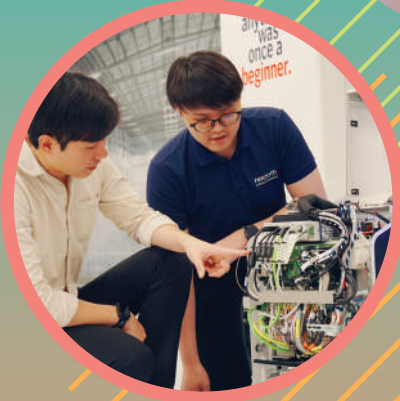




ANNUAL REPORT 2022/2023

for the Year Ended 31 March 2023



**ITE 30:
READY
FOR
MORE**

In the opinion of the Board of Governors, the Annual Report of the INSTITUTE OF TECHNICAL EDUCATION presents fairly the state of affairs of the INSTITUTE OF TECHNICAL EDUCATION as at 31 March 2023.

On behalf of the Board of Governors:



ANDREW CHONG
Chairman



LOW KHAH GEK
Chief Executive Officer

ORGANISATION DETAILS

Board Secretary

GOH Mong Song
Deputy Chief Executive Officer

Address

Institute of Technical Education
2 Ang Mo Kio Drive
Singapore 567720

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ABOUT ITE

The Institute of Technical Education (ITE) was established as a post-secondary institution in 1992, under the Ministry of Education. ITE is a principal provider of career and technical education and a key developer of national skills certification and standards skilling Singapore for the future economy. It offers three key programmes – (1) Pre-Employment Training for youths after secondary education, (2) Continuing Education and Training for adult learners, and (3) Workplace Learning and Work-Study Programmes with employers. Under its **'One ITE System, Three Colleges'** Governance Model, ITE has three Colleges – **ITE College Central, ITE College East** and **ITE College West**.

MISSION

Create Opportunities for Students and Adult Learners to Acquire Skills, Knowledge and Values for Employability and Lifelong Learning

VISION

A Trailblazer in Career Technical Education and Work-Study Training

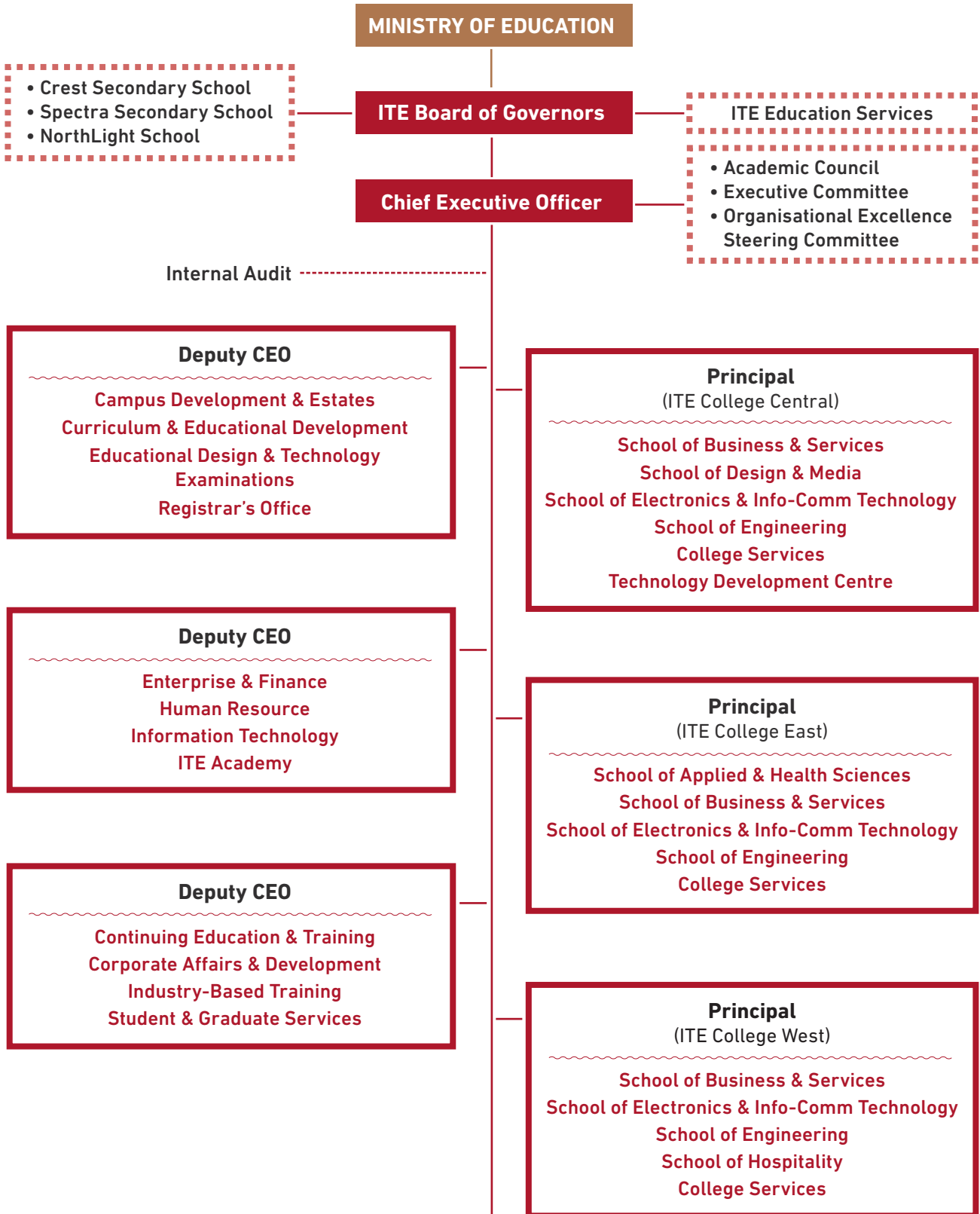
VALUES

ITE Care – Integrity, Teamwork, Excellence, Care



ORGANISATION STRUCTURE

as at 31 March 2023



ITE BOARD OF GOVERNORS

The ITE Board of Governors provides counsel to Management and steers ITE towards its vision and goals. As at **31 March 2023**, the tripartite Board comprised the following representatives from Government, Industry and the Unions:



- 1 Mr Andrew Chong
- 2 Ms Low Khah Gek
- 3 Mr Sng Chern Wei
- 4 Mr Chris Ong
- 5 Mr Edwin Ng
- 6 Ms Phua Puay Li
- 7 Mr Azmoon Ahmad

- 8 Mr Pee Beng Kong
- 9 Ms K Thanaletchimi
- 10 Ms Poh Li San
- 11 Mr Shaikh Ismail
- 12 Ms Madeleine Loo
- 13 Mr Lim Der Shing
- 14 Mr Musdalifa Abdullah

- 15 Mr Laurence Liew
- 16 Mr Philip Yuen
- 17 BG Edward Chen
- 18 Associate Professor Foo Yong Lim
- 19 Mr Simon Lim
- 20 Mr Donald Tong

Chairman, ITE
Chairman, Nominating Committee
Mr Andrew Chong
Chairman
Independent Board Director & Corporate Advisor

Chairman, Audit & Risk Committee
Mr Philip Yuen
Chief Executive Officer
Deloitte Southeast Asia

Chairman, Establishment Committee
Mr Sng Chern Wei
Deputy Director-General of Education (Curriculum)
Ministry of Education

Chairman, Finance and Investment Committee
Mr Chris Ong
Chief Executive Officer
Sembcorp Marine Ltd

Chairman, Partnership with Employers Committee
Mr Edwin Ng
Managing Director
Markono Group Pte Ltd

Members

Mr Azmoon Ahmad
Managing Director
Desay SV Automotive Singapore Pte Ltd

Mr Musdalifa Abdullah
Managing Director
dnata Singapore Pte Ltd

BG Edward Chen
Defence Cyber Chief
Ministry of Defence

Associate Professor Foo Yong Lim
Associate Provost (Academic Programmes)
Singapore Institute of Technology

Mr Shaikh Ismail
Director, MOHH Entities Technology Services
Integrated Health Information Systems

Mr Laurence Liew
Director, AI Industry Innovation
AI Singapore

Mr Lim Der Shing
Co-Founder
AngelCentral Pte Ltd

Mr Simon Lim
Executive Director
Singapore Precision Engineering and
Technology Association

Ms Madeleine Loo
Vice President & Counsel, Legal & Compliance,
China Asia Pacific
Bridgestone Asia Pacific Pte Ltd

Ms Low Khah Gek
Chief Executive Officer
Institute of Technical Education

Mr Pee Beng Kong
Senior Director, Industry Division
Ministry of Trade & Industry

Ms Phua Puay Li
Senior Director
(Policy and Corporate Development)
Cyber Security Agency of Singapore

Ms Poh Li San
Member of Parliament for Sembawang GRC
Senior Vice President, Changi Airport Group

Ms K Thanalethimi
President
Healthcare Services Employees' Union
National Trades Union Congress

Mr Donald Tong
Executive Director
Vocational Training Council, Hong Kong SAR

ITE SENIOR MANAGEMENT TEAM

The Senior Management Team shapes and guides the development of ITE under the '**One ITE System, Three Colleges**' Governance and Education Model. As at **31 March 2023**, the Team comprised:

Ms Low Khah Gek

Chief Executive Officer

Dr Ang Kiam Wee

Deputy Chief Executive Officer

Dr Goh Mong Song

Deputy Chief Executive Officer

Mr Heng Guan Teck

Deputy Chief Executive Officer

Mr Suresh Natarajan

Principal, ITE College Central

Dr Yek Tiew Ming

Principal, ITE College East

Ms Alice Seow

Principal, ITE College West

ITE Headquarters' Directorate

Mr Lim Cheng Siong

Senior Director
Campus Development & Estates

Dr Derek Yeo

Divisional Director
Continuing Education & Training

Ms Chua Ai Lian

Divisional Director
Corporate Affairs & Development

Dr Eric Cheung

Senior Director
Curriculum & Educational Development

Mr Loh Kum Fei

Divisional Director *(From 1 Nov 2022)*
Curriculum & Educational Development
(Partnerships)

Director *(Until 31 Oct 2022)*
Technology Development
ITE College East

Dr Theresa Thang

Divisional Director *(Until 23 Oct 2022)*
Educational Design & Technology

Dr Lim Soon Huat

Divisional Director *(From 24 Oct 2022)*
Educational Design & Technology

Director *(Until 23 Oct 2022)*
Technology Development
ITE College West

Ms Susan Lim

Divisional Director
Enterprise & Finance

Mr Yeow Swee Soon

Divisional Director
Examinations

Ms Jane Chia

Senior Director
Human Resource

Ms Jessie Ong

Divisional Director
Industry-Based Training

Mr Lee Foo Wah

Divisional Director
Information Technology

Ms Sabrina Loi

Chief Officer
Organisation Excellence &
International Partnerships, and
Dean, ITE Academy

Mr Cheang Wee Kok Shang

Senior Director & Registrar *(Until 17 Dec 2022)*

Mr Wee Keat Kheng, Raymond

Registrar *(From 18 Dec 2022)*

Mr Soh Sze-Wei

Divisional Director
Student & Graduate Services

Dr Benjamin Tan

Chief Officer *(Until 31 Dec 2022)*
Campus & PPP Development

College Directorate (ITE College Central)

Mr Suresh Natarajan

Principal

Mr Chong Leong Fatt

Deputy Principal

Ms Tham Mei Leng

Director

School of Business & Services

Mr Callistus Chong

Senior Director

School of Design & Media

Mr Aw Kim Geok

Director

School of Electronics & Info-Comm Technology

Dr Lim See Yew

Senior Director

School of Engineering

Dr Ting Kok Guan

Director

College Services

Dr Lee Teck Kheng

Director

Technology Development

Mr Aw York Bin

Chief Officer

Endowment Fund & Student Development

College Directorate (ITE College East)

Dr Yek Tiew Ming

Principal

Dr Lionel Lau

Director

School of Applied & Health Sciences

Mr Tan Wee Khiang

Director

School of Business & Services

Mr Peh Wee Leng

Director

School of Electronics & Info-Comm Technology

Mr Alfred Tan

Director

School of Engineering

Ms Lynn Tan

Director

College Services

College Directorate (ITE College West)

Ms Alice Seow

Principal

Mr Alvin Goh

Director

School of Business & Services

Mr Thong Chee Chung

Director

School of Electronics & Info-Comm Technology

Mr Seng Chin Chye

Director

School of Engineering

Ms Denise Tan

Director

School of Hospitality

Mr Lim Wee Lian

Director

College Services

CHAIRMAN'S MESSAGE

READY FOR A NEW CHAPTER



MR ANDREW CHONG
Chairman, ITE

FY2022 was a milestone year for ITE as we celebrated our 30th anniversary. While it was a year where we reminisced how far we have come as an institution, we were also excited about what the coming year and decade would bring. To ensure our staff, students and adult learners are equipped to meet the challenges ahead of us, we reaffirmed our commitment to produce resilient, future-ready graduates who are agile and adaptable.

More Pathways, More Opportunities

As an education institution, we have constantly evolved and adapted our curriculum to meet both our students' and industry's needs. ITE achieved much over the past 30 years, and our agility in this aspect has seen us recognised as a leader in skills education globally. In FY2022, ITE implemented the new **three-year Higher Nitec Curricular Structure**, which aims to enable more students to attain higher-order skills and improve their employability.

Since its implementation, the outcomes have been encouraging. Besides higher course application rates, reduced attrition rates, and better exam performance when compared with their *Nitec* counterparts, the students also expressed motivation to complete the programme.

FY2022 also saw ITE continue its growing emphasis on Continuing Education and Training (CET). As part of ITE's expansion of its **Diploma Pathway**, **six new Work-Study Diploma (WSDip)** commenced in April 2022 ; a total of 36 WSDips was offered in 2022.

Four more WSDips and three new Technical Diplomas (TD) were also announced for launch in FY2023. This brings the total number of WSDips to 40, and TDs to six in FY2023. Collectively, these Diplomas will provide about 1,400 diploma places in 2023. This will enable more than 10% of ITE graduates to progress towards a diploma with ITE.

Skills Mastery

In support of workforce development amid a tightening labour market, we have expanded our CET offerings in niche sectors such as the Chemical Industry and Transport Industry. As Singapore transitions to cleaner-energy transport, our alumni and adult workers will need to pick up new skills. Together

with relevant agencies, ITE launched a series of Workforce Skills Qualifications courses to train and certify technicians in the maintenance of cleaner-energy vehicles.

ITE has always emphasised the importance of industry collaboration. As part of this win-win partnership, ITE lends its expertise to companies who want to work on strengthening workplace learning and building their in-house training capability to enhance productivity. This has led to more company trainers being attracted by our Train-the-Trainer (TTT) programme in the past year. As a result, the number of Certified Industry Trainers (completed two modules of TTT programmes) increased by almost 80%, from 124 in FY2021 to 222 in FY2022.

In working with ITE, companies are also able to provide employees with quality on-the-job training and skills upgrading opportunities through ITE CET courses. In the year to come, ITE, in partnership with the Singapore Chemical Industry Council, will be offering a series of 23 Certificate of Competency courses to upskill and cross-skill some 10,000 workers in the Process Construction & Maintenance sector.

Ready for the Future

Keeping up with the latest in technology is one way we prepare our staff and students to improve productivity and to meet industry demands. As such, ITE forged ahead with several initiatives, including switching to Workday, a one-stop enterprise management system for staff; upgrading to MyConnexion 3.0 for student learning management; upgrading iStudent to streamline administrative processes for students; and revamping several training facilities in the Colleges.

Push for Sustainability

With sustainability high on our agenda and in support of the Singapore Green Plan 2030, ITE has expended much effort in its sustainability drive in FY2022, including learning and developing staff capability in

areas such as carbon footprint calculation, energy/water efficiency, sustainability reporting and green procurement. Premised on the four closely-connected pillars of 4Cs - Campus, Curriculum, Culture and Collaboration, ITE's environmental sustainability commitment, goals, achievements and outcomes are outlined separately in the **FY2022 Environmental Sustainability Disclosures**, published as part of this Annual Report.

