

INSTITUTE OF TECHNICAL EDUCATION

ANNUAL REPORT

*for the year ended
31 March 2010*



In the opinion of the Board of Governors, the Annual Report of the INSTITUTE OF TECHNICAL EDUCATION are drawn up so as to present fairly the state of affairs of the INSTITUTE OF TECHNICAL EDUCATION as at 31 March 2010.

On behalf of the Board of Governors:



Bob Tan Beng Hai

Chairman

7 July 2010



Bruce Poh Geok Huat

Director & Chief Executive Officer

7 July 2010

ORGANISATION DETAILS

Board Secretary Ms Sabrina LOI
Senior Divisional Director/Corporate Services

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Singapore 138683
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Fax: (65) 6776 7685
E-Mail: Sabrina_Loi@ite.edu.sg

About ITE

ITE is the principal provider of technical education in Singapore and a national authority in developing occupational skills certification and standards.

Set up as a post-secondary institution under the Ministry of Education (MOE) in 1992, ITE is responsible for developing national-level Certification and Standards to enhance Singapore's workforce competitiveness locally and internationally.

ITE adopts a **“One ITE System, Three Colleges”** Governance and Education Model, to deliver consistent standards, quality programmes and successful graduates. Under this system, ITE Headquarters oversees system and policy issues and ensures standards, while the “Three Colleges”, namely, **ITE College Central, ITE College East** and **ITE College West**, are empowered to develop niches of excellence, to enhance the attractiveness of ITE Education.

Mission

To Create Opportunities for School Leavers and Adult Learners to
Acquire Skills, Knowledge and Values for Employability and Lifelong
Learning in a Global Economy

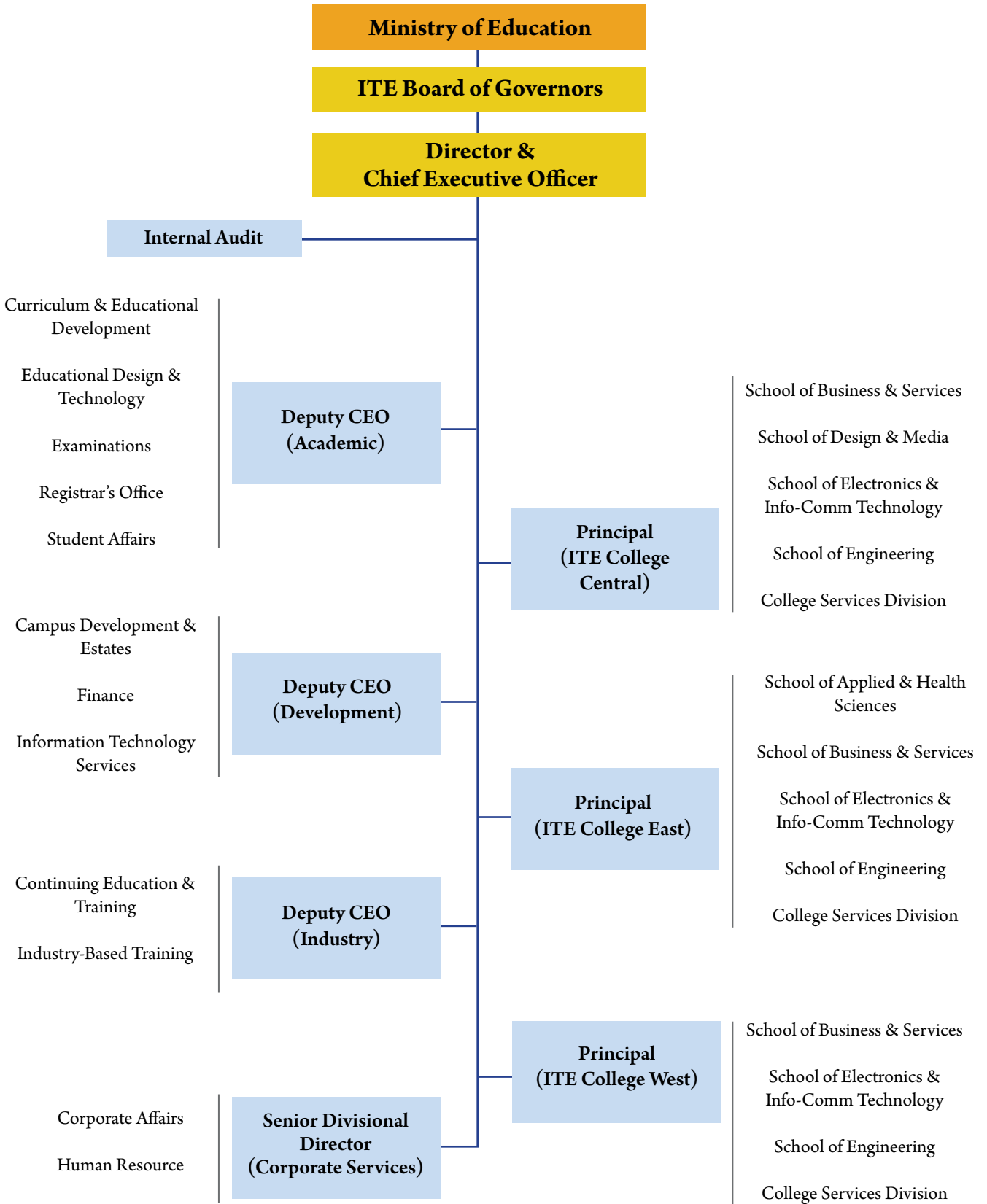
Vision

A Global Leader for Innovations in Technical Education

Values

ITE Care - Integrity, Teamwork, Excellence, Care

Organisation Structure



ITE BOARD OF GOVERNORS

The ITE Board of Governors provides counsel to Management and guides ITE towards its vision and goals. As at 31 March 2010, the tripartite Board comprised the following representations from Government, Industry and the Unions:

Chairman

Mr Bob Tan Beng Hai

Chairman

Jurong Engineering Ltd

Deputy Chairman

Dr Ahmad Mohamed Magad

Managing Director

II-VI Singapore Pte Ltd

(Member of Parliament for Pasir Ris-Punggol
Group Representation Constituency)

Director & Chief Executive Officer

Mr Bruce Poh Geok Huat

Institute of Technical Education

Chairman

Development Committee

Mr Lee Yuen Hee

Deputy Secretary (International)

Ministry of Transport

Chairman

Establishment Committee

Mr Heng Chiang Gnee

Chief Executive Officer

Maritime Sustainability Pte Ltd

Chairman

Finance and Audit Committee

Mr Lee Kwok Cheong

Chief Executive Officer

Singapore Institute of Management

Members

Dr Suzaina Bte Abdul Kadir

Assistant Professor
Lee Kuan Yew School of Public Policy
National University of Singapore

Ms Ho Peng

Director-General of Education
Ministry of Education

Dr Ernest Kan Yaw Kiong

Partner, Chief-of-Operations
- Clients and Market
and Head of Global IFRS &
Offerings Services
Deloitte & Touche LLP
Singapore

Dr Lim Boon Huat

Managing Director
Rohde & Schwarz Systems and
Communication Asia Pte Ltd

Mr Edwin Lye Teck Hee

General Secretary
Singapore Teachers' Union

COL Ngien Hoon Ping

Commander
Combat Service Support Command
Ministry of Defence

Mr Mr Quek Sze Swee

Chairman/Chief Executive Officer
Parsons Brinckerhoff Pte Ltd

Mr Alvin Tan Yew Hua

Executive Director, Human Resources
Division
Economic Development Board

Mr T K Udairam

Chief Executive Officer
Changi General Hospital

Dr Carrie Willis

Executive Director
Hong Kong Vocational Training Council
(HKVTC)

Mr Yap Ong Heng

Director-General
Civil Aviation Authority of Singapore

Ms Mary Yeo Chor Gek

Managing Director
United Parcel Service Singapore Pte Ltd

Mr Zee Yoong Kang

Chief Executive Officer
NTUC Learning Hub

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 2010, the Team comprised:

❖ SENIOR LEADERSHIP

Mr Bruce Poh Geok Huat

Director & Chief Executive Officer

Mr Heng Guan Teck

Deputy Chief Executive Officer (Academic)

Dr Benjamin Tan Lin Boon

Deputy Chief Executive Officer (Development)

Mr Aw York Bin

Deputy Chief Executive Officer (Industry)

Mr Tan Seng Hua

Principal/ITE College Central

Dr Ricky Tam Yin Jun

Principal/ITE College East

Dr Yek Tiew Ming

Principal/ITE College West

Ms Sabrina Loi

Senior Divisional Director/Corporate Services

❖ ITE HEADQUARTERS DIRECTORATE - *One ITE System*

Ms Sabrina Loi

Divisional Director
Corporate Affairs

Mr Lim Cheng Siong

Divisional Director
Campus Development & Estates

Ms Iris Seet

Divisional Director
Curriculum & Educational
Development

Mr Chong Weng Foo

Divisional Director
Continuing Education & Training

Mr Samuel Ng Hong Kok

Divisional Director
Educational Design & Technology

Ms Michelle Low Hwee Geok

Divisional Director
Examinations &
Deputy Registrar

Mr Chia Ti Yu

Divisional Director
Finance

Mr Tan Wee Kiang

Divisional Director
Human Resource

Mr James Ng Kian Kwang

Divisional Director
Industry-Based Training

Mr Tan Kay Chuan

Divisional Director
IT Services

Mrs Ong-Cheong Hwa Yew

Divisional Director
Student Affairs

Mr Cheang Wee Kok Shang

Registrar

❖ COLLEGE DIRECTORATE (ITE College Central)

Mr Tan Seng Hua
Principal

Ms Florence Ang Bee Eng
Director, College Services

Mr Yeow Swee Soon
Director, College Development

Ms Ng Lee Keng
Director, School of Business & Services

Mr Callistus Chong
Director, School of Design & Media

Ms Yeo Sock Tin
Director, School of Electronics & Info-Comm
Technology

Mr Lim Teck Lee
Director, School of Engineering

❖ COLLEGE DIRECTORATE (ITE College East)

Mr Ricky Tam Yin Jun
Principal

Mr Chong Leong Fatt
Director, College Services

Dr Lionel Lau Chin Leon
Director, School of Applied & Health
Sciences

Mr David Tham Heng Kok
Covering Director
School of Business & Services

Dr Lim See Yew
Director, School of Electronics & Info-
Comm Technology

Mr Kong Chee Seng
Director, School of Engineering

❖ COLLEGE DIRECTORATE (ITE College West)

Mr Yek Tiew Ming
Principal

Mr Goh Mong Song
Deputy Principal (Development) &
Director
School of Business & Services

Mr Ting Kok Guan
Director, College Services

Dr Eric Cheung Lai Yip
Director, School of Electronics & Info-
Comm Technology

Mr Aw Kim Geok
Director, School of Engineering



FY 2009 HIGHLIGHTS

With Advantage, We Innovate!

Corporate Colours

Waves of Advantage, Sparks of Innovation

FY 2009 saw the culmination of the **ITE Advantage Plan** (2005 – 2009), which has built ITE into an institution that is well-received and recognised locally and globally. The five-year strategic roadmap has enhanced ITE's brand name, organisational and staff capabilities; developed state-of-the-art infrastructure; and provided ITE students with a high-quality and market-relevant technical education.

To prepare for the challenges ahead, ITE launched a new strategic blueprint, **ITE Innovate** (2010 - 2014), in February 2010. The new Plan aims to propel ITE into **A Global Leader for Innovations in Technical Education**. It places a distinct emphasis on creating new value for its customers and stakeholders by doing new things or doing things differently. It challenges ITE to take a new look at everything it does, and how it does them, while forging ahead in the international realm of vocational and technical education.

Rise of the Mega Campuses

Under the *One ITE System, Three Colleges Governance* and Education Model, the planning and development of the new ITE College West and ITE College Central regional campuses made excellent progress.

The new ITE College West campus at Choa Chu Kang Grove obtained its Temporary Occupation Permit (TOP) on 29 March 2010, two days ahead of schedule. With the handing-over and inspection of facilities, decanting activities, and procurement of furniture and equipment actively in progress and on schedule, the College would be on track to commence operations on 5 July 2010.

Government approval was also obtained in November 2009 for the new ITE College Central and ITE Headquarters Project at Ang Mo Kio. A two-stage tender exercise for architectural design selection and appointment of project consultants was initiated at end-November 2009, and a dialogue session with short-listed consultants was held in February 2010. A total of eight design proposals were submitted by 30 March 2010 for selection. The new premises are slated for completion by October 2012, and will commence operations in January 2013.

