,536	34,520	28,247	208,345	202,783
Transferred from deferred capital grants (Note 19)	20,008	16,883	-	-	20,008	16,883
	<u>193,833</u>	<u>191,419</u>	<u>34,520</u>	<u>28,247</u>	<u>228,353</u>	<u>219,666</u>

26 RELATED PARTY TRANSACTIONS

Some of the Group'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.

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

	Group		Polytechnic	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
MOE				
Funds received/receivable	241,870	234,390	241,870	234,390
Subsidiary				
Administrative support and trainers fee income	-	-	259	99
Rental income	-	-	81	30
Interest income	-	-	2	6
Other income	-	-	2	7
Administrative expense	-	-	1	1
Other related party				
Other income	16	22	16	22

27 COMMITMENTS

(a) Capital commitment

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Amount approved and contracted for		
- property, plant and equipment	4,033	5,273
- intangible assets	402	696
	<u>4,435</u>	<u>5,969</u>
Amount approved but not contracted for	<u>10,428</u>	<u>8,693</u>

(b) Operating lease commitment (non-cancellable)

Where the Group is the lessor

During the year ended 31 March 2025, the Group recognised rental income of \$3,963,000 (2024 : \$3,184,000) (Note 21). Leases are with lease term up to 3 years.

Maturity analysis of operating lease payments:

	Group and Polytechnic	
	2025	2024
	\$'000	\$'000
Year 1	3,500	2,730
Year 2	955	2,063
Year 3	270	769
Year 4	-	452
Year 5	-	452
Year 6 and onwards	-	6,778
	<u>4,725</u>	<u>13,244</u>

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Where the Group is the lessee

At 31 March 2025, the Group is committed to approximately \$109,000 (2024 : \$199,000) 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 Group and Polytechnic received \$11,635,000 (2024 : \$10,085,000) 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. \$174,000 (2024 : \$Nil) 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 reduced the operating grant to the Polytechnic by the same amount accordingly in 2025. There was no gain in expired fund management contracts in previous financial year.
- (c) As disclosed in Note 5 to the financial statements, Ngee Ann Kongsi had also donated freehold land 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.

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31 FINANCIAL RISK MANAGEMENT

The Group'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), credit risk and liquidity risk.

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

The Group, 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 Interest rate risk management

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 Group's operations are placed with reputable banks and financial assets at fair value through profit or loss with fund managers. The Group'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 Group does not have significant exposure to interest rate risk arising from 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.

Fair value sensitivity analysis for fixed-rate instruments

Fair value interest rate risk is the risk that the value of a financial asset at fair value through profit or loss will fluctuate because of changes in market interest rates. The Group monitors interest rates regularly to ensure funds are invested at competitive rates. Both market and interest rate movements will affect the target weights of asset class in the asset allocation policy.

With all other variables held constant, a 100 (2024 : 100) basis points increase/decrease in interest rates will result in a \$3,767,000 (2024 : \$3,607,000) increase/decrease in surplus or deficit for the year.

31.2 Foreign currency risk management

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

The Group has investments, which are carried at fair value through profit or loss denominated in foreign currencies, primarily in United States Dollars. As described in Note 14, the Group enters into forward currency contracts to reduce the foreign currency risks of its investment portfolio.

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At the end of the reporting period, the carrying amounts of the Group's United States Dollar denominated investments are as follows:

	2025 \$'000	2024 \$'000
United States Dollar	237,917	263,854

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Group's management assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis below has taken into consideration the hedging effects of the outstanding United States Dollar denominated forward currency contracts at the end of the reporting period for a 10% change in foreign currency rates.

If the United States Dollar were to weaken/strengthen by 10% against the Singapore Dollar, the Group's profit or loss for the year will decrease/increase by \$9,072,000 (2024 : \$17,516,000).

31.3 Price risk management

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

The financial assets at fair value through profit or loss that are subject to price risks total \$236,893,000 (2024 : \$221,121,000) 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 Group'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 Group is exposed to.

With all other variables held constant, a 10% (2024 : 10%) increase/decrease in market values of financial assets at fair value through profit or loss will result in a \$23,689,000 (2024 : \$22,112,000) increase/decrease in the Group's and Polytechnic's profit/loss for the year.

31.4 Credit risk management

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

The Group 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.

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

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

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >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 Group has no realistic prospect of recovery.	Amount is written off

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

	<u>Note</u>	<u>Internal credit rating</u>	<u>12-month or Lifetime ECL</u>	<u>Gross carrying amount</u> \$'000	<u>Loss allowance</u> \$'000	<u>Net carrying amount</u> \$'000
<u>Group</u>						
2025						
Loan to students and graduates	9	Performing	12-month ECL	361	-	361
Sundry receivables	11	Performing	12-month ECL	9,674	-	9,674
2024						
Loan to students and graduates	9	Performing	12-month ECL	448	-	448
Sundry receivables	11	Performing	12-month ECL	10,209	-	10,209
<u>Polytechnic</u>						
2025						
Loan to students and graduates	9	Performing	12-month ECL	361	-	361
Amounts due from subsidiary	10	Performing	12-month ECL	100	-	100
Sundry receivables	11	Performing	12-month ECL	9,674	-	9,674
2024						
Loan to students and graduates	9	Performing	12-month ECL	448	-	448
Amounts due from subsidiary	10	Performing	12-month ECL	148	-	148
Sundry receivables	11	Performing	12-month ECL	10,167	-	10,167