ITE: Into our 30s

The last three decades have been fruitful for ITE. We discovered our potential, grew exponentially, and made a mark in the global arena; and we marked these 30 years of Inspiration, Transformation and Excellence for ITE with two significant events in 2022 – the **30th Anniversary celebrations** and the **Singapore International Technical and Professional Education and Training (TPET) Conference**.

We are still a relatively young institution at 30 and we still have much to offer and to grow into. The next decade will be an exciting one, and one full of possibilities. As we head into FY2023 and beyond, we want to continue inspiring our students, transforming them into individuals known for their skills mastery, helping them excel in the career of their choice, and enabling and empowering our workforce through our continual learning programmes. And we hope to do so in close partnership with our stakeholders.

Thank you.

READY TO ENGAGE

ITE's biggest supporters are our industry partners. They are the key to ITE's success over the years – the close partnership we share has ensured that ITE keeps up with industry demands in terms of skills training and workforce development. In recent years, this partnership has also become a key differentiator of ITE's programmes as we transition towards making the workplace an extended classroom.

Thus, forging new partnerships and continuing to engage current partners remain important parts of ITE's engagement with the industry. In doing so, we hope to leverage on their industry knowledge to help adult learners and students pick up in-demand skills that they can put to use immediately.

MEMORANDA OF UNDERSTANDING (MOUS) & LETTERS OF COLLABORATION (LOCS)

NEW IN FY2022

31

RENEWED IN FY2022

28

TOTAL NO. OF ACTIVE
PARTNERSHIPS IN FY2022

253

Some of the new partners (FY2022) include:

- Alteryx Singapore Pte Ltd
- ALBA E-Waste Smart Recycling Pte Ltd
- Cargo Community Network Pte Ltd
- ComfortDelGro Corporation Ltd
- Diversey
- Gardens by the Bay
- Hyundai Motor Company
- Komoco Motors Pte Ltd
- Land Transport Authority of Singapore
- MILK (Mainly I Love Kids) Fund
- Noodle Factory Pte Ltd
- OutSystems Singapore Pte Ltd
- Singapore Chemical Industry Council Ltd
- SIA Engineering Company Ltd
- Singapore Chinese Chamber of Commerce & Industry
- Singapore International Facility Management Association
- Singapore Semiconductor Industry Association
- SMRT Corporation Ltd

COLLABORATIONS WITH GLOBAL EDUCATION PARTNERS

45 Partners in 14 Countries

New in FY2022:

- Directorate of Vocational Education and Training, Vietnam
 - Helen-Keller-Schule Weinheim, Germany
-

31 Years and Counting

ITE's long-standing partnership with the Ministry of Education, Youth and Sports (KM), Baden Württemberg, Germany, was re-affirmed on 27 June 2022, with the sixth renewal of the MOU between the two institutions. Dr Maliki Oman, Second Minister for Education, and Ms Theresa Schopper, Minister for Education, Youth & Sports, Baden Württemberg, signed the MOU at ITE HQ. A Supplemental MOU with ITE and the colleges of Baden Württemberg was also renewed at the same ceremony, and included one new institution – Helen-Keller-Schule in Weinheim.

Enhancing Workplace Learning

Industry engagement and partnerships play a very important part in this workplace training ecosystem. As such, we worked hard in FY2022 to strengthen engagement with industry. As at December 2022, **over 500 companies** have come on board as our WSDip co-training partners. In addition to making the Train-the-Trainer (TTT) programme more accessible to companies, we introduced asynchronous e-learning versions of TTT modules.

A new **Workplace Training Centre** scheme was also launched in collaboration with the Singapore Chemical Industry Council. As part of this scheme, ITE worked closely with the Chemical industry to design curriculum and assessment rubrics, and will be providing pedagogical support to industry trainers enabling the training at the workplace.

Return of Overseas Visitors

With the gradual resumption of overseas travel in FY2022, ITE saw the return of overseas visitors eager to learn from ITE. These include visitors from Australia, Chile, India, Malaysia, New Zealand, Timor-Leste, and more. Some of these distinguished visitors were:

- Her Excellency Erika Mouynes, Minister of Foreign Affairs, Republic of Panama. She visited ITE HQ & College Central (CC) on 11 April to witness the signing of the MOU between ITE Education Services and Instituto Técnico Superior Especializado.
- Datuk Onn Hafiz Ghazi, Johor Menteri Besar, Malaysia. The new Chief Minister of Johor visited ITE HQ & CC on 18 April to explore potential collaboration opportunities between Singapore and Johor in the area of vocational training.
- Global Education Network partners from Australia, Canada and USA, who attended the GEN Coordinators' Conference 2022 at ITE HQ on 1 July.
- Dr Grace Naledi Mandisa Pandor, Minister of International Relations and Cooperation, South Africa, who visited ITE HQ & CC on 5 July.
- The Honorable Chris Hipkins, New Zealand's then-Minister of Education, Police and Public Service, and current Prime Minister, who visited ITE HQ & CC on 27 October to gain insights into how New Zealand could restructure their vocational education sector to better align vocational education to industry needs.
- His Excellency Dr Mohammad Shtayyeh, the Prime Minister of the Palestinian Authority, who visited ITE College East on 28 October to learn about Singapore's TVET strategy and approach.
- Twenty-two participants of the Organisation for Economic Cooperation and Development (OECD) High Performing Systems for Tomorrow Policy Dialogue visited ITE College East on 29 November. Mr Andreas Schleicher, Director for Education & Skills, OECD, was part of the OECD group.

READY TO INSPIRE

ITE IN NUMBERS (FOR FY2022)

PET STUDENT
ENROLMENT

27,849

STUDENT SUCCESS RATE
(as at Mar 2023)

91%

STUDENTS' SATISFACTION
WITH ITE

97.8%

EMPLOYERS' SATISFACTION WITH
ITE GRADUATES
(Triennial - FY2019)

96.5%

STUDENT OVERSEAS PARTICIPATION RATE
(Graduating Cohort)
Virtual Trips

44%

ITE CET PROGRAMMES

WSDip, Part-time Higher Nitec/Nitec/ITE Skills Certificate, General Education, Certificates of Competency, SGUnited Skills Programme, Short Courses, Train-the-Trainer, Joint-Industry Certification, and Workforce Skills Qualification courses.

TOTAL TRAINING PLACES

46,732

TOTAL TRAINING HOURS

2,820,899 hours

NO. OF
WSDIP PROGRAMMES

36

WSDIP ENROLMENT
(as of 31 March 2023)

1,346

CLASS OF 2022

A total of **14,179 students** graduated from ITE's full-time, part-time and traineeship courses for Academic Year 2021/2022. Among them, **761** received Certificates of Merit, with **236** receiving Course Medals for topping their respective courses. **Ten Tay Eng Soon Scholarship Awards** were also given out.

Top honours were awarded to **16 ITE graduates** in 2022. For the first time, the **Singapore Business Federation Gold Medal Award** was given out to the top Technical Diploma graduate. This year, there were two recipients for this award.

The top 16 graduates were:

Lee Kuan Yew Gold Medal Javen Francis Koh Wei Yang Nurqistina Atiqah Binte Abu Bakar Ng Yeong Yee	Singapore National Employers Federation Gold Medal Suria Bte Saad Alex Poh Chee Chen Hilman Bin Mansoor
Tay Eng Soon Gold Medal Damien Loo Yi Heng Tan Yuan Tian Muhammad Ezekeyle Ezra Olbrich Bin Wilfred John Olbrich	Singapore Business Federation Gold Medal ^{New} Nur Sofiyah Bte Zainalabidin Tan Wen Yao
Ngee Ann Kongsii Gold Medal Fatin Mayasari Bte Amran Ng Aik Hong Desmond Mohamad Hilman B Mohamad Hatta	e2i Gold Medal Laurence Oh Tiong Yaw
	IES Engineering Award How Jia Jun Wilson

At the Ministry of Education Special Awards Presentation Ceremony on 29 August 2022, **15** ITE graduates who had progressed to full-time studies at the polytechnics received the **Lee Kuan Yew Scholarship to Encourage Upgrading (LKY-STEP) Award**. Of the 15, six received the **Sultan Haji Omar Ali Saifuddien Book Prize**. One ITE graduate, Nurqistina Atiqah Binte Abu Bakar, received the **Lee Hsien Loong Award for Outstanding All-round Achievement** and LKY-STEP Award for all-rounded and good academic performance.

On 8 December 2022, ITE celebrated the achievements of **18 course medallists** at the ITE Work-Study Diploma (WSDip) Graduation Ceremony. They were among 371 graduates from **22 WSDip courses** who were recognised for completing their training under the WSDip programme. The first large-scale, in-person WSDip Graduation Ceremony saw the top trainees receive their Course Medals from the Guest-of-Honour, Dr Maliki Osman, Second Minister for Education.

UPSKILLING VIA ITE'S DIPLOMA PATHWAY

As a global leader in skills education, ITE continuously reviews its course offerings to ensure each student is equipped with up-to-date industry skills, and is able to deepen his skills in his industry of choice upon graduation. Our WSDip graduating cohort in 2022 has achieved encouraging outcomes. More than 9 in 10 of our graduates are in full-time employment after graduation, with median starting salaries that are comparable to those of polytechnic diploma graduates. ITE graduates can now look forward to upskilling in the following new diplomas from FY2022:

NEW WSDIP COURSES IN FY2022

- Applied Electronics & AI
- Architectural BIM & Design
- E-Commerce & Retail
- IoT & Data Engineering
- Land Transport Engineering
- Mechanical Systems Engineering

From 2023, graduates will have the additional option of choosing from our three newly-launched **Technical Diplomas** (TDs). They are ITE's first TDs since the last TD launch in 2011.

NEW TD COURSES FOR COMMENCEMENT IN 2023

- **Technical Diploma in Hospitality & Hotel Management**
Offered in partnership with EHL Hospitality Business School, Switzerland
- **Technical Diploma in Beauty & Wellness Management**
- **Technical Engineering Diploma in Civil & Structural Engineering**
Offered in partnership with Vocational Training Council, Hong Kong SAR

#ITEPROUD

There is potential in every student. We are especially proud when they are able to harness what they have learnt, and turn it into results. Our students continue to be an inspiration, not just to their peers, but also to the staff, with their achievements on the local and global scenes.

A team of 14 students and one staff from ITE College West's School of Hospitality bagged an impressive haul of **12 award medals – 1 Gold, 5 Silver, and 6 Bronze** – in the Food & Hotel Asia (FHA)-Food & Beverage 2022 Culinary Challenge. The competition, which returned after a four-year hiatus, was held from 5 to 8 September at Singapore Expo. The team was up against 250 individuals and 48 teams from Institutes of Higher Learning, as well as local and international chefs. Our top student competitor won the **Gold Medal** under Culinary Art Display – Plated Dishes (Open Category).

In October 2022, ITE WSDip trainee, **Mohamad Izz Syafiq** and ITE alumnus, **Lim Hui Fang**, represented ITE at the WorldSkills Competition 2022 Special Edition. This was held in place of WorldSkills Shanghai 2022, which was cancelled due to continued Covid-19 restrictions in China. Izz and Hui Fang were part of a contingent of 29 youths from Singapore and they competed in the areas of Digital Construction and Beauty Therapy respectively. Hui Fang eventually achieved a Medallion of Excellence.

That same month, a team of four ITE College East students from the *Higher Nitec* in Electrical Engineering course emerged as the champion in the **Singapore Energy Grand Challenge** (IHL Category – Sembcorp Industries Case). **Wang Zixuan, Eugene Tan Ye Hong, Ng Mian Hao, and Xavien Teo Yi Xiang** came up with the best sustainable solution based on real-world problems faced by energy companies under the Sembcorp Industries case and received a \$6,000 cash prize. Their counterparts from ITE College West took the 1st runner-up place (\$4,000 cash prize) under the Keppel Infrastructure case. They were *Nitec* in Mechatronics & Robotics students, **Isaiah Ives Goh Jun Yang, RenuDeve Veer D/O Sunthara Velu Chelliah, and Nur Nabilah Binte Muhamad Solihin**.

GLOBAL CONNECTIONS

Global travel was slowly picking up with the gradual easing of travel restrictions and relaxation in Covid-19 measures in AY2022.

Virtual OEPs continued to form the bulk of ITE's OEPs in AY2022, with 44% of the graduating cohort participating in virtual OEPs. Now that global travel is rising quickly, ITE has planned a gradual ramping up of student overseas participation. We hope to have at least 21.2% of our graduating cohort participate in an OEP by AY2025. In the meantime, our Colleges will continue to plan for virtual learning exchanges.

READY TO SUCCEED

WORKING TOWARDS EXCELLENCE

Thanks to our 2,518 dedicated staff, ITE continued our journey of transformation and growth in FY2022. The following awards were conferred to well-deserving staff during the year in review, in recognition of their exemplary service and contributions:

May Day Awards 2022

Ms Low Khah Gek

Medal of Commendation

Mr Elson Koh Chun Chye

Comrade of Labour

Mr Azri Zulfarhan Bin Kamsin

Partner of Labour Movement

National Day Awards 2022, Prime Minister's Office

Awarded to 56 staff

ITE Teacher Award 2022

Awarded to 15 staff

ITE CET Trainer Award 2022

Awarded to 6 staff

ITE Long Service Award 2022

Awarded to 472 staff

ITE Service Star Award 2022

Awarded to 7 individuals and 3 teams

ITE Distinguished Service Star Award 2022

Awarded to 2 individuals

ITE Outstanding Leader and Facilitator Award 2022

Awarded to 28 individuals

ITE Innovation Star Award 2022

Awarded to 4 teams

ITE CEO Innovation Award 2022

Awarded to 3 teams

ITE Dare to Do Award 2022

Awarded to 1 individual and 2 teams

ITE SkillsFuture Award 2022

Awarded to 3 individuals

ITE Outstanding Innovator Award 2022

Awarded to 3 individuals

ExCEL Establishment Award 2022

Awarded to 5 teams

Educators with Heart

Our staff strive to do their best in providing our students with a holistic education. Our outstanding staff who had earned well-deserved recognitions include:

- A team of four ITE staff won the 2021-2022 Innovation of the Year Award for their project titled, *Explosive Vapours/Particles Simulator*. Designed to simulate an actual bomb detector, the device provides much-needed training for military personnel while saving on cost. For their efforts, the following staff received the award from the League for Innovation in the Community College in June 2022:
 - Ms Florence Chee, Lecturer, Mechanical Engineering
 - Mr Sam Chew Liang, Senior Lecturer, Electrical Engineering
 - Mr Tan Beng Soon, Lecturer, Mechanical Engineering
 - Mr Tan Kwong Luck, Manager, Technology Development Centre
- Ms Pauline Hu Leong Hong, a Nursing lecturer from ITE College East, was the fourth ITE staff to be conferred the prestigious **President's Award for Teachers (PAT)**. Together with seven other winners, Pauline received the award from President Halimah Yacob at the Teachers' Day Celebration and Award Ceremony held on 1 September 2022 at the Istana. She was among 17 PAT Finalists.
- The 2022 **Public Sector Transformation Awards** saw two ITE staff winning awards at the annual ceremony, which recognises public officers who have embodied the spirit of continuous learning and delivered outstanding service. Mr Chiang Hai Hoeng, Senior Course Manager (Precision Engineering – Advanced Machining Technology), ITE College Central, won the **Exemplary SkillsFuture @ Public Service Award** for his passion in upskilling to adapt to changing industry demands and remaining relevant, and implementing a new *Nitec* course.

Ms Celestina Wong Siew Ling, a Service Management Lecturer from ITE College West, won the **Exemplary Service Excellence Award** for consistently demonstrating high standards of service excellence, dedication and commitment towards caring for students with multifaceted learning abilities and challenging backgrounds.