Key Accolades

For its achievements in organisational excellence, innovation, corporate and environmental responsibility, ITE achieved several key corporate awards in FY 2009. These include:

- **2009 Innovations of the Year** [iDe'Lite¹ (Interactive Diagnostic Evaluation for Learning @ ITE for service training) was among 60 innovations given by the League for Innovation in the Community Colleges, USA]
- **Human Capital Corporate Champion Award** by Human Capital Singapore, for ITE's commitment to the professional development of its People Managers and staff
- **Green Mark Platinum Award** (for new ITE College West) by Building and Construction Authority (BCA)
- **May Day Model Partnerships Award 2009** by National Trades Union Congress (NTUC) (for SPUR Programmes with companies)
- **SHARE Gold Award 2008** (for employees' financial contribution to the Community Chest)
- **Distinguished Defence Partner Award** by the Ministry of Defence
- **Distinguished Home Team Partner Award** by the Singapore Police Force and the Singapore Civil Defence Force
- **People's Association Community Spirit Awards 2009 – Outstanding Community Partner Award**
- **IBM Technology Partner Excellence Award**
- **National Day Parade Silver Award** (for recognition of performance by ITE's Centre for Music and the Arts)

¹ iDe'Lite is a Service Training Pedagogic package integrating video-based technology for service performance diagnosis and evaluation, an MRI (Mastery, Reflective & Interactive) learning approach, and an online video-sharing portal.

From ITE to the World

During the year in review, ITE had also made its presence felt in the global arena with two successfully-held international events in Singapore. The **ITE International Student Seminar**, organised for 545 students in June 2009, attracted the participation of nearly 300 foreign students from ITE's partner institutions in Australia, Canada, Germany and Hong Kong. The second **International Conference on Vocational and Technical Education (VTE)**, held in July 2009, attracted 332 delegates from 27 countries to learn and share leading VTE trends, policies and practices that have enabled countries to develop and grow its human capital to compete in the global marketplace. The success of the Conference affirmed Singapore's global leadership in VTE and in setting VTE trends and benchmarks in innovative teaching and learning approaches.

In the area of **Government-to-Government projects**, ITE continued its consultancy role in the development of the Regional Vocational Training Centre (RVTC) in Marka, Jordan, as part of the Asia-Middle East Dialogue (AMED) between Singapore and Jordan. In addition, ITE inked a five-year Collaboration Framework with the Office of Vocational Education Commission (OVEC), Ministry of Education, Thailand, on 25 May 2009. Supported by a \$663,000 funding from Temasek Foundation, the collaboration encompassed an ITE-developed customised Leadership Training Programme for Thai Technical and Vocational Education and Training (TVET) leaders, consultancy services, and student exchanges.

The icing on the cake, however, was the best showing ever by Team Singapore at the **40th WorldSkills Competition**, held in Calgary, Canada, in September 2009. Led by ITE, in collaboration with the five polytechnics, Singapore's team of 19 young skilled talents brought home a total of three Gold Medals – including the Overall Top Scorer Award, one Bronze Medal, eight Medallions for Excellence and a People's Choice Award. In terms Gold Medal tally, Team Singapore was ranked sixth out of 51 participating countries/economies, on par with France, Ireland, the United Kingdom, Chinese Taipei and host country, Canada.

Prime Partnerships

In FY 2009, ITE consolidated its collaborative partnerships with industry and strengthened its niche areas through 21 new Memoranda of Understanding (MoUs), worth some \$8.8 million. Inked with leading industry partners, such as Adobe Systems Singapore Pte Ltd, Boncafé International Pte Ltd, Eurocopter South East Asia Pte Ltd, Hewlett-Packard Singapore (Sales) Pte Ltd, IBM Singapore Pte Ltd, Microsoft Singapore, Okura Flexible Automation Systems Pte Ltd, Singapore Grand Prix Pte Ltd, and Yokogawa Engineering Asia Pte Ltd, these MoUs will facilitate technology transfer, sharing of knowledge and industry best practices, and sponsorship of hardware, software and training scholarship awards to enhance ITE's programmes and

capabilities. The strengthening of linkages and collaborative partnerships with industry provides an effective platform for ITE staff to enhance their capabilities through staff attachments and training, knowledge exchange, and the undertaking of industry projects.

ITE also established several significant international partnerships during the year in review. In June 2009, ITE renewed its MoU with the Hong Kong Vocational Training Council (HKVTC) for a third five-year term. With the renewal of the MoU, ITE and HKVTC will further leverage on each other's strengths to increase the depth and diversity of student and staff exchanges, and explore twinning programmes.

In March 2010, ITE signed a new MoU with Holmesglenn Institute, Melbourne, one of Australia's largest providers of VTE, to expand opportunities for student and staff exchanges globally. Besides Nursing, Biotechnology and Chemical Technology programmes, other potential areas for collaboration include staff and student exchanges and twinning programmes in Hospitality Operations and Events Management.

Sharing ITE's Expertise in VTE

FY 2009 also saw more than 360 overseas visitors from 23 countries, of which more than one-third were advanced economies, coming to ITE to study its VTE model, best practices and innovative learning approaches. Among the notable visitors were Ministers from Mongolia, Panama, Qatar, Sweden and Thailand; State Senators and Members of the House of Representatives from North Carolina (a non-profit think tank); Parliamentarians from Denmark; as well as study visits from TAFE Directors (Australia), the World Bank, and an inaugural International Education Round Table involving senior government education officials.

Promising Potential

Peak Performance

With ITE becoming an institution of choice, ITE's full-time enrolment peaked to a record of 25,411² in FY 2009, as compared to 25,098 in FY 2008. Student Success Rate and Student Satisfaction continued to remain high at 82 per cent and 94 per cent, respectively.

In a Nutshell: FY 2009 Full-Time Programmes

Full-Time Enrolment ²	25,411
Full-Time Intake ²	14,290
Student Satisfaction Rate	94%

Responding to dynamic and rapid changes in industry, ITE introduced **10 new full-time courses** in FY 2009. These include *Higher Nitec* courses in Business Studies (Service Management), Business Information Systems, Leisure & Travel Operations, and Security System Integration; and *Nitec* courses in Chemical Process Technology (Biologics), Community Care & Social Services, Electronics (Mobile Devices), Interactive Media Design, Visual Communication, and Visual Effects.

As for ITE-conducted **part-time programmes**, a total of 25,061 training places were taken up in FY 2009, lower than the 31,668 places the year before. The decrease is attributed mainly to the complete phasing out of two long-running adult numeracy and literacy programmes – the Basic Education for Skills Training (BEST) and Worker Improvement through Secondary Education (WISE) programmes. Those who did take up ITE’s part-time programmes gave a collective thumbs-up, as reflected by the 97 per cent Participant Satisfaction Rate in an end-of-module survey carried out for the year under review.

ITE’s **Industry-Based Training (IBT)** Schemes have received strong support from the industry through the years. From experience, the response invariably moves in tandem with the economy. The level of in-company training held steady at above 90,000 training places prior to the economic downturn in 2009, but dipped expectedly to 73,520 training places in FY 2009, as compared to 90,656 in the previous FY.

In a Nutshell: Part-Time Courses and Industry-Based Training (IBT) Schemes

ITE-conducted Training Places [Comprising part-time Skills courses, General Education, Train-The-Trainer, Short Courses, Customised Courses and Workforce Skills Qualification]	25,061
Industry-Based Training Places [Comprising Approved Training Centre (ATC), Certified On-the-Job Training Centre (COJTC), Approved Training Provider (ATP) and Local Licensing]	73,520
Participant Satisfaction Rate (Part-time Courses)	97%

² Excluding ITE Skills Certificate (ISC) courses, which are offered under a separate training framework for school leavers with less than 10 years of general education

Dressed for Success

Armed with a quality and market-relevant education, ITE graduates continued to be well-sought after by employers in FY 2009, with more than eight in 10 securing a job within six months of graduation, at an average starting gross mean monthly salary of \$1,391. This reflects the excellent career prospects of ITE's graduates, despite the weak economy. Taking advantage of the multiple education pathways, around 20 per cent of ITE graduates progressed to the full-time Diploma courses at the five Polytechnics.

In a Nutshell: Excellent Education Outcomes

82% Student Success Rate	20% Progression Rate to Polytechnics
11,827 Graduates (excluding ITE Skills Certificate courses)	91% Employer Satisfaction with ITE Graduates <i>(Biennial Survey conducted in FY 2009)</i>
84% Graduate Employment Rate	\$1,391 Gross Mean Monthly Salary

One of the most important events in the ITE calendar – the **2009 ITE Graduation Ceremony** – was held at the National University of Singapore's University Cultural Centre on 16 June 2009. It marked the graduation of ITE students from the full-time, part-time and traineeship programmes for Academic Year 2008/2009. Out of the 663 outstanding students who received their Certificates of Merit at the ceremony, four were conferred top honours. They were: Wang Junyong [*Nitec* in Applied Food Science, ITE College East]; Natalie Lim [*Higher Nitec* in Business Studies (Administration), ITE College West]; Muhammad Afiq Hakim Bin Masroni Osland [*Nitec* in Building Drafting (Architecture), ITE College Central]; and Aizuriah Bte Mohamed Ali [*Nitec* in Nursing, ITE College East] – who received the Lee Kuan Yew Gold Medal, Tay Eng Soon Gold Medal, Sng Yew Chong Gold Medal and Singapore Labour Foundation Gold Medal, respectively. These graduates epitomise ITE's "Hands-on, Minds-on, Hearts-on" College Education.

Besides recognising students for their academic performance, ITE also honoured 37 outstanding all-rounders with the prestigious Lee Kuan Yew (LKY) Awards at the **ITE Student Achievers' Awards Presentation Ceremony** on 22 May 2009. In the presence of proud family members, lecturers and friends, they were conferred the LKY Co-Curricular Activities (CCA) Awards, the LKY Technology Awards and the LKY Model Student/Trainee Awards for their outstanding performances in CCA, technology projects or exemplary conduct.

Shining Beyond Our Shores

ITE strives to prime its students into “Work-ready, World-ready” graduates and give them an edge to thrive in the global economy through initiatives under its **Global Education Programme** (GEP). In FY 2009, a total of 2,937 ITE students, or 25 per cent of the student cohort, had the opportunity to experience life and work overseas in 18 different countries, including Australia, Canada, China, France, Germany, India, Japan, Korea and the United States of America (USA). This was a four percentage-point increase in student participation over the previous year. Such exposure equips ITE students with a global outlook and competency to succeed in an increasingly interconnected world.

ITE students and graduates also shone at prestigious international competitions during the FY. At the **40th WorldSkills Competition** (WSC) held in Calgary, Canada, in September 2009, *Nitec* in Nursing graduates, Carolyn Choo and Adeline Mah, outshone competitors from Finland, France, Sweden and the Netherlands in the Caring (Team) skills area and brought glory to ITE by becoming the first ITE graduates to win Gold at the WSC. Two other ITE graduates – Chua Ka Wen (Beauty Therapy) and Yew Rui Qi (Restaurant Service) – bagged a Medallion for Excellence each at the international competition, widely-dubbed the “Olympics of Skills”.

Yet another feather was added to ITE’s micromouse cap, with a second and third placing in the new Half-Size Micromouse Category of the **30th All-Japan Micromouse Contest 2009** held at Tsukuba City, Japan, in November 2009. The ITE team, comprising Mr Khiew Tzong Yong (ITE lecturer and former ITE student) and Neil Koh Kai Wen (ITE student) from the Electronics Engineering course at ITE College West, beat participants from Japan, Korea, Singapore, Taiwan, USA, and the United Kingdom. Mr Khiew also achieved his personal best result in the Classic (Normal size) Micromouse Contest, coming in fourth. The excellent showing by these ITE students and graduates is testimony to the high standard of practical training they have received at ITE.

Capability and Camaraderie

Total System Capability

Since implementing a bold **Total System Capability** (TSC) initiative in 2007 to level up the professional capability of academic staff, ITE has seen a steady increase in the proportion of staff who possess the capability to “Do” and “Lead” in industry or consultancy projects. TSC aims to develop individual competencies in relevant and new areas, as well as to bring together individual ITE talents and skills across schools, colleges and ITE to create complementary and multi-disciplinary teams to undertake project and consultancy work. For FY 2009, some 57 per cent of academic staff were able to “Do” and “Lead” in projects, which was a commendable improvement

of 12 percentage points compared to FY 2008. The enhanced capability of staff meant that ITE was able to provide more market and industry-driven education to students.

The People Factor

As at 31 March 2010, there were 2,402 staff in service, comprising 1,615 academic and 787 non-academic staff. Between the teaching staff and students, there was a ratio of 1:16.

Training and development is an integral part of people development for lifelong employability at ITE. To this end, ample opportunities were created for staff training and professional upgrading, with total investment kept at four per cent of payroll. In FY 2009, some 87 per cent of staff achieved at least 100 learning hours, with an average of about 150 learning hours per staff.

Blissful Union

ITE continued to enjoy harmonious relations with its two staff unions – the Union of ITE Training Staff (UITS) and the ITE Administrative & Ancillary Staff Branch of the Amalgamated Union of Public Employees (AUPE). Apart from the annual ITE Management-Union Games held on 12 February 2010 and the ITE Board of Governors' Golf Friendly with UITS held on 6 August 2009, a Service Appreciation Award was also presented to one deserving union leader at the ITE Awards Ceremony on 30 October 2009, for contribution to ITE's strong management-union relations.

Let's Innovate!