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31.5 Liquidity risk management

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

The Group 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 Group'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	More than 5 years \$'000
<u>Group</u>					
2025					
Financial assets:					
Financial assets at amortised cost	270,993	270,993	270,787	206	-
Financial assets at fair value through profit or loss	619,951	361,107	32,675	150,096	178,336
Derivative financial instruments	332	332	332	-	-
Total undiscounted financial assets	891,276	632,432	303,794	150,302	178,336
Financial liabilities:					
Financial liabilities at amortised cost [#]	34,564	34,564	34,564	-	-
Derivative financial instruments	1,447	1,447	1,447	-	-
Lease liabilities	189	189	189	-	-
Total undiscounted financial liabilities	36,200	36,200	36,200	-	-
Total net undiscounted financial assets	855,076	596,232	267,594	150,302	178,336
2024					
Financial assets:					
Financial assets at amortised cost	259,276	259,276	259,150	126	-
Financial assets at fair value through profit or loss	583,989	340,500	35,398	154,599	150,503
Derivative financial instruments	1,064	1,064	1,064	-	-
Total undiscounted financial assets	844,329	600,840	295,612	154,725	150,503
Financial liabilities:					
Financial liabilities at amortised cost [#]	46,911	46,911	46,911	-	-
Derivative financial instruments	1,399	1,399	1,399	-	-
Lease liabilities	31	31	30	1	-
Total undiscounted financial liabilities	48,341	48,341	48,340	1	-
Total net undiscounted financial assets	795,988	552,499	247,272	154,724	150,503

[#] Excluding grants received in advance, accrual for unconsumed leave and goods and services tax payable

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	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	Between 1 and 5 years \$'000	More than 5 years \$'000
<u>Polytechnic</u>					
2025					
Financial assets:					
Financial assets at amortised cost	270,517	270,517	270,211	306	-
Financial assets at fair value through profit or loss	619,951	361,107	32,675	150,096	178,336
Derivative financial instruments	332	332	332	-	-
Total undiscounted financial assets	890,800	631,956	303,218	150,402	178,336
Financial liabilities:					
Financial liabilities at amortised cost [#]	34,537	34,537	34,537	-	-
Derivative financial instruments	1,447	1,447	1,447	-	-
Lease liabilities	189	189	189	-	-
Total undiscounted financial liabilities	36,173	36,173	36,173	-	-
Total net undiscounted financial assets	854,627	595,783	267,045	150,402	178,336
2024					
Financial assets:					
Financial assets at amortised cost	258,773	258,773	258,547	226	-
Financial assets at fair value through profit or loss	583,989	340,500	35,398	154,599	150,503
Derivative financial instruments	1,064	1,064	1,064	-	-
Total undiscounted financial assets	843,826	600,337	295,009	154,825	150,503
Financial liabilities:					
Financial liabilities at amortised cost [#]	46,800	46,800	46,800	-	-
Derivative financial instruments	1,399	1,399	1,399	-	-
Lease liabilities	31	31	30	1	-
Total undiscounted financial liabilities	48,230	48,230	48,229	1	-
Total net undiscounted financial assets	795,596	552,107	246,780	154,824	150,503

[#] Excluding grants received in advance, accrual for unconsumed leave and goods and services tax payable

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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	Group		Polytechnic	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Receivables from brokers	11	1,293	4,044	1,293	4,044
Financial assets at fair value through profit or loss	13	619,951	583,989	619,951	583,989
Derivative financial instruments, net	14	(1,115)	(335)	(1,115)	(335)
Cash and cash equivalents	15	96,840	94,167	96,840	94,167
Payables to brokers	16	(2,660)	(6,059)	(2,660)	(6,059)
		<u>714,309</u>	<u>675,806</u>	<u>714,309</u>	<u>675,806</u>

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 Group has no financial assets and financial liabilities measured at fair value Level 3 as at 31 March 2025 and 2024.

	Note	Level 1 \$'000	Level 2 \$'000	Total \$'000
<u>Group and Polytechnic</u>				
2025				
Financial assets:				
Financial assets at fair value through profit or loss	13	180,918	439,033	619,951
Derivative financial instruments	14	-	332	332
		<u>180,918</u>	<u>439,365</u>	<u>620,283</u>
Financial liabilities:				
Derivative financial instruments	14	-	(1,447)	(1,447)

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	Note	Level 1 \$'000	Level 2 \$'000	Total \$'000
<u>Group and Polytechnic</u>				
2024				
Financial assets:				
Financial assets at fair value through profit or loss	13	226,185	357,804	583,989
Derivative financial instruments	14	-	1,064	1,064
		<u>226,185</u>	<u>358,868</u>	<u>585,053</u>
Financial liabilities:				
Derivative financial instruments	14	-	(1,399)	(1,399)

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, cash and cash equivalents, 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.

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32 CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group's main objective when managing capital is to safeguard the Group's ability to continue as a going concern. The Group 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 Group comprises total funds as presented in the statement of financial position. The Group is not subject to externally imposed capital requirements. The Group's overall strategy remains unchanged from prior year.