- Between 31 May and 3 June 2022, Mr Dexter Lee Chee Leong, a Pastry and Baking lecturer; and Mr Terence Lin, a *Nitec* in Western Culinary Arts graduate, took part in the **Global Pastry Chef Challenge**. They beat six international teams to clinch the top spot with their entry, consisting of a chocolate sculpture, *Genie Coming Out of a Bottle*, a plated dessert and an Entremets.

Strong Ties

On the union front, ITE continued to share strong relationships with the two staff unions – the Union of ITE Training Staff (UITS) and the ITE Staff Branch of the Amalgamated Union of Public Employees (AUPE) in FY2022.

ORGANISATIONAL HIGHLIGHTS

Our efforts to cultivate and upkeep a spirit of excellence in all areas among staff continue to bear fruit in FY2022. During this period, ITE won the following awards:

- **Teacher Professional Development Silver Award** at the **World Federation of Colleges and Polytechnics (WFCP) Awards of Excellence 2022** for our strong efforts in supporting the professional growth of teaching staff so they remain industry-relevant in the midst of changing demands and technology. The awards ceremony was held in Spain from 15 to 17 July. It was part of the WFCP World Congress, which comprised colleges and polytechnics from around the world.
- **People's Association Community Spirit Awards 2022** for our Colleges' contributions to the communities. ITE College East received the Excellence Award while ITE College Central and ITE College West received the Merit Award at the ceremony on 7 September.
- **2022 Singapore International Chamber of Commerce (SICC) Award – Most Scalable Collaboration Award** for ITE College Central's Technology & Development Centre's (TDC) joint project with Sport Singapore (SportSG). The award-winning collaboration, *Integrated Sensor Gateway for customised IoT solutions with SportSG*, involved the adoption of the TDC's in-house developed IoT Solutions in SportSG's existing facilities. The TDC won because its solution offered the most easily transferrable methodology. The award was conferred at the SICC Awards Gala on 6 October.

READY TO CELEBRATE

Event Highlights for FY2022

FY2022 was a milestone year for ITE as we celebrated our 30th anniversary with two hallmark events.

SINGAPORE INTERNATIONAL TECHNICAL AND PROFESSIONAL EDUCATION AND TRAINING (TPET) CONFERENCE 2022

ITE held the sixth edition of the International TPET Conference on 28 and 29 June at the Sands Expo and Convention Centre at Marina Bay Sands. It was held via a hybrid mode for the first time, in view of the global travel situation at that time. The Opening Ceremony was officiated by Minister for Education, Mr Chan Chun Sing. Some **700 delegates** from **15 countries** (representing close to **40 organisations**) attended the two-day event.

The Conference theme – *Pivoting TPET for a Sustainable Future: Potential, Possibilities and Partnerships* – highlighted current challenges faced by TPET practitioners and ways to reinvent the relevance of TPET systems in a post-Covid-19 world. A total of 11 international and local education leaders and industry experts delivered valuable insights into topics revolving around three sub-themes: (1) *Resetting and Recreating for Sustainable TPET*; (2) *From 'Learning to Work' to 'Working to Learn'*; and (3) *Accelerating Digitalisation and Digital Learning*.

ITE'S 30TH ANNIVERSARY CELEBRATION

It was a night of celebrations as ITE commemorated its 30 years of ***Inspiration, Transformation and Excellence*** on 30 June together with **900 guests**, comprising representatives from government agencies, industry partners, international partners, stakeholders, alumni, staff and students. The milestone event was graced by Guest-of-Honour, Mr Teo Chee Hean, Senior Minister and Coordinating Minister for National Security, and Mr Chan Chun Sing, Minister for Education. It was held at the Tay Eng Soon Convention Centre, at ITE.

During the event, ITE presented the **ITE Distinguished Partner Award** to **30 institutional and industry partners**. Among them, the Ministry for Education, Youth & Sports, Baden Württemberg, Federal Republic of Germany, was awarded the **ITE Premier Award** in recognition of its solid partnership and significant contributions to the development of vocational and technical education in Singapore over the past 31 years.

As part of the event, Senior Minister Teo and Education Minister Chan launched a commemorative book – ***ITE: Going 3ey0nd*** – that captured key moments in ITE's three decades of helping to skill Singapore's workforce. The profiles of 30 ITE graduates and students whose lives had been transformed by ITE were also featured as part of the celebrations.

In conjunction with the main event, Ms Gan Siow Huang, Minister of State for Education and Manpower, launched the **ITE's 30 Gifts for the Community** on 13 July. This was done in appreciation of the community's support in ITE's transformation over the last 30 years. As part of the programme, the three ITE Colleges offered 30 free skills workshops that benefited 17 community groups between July and October.

OTHER EVENTS

ignITE Skills Challenge 2022

The 7th ignITE Skills Challenge saw **over 460 teams from 67 secondary schools** taking part, with the finals being held on 19 May at ITE HQ & CC. This was the largest number of participants since its inaugural run in 2016. Ten new skills challenges were introduced. These include having students tackle simulated cyberattacks, program robots to complete missions using block/scratch programming, and building artificial intelligence cars. Crest Secondary School claimed the title of Overall Champion for the fourth consecutive time.

ITE Student Achievers' Awards 2022

During the **ITE Student Achievers' Awards** on 26 May 2022, **408 students** were honoured for their outstanding achievements beyond their academic studies, in line with ITE's emphasis on holistic education. Among them, **49 students** received the **Lee Kuan Yew (LKY) Model Student/Trainee Award**, the **LKY Co-Curricular Award**, and the **LKY Technology Award**. The other 359 students received the ITE Arts Excellence Award, ITE Sports Excellence Award, ITE CCA Medal, ITE Student Commendation Award and Keppel Care Foundation Scholarship.

ITE-Hong Kong Vocational Training Council (VTC) International Student Seminar (ISS) 2022

Held in a hybrid format for the first time, the ITE-VTC ISS was held at ITE College West from 20 to 21 June and was officially opened by Guest-of-Honour, Dr Mohamad Maliki Bin Osman, Minister in the Prime Minister's Office and Second Minister for Education & Foreign Affairs. Over **600 students from six countries** attended the biennial seminar. The three sub-themes for this instalment were **Inclusivity**, **Reimagining** and **Sustainability**. A total of 16 student project presentations were featured at the seminar, with one joint presentation by ITE and VTC students.

ITE Academy Graduation 2022 and 'Open Classroom' Initiative

A total of **107 staff** (including two from Crest Secondary school, two from Spectra Secondary School and one from the National Institute of Early Childhood Development) completed the 30-week Advanced Certificate in Technical Education Pedagogy (ACTEP) programme, which equips new lecturers with the skills and knowledge to plan, facilitate and assess competency-based learning at ITE and the Allied Schools. They received their certificates at the Graduation Ceremony on 21 October.

During the Ceremony, a new initiative - 'Open Classroom' - was announced. It features a series of videos which allows lecturers to witness how their colleagues put good teaching and student engagement practices to work, without having to sit and observe actual lessons. Published weekly between October and November, the series will be done annually.

ITE Smartathon 2022

The annual ITE Smartathon was launched virtually on 7 November. Aimed at promoting digitalisation and innovation among staff, the event saw 125 staff from 27 teams competing in – (1) Process Automation, (2) eServices, and (3) Massive Open Online Courses (MOOC). The teams spent the next few days working on their projects before presenting the final projects to judges on 11 November, with the results announced at the ITE Care and Innovation Fiesta held the same day.

ITE Care & Innovation Fiesta

The 2022 instalment of the ITE Care & Innovation Fiesta saw 45 individual staff, 16 teams and five establishments being presented with Service, Innovation and Smartathon awards on 11 November. Guest speaker, IBM Chief Technology Officer, Mr Purushothama Shenoy, also shared on AI-Powered Automation with some 600 staff attendees at the event.

Singapore-Shizuoka Agri Food Forum

ITE hosted the third Singapore-Shizuoka Agri Food Forum on 10 November 2022. Held at ITE College East, the forum was jointly organised by Shizuoka Prefecture, AgriOpen Innovation Institute, Singapore's Institutes of Higher Learning and the Singapore Food Agency. Over 180 participants from Singapore and Japan attended the event. Senior Minister of State for Sustainability and Environment, Dr Koh Poh Koon, was the Guest-of-Honour for the event.

ITE Dance Emblazon

The high-energy ITE Dance Emblazon 2022 sold out both shows, attracting close to 3,000 audience on 30 September and 1 October. The dance event was held at Tay Eng Soon Convention Centre. President Halimah Yacob was invited to grace the gala night show on 30 September. All 320 dancers from the three Colleges and students who provided support in other areas such as filmmaking, sound and light, impressed with captivating performances that were the results of four months of training.

Breathing New Life Into Colleges

With rapid industry changes, ITE has to constantly stay on top of technological advances to ensure our students are equipped with industry-relevant skills. A revamping of College facilities from time to time is thus necessary. During this period, ITE launched a series of new Hi-Tech Learning Facilities, jointly set up with our industry partners, including those supporting sustainability. These include:

- **Solutioning Centre** in collaboration with OutSystems
- **ITE Data Centre Lab** in support of the WSDip in Data Centre Infrastructure & Operation and Certificate of Competencies (CoC) for the Data Centre industry
- **ITE Cyber Security Lab** in support of Singapore's 'Growing a Robust Cyber Talent Pipeline' under the Singapore Cybersecurity Strategy 2021
- **E-Makerspace and ITE-BERNINA Service Training Centre** in collaboration with BERNINA (Singapore)
- **Artificial Intelligence Lab** in collaboration with Microsoft Singapore and AI Singapore
- **Classroom of the Future** to support the training of Video Analytics, Security Surveillance and CoC for Certified Video Security Associates
- **Microelectronics Training Facility** to simulate a semiconductor manufacturing environment
- **Datacentre Academy** in collaboration with Microsoft (first in Asia for Microsoft)
- **Horticulture Technology Hub** as part of Singapore's efforts to boost training in high-productivity agricultural skills through the use of technologies
- **ITE-Panduit Learning Hub** to provide innovative teaching and learning in information network infrastructure

REAL Leadership

ITE also organises the REAL Leadership series where industry captains and thought leaders are invited to share insights, perspectives and best practices with the senior and middle leadership team.

On 27 October, some 230 staff had an insightful session with Mr Janadas Devan, Chief of Government Communications, Ministry of Communications & Information and Director, Institute of Policy Studies, Lee Kuan Yew School of Public Policy. Another session was held on 24 February 2023. Three guest speakers were invited to share their thoughts on Sustainable Economy.

READY FOR THE NEXT LAP

What to expect for FY2023

ITE marked the end of another chapter in 2022. Moving ahead, we will be forging ahead with our plans to expand our course offerings in the next Financial Year for both PET and CET students. The three-year *Higher Nitec* programme will include eight more courses in the School of Business and six for the School of Applied & Health Sciences. Around 55% of total student intake is expected to enrol in this programme in 2024 (up from the current 25%). ITE will also be looking into expanding and enhancing the Work-Study Diploma and Technical Diploma programmes, with support from industry and international partners.

The development of CET courses to support national upskilling and reskilling initiatives will also be a key area ITE will be investing in. We will also continue our commitment to engage and partner the industry in training and enhancing workplace learning, especially with ITE's WSDip, Approved Training Centres and Traineeship programmes comprising a substantial amount of on-the-job training workplace learning experience.

Amidst this, in stepping up our Sustainability pursuit, some of our immediate plans ahead include further strengthening our culture and capability on sustainability, greater adoption of green procurement practices, introduction of baseline Sustainability module for all students from July 2023, and having ITE College East attain the Super Low Green Energy certification by end-2023.

With these plans in place, ITE is ready for 2023 to be a year of exploration, engagement and enrichment; a year in which we collectively work towards better outcomes for our students and stakeholders.

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FINANCIAL REVIEW

For the Year Ended
31 March 2023

INSTITUTE OF TECHNICAL EDUCATION

(Incorporated in Singapore. Institute Registration Number: T08GB0022B)

ANNUAL REPORT

For the financial year ended 31 March 2023

INSTITUTE OF TECHNICAL EDUCATION

(Incorporated in Singapore)

ANNUAL REPORT

For the financial year ended 31 March 2023

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INSTITUTE OF TECHNICAL EDUCATION

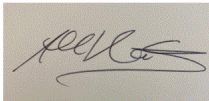
STATEMENT BY BOARD OF GOVERNORS

For the financial year ended 31 March 2023

In our opinion,

- (a) the accompanying financial statements of Institute of Technical Education (the "Institute") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Institute as at 31 March 2023, 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 Institute for the year then ended, and notes to the financial statements, including a summary of significant accounting policies are drawn up so as to present fairly, in all material respects, the state of affairs of the Group and of the Institute as at 31 March 2023 and of the results and changes in funds and reserves of the Group and of the Institute and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Institute of Technical Education Act 1992, and the Public Sector (Governance) Act 2018 (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS");
- (b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Institute during the year are, in all material aspects, in accordance with the provisions of the Acts and the requirements of any other written law applicable to moneys of or managed by the Institute;
- (c) proper accounting and other records have been kept, including records of all assets of the Institute, whether purchased, donated or otherwise; and
- (d) at the date of this statement, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

On behalf of the Board



MR ANDREW CHONG
Chairman

20 July 2023



MS LOW KHAH GEK
CEO

Independent auditor's report to the members of Institute of Technical Education

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of the Institute of Technical Education (the "Institute") and its subsidiaries (the "Group") and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Institute are properly drawn up in accordance with the provisions of the Institute of Technical Education Act 1992, and the Public Sector (Governance) Act 2018 (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Group and of the Institute as at 31 March 2023 and of the results and changes in funds and reserves of the Group and of the Institute and cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and the Institute comprise:

- the statements of financial position of the Group and the Institute as at 31 March 2023;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2023;
- the statement of comprehensive income of the Institute for the financial year then ended;
- the consolidated statement of changes in funds and reserves of the Group for the financial year then ended;
- the statement of changes in funds and reserves of the Institute for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (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.

Other information

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

Independent auditor's report to the members of Institute of Technical Education

Other information (continued)

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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Acts and SB-FRS, and for such internal controls 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 Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Group or for the Group to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to the members of Institute of Technical Education

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

Report on other legal and regulatory requirements

Opinion

In our opinion:

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

Basis for opinion

We conducted our audit in accordance with the 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 members of Institute of Technical Education

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 Acts, and the requirements of any other written law applicable to moneys of or managed by the Institute. This responsibility includes monitoring related compliance requirements relevant to the Institute, 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 Acts, and the requirements of any other written law applicable to moneys of or managed by the Institute.

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 20 July 2023

INSTITUTE OF TECHNICAL EDUCATION**STATEMENTS OF FINANCIAL POSITION***As at 31 March 2023*

	Note	The Group		The Institute	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets					
Non-current					
Property, plant and equipment	3	385,670	408,711	375,259	399,090
Right-of-use assets	4	191,936	206,921	191,923	206,910
Intangible assets	5	10,509	6,450	10,395	6,368
Subsidiaries	6	-	-	8,952	8,952
Other financial assets	7	254,694	207,405	254,442	207,153
		<u>842,809</u>	<u>829,487</u>	<u>840,971</u>	<u>828,473</u>
Current					
Other financial assets	7	-	250	-	-
Trade and other receivables	8	14,105*	8,456*	12,399	7,963
Operating grants receivable	9	30,346	13,402	30,346	13,402
Other grants receivable	11	458	759	355	708
Cash and bank balances	12	463,429	475,054	359,838	372,813
		<u>508,338</u>	<u>497,921</u>	<u>402,938</u>	<u>394,886</u>
Total assets		<u>1,351,147</u>	<u>1,327,408</u>	<u>1,243,909</u>	<u>1,223,359</u>
Capital and funds					
Capital account	13	2,715	2,715	2,715	2,715
Retirement benefits reserve	17	(1,576)	(1,387)	(1,576)	(1,387)
Accumulated surplus					
General Funds	14a	506,278	462,657	431,255	390,409
Restricted Funds	14b	11,060	10,930	7,318	7,331
		<u>517,338</u>	<u>473,587</u>	<u>438,573</u>	<u>397,740</u>
Total capital and other funds		<u>518,477</u>	<u>474,915</u>	<u>439,712</u>	<u>399,068</u>
Liabilities					
Non-current					
Lease liabilities	15	104,424	111,830	104,416	111,828
Deferred capital grants	16	642,298	658,623	638,269	654,269
Provision for retirement benefits	17	1,050	1,159	1,050	1,159
Other payables	18	271	754	271	753
		<u>748,043</u>	<u>772,366</u>	<u>744,006</u>	<u>768,009</u>
Current					
Trade and other payables	18	50,410	47,232	45,531	42,078
Lease liabilities	15	7,416	7,182	7,412	7,173
Provision for retirement benefits	17	306	286	306	286
Deferred income*		6,854	5,525	4,218	3,616
Operating grants received in advance	9	15,884	15,724	-	676
Development grants received in advance	10	254	254	-	-
Other grants received in advance	11	3,503	3,924	2,724	2,453
		<u>84,627</u>	<u>80,127</u>	<u>60,191</u>	<u>56,282</u>
Total funds and liabilities		<u>1,351,147</u>	<u>1,327,408</u>	<u>1,243,909</u>	<u>1,223,359</u>

* Included in the Trade and other receivables balance and Deferred income balance are unbilled revenue (contract assets) and revenue received in advance (contract liabilities and donations received in advance) respectively.