Coming up with innovative and cost-effective ways of solving problems is the way of life for staff at ITE. Participation in employee innovation activities in FY 2009 was encouraging, with staff completing 193 team projects in all. This translated into a project ratio of 1.00 (1.06 in FY 2008). These projects included innovative teaching tools and methodologies, which had enhanced learning in the classroom. For instance, a team in ITE College Central developed an Aircraft Fuel System Simulator, which heightened the realism of maintaining an aircraft fuel system in the *Nitec* in Aerospace Technology course.

For high-impact innovation projects, funds have been made available to staff to ensure that they are not hampered by lack of funds. In December 2009, the Ministry of Education (MOE) approved three projects from ITE staff to be funded by the **MOE Innovation Fund**³ (IF). Valued at \$1,313,100, the projects were wide-ranging – from the cultivation of miniature orchid plants, to the

³ Only projects with a minimum cost of \$100,000 over two or three years will qualify for consideration. The criteria used to assess funding feasibility include Impact of Project, Excellence in Execution; and Economic and/ or Social Benefits. All applications are reviewed by external reviewers and MOE's Innovation Fund Evaluation Panel.

development of an intelligent device to detect nasogastric tube placements, to the development of a digital system to improve customer experience in Singapore’s hospitality industry. Introduced in June 2008, the IF aims to promote and enable innovations in products, systems and processes in ITE and the Polytechnics. Internally, the ITE Innovation Panel approved funds totalling \$290,000 for eight projects during the FY.

Star Achievers

ITE staff produced commendable results for the year under review. Besides the 143 staff who were promoted in FY 2009, a number of them received awards in recognition of their good work and dedicated service to ITE and Singapore:

Award	Number of Recipients
National Day Awards 2009	7
National Day Awards 2009 – Long Service Medals	82
Excellent Service Award (EXSA) 2009	13
ITE Teacher Awards 2009	14
ITE Long-Service Awards 2009	317
ITE Service Star Award 2009	7 staff, 1 team
ITE Outstanding Suggestor Award 2009	1
ITE Outstanding Leader Award 2009	19
ITE Outstanding Facilitator Award 2009	6
ITE Outstanding Project Award 2009	1
ITE Innova Award 2009	3
ITE ExCEL Establishment Award 2009	6

Outlook for Next Fiscal Year

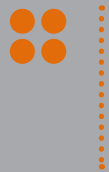
FY 2010 marks the beginning of a new chapter for ITE, as it goes full swing into its fourth Strategic Plan, *ITE Innovate* (2010 – 2014). *ITE Innovate* seeks to propel ITE to be **A Global Leader for Innovations in Technical Education**, staying at the forefront of Vocational and Technical Education (VTE) developments through innovations, differentiating ourselves from others, and setting new benchmarks in VTE.

ITE's strategic priorities in FY 2010 would focus on:

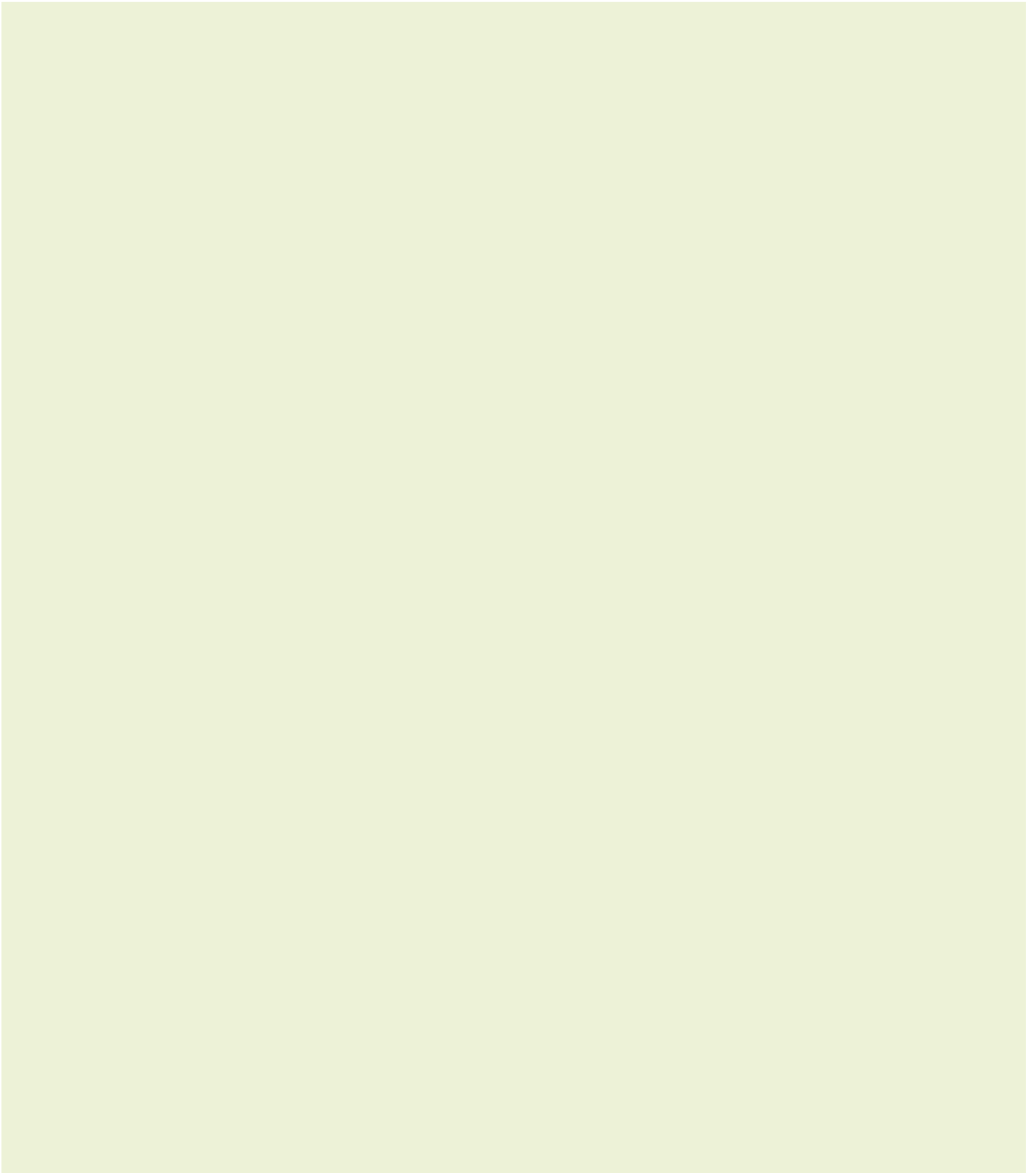
- Enhancing the value of ITE education through innovative teaching and learning to motivate students and enhance Students' Success Rate, and develop market-relevant graduates to meet changing industry needs;
- Developing staff's innovative capability to enable them to grow professionally and technically, and improve key systems and processes for enhanced organisational capacity; and
- Engaging local and global partners strategically to raise the education value and opportunities for ITE students. This includes collaborations to expand course offerings, enhance students' learning and improve ITE's capabilities.

In FY 2010, ITE will continue to keep abreast of the latest developments in industry and explore new areas of training for school leavers and adult workers based on government's economic policies and initiatives, national manpower projections, and inputs from industries, key government agencies and lead bodies on new manpower requirements. This will ensure that ITE's courses are relevant to industry needs and aligned with technological advances and national economic trends, while meeting school leavers' interests and abilities. ITE will also work towards more tie-ups with reputable local and international institutional partners to offer niche diplomas or other higher certificate programmes to increase progression opportunities for its students.

The targets set reflect ITE's commitment to maximise and create long-term sustainable value for our students, staff and other stakeholders in our continuing journey of excellence and innovation. With the achievements and strong foundation laid over the last decade, as well as initiatives in FY2010 to further strengthen ITE's strategic organisational capabilities, ITE is set to embark on its journey towards becoming **A Global Leader for Innovations in Technical Education** by 2014.



Financial Review



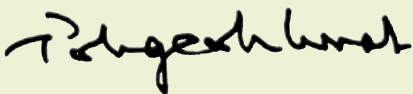
Statement by Board of Governors

In our opinion:

- a) the financial statements of Institute of Technical Education (the “Institute”) and its subsidiaries (the “Group”) set out on pages 23 to 100 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Institute as at 31 March 2010 and the consolidated statement of comprehensive income, changes in funds and reserves and cash flows of the Group and the statement of comprehensive income and changes in funds and reserves of the Institute for the year ended on that date in accordance with the provisions of the Institute of Technical Education Act, Chapter 141A (the “Act”) and Statutory Board Financial Reporting Standards; and
- b) 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.

The Board of Governors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board



Mr Bruce Poh Geok Huat
Director and CEO

7 July 2010



Mr Bob Tan Beng Hai
Chairman

7 July 2010

Independent Auditors' Report

Members of the Board of Governors
Institute of Technical Education

Report on the financial statements

We have audited the financial statements of the Institute of Technical Education (the "Institute") and its subsidiaries (the "Group") which comprise the balance sheets of the Group and the Institute as at 31 March 2010, consolidated statement of comprehensive income, statement of changes in funds and reserves and cash flow statement 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 a summary of significant accounting policies and other explanatory notes, as set out on pages 23 to 100.

Management's responsibility for the financial statements

The Institute's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Institute of Technical Education Act, Chapter 141A (the "Act") and Statutory Board Financial Reporting Standards.

This responsibility includes:

- (a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

- (a) the consolidated financial statements of the Group and the balance sheet, 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 Act and Statutory Board Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and the Institute as at 31 March 2010 and the results, changes in funds and reserves and cash flows of the Group and the results and changes in funds and reserves of the Institute for the year ended on that date;
- (b) the accounting and other records required by the Act to be kept by the Institute have been properly kept in accordance with the provisions of the Act; and
- (c) the accounting and other records of those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the Singapore Companies Act, Chapter 50.

Report on other legal and regulatory requirements

During the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure and investment of monies and the acquisition and disposal of assets by the Institute during the financial year have not been in accordance with the provisions of the Act.



KPMG LLP
Public Accountants and
Certified Public Accountants
Singapore

7 July 2010

Balance Sheets

As at 31 March 2010

	Note	Group		Institute	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Capital account	4	4,297	4,297	4,297	4,297
Fair value reserve	5	111	(302)	111	(302)
Accumulated surplus					
General fund		164,715	148,368	162,670	146,893
Restricted fund		33,418	29,930	27,172	24,570
	6	198,133	178,298	189,842	171,463
Total capital and other funds		202,541	182,293	194,250	175,458
Non-current assets					
Property, plant and equipment	7	525,497	453,489	525,014	452,932
Prepaid leases	8	115,826	124,871	115,826	124,871
Intangible assets	9	5,899	4,679	5,837	4,577
Subsidiaries	10	-	-	*	*
Other financial assets	11	3,811	3,898	3,811	3,898
Deferred tax assets		22	124	-	-
		651,055	587,061	650,488	586,278
Current assets					
Trade and other receivables	12	3,993	3,370	4,094	4,022
Operating grants receivable	13	11,909	9,367	11,909	9,367
Other financial assets	11	9,969	7,438	9,969	7,438
Cash and cash equivalents	14	267,526	228,286	254,481	218,852
		293,397	248,461	280,453	239,679
Current liabilities					
Trade and other payables	15	46,560	15,878	45,694	17,048
Provision for retirement benefits	19	402	411	402	411
Deferred income		2,393	2,655	1,950	2,435
Development grants received in advance	16	117	163	90	73
Operating grants received in advance	13	3,670	3,436	239	460
Other grants received in advance	17	1,200	-	1,200	-
Current tax payable		-	36	-	-
		54,342	22,579	49,575	20,427
Net current assets		239,055	225,882	230,878	219,252

* Amount less than \$1,000.

The accompanying notes form an integral part of these financial statements.

	Note	Group		Institute	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-current liabilities					
Other payables	15	178,247	96,804	178,247	96,804
Deferred capital grants	18	507,256	531,398	506,803	530,820
Provision for retirement benefits	19	2,066	2,448	2,066	2,448
		687,569	630,650	687,116	630,072
Net assets		202,541	182,293	194,250	175,458
Net assets of trust funds					
Technical Education Promotion Fund		1,058	1,244	1,058	1,244
ITE Education Fund		5,325	5,654	5,325	5,654
Basic Education for Skills Training Fund		563	567	563	567
Worker Improvement Through Secondary Education Fund		1,013	1,052	1,013	1,052
Apprenticeship Programme Fund		2,218	(42)	2,218	(42)
The Enterprise Challenge Fund		179	95	179	95
	20	10,356	8,570	10,356	8,570

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Year ended 31 March 2010

Group	Note
Income	
Course fees	
Examination fees	
Donations	
Liquidated damages	
Interest income	21
Other income	
Other grants	
Less: Inter-fund transactions	
Operating expenditure	
Manpower costs	22
Depreciation of property, plant and equipment	7
Prepaid lease expenses charged to income and expenditure	8
Amortisation of intangible assets	9
Property, plant and equipment and intangible assets written off	
Repair and maintenance	
Public utilities	
Grants-in-aid	23
Supplies and materials	
Other expenditure	24
Less: Inter-fund transactions	
(Deficit)/Surplus before government grants	
Government grants	
Operating grants	13
Development grants	16
Deferred capital grants amortised	18
Surplus after government grants	
Income tax (expense) / credit	26
Net surplus for the year	

The accompanying notes form an integral part of these financial statements.

