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Inspiring, Transforming
and Empowering Lives
for the Future

ACE-ING FY2021

A Year of Adapting, Connecting & Expanding



ITE Annual Report
2021/2022
for the Year Ended
31 March 2022

In the opinion of the Board of Governors, the Annual Report of the INSTITUTE OF TECHNICAL EDUCATION presents fairly the state of affairs of the INSTITUTE OF TECHNICAL EDUCATION as at 31 March 2022.

On behalf of the Board of Governors:



ANDREW CHONG
Chairman



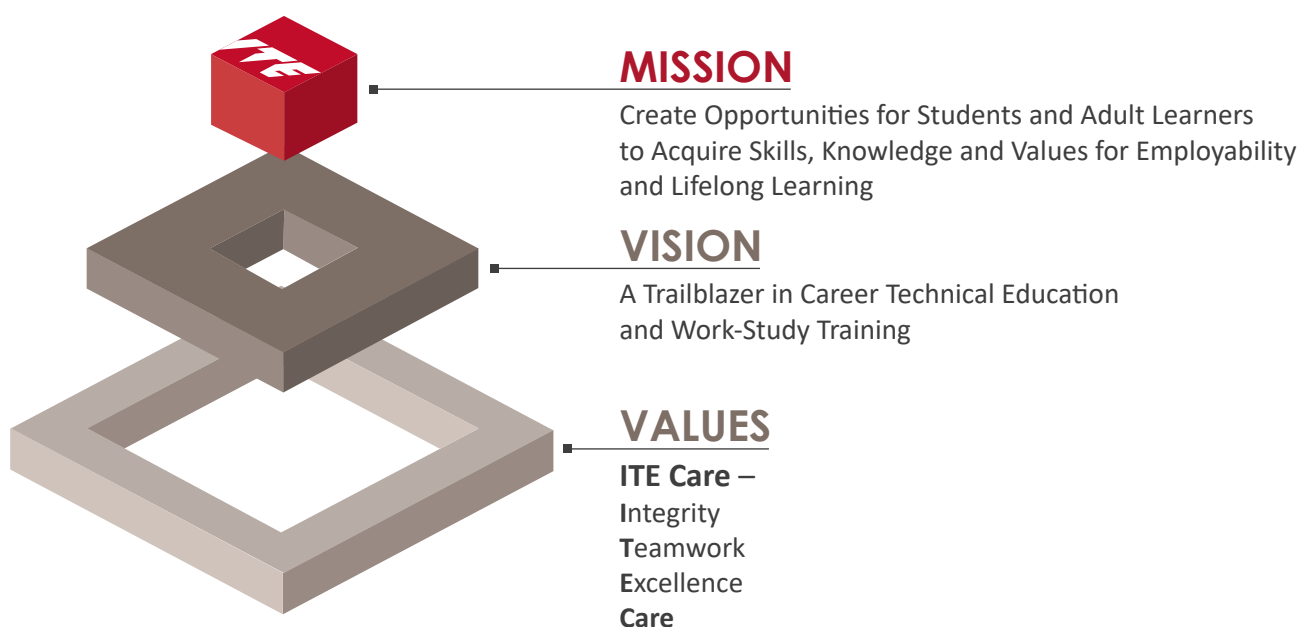
LOW KHAH GEK
Chief Executive Officer

ORGANISATION DETAILS

Board Secretary	HENG Guan Teck Deputy Chief Executive Officer (Corporate & HR)
Address	Institute of Technical Education 2 Ang Mo Kio Drive Singapore 567720
Telephone	(65) 6590 2013
Fax	(65) 6776 7685
Email	Heng_Guan_Teck@ite.edu.sg