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

INSTITUTE OF TECHNICAL EDUCATION**STATEMENTS OF FINANCIAL POSITION***As at 31 March 2023*

	Note	The Group		The Institute	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Net assets of trust funds					
ITE Education Fund		161,978	157,536	161,978	157,536
Pre-Employment Clinical Training Fund		1,014	500	1,014	500
Economic Development Board Fund		-	-	-	-
Work Study Programme Fund		-	-	-	-
	19	<u>162,992</u>	<u>158,036</u>	<u>162,992</u>	<u>158,036</u>

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

INSTITUTE OF TECHNICAL EDUCATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note	General Funds		Restricted Funds		Total	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
The Group Income							
Course fees	20	24,600	23,170	-	-	24,600	23,170
Examination fees	20	618	577	-	2	618	579
Consultancy services		7,607	4,596	-	-	7,607	4,596
Rental income		2,900	2,159	-	-	2,900	2,159
Supplementary fees		3	3	1,010	1,021	1,013	1,024
Licence fees		545	960	-	-	545	960
Donations		15	178	584	873	599	1,051
Interest income	21	5,687	1,262	44	7	5,731	1,269
Other income	22	1,865	1,460	300	135	2,165	1,595
		<u>43,840</u>	<u>34,365</u>	<u>1,938</u>	<u>2,038</u>	<u>45,778</u>	<u>36,403</u>
Operating expenditure							
Manpower costs	23	389,438	385,678	230	551	389,668	386,229
Depreciation of property, plant and equipment	3	37,902	40,791	418	326	38,320	41,117
Depreciation of right-of-use assets	4	14,997	14,997	-	-	14,997	14,997
Amortisation of intangible assets	5	3,960	4,040	71	62	4,031	4,102
(Gain)/Loss on disposal of property, plant and equipment, net		(131)	67	-	-	(131)	67
Agency fees		30,415	27,685	410	404	30,825	28,089
Repair and maintenance		20,287	19,023	40	54	20,327	19,077
Public utilities		15,719	8,560	1	-	15,720	8,560
Student benefits		18,186	5,972	7,989	8,142	26,175	14,114
Grants-in-aid	24	250	140	-	-	250	140
Supplies and materials		12,600	13,713	393	650	12,993	14,363
Fair value loss on financial assets		5,913	5,437	-	-	5,913	5,437
Other expenditure	25	21,242	17,397	949	1,118	22,191	18,515
Finance costs		4,171	4,421	-	-	4,171	4,421
		<u>574,949</u>	<u>547,921</u>	<u>10,501</u>	<u>11,307</u>	<u>585,450</u>	<u>559,228</u>
Deficit before government grants		(531,109)	(513,556)	(8,563)	(9,269)	(539,672)	(522,825)
Government grants							
Operating grants	9	522,447	517,825	3,820	3,820	526,267	521,645
Development grants	10	-	-	-	-	-	-
Other grants	11	29	247	4,693	5,984	4,722	6,231
Deferred capital grants amortised	16	52,254	55,673	180	119	52,434	55,792
Surplus after government grants		43,621	60,189	130	654	43,751	60,843
Taxation	26	-	(1)	-	-	-	(1)
Net surplus for the year		<u>43,621</u>	<u>60,188</u>	<u>130</u>	<u>654</u>	<u>43,751</u>	<u>60,842</u>

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

INSTITUTE OF TECHNICAL EDUCATION**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2023*

	Note	General Funds		Restricted Funds		Total	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
The Group							
Other comprehensive loss							
Item that will not be reclassified to surplus or deficit							
Net change in retirement benefits reserves arising from actuarial adjustments		(189)	(12)	-	-	(189)	(12)
Other comprehensive loss for the year, net of tax of nil		(189)	(12)	-	-	(189)	(12)
Total comprehensive income for the year		43,432	60,176	130	654	43,562	60,830

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

INSTITUTE OF TECHNICAL EDUCATION

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note	General Funds		Restricted Funds		Total	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
The Institute Income							
Course fees	20	24,176	22,844	-	-	24,176	22,844
Examination fees	20	465	472	-	-	465	472
Consultancy services		2,419	2,543	-	-	2,419	2,543
Rental income		3,181	2,309	-	-	3,181	2,309
Supplementary fees		-	-	1,010	1,021	1,010	1,021
Licence fees		518	931	-	-	518	931
Donations		10	178	-	-	10	178
Interest income	21	4,732	1,052	23	3	4,755	1,055
Other income	22	1,432	1,018	286	130	1,718	1,148
		<u>36,933</u>	<u>31,347</u>	<u>1,319</u>	<u>1,154</u>	<u>38,252</u>	<u>32,501</u>
Operating expenditure							
Manpower costs	23	340,584	340,076	115	219	340,699	340,295
Depreciation of property, plant and equipment	3	35,821	39,442	183	190	36,004	39,632
Depreciation of right-of-use assets	4	14,987	14,987	-	-	14,987	14,987
Amortisation of intangible assets	5	3,928	3,998	67	58	3,995	4,056
(Gain)/Loss on disposal of property, plant and equipment, net		(131)	18	-	-	(131)	18
Agency fees		30,292	27,538	410	404	30,702	27,942
Repair and maintenance		18,042	16,498	19	30	18,061	16,528
Public utilities		14,653	7,815	1	-	14,654	7,815
Student benefits		16,686	4,831	6,232	6,347	22,918	11,178
Grants-in-aid	24	250	140	-	-	250	140
Supplies and materials		11,046	12,594	328	591	11,374	13,185
Fair value loss on financial assets		5,913	5,437	-	-	5,913	5,437
Other expenditure	25	17,140	14,702	874	1,090	18,014	15,792
Finance costs		4,165	4,415	-	-	4,165	4,415
		<u>513,376</u>	<u>492,491</u>	<u>8,229</u>	<u>8,929</u>	<u>521,605</u>	<u>501,420</u>
Deficit before government grants		(476,443)	(461,144)	(6,910)	(7,775)	(483,353)	(468,919)
Government grants							
Operating grants	9	465,915	462,400	2,835	2,848	468,750	465,248
Other grants	11	-	1	4,062	5,098	4,062	5,099
Deferred capital grants amortised	16	51,374	54,900	-	-	51,374	54,900
Surplus/(deficit) after government grants		40,846	56,157	(13)	171	40,833	56,328
Taxation	26	-	-	-	-	-	-
Net surplus/(deficit) for the year		<u>40,846</u>	<u>56,157</u>	<u>(13)</u>	<u>171</u>	<u>40,833</u>	<u>56,328</u>

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

INSTITUTE OF TECHNICAL EDUCATION**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2023*

	Note	General Funds		Restricted Funds		Total	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
The Institute							
Other comprehensive loss							
Item that will not be reclassified to surplus or deficit							
Net change in retirement benefits reserves arising from actuarial adjustments		(189)	(12)	-	-	(189)	(12)
Other comprehensive loss for the year, net of tax of nil		(189)	(12)	-	-	(189)	(12)
Total comprehensive income/(loss) for the year		40,657	56,145	(13)	171	40,644	56,316

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

INSTITUTE OF TECHNICAL EDUCATION**CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES***For the financial year ended 31 March 2023*

	Capital account (Note 13) \$'000	Retirement benefits reserve (Note 17) \$'000	Accumulated surplus		Total \$'000
			General Funds (Note 14a) \$'000	Restricted Funds (Note 14b) \$'000	
The Group					
At 1 April 2022	2,715	(1,387)	462,657	10,930	474,915
Net surplus for the year	-	-	43,621	130	43,751
Other comprehensive loss for the year, net of tax of nil	-	(189)	-	-	(189)
Total comprehensive income/(loss) for the year	-	(189)	43,621	130	43,562
At 31 March 2023	2,715	(1,576)	506,278	11,060	518,477
At 1 April 2021	2,715	(1,375)	402,469	10,276	414,085
Net surplus for the year	-	-	60,188	654	60,842
Other comprehensive loss for the year, net of tax of nil	-	(12)	-	-	(12)
Total comprehensive income/(loss) for the year	-	(12)	60,188	654	60,830
At 31 March 2022	2,715	(1,387)	462,657	10,930	474,915

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

INSTITUTE OF TECHNICAL EDUCATION**STATEMENT OF CHANGES IN FUNDS AND RESERVES***For the financial year ended 31 March 2023*

	Capital account (Note 13) \$'000	Retirement benefits reserve (Note 17) \$'000	Accumulated surplus		Total \$'000
			General Funds (Note 14a) \$'000	Restricted Funds (Note 14b) \$'000	
The Institute					
At 1 April 2022	2,715	(1,387)	390,409	7,331	399,068
Net surplus/(deficit) for the year	-	-	40,846	(13)	40,833
Other comprehensive loss for the year, net of tax of nil	-	(189)	-	-	(189)
Total comprehensive income/(loss) for the year	-	(189)	40,846	(13)	40,644
At 31 March 2023	2,715	(1,576)	431,255	7,318	439,712
At 1 April 2021	2,715	(1,375)	334,252	7,160	342,752
Net surplus for the year	-	-	56,157	171	56,328
Other comprehensive loss for the year, net of tax of nil	-	(12)	-	-	(12)
Total comprehensive income/(loss) for the year	-	(12)	56,157	171	56,316
At 31 March 2022	2,715	(1,387)	390,409	7,331	399,068

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

INSTITUTE OF TECHNICAL EDUCATION**CONSOLIDATED STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2023*

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Deficit before government grants and income tax		(539,672)	(522,825)
Adjustments for:			
Depreciation of property, plant and equipment	3	38,320	41,117
Depreciation of right-of-use assets	4	14,997	14,997
Amortisation of intangible assets	5	4,031	4,102
Interest cost for retirement benefits	17	40	45
Fair value loss on financial assets		5,913	5,437
Amortisation on financial assets		(2)	(2)
(Gain)/Loss on disposal of property, plant and equipment, net		(131)	67
Bad debts written off	25	41	48
Allowance for expected credit losses on receivables, net	25	631	331
Interest income	21	(5,731)	(1,269)
Finance costs		4,171	4,421
Cost adjustment of property, plant and equipment, net	3	382	18
Operating deficit before working capital changes		(477,010)	(453,513)
Increase in trade and other receivables		(6,321)	(1,802)
Increase/(decrease) in trade and other payables and deferred income		331	(1,556)
Cash used in operations		(483,000)	(456,871)
Retirement benefits paid	17	(318)	(323)
Income tax refunded		-	1
Net cash flows used in operating activities		(483,318)	(457,193)
Cash flows from investing activities			
Purchase of property, plant and equipment		(12,105)	(19,222)
Purchase of intangible assets	5	(8,012)	(3,462)
Purchase of other financial assets		(53,200)	(147,100)
Redemption/disposal of other financial assets		250	-
Proceeds from disposal of property, plant and equipment and intangible assets		190	8
Interest received		5,731	1,269
Redemption/(placement) of fixed deposits (maturity more than 3 months from financial year end)	12	3,486	(4,947)
Net cash flows used in investing activities		(63,660)	(173,454)
Cash flows from financing activities			
Finance costs		(4,171)	(4,421)
Payment of principal portion of lease liabilities	4	(7,184)	(6,941)
Development grants received from Government	10	685	1,760
Operating grants received from Government	9	544,903	539,539
Other grants received from Government	11	4,606	5,628
Net cash flows generated from financing activities		538,839	535,565
Net decrease in cash and cash equivalents		(8,139)	(95,082)
Cash and cash equivalents at beginning of year		435,274	530,356
Cash and cash equivalents at end of year	12	427,135	435,274

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

1. Corporate information

The financial statements of Institute of Technical Education (the "Institute") for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Governors on the date of the Statement by the Board of Governors.

The Institute was established on 1 April 1992 under the Institute of Technical Education Act 1992 and is domiciled in Singapore. The Institute is under the purview of the Ministry of Education ("MOE"). As a statutory board, the Institute is subject to the directions of the MOE and is required to implement policies and policy changes as determined by its supervisory ministry. The Institute's registered office and place of business is located at 2 Ang Mo Kio Drive, Singapore 567720.

The Institute is principally engaged in the development, promotion and provision of technical training programmes for school leavers, and continuing education and training programmes for upgrading and retraining the existing workforce in Singapore. The principal activities of the subsidiaries are set out in Note 6.

The consolidated financial statements for the financial year ended 31 March 2023 relate to the Institute and its subsidiaries (together referred to as the "Group").

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Institute of Technical Education Act 1992 and the Public Sector (Governance) Act 2018 (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2.2 Interpretations and amendments to published standards effective in 2023

On 1 April 2022, the Group and the Institute have adopted the new or amended SB-FRS and Interpretations to SB-FRS ("INT SB-FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS. The adoption of these new or amended SB-FRS and INT SB-FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

2. Summary of significant accounting policies (continued)**2.3 Standards issued but not yet effective**

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to: SB-SFRS 1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2023

The management expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The Group will adopt the new standards on the required effective date.

2.4 Significant accounting estimates and judgments

The preparation of the financial statements in conformity with SB-FRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. 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. Management is of the opinion that there are no significant judgments during the year.

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 amounts of assets and liabilities within the next financial year are discussed below. The Group based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 28 years.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

2. Summary of significant accounting policies (continued)**2.4 Significant accounting estimates and judgments (continued)*****Key sources of estimation uncertainty*** (continued)*Useful lives of property, plant and equipment* (continued)

As at 31 March 2023, the carrying amounts of the Group's and the Institute's property, plant and equipment amount to \$385,670,000 (2022: \$408,711,000) and \$375,259,000 (2022: \$399,090,000) respectively. 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.

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Institute's functional currency. Each entity in the Group determines its own functional currency which is the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Institute and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in surplus or deficit.

2.6 Subsidiaries and basis of consolidation**(a) Subsidiaries**

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Institute's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, if any.

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Summary of significant accounting policies (continued)

2.6 Subsidiaries and basis of consolidation (continued)

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Institute and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Institute. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

Buildings on leasehold land	- 25 to 28 years
Renovations	- 5 years
Computer hardware	- 3 to 8 years
Machinery and equipment	- 5 to 10 years
Fixtures, fittings and office equipment	- 5 to 8 years
Motor vehicles	- 8 years

Project-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in surplus or deficit when incurred.

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.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

2. Summary of significant accounting policies (continued)**2.8 Intangible assets**

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets comprise computer software that is not an integral part of the related hardware.

Amortisation of intangible assets with finite useful lives is computed on a straight-line basis over their estimated useful lives as follows:

Computer software - 3 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

2.9 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 (i.e. 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 on an individual asset basis, 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.