General fund		Restricted funds		Total	
2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
9,027	9,262	3,792	3,958	12,819	13,220
519	521	1,518	1,742	2,037	2,263
396	70	324	449	720	519
70	82	-	-	70	82
551	977	86	181	637	1,158
2,581	280	2,462	1,226	5,043	1,506
27	48	2,592	1,421	2,619	1,469
13,171	11,240	10,774	8,977	23,945	20,217
				(184)	(159)
				23,761	20,058
210,537	206,505	4,401	3,720	214,938	210,225
44,683	45,018	426	164	45,109	45,182
9,045	9,146	-	-	9,045	9,146
1,280	1,268	41	20	1,321	1,288
77	348	4	19	81	367
11,347	9,695	81	97	11,428	9,792
7,149	7,632	199	162	7,348	7,794
466	2,621	-	5	466	2,626
12,857	9,930	818	840	13,675	10,770
13,610	14,452	6,461	4,796	20,071	19,248
311,051	306,615	12,431	9,823	323,482	316,438
				(184)	(159)
				323,298	316,279
(297,880)	(295,375)	(1,657)	(846)	(299,537)	(296,221)
256,454	264,304	4,424	3,541	260,878	267,845
2,691	3,481	-	-	2,691	3,481
55,082	55,781	-	-	55,082	55,781
16,347	28,191	2,767	2,695	19,114	30,886
-	-	(26)	67	(26)	67
16,347	28,191	2,741	2,762	19,088	30,953

Consolidated Statement of Comprehensive Income

Year ended 31 March 2010

Group	Note
Other comprehensive income	
Net change in fair value of available-for-sale financial assets	
Net change in fair value of available-for-sale financial assets transferred to net surplus	
Transfer of funds from ITE Education Fund	6(b)
Other comprehensive income for the year	
Total comprehensive income for the year	

The accompanying notes form an integral part of these financial statements.

General fund		Restricted funds		Total	
2010	2009	2010	2009	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
377	(302)	-	-	377	(302)
36	-	-	-	36	-
-	-	747	-	747	-
413	(302)	747	-	1,160	(302)
16,760	27,889	3,488	2,762	20,248	30,651

Statement of Comprehensive Income

Year ended 31 March 2010

	Note
Institute	
Income	
Course fees	
Examination fees	
Donations	
Liquidated damages	
Interest income	21
Other income	
Other grants	
Less: Inter-fund transactions	
Operating expenditure	
Manpower costs	22
Depreciation of property, plant and equipment	7
Prepaid lease expenses charged to income and expenditure	8
Amortisation of intangible assets	9
Property, plant and equipment and intangible assets written off	
Repair and maintenance	
Public utilities	
Grants-in-aid	23
Supplies and materials	
Other expenditure	24
Less: Inter-fund transactions	
Deficit before government grants	
Government grants	
Operating grants	13
Development grants	16
Deferred capital grants amortised	18
Surplus after government grants	
Income tax	26
Net surplus for the year	

The accompanying notes form an integral part of these financial statements.

General fund		Restricted funds		Total	
2010	2009	2010	2009	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
8,945	9,198	2,579	2,444	11,524	11,642
517	520	614	696	1,131	1,216
9	30	8	15	17	45
70	82	-	1	70	83
543	970	68	136	611	1,106
2,637	358	2,123	959	4,760	1,317
25	48	2,096	1,406	2,121	1,454
12,746	11,206	7,488	5,657	20,234	16,863
				(184)	(159)
				20,050	16,704
200,553	197,519	2,447	1,566	203,000	199,085
44,512	44,817	407	132	44,919	44,949
9,045	9,146	-	-	9,045	9,146
1,213	1,215	34	17	1,247	1,232
76	325	5	5	81	330
10,989	9,238	66	77	11,055	9,315
6,968	7,368	169	142	7,137	7,510
466	2,621	-	5	466	2,626
12,171	9,125	759	731	12,930	9,856
12,686	13,448	5,808	4,004	18,494	17,452
298,679	294,822	9,695	6,679	308,374	301,501
				(184)	(159)
				308,190	301,342
(285,933)	(283,616)	(2,207)	(1,022)	(288,140)	(284,638)
244,265	254,174	4,062	3,182	248,327	257,356
2,600	2,891	-	-	2,600	2,891
54,845	55,504	-	-	54,845	55,504
15,777	28,953	1,855	2,160	17,632	31,113
-	-	-	-	-	-
15,777	28,953	1,855	2,160	17,632	31,113

Statement of Comprehensive Income

Year ended 31 March 2010

Institute	Note
<hr/>	
Other comprehensive income	
Net change in fair value of available-for-sale financial assets	
Net change in fair value of available-for-sale financial assets transferred to net surplus	
Transfer of funds from ITE Education Fund	6(b)
Other comprehensive income for the year	
Total comprehensive income for the year	

The accompanying notes form an integral part of these financial statements.

General fund		Restricted funds		Total	
2010	2009	2010	2009	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
377	(302)	-	-	377	(302)
36	-	-	-	36	-
-	-	747	-	747	-
413	(302)	747	-	1,160	(302)
16,190	28,651	2,602	2,160	18,792	30,811

Consolidated Statement of Changes in Funds and Reserves

Year ended 31 March 2010

	Note	Capital account \$'000
Group		
At 1 April 2008		5,950
Total comprehensive income for the year		
Net surplus for the year		-
Other comprehensive income		
Net change in fair value of available-for-sale financial assets		-
Total comprehensive income for the year		-
Transactions with owner		
Disposal of vested land, representing total transactions with owner	4	(1,653)
At 31 March 2009		4,297
At 1 April 2009		4,297
Total comprehensive income for the year		
Net surplus for the year		-
Other comprehensive income		
Net change in fair value of available-for-sale financial assets		-
Net change in fair value of available-for-sale financial assets transferred to net surplus		-
Transfer of funds from ITE Education Fund	6(b)	-
Total other comprehensive income		-
Total comprehensive income for the year		-
At 31 March 2010		4,297

The accompanying notes form an integral part of these financial statements.

Accumulated surplus

General fund	Restricted funds	Fair value reserve	Total
\$'000	\$'000	\$'000	\$'000

120,177	27,168	-	153,295
28,191	2,762	-	30,953
-	-	(302)	(302)
28,191	2,762	(302)	30,651
-	-	-	(1,653)
148,368	29,930	(302)	182,293
148,368	29,930	(302)	182,293
16,347	2,741	-	19,088
-	-	377	377
-	-	36	36
-	747	-	747
-	747	413	1,160
16,347	3,488	413	20,248
164,715	33,418	111	202,541

Statement of Changes in Funds and Reserves

Year ended 31 March 2010

	Note	Capital account \$'000
Institute		
At 1 April 2008		5,950
Total comprehensive income for the year		
Net surplus for the year		-
Other comprehensive income		
Net change in fair value of available-for-sale financial assets		-
Total comprehensive income for the year		-
Transactions with owner		
Disposal of vested land, representing total transactions with owner	4	(1,653)
At 31 March 2009		4,297
At 1 April 2009		
Total comprehensive income for the year		
Net surplus for the year		-
Other comprehensive income		
Net change in fair value of available-for-sale financial assets		-
Net change in fair value of available-for-sale financial assets transferred to net surplus		-
Transfer of funds from ITE Education Fund	6(b)	-
Total other comprehensive income		-
Total comprehensive income for the year		-
At 31 March 2010		4,297

The accompanying notes form an integral part of these financial statements.

Accumulated surplus				
General fund	Restricted funds	Fair value reserve	Total	
\$'000	\$'000	\$'000	\$'000	\$'000
117,940	22,410	-	146,300	
28,953	2,160	-	31,113	
-	-	(302)	(302)	
28,953	2,160	(302)	30,811	
-	-	-	(1,653)	
146,893	24,570	(302)	175,458	
146,893	24,570	(302)	175,458	
15,777	1,855	-	17,632	
-	-	377	377	
-	-	36	36	
-	747	-	747	
-	747	413	1,160	
15,777	2,602	413	18,792	
162,670	27,172	111	194,250	

Consolidated Cash Flow Statement

Year ended 31 March 2010

	Note	2010 \$'000	2009 \$'000
Cash flows from operating activities			
Deficit before government grants and income tax		(299,537)	(296,221)
Adjustments for:			
Depreciation of property, plant and equipment	7	45,109	45,182
Amortisation of intangible assets	9	1,321	1,288
Prepaid lease expenses charged to surplus or deficit	8	9,045	9,146
Property, plant and equipment written off		81	367
Net (gain)/loss on financial assets at fair value through profit or loss	11	(1,406)	1,467
Provision for retirement benefits	19	22	296
Gain from sale of available-for-sale financial assets	24	(5)	-
Gain from sale of property, plant and equipment	24	(14)	(142)
Bad debts written off	24	109	188
Allowance (reversed)/made for impairment of receivables	24	(124)	138
Interest income		(637)	(1,158)
Dividend income		(200)	(105)
		(246,236)	(239,554)
Trade and other payables and deferred income		14,940	(4,941)
Trade and other receivables		(608)	(1,017)
Cash utilised in operations		(231,904)	(245,512)
Retirement benefits paid	19	(413)	(421)
Income tax refunded		40	5
Net cash flows used in operating activities		(232,277)	(245,928)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(20,019)	(11,742)
Purchase of intangible assets	9	(2,541)	(2,977)
Proceeds from sale of available-for-sale financial assets	11	505	-
Proceeds from sale of property, plant and equipment		14	142
Investment in available-for-sale financial assets	11	-	(4,200)
Investment in financial assets at fair value through profit or loss	11	(1,000)	(819)
Interest received		637	1,158
Dividend income		200	105
Net cash flows used in investing activities		(22,204)	(18,333)
Balance brought forward		(254,481)	(264,261)

The accompanying notes form an integral part of these financial statements.

	Note	2010 \$'000	2009 \$'000
Balance carried forward		(254,481)	(264,261)
Cash flows from financing activities			
Development grants received from Government	16	11,599	8,424
Development grants refunded to Government	16	-	(3)
Operating grants received from Government	13	280,298	332,876
Operating grants refunded to Government	13	-	(3,353)
Other grants received in advance from Government	17	1,200	-
Transfer of funds from ITE Education Fund	6(b)	747	-
Net cash flows from financing activities		<u>293,844</u>	<u>337,944</u>
Net increase in cash and cash equivalents		39,363	73,683
Cash and cash equivalents at beginning of the year		227,613	153,930
Cash and cash equivalents at end of the year	14	<u>266,976</u>	<u>227,613</u>

Significant non-cash transaction

Pursuant to the Project Agreement relating to the development, construction and operation of the new ITE College West dated 11 August 2008 (Refer to Note 7 for further information), the Group capitalised an amount of \$96.9 million (2009: \$96.8 million) as part of project-in-progress during the year ended 31 March 2010. However, payments will only commence upon the completion of the construction of the ITE facilities in July 2010.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Governors on 7 July 2010.

1 Domicile and activities

Institute of Technical Education (the “Institute”), established on 1 April 1992 under the Institute of Technical Education Act (Chapter 141A), 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 10 Dover Drive, Singapore 138683.

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 10.

The consolidated financial statements relate to the Institute and its subsidiaries (together referred to as the “Group”).

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Institute of Technical Education Act, Chapter 141A and Statutory Board Financial Reporting Standards (“SB-FRS”). SB-FRS include Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Institute’s functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SB-FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is as follows:

Key sources of estimation uncertainty

Depreciation and impairment of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 30 years. The Group reviews annually the estimated useful lives of property, plant and equipment based on factors that include asset utilisation, internal technical evaluation, technological changes and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease non-current assets.

The Group determines whether property, plant and equipment are impaired whenever indicators of impairment are identified. This requires an estimation of the fair value or value in use of the Group's individual assets or cash-generating units. Estimating the fair value requires the Group to estimate the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from each asset or cash-generating unit and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

Provision for retirement benefits

Pension expense is determined using certain estimates and assumptions relating to the discount rate used in valuing the defined benefit obligation and future expectations such as mortality and discount rate. These estimates and assumptions directly influence the amount of the pension expense recognised in the financial statements.

The annual contribution to the pension plan consists of payments towards funding the pension obligation liability.

Allowance for doubtful receivables

The Group maintains an allowance for doubtful receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectibility of the receivables. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables, and identifies accounts which require allowance to be made on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates. An increase in the Group's allowance for doubtful receivables would increase the Group's recorded operating expenses and decrease trade receivables.

Notes to the Financial Statements (cont'd)

2.5 Changes in accounting policies

Presentation of financial statements

The Group applies SB-FRS 1 (revised 2008) Presentation of Financial Statements, which became effective as of 1 January 2009. SB-FRS 1 (revised 2008) requires the Group to present in the statement of changes in funds and reserves all transactions with owners, whereas all non-owner transactions relating to funds are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on the Group's surplus or deficit.