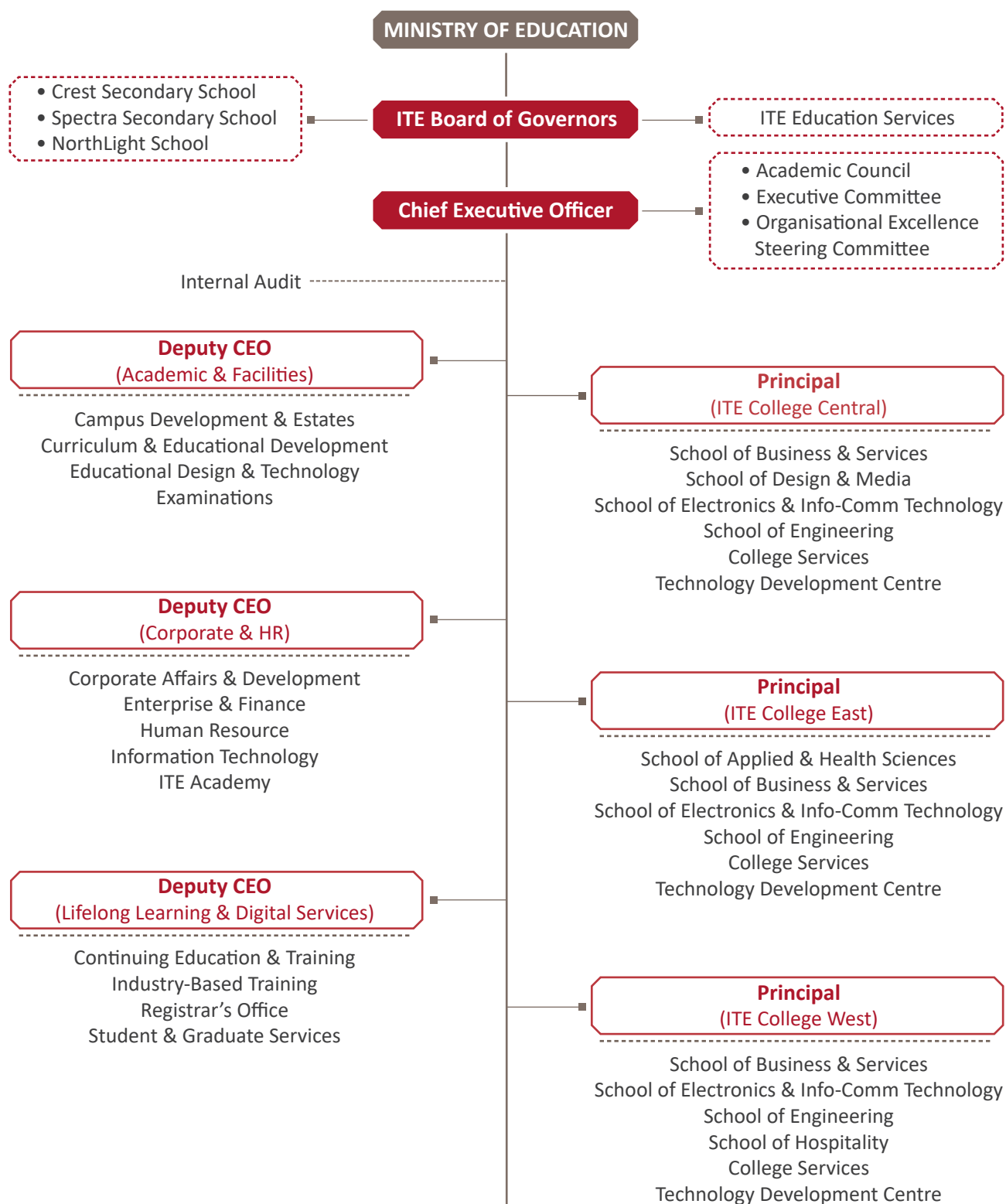
ABOUT ITE

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



ORGANISATION STRUCTURE

as at 31 March 2022



ITE BOARD OF GOVERNORS

The ITE Board of Governors provides counsel to Management and steers ITE towards its vision and goals. As at **31 March 2022**, the tripartite Board comprised the following representations from Government, Industry and the Unions:



**CHAIRMAN, ITE
CHAIRMAN, NOMINATING COMMITTEE**

MR ANDREW CHONG

Chairman

Independent Board Director and Corporate Advisor



CHAIRMAN, AUDIT & RISK COMMITTEE

MR PHILIP YUEN

Chief Executive Officer

Deloitte Southeast Asia



CHAIRMAN, ESTABLISHMENT COMMITTEE

MRS CHUA-LIM YEN CHING

Deputy Director-General of Education (Professional Development)