Impairment losses are recognised in surplus or deficit.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

2. Summary of significant accounting policies (continued)**2.10 Financial instruments****(a) Financial assets**

Financial assets mainly comprise of unit trusts, quoted debt securities, trade and other receivables (excluding prepayment), operating grants receivable, other grants receivable and cash and bank balances.

Initial recognition and measurement

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

Purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

When financial assets are recognised initially, they are measured at fair value, and, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in surplus or deficit.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Amortised cost

Investment in debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains or losses on a debt instrument that is not part of a hedging relationship are recognised in surplus or deficit when the assets are derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on financial assets that are measured at fair value through profit or loss is subsequently recognised in surplus or deficit in the period in which it arises.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

2. Summary of significant accounting policies (continued)**2.10 Financial instruments (continued)****(a) Financial assets (continued)**Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(b) Financial liabilities

Financial liabilities mainly comprise of trade and other payables (excluding provision for unutilised compensated leave), lease liabilities and provision for retirement benefits.

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in surplus or deficit when the liabilities are derecognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in surplus or deficit.

2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

2. Summary of significant accounting policies (continued)**2.11 Impairment of financial assets (continued)**

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at bank and bank deposits which are subject to an insignificant risk of changes in value.

2.13 Funds

Assets and liabilities of general funds and restricted funds are pooled in the statements of financial position.

General Funds

Income and expenditure relating to the main activities of the Group are accounted for in these funds.

Designated Funds

These are funds within general funds, which management has earmarked for specific purpose and the management has the power to re-designate their use for other purpose.

Restricted Funds

Restricted funds comprise specific funds set up to account for the contributions received for specific purposes as detailed in Note 14 to the financial statements.

Income and expenditure relating to specific funds are accounted for in the "Restricted Funds" column in surplus or deficit and are separately disclosed in Note 14 to the financial statements.

Trust Funds

Trust funds are funds which the Institute acts as a custodian, trustee manager or agent but does not exercise control over. These funds are set up to account for contributions received from the Government of Singapore and external sources for specified project or based on a specified agreement. Upon completion of the project or termination of the agreement, the fund balance is either distributed in accordance with an agreement or deed, returned to contributors, or distributed as directed by a party other than the Institute. The residual funds do not belong to the Institute.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

2. Summary of significant accounting policies (continued)**2.13 Funds (continued)**Trust Funds (continued)

Trust funds are excluded from the statements of comprehensive income, changes in funds and reserves. The trust funds' statement of financial position is presented at the bottom of the statements of financial position with disclosures in Note 19 to the financial statements.

2.14 Grants

Government grants and contributions from other organisations are recognised at their fair value where there is reasonable assurance that the grants will be received and all required conditions will be complied with.

Government grants that are given outright to the Group for its discretion to spend on the purchase of assets are recognised immediately as deferred capital grants. The timing and extent of the release of grants to profit or loss depend on when the grant is spent to purchase assets and whether the assets are capitalised.

Other government grants and contributions from other organisations for the purchase of property, plant and equipment or to finance research or capital projects are taken to the grants received in advance account upon receipt. They are transferred to the deferred capital grants account upon the utilisation of the grants for purchase of assets which are capitalised, or to surplus or deficit for purchase of assets which are written off in the year of purchase.

Donations of depreciable assets are taken directly to surplus or deficit in the period it is received or receivable when the Group has obtained control of the donation or the right to receive the donation, the amount of the donation can be measured reliably and it is probable that the economic benefits comprising the donation will flow to the Group.

Deferred capital grants are recognised in surplus or deficit over the periods necessary to match the depreciation, write off and/or impairment loss of the assets purchased or donated with the related grants. Upon the disposal of property, plant and equipment, the balance of the related deferred capital grants is recognised in surplus or deficit to match the net book value of the property, plant and equipment written off.

Government grants to meet the current year's operating expenses are recognised as income in the same year these operating expenses were incurred. Government grants are accounted for on an accrual basis.

2.15 Provisions

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Summary of significant accounting policies (continued)

2.15 Provisions (continued)

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

2.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Prepaid lease	30 years
Building on leasehold land	25 to 28 years
Office equipment	5 to 8 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

2. Summary of significant accounting policies (continued)**2.16 Leases (continued)**As a lessee (continued)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed in Note 15.

(iii) Short-term and low-value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value assets. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included as income in surplus or deficit due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

2. Summary of significant accounting policies (continued)**2.17 Employee benefits****(a) Defined contribution plans**

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. CPF contributions are recognised as an expense in the period in which the related service is performed.

(b) Employment leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before 12 months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

(c) Defined benefit plans

Certain officers of the Institute are entitled to benefits under the provisions of the Pensions Act 1956 in respect of their services with the Institute.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Institute's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods that benefit is discounted to determine the present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the end of the reporting period on Singapore government bonds that have maturity dates approximating the terms of the Institute's obligations.

The calculation is performed annually by the Institute using the projected unit credit method. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Institute. An economic benefit is available to the Institute if it is realisable during the life of the plan, or on settlement of the plan liabilities.

The Institute recognises actuarial gains and losses arising from the remeasurement of defined benefit plans in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

(d) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Summary of significant accounting policies (continued)

2.17 Employee benefits (continued)

(d) Short-term benefits (continued)

Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Chief Executive Officer, Deputy Chief Executive Officers, Directors and Principals are considered key management personnel.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Income taxes

The Institute is a tax-exempted Institution under the provisions of the Income Tax Act 1947. The subsidiaries of the Institute are subject to local income tax legislation, except for those that are tax-exempt under the provisions of the Income Tax Act 1947.

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in surplus or deficit except to the extent that the tax relates to items recognised outside surplus or deficit, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable surplus or deficit; and

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Summary of significant accounting policies (continued)

2.19 Income taxes (continued)

(b) Deferred tax (continued)

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable surplus or deficit; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside surplus or deficit is recognised outside surplus or deficit. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

(c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
 - Receivables and payables that are stated with the amount of GST included.
-

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Summary of significant accounting policies (continued)

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation is satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Course fees

Course and other fees are recognised on time apportionment basis, over the period of the academic year.

Examination fees

Examination fees are recognised at a point in time, when the examinations have been conducted.

Donations

Donations (cash or assets) are recognised in surplus or deficit when the Group's right to receive payment is established.

Other income

Income from the rendering of services related to staff deployment and consulting fee are recognised when the services are rendered.

Income from equipment procurement is recognised when the equipment is delivered to customers.

Rental of premises and other income are recognised on an accrual basis.

Interest income

Interest income comprises interest income on funds invested. Interest income is recognised using the effective interest method.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***3. Property, plant and equipment**

	The Group							Total \$'000
	Buildings on leasehold land \$'000	Renovations \$'000	Computer hardware \$'000	Machinery and equipment \$'000	Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in- progress \$'000	
Cost								
At 1 April 2021	628,766	36,175	54,058	132,814	11,726	81	328	863,948
Additions	-	6,406	1,696	6,828	1,973	-	584	17,487
Cost adjustments	-	-	-	(15)	(3)	-	-	(18)
Disposals/write-off	-	-	(97)	(3,563)	(322)	-	-	(3,982)
Reclassifications	-	326	-	-	-	-	(326)	-
Transfer from intangible assets (Note 5)	-	-	279	-	-	-	-	279
At 31 March 2022 and 1 April 2022	628,766	42,907	55,936	136,064	13,374	81	586	877,714
Additions	-	3,770	207	7,669	862	75	3,215	15,798
Cost adjustments	-	3	(10)	(99)	(129)	-	(147)	(382)
Disposals/write-off	-	(40)	(1,777)	(4,364)	(372)	-	-	(6,553)
Reclassifications	-	(26)	-	182	158	-	(314)	-
Transfer from/(to) intangible assets (Note 5)	-	-	10	-	-	-	(94)	(84)
At 31 March 2023	628,766	46,614	54,366	139,452	13,893	156	3,246	886,493

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

3. Property, plant and equipment (continued)

	The Group							
	Buildings on leasehold land	Renovations	Computer hardware	Machinery and equipment	Fixtures, fittings and office equipment	Motor vehicles	Project-in- progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated depreciation								
At 1 April 2021	250,859	25,089	48,858	99,019	7,887	81	-	431,793
Depreciation for the year	22,694	3,842	4,560	8,885	1,136	-	-	41,117
Disposals/write-off	-	-	(97)	(3,508)	(302)	-	-	(3,907)
At 31 March 2022 and 1 April 2022	273,553	28,931	53,321	104,396	8,721	81	-	469,003
Depreciation for the year	22,694	4,494	1,439	8,589	1,103	1	-	38,320
Disposals/write-off	-	(40)	(1,778)	(4,359)	(323)	-	-	(6,500)
At 31 March 2023	296,247	33,385	52,982	108,626	9,501	82	-	500,823
Net book value								
At 31 March 2023	332,519	13,229	1,384	30,826	4,392	74	3,246	385,670
At 31 March 2022	355,213	13,976	2,615	31,668	4,653	-	586	408,711

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

3. Property, plant and equipment (continued)

	The Institute							Total \$'000
	Buildings on leasehold land \$'000	Renovations \$'000	Computer hardware \$'000	Machinery and equipment \$'000	Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in- progress \$'000	
Cost								
At 1 April 2021	628,766	34,002	52,308	129,124	8,629	81	328	853,238
Additions	-	3,184	1,409	5,516	749	-	554	11,412
Cost adjustments	-	-	-	(15)	(3)	-	-	(18)
Disposals/write-off	-	-	(83)	(3,217)	(220)	-	-	(3,520)
Reclassifications	-	326	-	-	-	-	(326)	-
Transfer from intangible assets (Note 5)	-	-	279	-	-	-	-	279
At 31 March 2022 and 1 April 2022	628,766	37,512	53,913	131,408	9,155	81	556	861,391
Additions	-	1,551	183	7,234	280	75	3,130	12,453
Cost adjustments	-	3	8	-	-	-	(147)	(136)
Disposals/write-off	-	-	(1,510)	(4,002)	(338)	-	-	(5,850)
Reclassifications	-	226	-	88	-	-	(314)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	(94)	(94)
At 31 March 2023	628,766	39,292	52,594	134,728	9,097	156	3,131	867,764

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***3. Property, plant and equipment (continued)**

	The Institute							
	Buildings on leasehold land \$'000	Renovations \$'000	Computer hardware \$'000	Machinery and equipment \$'000	Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in- progress \$'000	Total \$'000
Accumulated depreciation								
At 1 April 2021	250,859	24,946	47,190	96,697	6,390	81	-	426,163
Depreciation for the year	22,694	3,321	4,483	8,465	669	-	-	39,632
Disposals/write-off	-	-	(83)	(3,199)	(212)	-	-	(3,494)
At 31 March 2022 and 1 April 2022	273,553	28,267	51,590	101,963	6,847	81	-	462,301
Depreciation for the year	22,694	3,370	1,324	8,056	559	1	-	36,004
Disposals/write-off	-	-	(1,511)	(3,997)	(292)	-	-	(5,800)
At 31 March 2023	296,247	31,637	51,403	106,022	7,114	82	-	492,505
Net book value								
At 31 March 2023	332,519	7,655	1,191	28,706	1,983	74	3,131	375,259
At 31 March 2022	355,213	9,245	2,323	29,445	2,308	-	556	399,090

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

4. LeasesAs a lessee

On 22 April 2007, the Institute entered into a lease agreement with the Singapore Land Authority (“SLA”) to lease a land along Bukit Batok Road and Choa Chu Kang Way (“the land”) for a period of 30 years for the development of new ITE College West (“ITE facilities”). The prepayment of the land premium is recognised as a prepaid lease.

Subsequently on 11 August 2008, the Institute entered into a Sublease Agreement and a Project Agreement with Gammon Capital (West) Pte Limited (“PPP Co.”). PPP Co. has been renamed to PPP Infrastructure Management Pte Ltd from 11 October 2019. Under the Sublease Agreement, the land is subleased to the PPP Co. for a period of 27 years commencing from 11 August 2008. Pursuant to the Project Agreement, the PPP Co. was engaged to develop, construct, finance and operate the ITE facilities in accordance with the Institute’s specifications and prescribed performance standards. The PPP Co. would undertake the development and construction of the ITE facilities in the first 2 years of the sublease period.

Upon completion of the ITE facilities on 1 July 2010, the PPP Co. has made available the facilities and facilities management services (such as helpdesk, logistic, cleaning services, fire management service, lockers management, utilities management, security service) consistent with the prescribed purpose and performance level until the end of the sublease period (“service period”). The Institute recognised an amount of \$207 million representing the present value of total cost incurred for ITE facilities as leasehold building.

During the service period, the Institute will provide monthly unitary payments (“MUP”) to the PPP Co. which in aggregate represents the cost of the ITE facilities (including capital expenditure and financing costs, if any) and agency fees in relation to facilities management services. The MUP is subject to certain adjustments, including inflation adjustment on a yearly basis, other variable factors adjustments on a monthly basis and any other variations due to changes in law or regulated by the Institute. During the year, the total MUP paid to PPP Co. amounts to \$36.3 million (2022: \$35.7 million).

95% of the ITE facilities is built for educational training purposes while the remaining 5% relates to cafeterias and commercial retail outlets. The Institute has specified the use of ITE facilities and the timetable for its use of the ITE facilities in the Project Agreement.

Pursuant to the Project Agreement, the PPP Co. is required to hand back the ITE facilities in a good tenantable condition to the Institute upon the expiry of the service period without any consideration. This arrangement does not contain a renewal option. The standard rights to terminate the Project Agreement include default by either parties (i.e. PPP Co. or the Institute) and Force Majeure which would render it impossible for the PPP Co. to fulfil its obligations under the Project Agreement.

The lease liabilities relating to the ITE facilities held under lease at the reporting date was \$111.8 million (2022: \$119.0 million). The Group and the Institute record these facilities as right-of-use assets with a corresponding lease liability.

Prepaid lease represents the premium paid on leasehold land. Prepaid lease is stated at cost less accumulated amortisation and impairment losses, and is amortised in surplus or deficit using the straight-line method over the lease term of 30 years.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***4. Leases (continued)**As a lessee (continued)

The Group also have lease contracts for office equipment used in its operation. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	The Group			
	Building on leasehold land \$'000	Prepaid lease \$'000	Office equipment \$'000	Total \$'000
Cost				
At 1 April 2021	206,916	201,277	102	408,295
Additions	-	-	-	-
Disposals/write-off	-	-	-	-
At 31 March 2022 and 1 April 2022	206,916	201,277	102	408,295
Additions	-	-	12	12
Disposals/write-off	-	-	(18)	(18)
At 31 March 2023	206,916	201,277	96	408,289
Accumulated depreciation				
At 1 April 2021	88,678	97,650	49	186,377
Depreciation	8,249	6,723	25	14,997
Disposals/write-off	-	-	-	-
At 31 March 2022 and 1 April 2022	96,927	104,373	74	201,374
Depreciation	8,249	6,723	25	14,997
Disposals/write-off	-	-	(18)	(18)
At 31 March 2023	105,176	111,096	81	216,353
Carrying amount				
At 31 March 2023	101,740	90,181	15	191,936
At 31 March 2022	109,989	96,904	28	206,921

INSTITUTE OF TECHNICAL EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023
4. Leases (continued)
As a lessee (continued)

	The Institute			
	Building on leasehold land \$'000	Prepaid lease \$'000	Office equipment \$'000	Total \$'000
Cost				
At 1 April 2021	206,916	201,277	44	408,237
Additions	-	-	-	-
Disposals/write-off	-	-	-	-
At 31 March 2022 and 1 April 2022	206,916	201,277	44	408,237
Additions	-	-	-	-
Disposals/write-off	-	-	-	-
At 31 March 2023	206,916	201,277	44	408,237
Accumulated depreciation				
At 1 April 2021	88,678	97,650	12	186,340
Depreciation	8,249	6,723	15	14,987
Disposals/write-off	-	-	-	-
At 31 March 2022 and 1 April 2022	96,927	104,373	27	201,327
Depreciation	8,249	6,723	15	14,987
Disposals/write-off	-	-	-	-
At 31 March 2023	105,176	111,096	42	216,314
Carrying amount				
At 31 March 2023	101,740	90,181	2	191,923
At 31 March 2022	109,989	96,904	17	206,910

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	The Group		The Institute	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
As at 1 April	119,012	125,953	119,001	125,932
Additions	12	-	-	-
Accretion of interest	4,165	4,408	4,165	4,407
Payments	(11,349)	(11,349)	(11,338)	(11,338)
As at 31 March	111,840	119,012	111,828	119,001
Current (Note 15)	7,416	7,182	7,412	7,173
Non-current (Note 15)	104,424	111,830	104,416	111,828

The maturity analysis of lease liabilities are disclosed in Note 29.2.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***4. Leases (continued)**As a lessee (continued)

The following are the amounts recognised in surplus or deficit:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Depreciation of right-of-use assets	14,997	14,997	14,987	14,987
Interest expense on lease liabilities	4,165	4,408	4,165	4,407
Expense for short-term leases and leases of low-value assets (included in other expenditure)	533	530	104	99
Total amount recognised in surplus or deficit	<u>19,695</u>	<u>19,935</u>	<u>19,256</u>	<u>19,493</u>

The Group and the Institute had total cash outflows for leases of \$11,882,000 (2022: \$11,879,000) and \$11,442,000 (2022: \$11,437,000) respectively.