Financial instruments: Improving disclosures about financial instruments

The Group applies amendments to SB-FRS 107 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*, which became effective as of 1 January 2009. The amendments require disclosures of financial instruments measured at fair value to be based on a “three-level” fair value hierarchy that reflects the significance of the input in such fair value measurements. The additional disclosures required are shown in Note 28. In accordance with the transitional rules under the standard, comparative information is not required.

Accounting and disclosure for trust funds

The Group applies SB-FRS Guidance Note 3 *Accounting and Disclosure for Trust Funds*, which became effective as of 1 January 2009, which provides guidance on the accounting and disclosures for trust funds held by statutory boards. As a result, funds in which the Institute acts as a custodian, trustee, manager or agent but does not exercise control over will not be disclosed in the primary statements of the Institute and will in turn be presented at the bottom of the Balance Sheet with additional disclosures in the notes to the financial statements.

Accounting and disclosure for donations

The Group applies SB-FRS Guidance Note 2 *Accounting and Disclosure for Donations*, which became effective as of 1 January 2009. As a result, all donations, whether of cash or assets, shall be recognised in 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. Previously, the Group's donated property, plant and equipment are taken to the deferred capital grant account which is recognised in surplus or deficit over the periods necessary to match the depreciation/write-off and/or impairment loss of the assets.

Accounting and disclosure for funds, grants, accumulated surplus and reserves

The Group applies SB-FRS Guidance Note 1 *Accounting and Disclosure for Funds, Grants, Accumulated Surplus and Reserves*, which became effective as of 1 January 2009. As a result, the total results of the activities undertaken by the Institute, the operating results of all funds, of which the Institute exercise control over, are presented in the

statement of comprehensive income. The government grant is also reflected as a separate item in the statement of comprehensive income after the surplus/deficit from operating and non-operating items. Separate disclosures are required for funds received for specific purposes which are material and there are legal or other restrictions on the ability of the Institute to distribute or otherwise apply its funds.

Where applicable, comparative information has been re-presented so that it also is in conformity with the revised Guidance Note. Since the change in accounting policy only impacts presentation aspects, there is no impact on the Group's surplus or deficit.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by the Institute

Investments in subsidiaries are stated in the Institute's balance sheet at cost less accumulated impairment losses.

3.2 Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in surplus or deficit.

Notes to the Financial Statements (cont'd)

3.3 Funds

Assets and liabilities of general fund and restricted funds are pooled in the balance sheet.

General fund

Income and expenditure relating to the main activities of the Institute are accounted for in this fund.

Restricted funds

Restricted funds comprise specific funds set up to account for the contributions received for specific purposes as detailed in Note 6 to the financial statements.

Income and expenditure relating to specific funds are accounted for in the "Restricted Funds" column in the statement of comprehensive income.

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.

Trust funds are presented at the bottom of the Balance sheet with disclosures in note 20 of the financial statements.

3.4 Grants

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

Government grants related to assets over which the Institute has discretionary management power are taken directly to the deferred capital grants account, or to surplus or deficit for assets which are written off in the year of purchase.

Other government grants and contributions from other organisations for the purchase of depreciable assets 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 accruals basis.

Capital grants for the acquisition of non-depreciable assets are taken to the Capital Account.

Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt. Such grants are provided to defray the wage costs incurred by the Group and are offset against staff costs in the consolidated financial statements.

3.5 Property, plant and equipment

Recognition and measurement

Property, plant and equipment, other than those donated, are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Donated assets are stated at valuation at initial recognition.

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

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised in surplus or deficit.

Subsequent costs

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

Property, plant and equipment costing less than \$2,000 each and building renovations costing below \$200,000 which are made to maintain the future economic benefits of property, plant and equipment are charged to the Institute's surplus or deficit in the year of purchase.

Project-in-progress is stated at cost. Expenditure relating to the construction of projects are capitalised when incurred. No depreciation is charged on projects-in-progress until the projects are completed and the related

Notes to the Financial Statements (cont'd)

property, plant and equipment are transferred to the respective property, plant and equipment categories and depreciated accordingly.

Depreciation

Depreciation on property, plant and equipment is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Buildings on vested land	27 to 30 years
Buildings on leasehold land	21 to 28 years
Renovations	5 years
Computer hardware	3 to 5 years
Machinery and equipment	8 to 20 years
Fixtures, fittings and office equipment	5 to 10 years
Motor vehicles	8 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end, and adjusted if appropriate.

Vested land is not depreciated.

3.6 Prepaid lease

Prepaid lease represents the premium paid on leasehold land. Prepaid leases are stated at cost less accumulated amortisation and impairment loss. They are amortised in surplus or deficit using the straight-line method over the respective lease term periods of between 21 and 30 years.

3.7 Intangible assets

Intangible assets are accounting software which are not an integral part of the related hardware, which have finite useful lives and are measured at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated over the cost of the asset, less its residual value.

Amortisation is recognised in surplus or deficit on a straight-line basis over their estimated useful lives of 3 years, from the date on which they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.8 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they originate. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in surplus or deficit as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in surplus or deficit.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and operating grant receivables.

Cash and cash equivalents comprise cash balances and bank deposits which have a short maturity period and are highly liquid.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Group's investments in equity securities are classified

Notes to the Financial Statements (cont'd)

as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented within the statement of changes in funds and reserves in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to surplus or deficit.

Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3.9 Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for financial assets at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All individually significant financial assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Financial assets that are not individually significant are collectively assessed for impairment by grouping together financial assets within the same class and with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current

economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against the respective financial assets. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in the statement of funds and reserves, to surplus or deficit. The cumulative loss that is removed from other comprehensive income and recognised in surplus or deficit is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in surplus or deficit. Changes in impairment attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale investment security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in surplus or deficit, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale investment security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in surplus or deficit. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates

Notes to the Financial Statements (cont'd)

used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as staff and related costs in surplus or deficit in the periods during which services are rendered by employees.

Defined benefit plans

Certain officers of the Institute are entitled to benefits under the provisions of the Pension Act, Chapter 225 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 Group'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 balance sheet date on Singapore government bonds that have maturity dates approximating the terms of the Group'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 Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

The Group recognises all actuarial gains and losses arising from defined benefit plans in surplus or deficit.

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.

3.11 Income

Course fees

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

Donations

Donations (cash or assets) are recognised in surplus or deficit upon receipt.

Other income

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 as it accrues, using the effective interest method.

3.12 Interest expense

Interest expenses comprise unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in surplus or deficit using the effective interest method.

3.13 Lease payments

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.14 Income tax

Institute of Technical Education is a tax-exempted institution under the provisions of the Income Tax Act (Chapter 134, 2004 Revised Edition). The subsidiaries of the Institute are subject to local income tax legislation.

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in surplus or deficit except to the extent that it relates to items recognised directly in the statement of funds and reserves or other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax

Notes to the Financial Statements (cont'd)

authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 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.

In the previous year, the Group returned to the Singapore Land Authority the freehold land previously transferred to the Institute in 1992 from the former Vocational and Industrial Training Board.

Capital management

	Group and Institute	
	2010 \$'000	2009 \$'000
At 1 April	4,297	5,950
Disposal of vested land	-	(1,653)
At 31 March	4,297	4,297

The Institute's policy is to maintain a strong capital base so as to sustain future development of the Institute.

There were no changes in the capital management during the year. The Institute monitors the return on investment on a regular basis.

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

5 Fair value reserve

The fair value reserve is in respect of cumulative net change in the fair value of available-for-sale investments held until the investment is derecognised or impaired.

6 Accumulated surplus

(a) General Fund

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

(b) Restricted Funds

The basis of accounting in relation to restricted funds is stipulated in note 3.

Restricted funds comprise the following:

Name of Fund	Purpose
ITE's Fund	Conducting industry projects, short and continuing education courses for the purpose of developing and enhancing staff and students' capability, and supporting the mission and vision of the Institute.
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.
Workforce Skills Qualifications Programmes Fund	Funded by the Singapore Workforce Development Agency of relevant programmes to facilitate adult learning, make skills upgrading more accessible to the workforce and provide career progression pathways for the workforce.
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 Institute's operations.

During the year, one of the trust funds managed by the Institute, transferred funds received in prior years (for student activities to be organised by the Institute) to one of the Institute's restricted funds. The purpose of the above transfer of funds were approved by the Management Committee of the trust fund on 9 November 2009. The purpose of the transfer of funds were to better align the operations of the trust funds and the Institute to their respective objectives.

Notes to the Financial Statements (cont'd)

Group	ITE's Fund \$'000	Training Programme Fund \$'000
2010		
Income		
Course fees	3,712	-
Examination fees	1,518	-
Donations	-	-
Interest income	51	10
Other income	1,544	168
Other grants	481	-
	7,306	178
Operating expenditure		
Manpower costs	3,418	68
Depreciation of property, plant and equipment	72	314
Amortisation of intangible assets	12	28
Property, plant and equipment and intangible assets written off	-	-
Repair and maintenance	29	10
Public utilities	150	-
Supplies and materials	435	89
Other expenditure	714	365
	4,830	874
Surplus/(Deficit) before government grants	2,476	(696)
Government grants		
Operating grants	-	-
Surplus/(Deficit) after government grants	2,476	(696)
Income tax (expense)/credit	(26)	-
Net surplus/(deficit) for the year	2,450	(696)
Accumulated surplus at 1 April	15,849	6,628
Transfer of funds from ITE Education Fund	-	-
Accumulated surplus at 31 March	18,299	5,932



Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
-	-	-	80	-	3,792
-	-	-	-	-	1,518
-	21	2	-	301	324
5	1	13	2	4	86
608	117	16	8	1	2,462
-	256	625	-	1,230	2,592
613	395	656	90	1,536	10,774
3	22	-	781	109	4,401
2	-	32	1	5	426
-	-	-	1	-	41
-	-	4	-	-	4
10	-	8	24	-	81
-	-	-	49	-	199
1	42	91	40	120	818
694	416	3,133	184	955	6,461
710	480	3,268	1,080	1,189	12,431
(97)	(85)	(2,612)	(990)	347	(1,657)
-	267	2,631	1,526	-	4,424
(97)	182	19	536	347	2,767
-	-	-	-	-	(26)
(97)	182	19	536	347	2,741
1,835	375	3,979	131	1,133	29,930
-	405	342	-	-	747
1,738	962	4,340	667	1,480	33,418

Notes to the Financial Statements (cont'd)

Group	ITE's Fund	Training Programme Fund
	\$'000	\$'000
2010		
Represented by:		
Property, plant and equipment	220	4,953
Intangible assets	21	125
Trade and other receivables	1,550	12
Operating grants receivable	-	-
Deferred tax asset	22	-
Cash and cash equivalents	18,230	842
Trade and other payables	(1,475)	-
Operating grants received in advance	-	-
Other grants received in advance	-	-
Deferred income	(269)	-
	18,299	5,932

Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
69	1	64	5	69	5,381
-	-	-	34	-	180
6	-	58	2	130	1,758
-	-	-	415	-	415
-	-	-	-	-	22
1,828	1,009	4,632	540	2,507	29,588
(88)	(48)	(414)	(82)	(26)	(2,133)
-	-	-	(240)	-	(240)
-	-	-	-	(1,200)	(1,200)
(77)	-	-	(7)	-	(353)
1,738	962	4,340	667	1,480	33,418

Notes to the Financial Statements (cont'd)

Group	ITE's Fund	Training Programme Fund
	\$'000	\$'000
2009		
Income		
Course fees	3,909	-
Examination fees	1,742	-
Donations	-	-
Interest income	106	21
Other income	1,247	(667)
Other grants	12	-
	7,016	(646)
Operating expenditure		
Manpower costs	3,306	3
Depreciation of property, plant and equipment	77	34
Amortisation of intangible assets	7	12
Property, plant and equipment and intangible assets written off	18	-
Repair and maintenance	60	-
Public utilities	130	-
Grants-in-aid	5	-
Supplies and materials	431	80
Other expenditure	801	10
	4,835	139
Surplus/(Deficit) before government grants	2,181	(785)
Government grants		
Operating grants	-	-
Surplus/(Deficit) after government grants	2,181	(785)
Income tax (expense)/credit	67	-
Net surplus/(deficit) for the year	2,248	(785)
Accumulated surplus at 1 April	13,601	7,413
Accumulated surplus at 31 March	15,849	6,628



Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
-	-	-	49	-	3,958
-	-	-	-	-	1,742
2	27	6	-	414	449
10	-	18	1	25	181
592	29	19	4	2	1,226
2	206	336	-	865	1,421
606	262	379	54	1,306	8,977
-	36	-	375	-	3,720
4	-	46	1	2	164
-	-	1	-	-	20
1	-	-	-	-	19
13	1	4	19	-	97
-	-	-	32	-	162
-	-	-	-	-	5
1	21	133	24	150	840
644	239	2,539	253	310	4,796
663	297	2,723	704	462	9,823
(57)	(35)	(2,344)	(650)	844	(846)
-	306	2,489	746	-	3,541
(57)	271	145	96	844	2,695
-	-	-	-	-	67
(57)	271	145	96	844	2,762
1,892	104	3,834	35	289	27,168
1,835	375	3,979	131	1,133	29,930