Ministry of Education



CHAIRMAN, FINANCE AND INVESTMENT COMMITTEE

MR CHRIS ONG

Chief Executive Officer

Keppel Offshore & Marine Ltd



CHAIRMAN, ITE EDUCATION FUND MANAGEMENT COMMITTEE

MS LOW KHAH GEK

Chief Executive Officer

Institute of Technical Education

MEMBERS



MR AZMOON AHMAD
Managing Director
Desay SV Automotive
Singapore Pte Ltd



MS CHENG LI HUI
Member of Parliament
for Tampines Group
Representation Constituency



BG FREDERICK CHOO
Chief of Staff – General Staff
Singapore Armed Forces



MS MALATHI DAS
Director
Joyce A Tan & Partners



ASSOCIATE PROFESSOR FOO YONG LIM
Assistant Provost
(Applied Learning)
Singapore Institute of
Technology



MR SHAIKH ISMAIL
Director, MOHH Entities
Technology Services
Integrated Health
Information Systems



MR LAURENCE LIEW
Director, AI Industry Innovation
AI Singapore



MR LIM DER SHING
Co-Founder
AngelCentral Group



MR PEE BENG KONG
Senior Director,
Industry Division
Ministry of Trade & Industry



MS PHUA PUAY LI
Director,
Sea Transport Division
Ministry of Transport



MR JOSHUA SOH
Chief Operating Officer
Nogle Limited



MR GILBERT TAN CHYE HEE
Assistant Director-General
National Trades Union
Congress (NTUC)



MS K THANALETCHIMI
President, Healthcare Services
Employees' Union
National Trades Union
Congress (NTUC)



MR DONALD TONG
Executive Director
Hong Kong Vocational
Training Council
(from 1 Jan 2022)



DR CARRIE YAU
Executive Director
Hong Kong Vocational
Training Council
(Until 31 Dec 2021)

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 2022**, the Team comprised:

MS LOW KHAH GEK

Chief Executive Officer

DR ANG KIAM WEE

Deputy Chief Executive Officer (Academic & Facilities)

MR HENG GUAN TECK

Deputy Chief Executive Officer (Corporate & HR)

DR GOH MONG SONG

Deputy Chief Executive Officer (Lifelong Learning & Digital Services)