As a lessor

The Group leases out its properties to third parties as commercial retail outlets, food and beverage outlets and childcare facility within the campus. These leases have a 3-year term with extension option. All leases include a clause giving lessor the right to revise the rental for the option period.

The following table shows the maturity analysis of the undiscounted lease payments to be received. These lease payments exclude those related to the extension option:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Within one year	1,292	1,739	1,490	1,937
After one year but not more than five years	569	1,300	569	1,498
	<u>1,861</u>	<u>3,039</u>	<u>2,059</u>	<u>3,435</u>

These lease payments exclude those related to the extension option where the Group and Institute are not certain of the tenants' intention to extend.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***5. Intangible assets**

	Computer software	Project-in- progress	Total
	\$'000	\$'000	\$'000
The Group			
Cost			
At 1 April 2021	45,659	1,910	47,569
Additions	1,934	1,528	3,462
Disposals	(2,898)	-	(2,898)
Reclassifications	545	(545)	-
Transfer to plant, property and equipment (Note 3)	(279)	-	(279)
At 31 March 2022 and 1 April 2022	44,961	2,893	47,854
Additions	5,636	2,376	8,012
Disposals	(4,890)	-	(4,890)
Reclassifications	364	(364)	-
Transfer from plant, property and equipment (Note 3)	84	-	84
At 31 March 2023	46,155	4,905	51,060
Accumulated amortisation			
At 1 April 2021	40,200	-	40,200
Amortisation for the year	4,102	-	4,102
Disposals	(2,898)	-	(2,898)
At 31 March 2022 and 1 April 2022	41,404	-	41,404
Amortisation for the year	4,031	-	4,031
Disposals	(4,884)	-	(4,884)
At 31 March 2023	40,551	-	40,551
Net carrying amount			
At 31 March 2023	5,604	4,905	10,509
At 31 March 2022	3,557	2,893	6,450

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***5. Intangible assets (continued)**

	Computer software	Project-in- progress	Total
	\$'000	\$'000	\$'000
The Institute			
Cost			
At 1 April 2021	45,096	1,910	47,006
Additions	1,867	1,528	3,395
Disposals	(2,830)	-	(2,830)
Reclassifications	545	(545)	-
Transfer to plant, property and equipment (Note 3)	(279)	-	(279)
At 31 March 2022 and 1 April 2022	<u>44,399</u>	<u>2,893</u>	<u>47,292</u>
Additions	5,552	2,376	7,928
Disposals	(4,863)	-	(4,863)
Reclassifications	364	(364)	-
Transfer from plant, property and equipment (Note 3)	94	-	94
At 31 March 2023	<u>45,546</u>	<u>4,905</u>	<u>50,451</u>
Accumulated amortisation			
At 1 April 2021	39,698	-	39,698
Amortisation for the year	4,056	-	4,056
Disposals	(2,830)	-	(2,830)
At 31 March 2022 and 1 April 2022	<u>40,924</u>	<u>-</u>	<u>40,924</u>
Amortisation for the year	3,995	-	3,995
Disposals	(4,863)	-	(4,863)
At 31 March 2023	<u>40,056</u>	<u>-</u>	<u>40,056</u>
Net carrying amount			
At 31 March 2023	<u>5,490</u>	<u>4,905</u>	<u>10,395</u>
At 31 March 2022	<u>3,475</u>	<u>2,893</u>	<u>6,368</u>

6. Subsidiaries

	The Institute	
	2023	2022
	\$'000	\$'000
Subsidiaries	<u>8,952</u>	<u>8,952</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***6. Subsidiaries (continued)**

Details of subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	Percentage of equity held	
			2023 %	2022 %
NorthLight School ^#	Singapore	Provision of integrated education		
Crest Secondary School ^#	Singapore	Provision of customised curriculum for Normal (Technical) students		
Spectra Secondary School ^#	Singapore	Provision of customised curriculum for Normal (Technical) students		
Name	Country of incorporation/ principal place of business	Principal activities	2023 %	2022 %
ITE Education Services Pte Ltd ^	Singapore	Promotion of technical education in Asia Pacific region	100	100

^ Audited by PricewaterhouseCoopers LLP, Singapore

These corporations are incorporated as companies limited by guarantee, and do not have share capital.

7. Other financial assets

	The Group		The Institute	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>At fair value through profit or loss:</u>				
Unit trusts managed by fund managers (i)	250,445	203,158	250,445	203,158
<u>At amortised cost:</u>				
Quoted debt securities (ii)	4,249	4,497	3,997	3,995
<u>Net carrying amount:</u>				
Non-current	254,694	207,405	254,442	207,153
Current	-	250	-	-

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***7. Other financial assets (continued)****The Group and the Institute**

- (i) The fund managers were appointed by Accountant-General's Department, under the Demand Aggregate Scheme for fund management services.
- (ii) The interest-bearing debt securities are investments in quoted Singapore dollar corporate bonds. Details are as follows:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Fair values	4,162	4,504	3,920	4,000
Interest rates	3.08% to 3.58%	3.08% to 3.70%	3.08% to 3.14%	3.08% to 3.14%
Maturity	<u>1.6 to 6.0 years</u>	<u>0.4 to 7.0 years</u>	<u>1.6 to 1.9 years</u>	<u>2.6 to 2.9 years</u>

The fair value of the bonds is determined by reference to their quoted bid prices and is within Level 1 of the fair value hierarchy.

8. Trade and other receivables

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade receivables	4,249	4,192	3,084	3,199
Allowance for expected credit losses (Note 29.1)	(887)	(607)	(810)	(513)
	<u>3,362</u>	<u>3,585</u>	<u>2,274</u>	<u>2,686</u>
Unbilled revenue*	262	465	-	-
Other receivables	6,021	2,167	4,979	1,771
Staff advances	7	-	7	-
Security deposits	2,224	59	2,096	19
Amounts due from subsidiaries				
- trade	-	-	844	1,043
- non-trade	-	-	260	507
Prepayments	2,229	2,180	1,939	1,937
	<u>14,105</u>	<u>8,456</u>	<u>12,399</u>	<u>7,963</u>

* Unbilled revenue primarily relates to the Group's right to consideration for consultancy services rendered but not yet billed as at reporting date. These are expected to be transferred to receivables in the next financial year when the rights become unconditional.

Trade receivables are generally on 30 to 90 days' terms. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition. No interest is charged on the outstanding balance except for the late interest charges on receivables due from non-students at the Institute level of 5.5% (2022: 5.5%) per annum.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***8. Trade and other receivables (continued)**

The non-trade amounts due from subsidiaries represent payments made on behalf by the Institute. Amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Trade and other receivables are denominated in the following currencies:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore dollars	13,400	7,669	12,399	7,963
United States dollars	705	787	-	-
	<u>14,105</u>	<u>8,456</u>	<u>12,399</u>	<u>7,963</u>

9. Operating grants (receivable)/received in advance

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance at beginning	2,322	4,488	(12,726)	(10,080)
Grants received during the year	544,903	539,539	486,504	482,240
Amounts transferred to deferred capital grants (Note 16)	(35,420)	(20,060)	(35,374)	(19,638)
Amounts taken to surplus or deficit	(526,267)	(521,645)	(468,750)	(465,248)
Balance at end	<u>(14,462)</u>	<u>2,322</u>	<u>(30,346)</u>	<u>(12,726)</u>

Net operating grants (receivable)/received in advance are represented by the following:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Operating grants receivable	(30,346)	(13,402)	(30,346)	(13,402)
Operating grants received in advance	15,884	15,724	-	676
	<u>(14,462)</u>	<u>2,322</u>	<u>(30,346)</u>	<u>(12,726)</u>

10. Development grants (receivable)/received in advance

The movements in development grants (receivable)/received in advance are as follows:

	The Group	
	2023	2022
	\$'000	\$'000
Balance at beginning	254	254
Grants received during the year	685	1,760
Amounts transferred to deferred capital grants (Note 16)	(685)	(1,760)
Balance at end	<u>254</u>	<u>254</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***10. Development grants (receivable)/received in advance (continued)**

Net development grants (receivable)/received in advance are represented by the following:

	The Group	
	2023	2022
	\$'000	\$'000
Development grants received in advance	254	254

These are government grants pertaining to the financing of development projects.

11. Other grants (receivable)/received in advance

Other grants (receivable)/received in advance mainly comprises grants received from Government to sponsor the co-curricular development opportunities for Singapore citizens from lower income households. Any unspent grants disbursed will be returned to the Government at the end of the period.

The movements in other grants (receivable)/received in advance are as follows:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance at beginning	3,165	4,136	1,745	2,834
Grants received during the year	4,606	5,628	4,686	4,010
Amounts transferred to deferred capital grants (Note 16)	(4)	(368)	-	-
Amounts taken to the surplus or deficit	(4,722)	(6,231)	(4,062)	(5,099)
Balance at end	<u>3,045</u>	<u>3,165</u>	<u>2,369</u>	<u>1,745</u>

Net other grants (receivable)/received in advance are represented by the following:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Other grants receivable	(458)	(759)	(355)	(708)
Other grants received in advance	3,503	3,924	2,724	2,453
	<u>3,045</u>	<u>3,165</u>	<u>2,369</u>	<u>1,745</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***12. Cash and bank balances**

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash on hand and at banks	397,881	409,643	359,838	372,813
Fixed deposits	65,548	65,411	-	-
Total cash and bank balances	<u>463,429</u>	<u>475,054</u>	<u>359,838</u>	<u>372,813</u>
Less: Fixed deposits (maturity more than 3 months from financial year end)	(36,294)	(39,780)	-	-
Total cash and cash equivalents	<u>427,135</u>	<u>435,274</u>	<u>359,838</u>	<u>372,813</u>

Deposits placed with financial institutions bear interest rates ranging from 0.3% to 4.1% (2022: 0.10% to 1.20%) per annum with maturity periods ranging from 2 to 12 months (2022: 2 to 12 months) from the end of the financial year. Cash deposits with Accountant-General's Department bear interest rates ranging from 0.49% to 2.85% (2022: 0.28% to 0.41%) per annum.

13. Capital account

The capital account comprises:

- (i) assets and liabilities transferred to the Institute in 1992 from the former Vocational and Industrial Training Board; and
- (ii) government grants received for the purchase of vested land.

14. Accumulated surplus**(a) General Funds**

Income and expenditure relating to the main activities of the Group are accounted for through the general funds in surplus or deficit.

Designated Funds

Within general funds is ITE's Fund, which the Institute has earmarked for specific purpose and the Institute has direct control to re-designate its use for other purpose. As at 31 March 2023, the accumulated surplus of ITE's Fund is \$38,353,000 (2022: \$38,258,000).

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

14. Accumulated surplus (continued)**(b) Restricted Funds**

The basis of accounting in relation to restricted funds is stipulated in Note 2.13.

Restricted funds comprise the following:

Name of Fund	Purpose
Training Programme Fund	Funding of relevant programmes and activities in training initiatives.
Supplementary Fee Fund	Promoting student welfare activities from supplementary fees collected.
Special Project Fund	To account for funds received from third parties for specific purposes.
Edusave Fund	Funded by the Government for the purpose of conducting enrichment programmes, procuring equipment and resource materials to enhance the quality of teaching and learning.
Opportunity Fund	Grant paid by the Government to level up co-curricular development opportunities for Singapore citizens from lower income households.
Miscellaneous Funds	Set up for specific purposes relating to the Group's and the Institute's operations.

INSTITUTE OF TECHNICAL EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023
14. Accumulated surplus (continued)
(b) Restricted Funds (continued)

	The Group					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2023						
Income						
Examination fees	-	-	-	-	-	-
Supplementary fees	-	1,010	-	-	-	1,010
Donations	-	-	191	-	393	584
Interest income	-	23	-	-	21	44
Other income	-	29	142	129	-	300
	-	1,062	333	129	414	1,938
Less: Operating expenditure						
Manpower costs	-	-	13	6	211	230
Depreciation of property, plant and equipment	-	1	217	34	166	418
Amortisation of intangible assets	-	-	4	-	67	71
Loss on disposal of property, plant and equipment, net	-	-	-	-	-	-
Agency fees	-	410	-	-	-	410
Repair and maintenance	-	3	13	23	1	40
Public utilities	-	-	-	-	1	1
Student benefits	-	136	811	3,592	3,450	7,989
Supplies and materials	-	2	64	221	106	393
Other expenditure	-	298	378	202	71	949
	-	850	1,500	4,078	4,073	10,501

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

14. Accumulated surplus (continued)

(b) Restricted Funds (continued)

	The Group					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2023 (continued)						
Surplus/(deficit) before government grants	-	212	(1,167)	(3,949)	(3,659)	(8,563)
Government grants						
Operating grants	-	73	433	3,314	-	3,820
Other grants	-	-	666	218	3,809	4,693
Deferred capital grants amortised	-	-	180	-	-	180
Surplus/(deficit) after government grants	-	285	112	(417)	150	130
Taxation	-	-	-	-	-	-
Net surplus/(deficit) for the year	-	285	112	(417)	150	130
Accumulated surplus at 1 April 2022	855	2,600	1,814	1,666	3,995	10,930
Accumulated surplus at 31 March 2023	855	2,885	1,926	1,249	4,145	11,060

INSTITUTE OF TECHNICAL EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023
14. Accumulated surplus (continued)
(b) Restricted Funds (continued)

	The Group					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2022						
Income						
Examination fees	-	-	-	2	-	2
Supplementary fees	-	1,021	-	-	-	1,021
Donations	-	-	59	-	814	873
Interest income	-	3	-	-	4	7
Other income	-	32	103	-	-	135
	-	1,056	162	2	818	2,038
Less: Operating expenditure						
Manpower costs	-	-	253	-	298	551
Depreciation of property, plant and equipment	-	1	132	44	149	326
Amortisation of intangible assets	-	-	4	-	58	62
Loss on disposal of property, plant and equipment, net	-	-	-	-	-	-
Agency fees	-	404	-	-	-	404
Repair and maintenance	-	1	11	18	24	54
Student benefits	-	126	723	3,233	4,060	8,142
Supplies and materials	-	-	71	398	181	650
Other expenditure	-	358	735	6	19	1,118
	-	890	1,929	3,699	4,789	11,307

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

14. Accumulated surplus (continued)

(b) Restricted Funds (continued)

	The Group					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2022 (continued)						
Surplus/(deficit) before government grants	-	166	(1,767)	(3,697)	(3,971)	(9,269)
Government grants						
Operating grants	-	69	441	3,310	-	3,820
Other grants	-	-	1,471	197	4,316	5,984
Deferred capital grants amortised	-	-	119	-	-	119
Surplus/(deficit) after government grants	-	235	264	(190)	345	654
Taxation	-	-	-	-	-	-
Net surplus/(deficit) for the year	-	235	264	(190)	345	654
Accumulated surplus at 1 April 2021	855	2,365	1,550	1,856	3,650	10,276
Accumulated surplus at 31 March 2022	855	2,600	1,814	1,666	3,995	10,930