Notes to the Financial Statements (cont'd)

Group	ITE's Fund	Training Programme Fund
	\$'000	\$'000
2009		
Represented by:		
Property, plant and equipment	221	114
Intangible assets	30	3
Trade and other receivables	998	-
Other financial assets	-	3,306
Deferred tax asset	124	-
Cash and cash equivalents	15,873	3,214
Trade and other payables	(1,085)	(9)
Operating grants received in advance	-	-
Deferred income	(276)	-
Current tax payable	(36)	-
	15,849	6,628

Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
7	-	93	5	2	442
-	-	-	-	-	33
55	4	120	10	356	1,543
-	-	-	-	-	3,306
-	-	-	-	-	124
1,916	376	4,154	607	801	26,941
(40)	(5)	(380)	(20)	(26)	(1,565)
-	-	-	(460)	-	(460)
(103)	-	(8)	(11)	-	(398)
-	-	-	-	-	(36)
1,835	375	3,979	131	1,133	29,930

Notes to the Financial Statements (cont'd)

Institute	ITE's Fund \$'000	Training Programme Fund \$'000
2010		
Income		
Course fees	2,499	-
Examination fees	614	-
Donations	-	-
Interest income	35	10
Other income	1,205	168
Other grants	-	-
	4,353	178
Operating expenditure		
Manpower costs	1,483	68
Depreciation of property, plant and equipment	53	314
Amortisation of intangible assets	5	28
Property, plant and equipment and intangible assets written off	-	-
Repair and maintenance	14	10
Public utilities	120	-
Supplies and materials	383	89
Other expenditure	375	365
	2,433	874
Surplus/(Deficit) before government grants	1,920	(696)
Government grants		
Operating grants	-	-
Surplus/(Deficit) for the year	1,920	(696)
Accumulated surplus at 1 April	11,459	6,628
Transfer of funds from ITE Education Fund	-	-
Accumulated surplus at 31 March	13,379	5,932



Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
-	-	-	80	-	2,579
-	-	-	-	-	614
-	6	2	-	-	8
5	1	13	2	2	68
608	117	16	8	1	2,123
-	256	625	-	1,215	2,096
613	380	656	90	1,218	7,488
3	3	-	781	109	2,447
2	-	32	1	5	407
-	-	-	1	-	34
-	-	5	-	-	5
10	-	8	24	-	66
-	-	-	49	-	169
1	35	91	40	120	759
694	263	3,042	184	885	5,808
710	301	3,178	1,080	1,119	9,695
(97)	79	(2,522)	(990)	99	(2,207)
-	-	2,536	1,526	-	4,062
(97)	79	14	536	99	1,855
1,835	106	3,854	131	557	24,570
-	405	342	-	-	747
1,738	590	4,210	667	656	27,172

Notes to the Financial Statements (cont'd)

Institute	ITE's Fund \$'000	Training Programme Fund \$'000
2010		
Represented by:		
Property, plant and equipment	141	4,953
Intangible assets	6	125
Trade and other receivables	390	12
Operating grants receivable	-	-
Cash and cash equivalents	13,272	842
Trade and other payables	(161)	-
Operating grants received in advance	-	-
Other grants received in advance	-	-
Deferred income	(269)	-
	13,379	5,932

Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
69	1	64	5	69	5,302
-	-	-	34	-	165
6	-	57	2	130	597
-	-	-	415	-	415
1,828	630	4,469	540	1,679	23,260
(88)	(41)	(380)	(82)	(22)	(774)
-	-	-	(240)	-	(240)
-	-	-	-	(1,200)	(1,200)
(77)	-	-	(7)	-	(353)
1,738	590	4,210	667	656	27,172

Notes to the Financial Statements (cont'd)

Institute	ITE's Fund \$'000	Training Programme Fund \$'000
2009		
Income		
Course fees	2,395	-
Examination fees	696	-
Donations	-	-
Liquidated damages	1	-
Interest income	62	21
Other income	1,009	(667)
Other grants	11	-
	4,174	(646)
Operating expenditure		
Manpower costs	1,188	3
Depreciation of property, plant and equipment	45	34
Amortisation of intangible assets	4	12
Property, plant and equipment and intangible assets written off	4	-
Repair and maintenance	40	-
Public utilities	110	-
Grants-in-aid	5	-
Supplies and materials	332	80
Other expenditure	233	10
	1,961	139
Surplus/(Deficit) before government grants	2,213	(785)
Government grants		
Operating grants	-	-
Surplus/(Deficit) for the year	2,213	(785)
Accumulated surplus at 1 April	9,246	7,413
Accumulated surplus at 31 March	11,459	6,628



Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
-	-	-	49	-	2,444
-	-	-	-	-	696
2	7	6	-	-	15
-	-	-	-	-	1
10	-	18	1	24	136
592	-	19	4	2	959
2	202	336	-	855	1,406
606	209	379	54	881	5,657
-	-	-	375	-	1,566
4	-	46	1	2	132
-	-	1	-	-	17
1	-	-	-	-	5
13	1	4	19	-	77
-	-	-	32	-	142
-	-	-	-	-	5
1	11	133	24	150	731
644	91	2,531	253	242	4,004
663	103	2,715	704	394	6,679
(57)	106	(2,336)	(650)	487	(1,022)
-	-	2,436	746	-	3,182
(57)	106	100	96	487	2,160
1,892	-	3,754	35	70	22,410
1,835	106	3,854	131	557	24,570

Notes to the Financial Statements (cont'd)

Institute	ITE's Fund	Training Programme Fund
	\$'000	\$'000
2009		
Represented by:		
Property, plant and equipment	159	114
Intangible assets	11	3
Trade and other receivables	233	-
Other financial assets	-	3,306
Cash and cash equivalents	11,644	3,214
Trade and other payables	(312)	(9)
Operating grants received in advance	-	-
Deferred income	(276)	-
	11,459	6,628

Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
7	-	93	5	2	380
-	-	-	-	-	14
55	4	167	10	356	825
-	-	-	-	-	3,306
1,916	106	3,982	607	224	21,693
(40)	(4)	(380)	(20)	(25)	(790)
-	-	-	(460)	-	(460)
(103)	-	(8)	(11)	-	(398)
1,835	106	3,854	131	557	24,570

Notes to the Financial Statements (cont'd)

7 Property, plant and equipment

Group	Vested land \$'000	Buildings on vested land \$'000	Buildings on leasehold land \$'000	Renovations \$'000
Cost				
At 1 April 2008	3,234	38,680	488,691	14,371
Additions	-	-	-	972
Disposals/write-off	(1,653)	(4,632)	-	(7,272)
Reclassifications	-	-	-	827
Transfer to intangible assets (Note 9)	-	-	-	-
At 31 March 2009	1,581	34,048	488,691	8,898
Additions	-	-	-	65
Disposals/write-off	-	-	-	-
Reclassifications	-	-	-	507
At 31 March 2010	1,581	34,048	488,691	9,470
Accumulated depreciation				
At 1 April 2008	-	17,020	168,368	12,794
Depreciation for the year	-	1,354	29,384	1,069
Disposals/write-off	-	(4,632)	-	(7,272)
At 31 March 2009	-	13,742	197,752	6,591
Depreciation for the year	-	1,354	29,385	1,314
Disposals/write-off	-	-	-	-
At 31 March 2010	-	15,096	227,137	7,905
Carrying amount				
At 1 April 2008	3,234	21,660	320,323	1,577
At 31 March 2009	1,581	20,306	290,939	2,307
At 31 March 2010	1,581	18,952	261,554	1,565



Computer hardware	Machinery and equipment	Fixtures, fittings and office equipment	Motor vehicles	Project-in-progress	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
36,597	101,721	10,329	173	2,091	695,887
4,574	5,438	194	-	97,421	108,599
(3,154)	(7,115)	(877)	-	-	(24,703)
-	-	-	-	(827)	-
-	-	-	-	(1,264)	(1,264)
38,017	100,044	9,646	173	97,421	778,519
3,843	10,173	298	-	102,819	117,198
(1,890)	(1,642)	(582)	-	-	(4,114)
-	-	-	-	(507)	-
39,970	108,575	9,362	173	199,733	891,603
30,262	66,662	7,376	49	-	302,531
4,081	8,500	773	21	-	45,182
(3,153)	(6,814)	(812)	-	-	(22,683)
31,190	68,348	7,337	70	-	325,030
3,782	8,609	644	21	-	45,109
(1,890)	(1,587)	(556)	-	-	(4,033)
33,082	75,370	7,425	91	-	366,106
6,335	35,059	2,953	124	2,091	393,356
6,827	31,696	2,309	103	97,421	453,489
6,888	33,205	1,937	82	199,733	525,497

Notes to the Financial Statements (cont'd)

Institute	Vested land \$'000	Buildings on vested land \$'000	Buildings on leasehold land \$'000	Renovations \$'000
Cost				
At 1 April 2008	3,234	38,680	488,691	14,371
Additions	-	-	-	972
Disposals/write-off	(1,653)	(4,632)	-	(7,272)
Reclassifications	-	-	-	827
Transfer to intangible assets (Note 9)	-	-	-	-
At 31 March 2009	1,581	34,048	488,691	8,898
Additions	-	-	-	49
Disposals/write-off	-	-	-	-
Reclassifications	-	-	-	507
At 31 March 2010	1,581	34,048	488,691	9,454
Accumulated depreciation				
At 1 April 2008	-	17,020	168,368	12,794
Depreciation for the year	-	1,354	29,384	1,069
Disposals/write-off	-	(4,632)	-	(7,272)
At 31 March 2009	-	13,742	197,752	6,591
Depreciation for the year	-	1,354	29,385	1,313
Disposals/write-off	-	-	-	-
At 31 March 2010	-	15,096	227,137	7,904
Carrying amount				
At 1 April 2008	3,234	21,660	320,323	1,577
At 31 March 2009	1,581	20,306	290,939	2,307
At 31 March 2010	1,581	18,952	261,554	1,550



Computer hardware \$'000	Machinery and equipment \$'000	Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in-progress \$'000	Total \$'000
36,037	100,707	9,711	173	2,091	693,695
4,560	5,317	188	-	97,421	108,458
(3,152)	(7,084)	(821)	-	-	(24,614)
-	-	-	-	(827)	-
-	-	-	-	(1,264)	(1,264)
37,445	98,940	9,078	173	97,421	776,275
3,840	10,099	274	-	102,819	117,081
(1,890)	(1,642)	(578)	-	-	(4,110)
-	-	-	-	(507)	-
39,395	107,397	8,774	173	199,733	889,246
29,888	66,007	6,899	49	-	301,025
3,968	8,407	746	21	-	44,949
(3,152)	(6,799)	(776)	-	-	(22,631)
30,704	67,615	6,869	70	-	323,343
3,717	8,508	621	21	-	44,919
(1,890)	(1,587)	(553)	-	-	(4,030)
32,531	74,536	6,937	91	-	364,232
6,149	34,700	2,812	124	2,091	392,670
6,741	31,325	2,209	103	97,421	452,932
6,864	32,861	1,837	82	199,733	525,014

Notes to the Financial Statements (cont'd)

On 22 April 2007, the Institute entered into a lease agreement with the Singapore Land Authority (“SLA”) to lease a land along the 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 (Note 8).

Subsequently on 11 August 2008, the Institute entered into a Sublease Agreement and a Project Agreement with Gammon Capital (West) Pte Limited (“PPP Co”). 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 is 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 the completion of the ITE facilities, which is likely to occur on or around 1 July 2010, the PPP Co is expected to make 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”).

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 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 (including but not limited to, deductions on the non-availability of ITE facilities and/or poor service performance, and additional usage of ITE facilities by the Institute) on a monthly basis and any other variations due to changes in law or regulated by the Institute.

95% of the ITE facilities is built for educational training purpose 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 tenable 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 construction of the ITE facilities had commenced in August 2008 and remained under construction as at 31 March 2010. It is expected to be completed in July 2010.

As at 31 March 2010, the Group and the Institute recognised an amount of \$193.7 million (2009: \$96.8 million), representing the present value of total cost incurred for the ITE facilities as part of project-in-progress.

8 Prepaid leases

	Group and Institute	
	2010	2009
	\$'000	\$'000
At 1 April	124,871	134,017
Lease expense charge for the year	(9,045)	(9,146)
At 31 March	115,826	124,871

9 Intangible assets

	Group		Institute	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Cost				
At 1 April	26,193	21,981	25,999	21,836
Additions	2,541	2,977	2,507	2,928
Disposals	(51)	(29)	(51)	(29)
Transfer from property, plant and equipment (Note 7)	-	1,264	-	1,264
At 31 March	28,683	26,193	28,455	25,999
Accumulated amortisation				
At 1 April	21,514	20,255	21,422	20,219
Amortisation charge for the year	1,321	1,288	1,247	1,232
Disposals	(51)	(29)	(51)	(29)
At 31 March	22,784	21,514	22,618	21,422
Carrying amount				
At 1 April	4,679	1,726	4,577	1,617
At 31 March	5,899	4,679	5,837	4,577

Notes to the Financial Statements (cont'd)

10 Subsidiaries

	Institute	
	2010 \$'000	2009 \$'000
Investments in subsidiaries	*	*

* Amount less than \$1,000.