MR SURESH NATARAJAN

Principal, ITE College Central

DR YEK TIEW MING

Principal, ITE College East

MS ALICE SEOW

Principal, ITE College West

ITE HEADQUARTERS' DIRECTORATE

ACADEMIC & FACILITIES

MR LIM CHENG SIONG

Senior Director
Campus Development & Estates

DR THANG TZE YIAN THERESA

Divisional Director
Educational Design & Technology

DR BENJAMIN TAN

Chief Officer
Campus & PPP Development

DR ERIC CHEUNG

Senior Director
Curriculum & Educational
Development

MR YEOW SWEE SOON

Divisional Director
Examinations

MR KONG CHEE SENG

Director
Estates Technology & Services

CORPORATE & HR

MS CHUA AI LIAN

Divisional Director
Corporate Affairs & Development

MS JANE CHIA

Senior Director
Human Resource

MS SABRINA LOI

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

MS SUSAN LIM

Divisional Director
Enterprise & Finance

MR LEE FOO WAH

Divisional Director
Information Technology

LIFELONG LEARNING & DIGITAL SERVICES

MR CHEANG WEE KOK SHANG

Senior Director & Registrar

MS JESSIE ONG

Divisional Director
Industry-Based Training

MR SOH SZE WEI

Divisional Director
Student & Graduate Services

DR DEREK YEO

Divisional Director
Continuing Education & Training

COLLEGE DIRECTORATE

ITE COLLEGE CENTRAL

MR SURESH NATARAJAN

Principal

MR CHONG LEONG FATT

Deputy Principal

MS THAM MEI LENG

Director

School of Business & Services

MR CALLISTUS CHONG

Senior Director

School of Design & Media

MR AW KIM GEOK

Director

School of Electronics &

Info-Comm Technology

DR LIM SEE YEW

Senior Director

School of Engineering

DR TING KOK GUAN

Director

College Services

DR LEE TECK KHENG

Director

Technology Development

MR AW YORK BIN

Chief Officer

Alumni & Graduate Services and

Endowment

ITE COLLEGE EAST

DR YEK TIEW MING

Principal

DR LIONEL LAU

Director

School of Applied &

Health Sciences

MR TAN WEE KHIANG

Director

School of Business & Services

MR PEH WEE LENG

Director

School of Electronics &

Info-Comm Technology

MR ALFRED TAN

Director

School of Engineering

MS LYNN TAN

Director

College Services

MR LOH KUM FEI

Director

Technology Development

ITE COLLEGE WEST

MS ALICE SEOW

Principal

MR LIM CHWEE SENG

Deputy Principal

MR ALVIN GOH

Director

School of Business & Services

MR THONG CHEE CHUNG

Director

School of Electronics &

Info-Comm Technology

MR SENG CHIN CHYE

Director

School of Engineering

MS DENISE TAN

Director

School of Hospitality

MR LIM WEE LIAN

Director

College Services

DR LIM SOON HUAT

Director

Technology Development

FY2021 HIGHLIGHTS —

AN 'ACE' OF A YEAR: ADAPTING, CONNECTING, EXPANDING

FY2021 started out on a promising note. Despite the continued disruptions caused by Covid-19, we were able to quickly adapt and make the best of the situation. Thanks to our digitalisation efforts, we were able to stay connected with students, staff, industry, and our overseas partners. It was also a year where ITE was able to expand and enhance our curricula structure, work-study programmes, digitalisation efforts, and more. And as FY2021 came to an end, ITE was able to make good progress in the current *ITE Create* strategic plan.

High on Tech

Technology and staying connected were important in keeping the economy running during the pandemic. Lecturers were quick to adopt AI and analytics to aid their teaching and support student learning. Some of these applications included using **AI video analytics** to mark practical work, deploying an **AI web-based Assessment System** for students to do self-revision and self-assessment prior to exams, and employing **Predictive Analytics** to improve student success during internships.

ITE also launched a number of high-tech learning spaces during FY2021 to ensure our students are able to keep pace with emerging technologies and adapt them for use. These included the **ITE-Sembcorp Centre for Sustainable Solutions**, a first-of-its-kind integrated sustainable solutions training centre; a new **Artificial Intelligence (AI) training facility with NVIDIA**, where students can work to co-develop AI business solutions with companies; and the **User Experience Hub (UXHub)**, a high-tech ecosystem comprising software providers, hardware providers, and content producers. At the UXHub, students will learn about the industry, job and workflow transformation through industry collaborations.

Enhancing Employability

Relevancy is key to workforce success. That is why ITE continually adapts and evolves its products and curricula to suit future market needs. One major addition to ITE's portfolio of offerings was the introduction of the **3-year Higher Nitec Curricular Structure**, which aims to enable more students to attain higher-order skills and improve their employability. A notable distinction in this new curricular structure is the two Industry Attachment (IA) stints for all students, and a shorter three-month module/term (from the current six months) for greater flexibility. The first batch of students began lessons in January 2022 in the following courses:

Eight Pilot 3-Year Higher Nitec Courses

- Accounting
- Business Information Systems
- Cyber & Network Security
- Electronics Engineering
- IT Applications Development
- IT Systems and Networks
- Security System Integration
- Sport Management

Educational and Career Guidance (ECG) plays an equally important role in helping our young talents tackle their next stage in life. To support them, ITE started leveraging on technological solutions such as **JobTech's Talented Platform**, which guides students towards achieving their desired job role; **job interview chatbots**, which prepares students for job interviews; and a newly set-up **ITE-e2i job portal**, which specially curates jobs for ITE graduates.

Since the **Work-Study Diploma (WSDip)** was launched in 2018, two cohorts have graduated from the programme with good outcomes. A review showed that 90% stayed on in the same industry and 85% continued employment with their host companies. Many moved on to higher-level job roles and enjoyed an average pay increase of more than 20%. On the employers' front, the feedback was equally positive – employers' satisfaction on the programme was above 90%. While gaps are inevitable, ITE had taken steps to minimise these by familiarising company trainers with the trainees' on-campus curriculum for better synchronisation of training. As at December 2021, **410 companies** had come on board in support of the WSDip programme.