INSTITUTE OF TECHNICAL EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023
14. Accumulated surplus (continued)
(b) Restricted Funds (continued)

	The Institute					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2023						
Income						
Examination fees	-	-	-	-	-	-
Supplementary fees	-	1,010	-	-	-	1,010
Donations	-	-	-	-	-	-
Interest income	-	23	-	-	-	23
Other income	-	29	128	129	-	286
	-	1,062	128	129	-	1,319
Less: Operating expenditure						
Manpower costs	-	-	5	4	106	115
Depreciation of property, plant and equipment	-	1	40	34	108	183
Amortisation of intangible assets	-	-	-	-	67	67
Loss on disposal of property, plant and equipment, net	-	-	-	-	-	-
Agency fees	-	410	-	-	-	410
Repair and maintenance	-	3	6	9	1	19
Public utilities	-	-	-	-	1	1
Student benefits	-	136	269	2,895	2,932	6,232
Supplies and materials	-	2	43	180	103	328
Other expenditure	-	298	345	186	45	874
	-	850	708	3,308	3,363	8,229

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

14. Accumulated surplus (continued)

(b) Restricted Funds (continued)

	The Institute					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2023 (continued)						
Surplus/(deficit) before government grants	-	212	(580)	(3,179)	(3,363)	(6,910)
Government grants						
Operating grants	-	73	-	2,762	-	2,835
Other grants	-	-	609	-	3,453	4,062
Net surplus/(deficit) for the year	-	285	29	(417)	90	(13)
Accumulated surplus at 1 April 2022	854	2,600	916	1,615	1,346	7,331
Accumulated surplus at 31 March 2023	854	2,885	945	1,198	1,436	7,318

INSTITUTE OF TECHNICAL EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023
14. Accumulated surplus (continued)
(b) Restricted Funds (continued)

	The Institute					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2022						
Income						
Examination fees	-	-	-	-	-	-
Supplementary fees	-	1,021	-	-	-	1,021
Donations	-	-	-	-	-	-
Interest income	-	3	-	-	-	3
Other income	-	32	98	-	-	130
	-	1,056	98	-	-	1,154
Less: Operating expenditure						
Manpower costs	-	-	40	-	179	219
Depreciation of property, plant and equipment	-	1	17	44	128	190
Amortisation of intangible assets	-	-	-	-	58	58
Loss on disposal of property, plant and equipment, net	-	-	-	-	-	-
Agency fees	-	404	-	-	-	404
Repair and maintenance	-	1	-	5	24	30
Student benefits	-	126	279	2,586	3,356	6,347
Supplies and materials	-	-	55	360	176	591
Other expenditure	-	358	711	5	16	1,090
	-	890	1,102	3,000	3,937	8,929

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

14. Accumulated surplus (continued)

(b) Restricted Funds (continued)

	The Institute					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2022 (continued)						
Surplus/(deficit) before government grants	-	166	(1,004)	(3,000)	(3,937)	(7,775)
Government grants						
Operating grants	-	69	-	2,779	-	2,848
Other grants	-	-	1,213	31	3,854	5,098
Net surplus/(deficit) for the year	-	235	209	(190)	(83)	171
Accumulated surplus at 1 April 2021	854	2,365	707	1,805	1,429	7,160
Accumulated surplus at 31 March 2022	854	2,600	916	1,615	1,346	7,331

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***15. Lease liabilities**

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Amounts due to PPP Co.	7,408	7,158	7,408	7,158
Other lease liabilities	8	24	4	15
	<u>7,416</u>	<u>7,182</u>	<u>7,412</u>	<u>7,173</u>
<u>Non-current</u>				
Amounts due to PPP Co.	104,416	111,824	104,416	111,824
Other lease liabilities	8	6	-	4
	<u>104,424</u>	<u>111,830</u>	<u>104,416</u>	<u>111,828</u>
 Total	 <u>111,840</u>	 <u>119,012</u>	 <u>111,828</u>	 <u>119,001</u>

Amounts due to PPP Co. represent the present value of amounts due to PPP Co. pursuant to the Project Agreement (Note 4). The above present value is discounted at government bond rate of 3.50% (2022: 3.50%). These amounts are repayable over a period of 25 years by monthly unitary payment ("MUP") commencing from 1 July 2010.

16. Deferred capital grants

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance at beginning	658,623	692,227	654,269	689,531
Grants utilised for capital expenditure				
- Transferred from operating grants (Note 9)	35,420	20,060	35,374	19,638
- Transferred from development grants (Note 10)	685	1,760	-	-
- Transferred from other grants (Note 11)	4	368	-	-
Amortisation charge for the year	(52,434)	(55,792)	(51,374)	(54,900)
Balance at end	<u>642,298</u>	<u>658,623</u>	<u>638,269</u>	<u>654,269</u>
 Represented by:				
Grants utilised	459,176	484,146	455,147	479,792
Grants unutilised	183,122	174,477	183,122	174,477
	<u>642,298</u>	<u>658,623</u>	<u>638,269</u>	<u>654,269</u>

The Institute's deferred capital grants (unutilised) include the current year grant amount set aside of \$39,037,893 (2022: \$23,187,219) for future capital expenditure according to the approach endorsed by the Institute's Board.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***17. Provision for retirement benefits****Retirement benefits reserve**

Certain officers of the Institute were, at one time, transferred from the service of the Government. These officers are entitled to benefits in respect of their services with the Government and the Institute, inter-alia, on the same terms in relation to pension, gratuity and allowances as those provided to Government employees under the provision of the Pensions Act 1956.

In practice, payments of the benefits to the officers are made by the Government. However, the Institute is required to pay to the Government such portion of any pension, gratuity and allowance payable to the officers during the service with the Institute.

Benefits are payable based on the last drawn salaries of the respective employees and the employees' cumulative service period served with the Institute at the time of retirement.

Retirement benefits reserve comprises the accumulated amounts of actuarial gains or losses on remeasurement of retirement benefits recognised in other comprehensive income.

The amounts recognised in the statements of financial position are as follows:

	The Group and The Institute	
	2023	2022
	\$'000	\$'000
Present value of unfunded obligations	1,356	1,445
Represented by:		
Current	306	286
Non-current	1,050	1,159
	<u>1,356</u>	<u>1,445</u>

(a) Movements in the present value of the defined benefit obligations:

	The Group and The Institute	
	2023	2022
	\$'000	\$'000
At 1 April	1,445	1,711
Charge for the year	229	57
Retirement benefits paid	(318)	(323)
At 31 March	<u>1,356</u>	<u>1,445</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***17. Provision for retirement benefits (continued)****Retirement benefits reserve (continued)**

(b) The amounts charged in the statement of comprehensive income are as follows:

	The Group and The Institute	
	2023	2022
	\$'000	\$'000
<u>Recognised in surplus or deficit</u>		
Interest cost	40	45
	<hr/>	<hr/>
<u>Recognised in other comprehensive income</u>		
Actuarial losses	189	12
	<hr/>	<hr/>

(c) Principal actuarial assumptions used are as follows:

	The Group and The Institute	
	2023	2022
	\$'000	\$'000
Discount rate	2.76%	2.55%
Mortality	89.1 years	89.1 years
	<hr/>	<hr/>

Assumptions regarding future mortality are based on published statistics and life assured population table.

(d) Sensitivity analysis for provision of retirement benefits

	Impact - Increase/(decrease)	
	2023	2022
	\$'000	\$'000
<u>Sensitivity of defined benefit obligation to discount rate</u>		
Discount rate of five basis points higher	(2)	(2)
Discount rate of five basis points lower	2	2
	<hr/>	<hr/>
	Impact- Increase/(decrease)	
	2023	2022
	\$'000	\$'000
<u>Sensitivity of defined benefit obligation to mortality</u>		
Mortality improvement of +0.2% (lighter mortality)	41	46
Mortality improvement of -0.2% (heavier mortality)	(41)	(46)
	<hr/>	<hr/>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***18. Trade and other payables**

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Non-current				
Deposits received	271	754	271	753
	<u>271</u>	<u>754</u>	<u>271</u>	<u>753</u>
Current				
Trade creditors	5,629	5,298	3,477	3,088
Deposits received	568	85	568	85
Accrued operating expenses	21,256	16,872	18,869	14,425
Accrued capital expenditure	5,707	1,296	5,707	1,296
Provision for unutilised compensated leave	17,250	23,681	16,910	23,184
	<u>50,410</u>	<u>47,232</u>	<u>45,531</u>	<u>42,078</u>
Total trade and other payables	<u>50,681</u>	<u>47,986</u>	<u>45,802</u>	<u>42,831</u>

19. Net assets of trust funds

The basis of accounting in relation to trust funds is stipulated in Note 2.13.

Trust funds comprise the following funds:

ITE Education Fund (“IEF”)

IEF was granted the Institute of Public Character (“IPC”) status with effect from 1 April 2003. Under this revision, tax-exempt receipts may be issued to donors under the fund.

IEF was established on 1 April 1993 and is managed by the Institute. The objective of the Fund, which receives public and miscellaneous contributions, is to promote technical training by providing financial assistance and awards to ITE students, carrying out activities to generate greater public awareness and interest in technical education and any other activities or projects that are related to technical education or support national directives.

Additional information of ITE Education Fund are available on the Charity Portal (www.charities.gov.sg).

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023*

19. Net assets of trust funds (continued)**Other trust funds**

Other trust funds comprise the following funds for which the Institute acts as custodian, trustee, manager or agent but does not exercise control over.

Name of Fund	Purpose
Pre-Employment Clinical Training (PECT) Fund	Funding by MOH (Ministry of Health) for Post-Secondary Educational Institutions (PSEIs) to support the delivery of pre-employment clinical training in Academic Year 2013.
Economic Development Board (EDB) Fund	This grant is provided by Economic Development Board (EDB) to support the candidates enrolled under the National Precision Engineering Study Award.
Work Study Programme Fund (WSP)	SkillsFuture Singapore (SSG) provides this grant for the SkillsFuture Work Study Programme (previously known as Earn and Learn Programme) to support participants in acquiring profession job skills related to their discipline of study.

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

19. Net assets of trust funds (continued)

The excess of the trust funds' assets over liabilities of the Group and the Institute is set out below:

	IEF		PECT Fund		The Group and The Institute EDB Fund		WSP Fund		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at 31 March	157,536	144,387	500	969	-	4	-	-	158,036	145,360
Income										
Grant income	6,892	14,206	8,061	6,410	-	202	4,725	5,320	19,678	26,138
Interest income	1,408	1,173	-	-	-	-	-	-	1,408	1,173
General donations	9,758	12,163	-	-	-	-	-	-	9,758	12,163
Fair value gain on financial assets	-	-	-	-	-	-	-	-	-	-
Other income	1	-	-	-	-	-	-	-	1	-
	<u>18,059</u>	<u>27,542</u>	<u>8,061</u>	<u>6,410</u>	<u>-</u>	<u>202</u>	<u>4,725</u>	<u>5,320</u>	<u>30,845</u>	<u>39,474</u>
Expenditure										
Manpower costs	-	-	4,319	3,634	-	-	-	-	4,319	3,634
Grant, student assistance & scholarships	10,348	12,203	-	-	-	206	4,725	5,320	15,073	17,729
Fair value loss on financial assets	3,267	2,188	-	-	-	-	-	-	3,267	2,188
Promotions and ceremonies	1	-	-	-	-	-	-	-	1	-
Fund raising expenditure	-	-	-	-	-	-	-	-	-	-
Other expenditure	1	2	3,228	3,245	-	-	-	-	3,229	3,247
	<u>13,617</u>	<u>14,393</u>	<u>7,547</u>	<u>6,879</u>	<u>-</u>	<u>206</u>	<u>4,725</u>	<u>5,320</u>	<u>25,889</u>	<u>26,798</u>
Net surplus/(deficit) for the year	<u>4,442</u>	<u>13,149</u>	<u>514</u>	<u>(469)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>4,956</u>	<u>12,676</u>
Balance at 31 March	<u>161,978</u>	<u>157,536</u>	<u>1,014</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,992</u>	<u>158,036</u>

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

19. Net assets of trust funds (continued)

	IEF		PECT Fund		The Group and The Institute EDB Fund		WSP Fund		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Represented by:										
Assets										
Cash and bank balances	35,435	39,354	3,564	504	-	5	11,080	6,190	50,079	46,053
Grant and other receivables	2,765	5,258	2	2	-	13	299	2,314	3,066	7,587
Other financial assets	127,080	117,825	-	-	-	-	-	-	127,080	117,825
	<u>165,280</u>	<u>162,437</u>	<u>3,566</u>	<u>506</u>	<u>-</u>	<u>18</u>	<u>11,379</u>	<u>8,504</u>	<u>180,225</u>	<u>171,465</u>
Liabilities										
Accruals and other payables	3,302	4,901	2,552	6	-	18	11,379	8,504	17,233	13,429
	<u>3,302</u>	<u>4,901</u>	<u>2,552</u>	<u>6</u>	<u>-</u>	<u>18</u>	<u>11,379</u>	<u>8,504</u>	<u>17,233</u>	<u>13,429</u>
Net assets	<u>161,978</u>	<u>157,536</u>	<u>1,014</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,992</u>	<u>158,036</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***20. Income**

(a) Disaggregation of income

	Course fees		The Group Examination fees		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Full time courses	17,777	17,159	72	66	17,849	17,225
Part time courses	6,823	6,011	546	513	7,369	6,524
	<u>24,600</u>	<u>23,170</u>	<u>618</u>	<u>579</u>	<u>25,218</u>	<u>23,749</u>
Timing of transfer of goods or services						
At a point in time	-	-	618	579	618	579
Over time	24,600	23,170	-	-	24,600	23,170
	<u>24,600</u>	<u>23,170</u>	<u>618</u>	<u>579</u>	<u>25,218</u>	<u>23,749</u>

	Course fees		The Institute Examination fees		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Full time courses	17,382	16,870	72	64	17,454	16,934
Part time courses	6,794	5,974	393	408	7,187	6,382
	<u>24,176</u>	<u>22,844</u>	<u>465</u>	<u>472</u>	<u>24,641</u>	<u>23,316</u>
Timing of transfer of goods or services						
At a point in time	-	-	465	472	465	472
Over time	24,176	22,844	-	-	24,176	22,844
	<u>24,176</u>	<u>22,844</u>	<u>465</u>	<u>472</u>	<u>24,641</u>	<u>23,316</u>

(b) Contract related balances

Information about receivables, contract assets and contract liabilities from contracts with customers are disclosed as follows:

	The Group			The Institute		
	2023	2022	2021	2023	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables from contracts with customers	4,249	4,192	2,491	3,084	3,199	2,203
Contract assets	262	465	554	-	-	-
Less: Allowance for expected credit losses (Note 29.1)	(887)	(607)	(623)	(810)	(513)	(432)
	<u>3,624</u>	<u>4,050</u>	<u>2,422</u>	<u>2,274</u>	<u>2,686</u>	<u>1,771</u>
Contract liabilities	<u>5,325</u>	<u>4,974</u>	<u>3,829</u>	<u>3,737</u>	<u>3,514</u>	<u>3,489</u>

The Group and the Institute have recognised impairment losses on receivables arising from contracts with customers which amounted to \$766,809 (2022: \$549,842) and \$766,453 (2022: \$508,135) respectively.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***20. Income (continued)****(b) Contract related balances (continued)**

Contract assets primarily relate to the Group's right to consideration for consultancy services rendered but not yet billed as at reporting date. These form part of the trade and other receivables as at year end, which are expected to be transferred to receivables in the next financial year when the rights become conditional.

Contract liabilities represent consultancy fees and student course fees received in advance. These form part of deferred income as at year end. The contract liabilities are expected to be fully recognised as revenue in the next financial year.