Details of subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2010 %	2009 %
# Northlight School	Provision of integrated education	Singapore	100	100
* ITE Holding Pte Ltd	Investment holding	Singapore	100	100
Held by a subsidiary				
ITE Education Services Pte Ltd	Promotion of technical education in Asia Pacific region	Singapore	100	100

Incorporated on 13 October 2006 as a public company limited by guarantee.

* Cost of investment amounted to \$2.

11 Other financial assets

		Group and Institute	
		2010 \$'000	2009 \$'000
Non-current assets			
Available-for-sale quoted equity securities	(i)	3,811	3,898
Current assets			
Financial assets at fair value through profit or loss – quoted unit trusts	(ii)	9,969	7,438

- (i) Available-for-sale securities are investments in preference shares with stated fixed dividend rate of 5.05% per annum and are perpetual securities with no fixed redemption date. The changes in the fair value of the available-for-sale securities are recognised directly in other comprehensive income. In November 2009, the Group sold 5,000 shares of the available-for-sale securities to the ITE Education Fund at \$100.90 per share, at the fair value of the securities at 8 November 2010 for a cash consideration of \$504,500.

The available-for-sale securities are denominated in Singapore dollar.

- (ii) Funds are placed with a fund manager to invest in unit trusts managed by the fund manager. The fund manager has the discretionary power and authority to manage the funds from 23 June 2006 to 22 June 2010 in accordance with the agreed investment guidelines. In November 2009, the Group acquired Technical Education Promotion Fund's share of the funds managed by the fund manager at the fair value of the unit trusts as at 30 September 2009 for a cash consideration of \$999,758.

The unit trusts are denominated in Singapore dollars.

The following income and expenditure were derived from the unit trusts (financial assets at fair value through profit or loss) managed by the fund manager:

	Group and Institute	
	2010	2009
	\$'000	\$'000
Income		
Dividend income	179	186
Unit trust rebates	55	50
	234	236
Expenditure		
Net changes in fair value on financial assets through profit or loss	1,172	(1,703)
Net gain/(loss) on financial assets at fair value through profit or loss	1,406	(1,467)

Notes to the Financial Statements (cont'd)

12 Trade and other receivables

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Trade and other receivables	3,077	2,687	2,350	2,152
Allowance for impairment of receivables	(21)	(167)	(21)	(27)
	3,056	2,520	2,329	2,125
Security deposits	8	9	7	6
Amounts due from subsidiaries:				
- trade	-	-	269	170
- non-trade	-	-	615	900
Loans and receivables	3,064	2,529	3,220	3,201
Prepayments	929	841	874	821
	3,993	3,370	4,094	4,022

The non-trade amount due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for impairment of receivables arising from the outstanding balance.

The ageing of loans and receivables at the reporting date is:

Group	Gross		Impairment losses	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Not past due	2,330	1,832	-	-
Past due 1 – 30 days	55	238	-	-
Past due 31 – 120 days	459	470	-	139
Past due 121 days - 1 year	195	108	-	-
More than one year	46	48	21	28
	3,085	2,696	21	167

	Gross		Impairment losses	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Institute				
Not past due	2,680	2,894	-	-
Past due 1 – 30 days	31	48	-	-
Past due 31 – 120 days	313	148	-	-
Past due 121 days - 1 year	187	99	-	-
More than one year	30	39	21	27
	<u>3,241</u>	<u>3,228</u>	<u>21</u>	<u>27</u>

The movement in allowance for impairment of receivables during the year is as follows:

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
At 1 April	167	45	27	40
Allowance (reversed)/made	(124)	138	6	3
Allowance written off	(22)	(16)	(12)	(16)
At 31 March	<u>21</u>	<u>167</u>	<u>21</u>	<u>27</u>

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or due but not provided for. These receivables mainly arises from customers that have a good record with the Group.

13 Operating grants (receivable) / received in advance

	Note	Group		Institute	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Operating grants (receivable)/ received in advance at 1 April		(5,931)	(42,542)	(8,907)	(43,921)
Grants received during the year		280,298	332,876	267,240	320,781
Grants refunded during the year		-	(3,353)	-	(3,353)
		<u>274,367</u>	<u>286,981</u>	<u>258,333</u>	<u>273,507</u>
Amounts transferred to deferred capital grants	18	(8,109)	(11,655)	(8,057)	(11,646)
Unutilised IT and F&E grants transferred to deferred capital grants	18	(13,619)	(13,412)	(13,619)	(13,412)
Amounts taken to surplus or deficit		(260,878)	(267,845)	(248,327)	(257,356)
		<u>(282,606)</u>	<u>(292,912)</u>	<u>(270,003)</u>	<u>(282,414)</u>
Operating grants receivable at 31 March (net)		<u>(8,239)</u>	<u>(5,931)</u>	<u>(11,670)</u>	<u>(8,907)</u>

Notes to the Financial Statements (cont'd)

Net operating grants receivable are represented by the following:

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Operating grants receivable	(11,909)	(9,367)	(11,909)	(9,367)
Operating grants received in advance	3,670	3,436	239	460
Operating grants receivable at 31 March (net)	(8,239)	(5,931)	(11,670)	(8,907)

14 Cash and cash equivalents

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash at bank	259,489	72,586	254,481	66,152
Fixed deposits	8,037	155,700	-	152,700
	267,526	228,286	254,481	218,852
Cash at bank managed by a fund manager	(550)	(673)	(550)	(673)
Cash and cash equivalents in cash flow statement	266,976	227,613	253,931	218,179

Deposits placed with financial institutions bear interest at rates ranging from 0.10% to 0.55% (2009: 0.15% to 2.43%) per annum.

15 Trade and other payables

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-current				
Other payables	178,247	96,804	178,247	96,804
Current				
Trade payables	2,592	1,866	2,350	1,806
Other payables	15,480	-	15,480	-
Deposits received	73	63	73	63
Accrued operating expenses	20,692	9,875	20,155	9,669
Accrued development expenditure	-	1,656	-	1,656
Provision for unutilised compensated leave	7,718	2,397	7,636	2,318
GST payable	5	21	-	-
Amount due to subsidiary (non-trade)	-	-	-	1,536
	46,560	15,878	45,694	17,048

In the previous year, the non-trade amount due to subsidiary relates to grants received from MOE to be disbursed by the Institute to the subsidiary. The non-trade amount has been paid to the subsidiary during the year.

Other payables represent the present value of work (i.e. best estimate of expenditure incurred to-date and expected to be required to settle the obligation) incurred up to the balance sheet date pursuant to the Project Agreement (Note 7) and owing by the Group and the Institute. These amounts are only payable in 88 unitised payments (i.e. 88 months) upon the commencement of the service period which is expected to be in July 2010.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and the impact of netting agreements:

	Carrying amount \$'000	Cash flows			
		Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
Group					
2010					
Non-current other payables	178,247	(260,815)	-	(71,976)	(188,839)
Trade and other payables *	38,769	(38,769)	(38,769)	-	-
	217,016	(299,584)	(38,769)	(71,976)	(188,839)
2009					
Non-current other payables	96,804	(105,461)	-	(65,354)	(40,107)
Trade and other payables *	13,418	(13,418)	(13,418)	-	-
	110,222	(118,879)	(13,418)	(65,354)	(40,107)
Institute					
2010					
Non-current other payables	178,247	(260,815)	-	(71,976)	(188,839)
Trade and other payables *	37,985	(37,985)	(37,985)	-	-
	216,232	(298,800)	(37,985)	(71,976)	(188,839)
2009					
Non-current other payables	96,804	(105,461)	-	(65,354)	(40,107)
Trade and other payables *	14,667	(14,667)	(14,667)	-	-
	111,471	(120,128)	(14,667)	(65,354)	(40,107)

* Excludes deposits received and provisions recognised as at financial year-end.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements (cont'd)

16 Development grants received in advance

The movements in development grants received in advance are as follows:

	Note	Group		Institute	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Development grants received in advance/ (receivable) at 1 April		163	(1,911)	73	(2,097)
Grants received during the year		11,599	8,424	11,511	7,782
Grants refunded during the year		-	(3)	-	(3)
		11,762	6,510	11,584	5,682
Amounts transferred to deferred capital grants	18	(8,954)	(2,866)	(8,894)	(2,718)
Amounts taken to the surplus or deficit		(2,691)	(3,481)	(2,600)	(2,891)
		(11,645)	(6,347)	(11,494)	(5,609)
Development grants received in advance at 31 March (net)		117	163	90	73

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

17 Other grants received in advance

Other grants received in advance represents grant received from government to sponsor the co-curricular development opportunities for Singapore citizens from lower income households. These grants are to be utilised over a three year period and any unspent grants disbursed will have to be returned to the Government at the end of the period.

18 Deferred capital grants

	Note	Group		Institute	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
At 1 April		531,398	559,193	530,820	558,495
Add: Grants utilised for capital expenditure					
- Transferred from operating grants	13	8,109	11,655	8,057	11,646
- Transferred from development grants	16	8,954	2,866	8,894	2,718
		17,063	14,521	16,951	14,364
Add: Transferred from operating grants (IT and F&E grants)	13	13,619	13,412	13,619	13,412
Add: Donated assets		258	53	258	53
Less: Amortisation charge for the year		(55,082)	(55,781)	(54,845)	(55,504)
At 31 March		507,256	531,398	506,803	530,820

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Represented by:				
Grants utilised	446,415	484,176	445,962	483,598
Grants unutilised	60,841	47,222	60,841	47,222
	<u>507,256</u>	<u>531,398</u>	<u>506,803</u>	<u>530,820</u>

19 Provision for retirement benefits

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 allowance as those provided to Government employees under the provisions of the Pension Act, Chapter 225.

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 their 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.

The amounts recognised in the balance sheet are as follows:

	Group and Institute	
	2010 \$'000	2009 \$'000
Present value of unfunded obligations	2,468	2,859
Represented by:		
Current	402	411
Non-current	2,066	2,448
	<u>2,468</u>	<u>2,859</u>

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

	Group and Institute	
	2010 \$'000	2009 \$'000
At 1 April	2,859	2,984
Provision for the year	22	296
Retirement benefits paid	(413)	(421)
At 31 March	<u>2,468</u>	<u>2,859</u>

Notes to the Financial Statements (cont'd)

(b) The amounts charged to surplus or deficit (included in manpower costs) are as follows:

	Group and Institute	
	2010	2009
	\$'000	\$'000
Current service cost	76	68
Interest cost	80	54
Actuarial (gain)/ loss	(134)	174
	22	296

(c) Principal actuarial assumptions used are as follows:

	Group and Institute	
	2010	2009
Discount rate	2.8%	1.8%
Mortality	81 years	81 years

Assumptions regarding future mortality are based on published statistics and mortality tables.

(d) Historical information:

	2010	2009	2008	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of defined benefit obligation	2,468	2,859	2,984	3,090	4,284

20 Net assets of trust funds

The basis of accounting in relation to trust funds is stipulated in note 3.

Trust funds comprise the following funds:

Technical Education Promotion Fund ("TEPF")

Technical Education Promotion Fund 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.

Technical Education Promotion Fund was established on 24 February 1993 through a Declaration of Trust made by the Institute. The objective of the fund, which receives public and miscellaneous contributions, is to promote technical training by providing training equipment, facilities, curriculum, vocational guidance, publicity, staff development and any other necessary assistance to students.

ITE Education Fund (“ITEEF”)

ITE Education Fund 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.

ITE Education Fund 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 Technical Education Promotion Fund and ITE Education Fund are available on the Charity Portal (www.charities.gov.sg).

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
Basic Education for Skills Training (BEST) Fund	Funded by the Skills Development Fund, this programme encourages companies to provide basic education to their staff by paying for the cost of setting up in-house training facilities and other related expenditure.
Worker Improvement Through Secondary Education (WISE) Fund	WISE, a post BEST programme funded by the Skills Development Fund, aims to provide working adults with a secondary school education leading to the General Certificate of Education (Normal).
Apprenticeship Programme (AP) Fund	This programme, which is funded by the Skills Development Fund, is used to reimburse the costs incurred by participating companies and organisations in engaging their employees under apprenticeship terms.
The Enterprise Challenge (TEC) Fund	Funded by the Government to develop and test innovative ideas and technology.