In anticipation of growing demand for skilled manpower in various sectors, **six more WSDip courses** were introduced, bringing the total number of WSDip courses to 30 for FY2021. A further six WSDip courses were announced, slated to commence in FY2022.

New WSDip Courses in FY2021

- Aircraft Cabin Engineering
- Aircraft Maintenance Engineering
- Cloud Management & Operations
- Event Management
- Fitness Management
- Opticianry

Another key area for ITE is workforce development. To address market needs and bridge knowledge gaps in emerging skills, **23 new Certificate of Competency (CoC) courses** were added during the year in review. These include CoCs in areas such as AgriTech, Creating Immersive Content and Livestreaming. ITE currently offers over **140 CoCs** in FY2021 (up from 120 in FY2020). As at 31 March 2022, some 5,823 learners have enrolled in our CoC courses.

Another new addition for FY2021 was the introduction of **free Micro-learning courses** so anyone interested would be able to learn at their own pace and convenience. These 12 Micro-Learning courses covered topics such as Artificial Intelligence, Design Thinking, and Electric Vehicles. **Thirty-five webinars** were also conducted during the period, in areas such as Robotic Process Automation, home-based businesses, Internet of Things technology and fashion illustration.

Building Strategic Partnerships

With so many uncertainties surrounding the global economic outlook, being able to respond to the evolving needs of the future economy becomes more important than ever. Building relationships, strengthening our capabilities and securing strategic partnerships with industry and the international Vocational & Technical Education (VTE) community are key to helping ITE remain agile.

Though virtual collaborations continued to take precedence, the gradual easing of restrictions locally saw a revival of physical collaborations. During FY2021, ITE forged several new collaborations in a number of growing and strategic sectors. New educational alliances were formed, and old ones renewed – some of which will herald new progression pathways for ITE students in the years to come.

MEMORANDA OF UNDERSTANDING (MOU)

New in FY2021

36

Renewed in FY2021

9

Total
(By end Mar 2022)

134

Our new partners (FY2021) include:

- Airbus S.A.S.
- Alibaba Cloud (Singapore) Pte Ltd
- Blackmagic Design Asia Pte Ltd
- Cgangs International Pte Ltd
- Electronics & Engineering Pte Ltd
- Global Sports Innovation Centre
- HP PPS Singapore (Sales) Pte Ltd
- Micron Semiconductor Asia Operations Pte Ltd
- NVIDIA Corporation
- OMRON Electronics Pte Ltd
- Quantum Corporation
- RSH Holdings Pte Ltd
- Schneider Electric Singapore Pte Ltd
- SenseTime International Pte Ltd
- Singapore Computer Society
- SMRT Trains
- Surbana Jurong Pte Ltd
- Udemy
- Volocopter Asia Holding Pte Ltd

COLLABORATIONS WITH GLOBAL EDUCATION PARTNERS

43
Partners in
13
Countries

New in FY2021:

- Beijing Changping Vocational School, China
- École Hôtelière Lausanne Holding SA, Switzerland
- Purdue University, USA

Renewed in FY2021:

- Chongqing Municipal Bureau of Human Resources and Social Security and China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity Administrative Bureau, China
- Institut Paul Bocuse, France
- Southern Alberta Institute of Technology, Canada
- TECHCOLLEGE, Denmark

Going Global Virtually

ITE's Global Education Programme (GEP) remained grounded as all overseas trips continued to be on hold in FY2021. In its place, the Colleges conducted virtual GEP sessions, which had a **45% participation rate** for the graduating cohort. In contrast, ITE aimed to send a third of the students overseas in a typical year, pre-Covid. Pending further developments in global travel restrictions, ITE will continue to plan for more virtual learning exchanges in the coming year. These include collaborations, games (such as cyber security competitions), and learning journeys that focus more on global trends and industry practices.

Developing Skills Mastery, Together

Our students and graduates aspire to do more, be more, and progress further in their careers. To help them achieve these, ITE continuously create opportunities for them. The development of new progression pathways to cater to students from a wider variety of courses is one such opportunity.