Set out below is the amount of revenue recognised from:

	The Group			The Institute		
	2023	2022	2021	2023	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amount included in contract liabilities at the beginning of the year	4,958	3,555	3,754	3,514	3,489	3,611

21. Interest income

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest received				
- debt securities	139	144	126	126
- fixed deposits	963	196	-	-
- bank balances	4,629	929	4,629	929
	5,731	1,269	4,755	1,055

22. Other income

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Administrative fees	357	295	177	112
Registration fees	1	-	-	-
Miscellaneous Sales	756	393	756	393
Exchange gain	14	31	14	15
Liquidated damages	143	86	143	86
Others	894	790	628	542
	2,165	1,595	1,718	1,148

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***23. Manpower costs**

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Wages, salaries, bonuses and allowance	333,246	332,136	291,498	293,078
Contribution to defined contribution plans	48,392	47,424	41,987	41,275
Pension gratuities and retirement benefits	92	65	92	65
Staff development and benefits	7,938	6,604	7,122	5,877
	<u>389,668</u>	<u>386,229</u>	<u>340,699</u>	<u>340,295</u>

24. Grants-in-aid

Grants-in-aid are grants used to reimburse the costs incurred by companies under the traineeship scheme.

25. Other expenditure

Included in other expenditure are the following:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Allowance for expected credit losses (Note 29.1)	767	550	766	508
Reversal of allowance for expected credit losses	(136)	(219)	(120)	(81)
Bad debts written off	41	48	23	34
Consultancy services	2,628	1,836	797	960
Security Services	1,481	1,675	1,123	1,124
Property Tax	410	241	410	241
GST expenses	8,286	6,914	8,118	6,753
Overseas travelling	1,289	77	725	35
Marketing & Advertising	2,485	2,297	2,301	2,148
Rental of premises	84	19	2	2
Travelling and communications	477	348	401	295
Others	4,379	4,729	3,468	3,773
	<u>22,191</u>	<u>18,515</u>	<u>18,014</u>	<u>15,792</u>

26. Taxation

The Institute and certain subsidiaries are charitable institutions by virtue of Section 2 of the Charities Act 1994.

With effect from the Year of Assessment 2008, all registered and exempt charities will enjoy automatic income tax exemption by virtue of Section 13(1)(zm) of the Income Tax Act 1947.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***26. Taxation (continued)**

A subsidiary of the Institute is subject to tax under Singapore income tax legislation.

	The Group	
	2023	2022
	\$'000	\$'000
Current income tax:		
- Current income taxation	-	-
- Under provision in respect of previous years	-	1
Income tax expense recognised in surplus or deficit	<u>-</u>	<u>1</u>

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's results as a result of the following:

	The Group	
	2023	2022
	\$'000	\$'000
Surplus before taxation	<u>43,751</u>	<u>60,843</u>
Tax calculated at tax rate of 17% (2022: 17%)	7,438	10,343
Effects of:		
- expenses not deductible for tax purposes	2	2
- income not subject to tax	(5)	(4)
- utilisation of previously unrecognised tax losses	(22)	-
- deferred tax assets not recognised	-	191
- under provision in respect of previous years	-	1
- results that are tax exempt	<u>(7,413)</u>	<u>(10,532)</u>
Income tax expense recognised in surplus or deficit	<u>-</u>	<u>1</u>

27. Related party transactions

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

Other than disclosed in the financial statements in Note 8, the Group entered into the following significant transactions with related parties during the financial year:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Subsidiaries				
Re-charge of payroll costs for staff seconded to all subsidiaries	-	-	4,360	6,265
Charges for services rendered to a subsidiary	-	-	469	243
Rental fee for a subsidiary's usage of facilities	<u>-</u>	<u>-</u>	<u>198</u>	<u>198</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***27. Related party transactions (continued)**Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Chief Executive Officer, Deputy Chief Executive Officers, Directors and Principals are considered to be key management personnel of the Group.

Key management personnel compensation comprises:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Salaries and related short-term benefits	7,080	6,600	3,010	2,920

28. Capital commitments

Capital expenditure approved by the Institute's management but not provided for in the financial statements is as follows:

	The Group and The Institute	
	2023	2022
	\$'000	\$'000
Amount approved and contracted for	8,044	7,642

29. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and price risk. The Board reviews and agrees policies and procedures for the management of these risks.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which they manage and measure the risks.

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

29. Financial risk management objectives and policies (continued)

29.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from the receivables and other financial assets. For other financial assets (including investment securities and cash), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. The Group has no significant concentration of credit risk as the cash and cash equivalents are placed with reputable banks which are regulated and with the Accountant-General's Department. Investment securities are primarily unit trust placed with reputable fund managers appointed by Accountant-General's Department under the Demand Aggregate Scheme.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group considers a financial asset in default when the Group is unlikely to receive the outstanding contractual amounts in full.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the risk of a default occurring on the asset as at reporting date is compared with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information, which include the following indicators:

- External credit rating
- Credit ratios of issuers
- Credit reports published by research house
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determines that the financial assets are credit-impaired when:

- There is a significant drop in credit rating of the issuer
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group will write off financial assets when there is no reasonable expectation of recovery. Where recoveries are made after receivables have been written off, these are recognised in surplus or deficit.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***29. Financial risk management objectives and policies (continued)****29.1 Credit risk (continued)**(a) Debt securities at amortised cost

The Group uses two categories of internal risk ratings for debt instruments based on whether these instruments remain within the Group's selection criteria for investment.

Category	Description	Basis for recognition of expected credit loss provision
Within selection criteria for investment	Issuers have low risk of default and a strong capacity to meet contractual cash flow.	12-month expected credit loss
No longer within selection criteria for investment	Significant increase in credit risk.	Lifetime expected credit loss

The Group computes expected credit loss using the probability of default approach. For the first category of debt instruments still within the Group's selection criteria, the Group considers news or adverse reports on the issuers that could affect issuers' ability to meet coupon pay-out obligation in the next 12 months. For the second category of debt instruments that no longer fall within selection criteria for investment, the Group considers the implied probability of default associated with credit rating accorded on the issuer by Moody or Standard and Poor. The implied probability of default is based on a research conducted by a local reputable university.

As at 31 March 2023, all financial assets except trade receivables and contract assets belong to the first category where expected credit loss provision is based on the 12-month expected credit loss. The Group has assessed that the expected credit loss is not significant for these debt instruments over the next 12 months.

(b) Financial assets that are neither past due nor impaired

Receivables and deposits that are neither past due nor impaired are receivables from creditworthy debtors with good payment record. Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions of high credit ratings and no history of default.

(c) Trade receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***29. Financial risk management objectives and policies (continued)****29.1 Credit risk (continued)****(c) Trade receivables and contract assets (continued)**

Summarised below is the information about the credit risk exposure on the Group's and the Institute's trade receivables and contract assets using provision matrix:

	Current \$'000	The Group				Total \$'000
		Less than 30 days past due \$'000	More than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	
2023						
Gross carrying amount	2,050	279	272	898	1,012	4,511
Loss allowance provision	-	7	50	136	694	887
2022						
Gross carrying amount	2,536	211	254	966	690	4,657
Loss allowance provision	-	10	15	163	419	607
	Current \$'000	The Institute				Total \$'000
		Less than 30 days past due \$'000	More than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	
2023						
Gross carrying amount	920	220	215	820	909	3,084
Loss allowance provision	-	7	7	136	660	810
2022						
Gross carrying amount	1,438	200	156	894	511	3,199
Loss allowance provision	-	10	15	162	326	513

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***29. Financial risk management objectives and policies (continued)****29.1 Credit risk (continued)**(c) Trade receivables and contract assets (continued)Expected credit losses

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime expected credit losses during the financial year is as follows:

	The Group		The Institute	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
As at 1 April	607	623	513	432
Charge for the year (Note 25)	767	550	766	508
Written back	(136)	(219)	(120)	(81)
Written off	(351)	(347)	(349)	(346)
At the end of the year	<u>887</u>	<u>607</u>	<u>810</u>	<u>513</u>

Credit risk concentration profile

	The Group			
	2023		2022	
	Percentage of balance	No. of counterparties/debtors	Percentage of balance	No. of counterparties/debtors
Trade and other receivables	17%	3	36%	3

	The Institute			
	2023		2022	
	Percentage of balance	No. of counterparties/debtors	Percentage of balance	No. of counterparties/debtors
Trade and other receivables	7%	3	24%	3

29.2 Liquidity risk

Liquidity or funding risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group maintains sufficient level of cash and bank balances to finance the Group's operations and mitigate the effects of fluctuation in cash flows.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***29. Financial risk management objectives and policies (continued)****29.2 Liquidity risk (continued)**

The table below analyses the maturity profile of the Group's and the Institute's financial liabilities based on contractual undiscounted cashflows:

	The Group			Total
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	
2023				
Trade and other payables*	33,160	271	-	33,431
Lease liabilities	11,328	45,289	83,030	139,647
Provision for retirement benefits	311	915	249	1,475
	44,799	46,475	83,279	174,553
2022				
Trade and other payables*	23,551	754	-	24,305
Lease liabilities	11,347	45,295	94,352	150,994
Provision for retirement benefits	290	910	374	1,574
	35,188	46,959	94,726	176,873
	The Institute			Total
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	
2023				
Trade and other payables*	28,621	271	-	28,892
Lease liabilities	11,326	45,289	83,030	139,645
Provision for retirement benefits	311	915	249	1,475
	40,258	46,475	83,279	170,012
2022				
Trade and other payables*	18,894	753	-	19,647
Lease liabilities	11,338	45,293	94,352	150,983
Provision for retirement benefits	290	910	374	1,574
	30,522	46,956	94,726	172,204

* exclude provision for unutilised compensated leave

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***29. Financial risk management objectives and policies (continued)****29.3 Interest rate risk**

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

The Group's exposure to interest rate risk primarily arises from fixed deposits placed with financial institution and cash deposits placed with Accountant-General's Department. The interest rates for the latter are based on deposit rates determined by financial institution with which cash are deposited and are expected to move in tandem with market interest rates movements.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 5 (2022: 5) basis points higher/lower with all other variables held constant, the Group's surplus net of tax would have been \$169,102 (2022: \$165,970) higher/lower, arising mainly as a result of higher/lower interest income from fixed deposits placed with financial institution and cash deposits placed with Accountant-General's Department.

29.4 Price risk

Price risk is the risk that the value of a financial asset will fluctuate because of changes in market prices. The Group is exposed to price risk arising from its investments in unit trusts managed by fund managers which are classified as financial assets at fair value through profit or loss as disclosed in Note 7. To manage the price risk, the Group diversifies its portfolio according to the investment policies as determined by its Investment Committee.

Sensitivity analysis for price risk

With all other variables held constant, a 10% increase/decrease in the underlying market prices of the financial assets at fair value through profit or loss at the end of the reporting period would result in \$25,044,500 (2022: \$20,315,800) increase/decrease in the Group's surplus net of tax.

30. Capital management

	The Group	
	2023	2022
	\$'000	\$'000
Capital account	2,715	2,715
Accumulated surplus - General Funds	506,278	462,657
Total capital and general funds	<u>508,993</u>	<u>465,372</u>

The Group's policy is to maintain a strong capital and general funds base so as to sustain future development of the Group.

There were no changes in the capital management during the year. The returns on investment are monitored on a regular basis.

The Group is not subject to any externally imposed capital requirements.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2023***31. Funds management**

The Group's objectives when managing the funds are:

- (a) to safeguard the Group's ability to continue as a going concern;
- (b) to support the Group's stability and growth; and
- (c) to provide funds for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its funds to ensure optimal fund structure, taking into consideration the future fund requirements and fund efficiency, prevailing and projected probability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities, if any.

32. Financial instrumentsClassifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	The Group		
	At fair value through profit or loss \$'000	At amortised cost \$'000	Total \$'000
At 31 March 2023			
Financial assets			
Unit trusts	250,445	-	250,445
Quoted debt securities	-	4,249	4,249
Trade and other receivables ⁽¹⁾	-	11,876	11,876
Operating grants receivable	-	30,346	30,346
Other grants receivable	-	458	458
Cash and bank balances	-	463,429	463,429
	250,445	510,358	760,803
		At amortised cost \$'000	Total \$'000
At 31 March 2023			
Financial liabilities			
Trade and other payables ⁽²⁾		33,431	33,431
Lease liabilities		111,840	111,840
Provision for retirement benefits		1,356	1,356
		146,627	146,627

(1) exclude prepayments

(2) exclude provision for unutilised compensated leave

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023
32. Financial instruments (continued)
Classifications of financial assets and financial liabilities (continued)

	The Group		
	At fair value through profit or loss \$'000	At amortised cost \$'000	Total \$'000
At 31 March 2022			
Financial assets			
Unit trusts	203,158	-	203,158
Quoted debt securities	-	4,497	4,497
Trade and other receivables ⁽¹⁾	-	6,276	6,276
Operating grants receivable	-	13,402	13,402
Other grants receivable	-	759	759
Cash and bank balances	-	475,054	475,054
	<u>203,158</u>	<u>499,988</u>	<u>703,146</u>

	At amortised cost \$'000		Total \$'000
At 31 March 2022			
Financial liabilities			
Trade and other payables ⁽²⁾	24,305		24,305
Lease liabilities	119,012		119,012
Provision for retirement benefits	1,445		1,445
	<u>144,762</u>		<u>144,762</u>

⁽¹⁾ exclude prepayments

⁽²⁾ exclude provision for unutilised compensated leave

	The Institute		
	At fair value through profit or loss \$'000	At amortised cost \$'000	Total \$'000
At 31 March 2023			
Financial assets			
Unit trusts	250,445	-	250,445
Quoted debt securities	-	3,997	3,997
Trade and other receivables ⁽¹⁾	-	10,460	10,460
Operating grants receivable	-	30,346	30,346
Other grants receivable	-	355	355
Cash and bank balances	-	359,838	359,838
	<u>250,445</u>	<u>404,996</u>	<u>655,441</u>

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

32. Financial instruments (continued)

Classifications of financial assets and financial liabilities (continued)

	The Institute	
	At	
	amortised	
	cost	Total
	\$'000	\$'000
At 31 March 2023		
Financial liabilities		
Trade and other payables ⁽²⁾	28,892	28,892
Lease liabilities	111,828	111,828
Provision for retirement benefits	1,356	1,356
	<u>142,076</u>	<u>142,076</u>

(1) exclude prepayments

(2) exclude provision for unutilised compensated leave

	The Institute		
	At	At	
	fair value	amortised	
	through	cost	Total
	profit	\$'000	\$'000
	or loss		
	\$'000		
At 31 March 2022			
Financial assets			
Unit trusts	203,158	-	203,158
Quoted debt securities	-	3,995	3,995
Trade and other receivables ⁽¹⁾	-	6,026	6,026
Operating grants receivable	-	13,402	13,402
Other grants receivable	-	708	708
Cash and bank balances	-	372,813	372,813
	<u>203,158</u>	<u>396,944</u>	<u>600,102</u>

	The Institute	
	At	
	amortised	
	cost	Total
	\$'000	\$'000
At 31 March 2022		
Financial liabilities		
Trade and other payables ⁽²⁾	19,647	19,647
Lease liabilities	119,001	119,001
Provision for retirement benefits	1,445	1,445
	<u>140,093</u>	<u>140,093</u>

(1) exclude prepayments

(2) exclude provision for unutilised compensated leave

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

33. Fair value measurements

(a) Fair value hierarchy

The Group and the Institute classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Institute can access at the measurement date,

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 - unobservable inputs for the asset or liability.

(b) Fair value of financial instruments that are carried at fair value

Unit trusts managed by fund managers (Note 7) are carried at fair value. The fair values are based on net asset value of the underlying funds at the end of the reporting period. The unit trusts are designated in the Level 2 category as at 31 March 2023 (2022: Level 2).

(c) 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 fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

34. Authorisation for issue of financial statements

The consolidated financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the board on 20 July 2023.

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