Notes to the Financial Statements (cont'd)

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

	TEPF		ITEEF		BEST Fund	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance as at 1 April	1,244	1,457	5,654	5,587	567	835
Income						
Grant income	-	-	920	432	-	300
Course fees	-	-	-	-	-	165
Interest income	2	3	12	29	1	2
Dividend income	-	-	53	20	-	-
Net loss on financial assets at fair value through profit or loss	99	(167)	-	(35)	-	-
Fund raising income	-	-	133	581	-	-
General donations	-	-	588	805	-	-
Other income	-	-	195	472	-	14
	101	(164)	1,901	2,304	1	481
Expenditure						
Manpower costs	-	-	-	-	5	316
Grants-in-aid	-	-	-	-	-	389
Student functions and scholarships	1	1	1,277	1,417	-	-
Promotions and ceremonies	270	43	111	592	-	-
Fund raising expenditure	-	-	12	14	-	-
Other expenditure	-	5	191	156	-	44
	271	49	1,591	2,179	5	749
Net (deficit)/surplus for the year	(170)	(213)	310	125	(4)	(268)
Transfer/Return of funds	(16)	-	(731)	-	-	-
Other comprehensive income						
Fair value reserve	-	-	92	(58)	-	-
Balance as at 31 March	1,058	1,244	5,325	5,654	563	567



WISE Fund		AP Fund		TEC Fund		Total	
2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
1,052	1,068	(42)	48	95	-	8,570	8,995
-	500	4,517	2,611	266	141	5,703	3,984
-	140	-	-	-	-	-	305
2	3	12	29	-	1	29	67
-	-	-	-	-	-	53	20
-	-	-	-	-	-	99	(202)
-	-	-	-	-	-	133	581
-	-	-	-	-	-	588	805
-	15	-	-	-	-	195	501
2	658	4,529	2,640	266	142	6,800	6,061
41	640	39	37	129	-	214	993
-	2	2,202	2,645	-	-	2,202	3,036
-	-	-	-	-	-	1,278	1,418
-	-	-	-	-	-	381	635
-	-	-	-	-	-	12	14
-	32	-	-	53	47	244	284
41	674	2,241	2,682	182	47	4,331	6,380
(39)	(16)	2,288	(42)	84	95	2,469	(319)
-	-	(28)	(48)	-	-	(775)	(48)
-	-	-	-	-	-	92	(58)
1,013	1,052	2,218	(42)	179	95	10,356	8,570

Notes to the Financial Statements (cont'd)

	TEPF		ITEEF		BEST Fund	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Represented by:						
Assets						
Plant and equipment	-	-	-	-	-	-
Cash and cash equivalents	1,058	417	4,054	4,959	563	567
Other receivables	-	1	-	146	-	-
Other financial assets	-	826	1,339	742	-	-
	1,058	1,244	5,393	5,847	563	567
Liabilities						
Accruals and other payables	-	-	68	193	-	-
Grants received in advance	-	-	-	-	-	-
	-	-	68	193	-	-
Net assets	1,058	1,244	5,325	5,654	563	567

The above breakdown of the income, expenditure, assets and liabilities of the trust funds have been prepared from the records of the trust funds and reflect only transactions handled by the Institute.

WISE Fund		AP Fund		TEC Fund		Total	
2010	2009	2010	2009	2010	2009	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	-	-	69	94	69	94
1,013	1,052	3,407	3,228	110	268	10,205	10,491
-	-	567	-	-	-	567	147
-	-	-	-	-	-	1,339	1,568
1,013	1,052	3,974	3,228	179	362	12,180	12,300
-	-	1,756	1,445	-	-	1,824	1,638
-	-	-	1,825	-	267	-	2,092
-	-	1,756	3,270	-	267	1,824	3,730
1,013	1,052	2,218	(42)	179	95	10,356	8,570

Notes to the Financial Statements (cont'd)

21 Interest income

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Interest received/receivable				
- fixed deposits	229	1,035	204	982
- bank balances	408	123	407	124
	637	1,158	611	1,106

22 Manpower costs

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Wages, salaries, bonuses and allowance	188,736	184,495	178,175	174,595
Pension gratuities, retirement benefits, SDF and CPF contributions	19,871	20,052	18,694	19,092
Staff development and benefits	6,331	5,678	6,131	5,398
	214,938	210,225	203,000	199,085

23 Grants-in-aid

Grants-in-aid comprise:

- Grants to Assumption Vocational Institute, a Government-aided vocational institute, for actual manpower costs, other operating expenditure and approved development projects;
- Grants used to reimburse the cost incurred by companies for conducting courses for their employee under BEST and WISE programmes; and
- Grants used to reimburse the costs incurred by companies under the traineeship scheme.

24 Other expenditure

Included in other expenditure are the following:

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Bad debts written off	109	188	109	180
Allowance (reversed)/made for impairment of receivables	(124)	138	6	3
Consultancy services	1,018	1,573	935	1,535
Functions and entertainment	719	677	629	641
GST expenses	4,393	3,536	4,229	3,371
Overseas travelling	387	515	250	470
Publications and publicity materials	485	596	485	584
Rental of premises	86	169	70	79
Student benefits	6,302	3,830	5,678	3,325
Travelling and communications	769	707	712	659
Net (gain)/loss on financial assets at fair value through profit or loss	(1,406)	1,467	(1,406)	1,467
Gain from sale of available-for-sale financial assets	(5)	-	(5)	-
Gain from sale of property, plant and equipment	(14)	(142)	(14)	(142)
Job Credits Scheme, offset against staff costs	170	14	-	-

25 Related party disclosures

For the purpose of these financial statements, parties are considered to be related to the Institute if the Institute has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Institute and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. With the adoption of SB-FRS by the Institute, the Institute need not comply with the requirements of paragraphs 17 to 22 of SB-FRS 24 with respect to the disclosures of transactions and balances with parent Ministry and other state-controlled entities.

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 and Principals are considered to be key management personnel of the Group.

Notes to the Financial Statements (cont'd)

Key management personnel compensation comprised:

	Group		Institute	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Salaries and related short-term benefits	2,200	2,384	1,946	1,959

26 Income tax

The Institute is a charitable institution by virtue of Section 2 of the Charities Act, Chapter 37.

With effect from the Year of Assessment 2008 or financial year ended 31 March 2007, all registered and exempt charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule. In addition, there is no need to file income tax returns by virtue of Section 13(1)(zm) of the Income Tax Act, Chapter 134.

The subsidiary companies of the Institute are subject to tax under Singapore income tax legislation.

	Group	
	2010 \$'000	2009 \$'000
Current tax expense		
Current year	-	-
Overprovision in respect of prior years	(76)	(8)
	(76)	(8)
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	64	(59)
Underprovision in respect of prior years	38	-
	102	(59)
Total income tax expense/(credit)	26	(67)
Reconciliation of effective tax rate		
Surplus before income tax	19,114	30,886
Tax calculated using Singapore tax rate of 17%	3,249	5,251
Income not subject to tax	(3,190)	(5,272)
Expenses not deductible for tax purposes	5	44
Overprovision in respect of prior years	(38)	(8)
Double deduction of donations	-	(82)
	26	(67)

27 Commitments

Capital commitments

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

	Group and Institute	
	2010	2009
	\$'000	\$'000
Property, plant and equipment		
- approved and contracted for	53,271	201,899

Included in the capital commitment is an amount of \$30.6 million (2009: \$201.4 million) which pertains to the construction of the ITE facilities, pursuant to the Project Agreement (Note 7).

28 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Group's principal financial instruments comprise cash and short-term deposits as well as equity securities and unit trusts managed by a fund manager. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which are attributable directly to its operations. The Group does not hold or issue derivative financial instruments for trading purposes.

Funds with a fund manager

In connection with the funds placed with a fund manager, the funds placed with a fund manager are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk, and price risk).

The fund manager appointed is held responsible in achieving the investment objectives set forth in the fund management agreement entered with the Group. All income and realised capital gains are to be reinvested by the fund manager unless otherwise instructed by the Group.

The fund manager's overall risk management program seeks to maximise the returns derived for the level of risk to which they are exposed and seeks to minimise the potential adverse effects on the fund manager's financial performance.

Notes to the Financial Statements (cont'd)

All security investments present a risk of loss of capital. The maximum loss of capital is represented by the fair values of the securities investments. The management of these risks carried out by the fund manager is governed by the mandate set forth in the fund management agreement approved by the Board of Governors. The mandate provides written principles for the investment guidelines.

Credit risk

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

In a bid to manage its credit/settlement risk exposure, the Group imposed certain limitations in respect of investments in unit trusts, namely limiting the proportion of investments in equities unit trusts by investing at least 75% in fixed-income unit trusts.

At the balance sheet date, other than as disclosed in the following paragraph, there were no significant concentration of credit risk.

	2010		2009	
	Percentage of balance	No. of counterparties / debtors	Percentage of balance	No. of counterparties / debtors
Group				
Other financial assets	100%	2	100%	2
Cash and cash equivalent	100%	3	100%	4
Trade and other receivables	62%	5	57%	4
Institute				
Other financial assets	100%	2	100%	2
Cash and cash equivalent	100%	2	100%	1
Trade and other receivables	68%	2	61%	2

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

Liquidity risk

The Institute has minimal exposure to liquidity risk as its operations are funded by government grants. The Group has ensured sufficient liquidity through the holding of highly liquid assets in the form of cash and cash equivalents at all times to meet its financial obligations.

The Group's listed equity securities are considered readily realisable, as the majority are listed on the major stock exchanges. The fund manager is required to comply with the restrictions and limitation as stipulated in the investment guidelines.

Fixed deposits are placed with reputable financial institutions, which yield better returns than cash at bank. The fixed deposits generally are short-term so as to provide the Group with flexibility to meet working capital needs. All fixed deposits mature within one year.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group actively manages the market risk arising from its financial instruments through the setting of investment guidelines. Compliance with the investment guidelines, namely limiting the proportion of investments in equity unit trusts by investing at least 75% in fixed-income unit trusts, is monitored on an on-going basis. In addition, the fund manager will report on the performance of the portfolio of investments and propose new investment alternatives to mitigate the Group's market risk on a regular basis.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to the changes in the market interest rates. The Group's exposure to interest rate risk primarily arises from fixed deposits placed with financial institutions and investments in fixed income unit trusts.

Fair value sensitivity analysis for fixed rate instruments

The Group only accounts for the investment in quoted unit trusts at fair value through profit or loss. Therefore a change of 100 basis point in interest rates at the reporting date would have increased/(decreased) the surplus by \$81,673 (2009: \$65,503).

Equity price risk

The Group is exposed to equity securities price risk arising from its investments in quoted equity securities and equity unit trusts. These equity securities and equity unit trusts are traded in active markets and are designated as available-for-sale and fair value through profit or loss respectively. The market values of these investments are affected by, amongst others, changes in market prices as a result of changes in the global economic conditions, macro and micro economic factors affecting the country where the investments are quoted, and factors specific to the investee corporations.

To mitigate the price risk arising from investments in such financial instruments, the Group invests in equity instruments which will also provide fixed income returns via dividends. The Group also limits its investments in equity unit trusts to a maximum of 25% of the total funds managed by a fund manager. All investment decisions are governed by the Institute's documented risk management and investment strategies.

Notes to the Financial Statements (cont'd)

Sensitivity analysis – equity price risk

A 10% increase in the underlying equity prices at the reporting date would increase the fair value reserve and surplus or deficit by the following amount:

	Group and Institute	
	2010	2009
	\$'000	\$'000
Fair value reserve	381	390
Surplus or deficit	179	97

A 10 % general decrease in equity prices would have the equal but opposite effect on the basis that all variable remain constant.

Currency risk

The Group and Institute has no significant foreign currency exposures.

Estimation of fair values

Fair value hierarchy

The different levels of fair value have been defined as follows:

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

The fair values of available-for-sale equity securities as well as financial assets at fair value through profit or loss are based on quoted market prices on the reporting date. The quoted market price used is the quoted bid price. Thus, these equity securities and unit trust investments are wholly designated in the Level 1 category as at 31 March 2010.

During the financial year, there have been no transfers between levels.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment in quoted equity securities and unit trusts

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including loans and receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Fair value for the non-current other payables is measured and calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Interest rates used in determining fair values

The interest rate used to discount estimated cash flows, where applicable, are based on the 20 year (2009: 10 year) yield on Singapore government securities, as at 31 March 2010 is 3.5% (2009: 1.8%).

29 New Accounting Standards and Interpretations Not Yet Adopted

The Group has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

SB-FRS 27 (revised 2009)	<i>Consolidated and Separate Financial Statements</i>
Revised FRS 101	<i>First-time Adoption of SB-FRS (improved structure)</i>
SB-FRS 103 (revised 2009)	<i>Business Combinations</i>
Amendments to INT FRS 114	<i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement</i>
Amendment to SB-FRS 32	<i>Classification of Rights Issues</i>
Amendments to SB-FRS 39	<i>Financial Instruments: Recognition and Measurement - Eligible Hedged Items</i>
Amendments to SB-FRS 101	<i>Additional Exemptions for First-time Adopters Limited Exemption from Comparative SB-FRS107 Disclosures for First-time</i>
Amendments to SB-FRS 102	<i>Share-based Payment – Group cash-settled share-based payment transactions</i>
Amendments to SB-FRS 105	<i>Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell Controlling Interest in Subsidiary issued as part of Improvements to SB-FRSs 2008</i>

Notes to the Financial Statements (cont'd)

INT SB-FRS 117

Distributions of Non-cash Assets to Owners

INT SB-FRS 119

Extinguishing Financial Liabilities with Equity Instruments

Improvements to SB-FRSs 2009

The Group's management is currently evaluating the initial application of these standards (including their consequential amendments) and interpretations. The Group has not considered the impact of accounting standards issued after the balance sheet date.