The last Technical Diploma (TD) ITE launched was in 2011 and there are plans to further expand its Diploma Pathway with **new Technical Diplomas** (TDs) in collaboration with overseas partners. In February 2022, ITE inked a new MOU with **Purdue University** to offer a new **Technical Engineer Diploma in Unmanned Aircraft Systems**. The following month, ITE signed an MOU with **École Hôtelière Lausanne Holding SA** to offer a new Technical Diploma in the area of hospitality and hotel management. These technical diplomas, and others in the pipeline, are targeted to be launched in the next few years.

Engaging Employers

Close industry ties have helped ITE shape its curricula over the years. Active engagement of employers enables ITE to keep abreast of their needs, and help support companies in staff development. During the year under review, ITE enhanced its **Certified On-the-Job Training Centre (COJTC) scheme** with the following improvements: (1) ITE will support companies in developing an OJT blueprint that provides a streamlined view of work processes and lists the tasks required for various job roles; and (2) There will be stronger emphasis on equipping company trainers in pedagogic skills through the Train-the-Trainer programme.

In addition, a new **Two-Tier Certified Industry Trainer (CIT) Framework** was introduced to recognise outstanding and effective company trainers. As of 2021, we have 368 companies participating in the COJTC programme – this is a 30% increase from 2020.

Every Student a Gem

ITE IN NUMBERS (FOR FY2021)

Full-time Student Enrolment

27,862

Student Success Rate

89.8%

Students' Satisfaction with ITE

97.7%

Employers' Satisfaction with ITE Graduates
(Triennial - FY2019)

96.5%

Student GEP Virtual Participation Rate
Virtual student exchanges, competitions and cultural appreciation

45%

CLASS OF 2021

A total of **14,137** students graduated from ITE's full-time, part-time and traineeship courses for Academic Year 2020/2021. Among them, **771** received Certificates of Merit, with **224** receiving Course Medals for topping their respective courses. **10 Tay Eng Soon Scholarship Awards** were also given out.

Top honours were awarded to **15 ITE graduates** in 2021. The Singapore National Employers Federation Gold Medal Award was a new addition – given to the top performing Work-Study Diploma graduates. The top 15 graduates were:

Lee Kuan Yew Gold Medal

Damien Tan
Tan Shi Wei, Cody
Indra Dermawan B Yuhanis

Tay Eng Soon Gold Medal

Andrea Lee Zi Qin
Cherie Wong Wei Qi
Shuqri B Shaifuddin

The Ngee Ann Kongsi Gold Medal

Poh Jun Kai
Nur Leila Bte Laqman Hakem
Koh Yan Xi

Singapore National Employers Federation Gold Medal Award ^{New}

Norheesham B Rahmat
Muhammad Hafiz B Mohamadnor
Daniel Ezzra Adly B Mohamed Y

e2i Gold Medal

Pearl Lynn Woon Zeng Yu
Stanley Ong Weiqin

IES Engineering Award

Robin Teoh Yan Quan

At the 2021 Ministry of Education Special Awards Presentation Ceremony, 15 ITE graduates who had progressed to full-time studies at the polytechnics received the **Lee Kuan Yew Scholarship to Encourage Upgrading (LKY STEP) Award**. Of the 15, six received the **Sultan Haji Omar Ali Saifuddien Book Prize**. One ITE graduate received the **Lee Hsien Loong Award for Outstanding All-round Achievement**.

On 6 December 2021, ITE celebrated the achievements of **13 top trainees** at the WSDip Awards Presentation Ceremony. They were among 242 graduates from **13 WSDip courses** who were recognised for completing their training under the WSDip programme. The hybrid event saw the top trainees receive their Course Medals from the Guest-of-Honour, Mr Chan Chun Sing, Minister for Education. At the ceremony, ITE also announced the launch of **six new WSDip courses**, bringing the total number of WSDip courses to be offered in 2022 to 36.

#ITEPROUD

The continued pandemic restrictions did not put a damper on our students' go-getting spirit. Throughout the year, they had put in time and effort, making use of their skills to take part in a variety of competitions and earning several awards and accolades in the process.

A team of seven first-year ITE College Central students from the *Nitec* in Video Production course won the **Best Overall Film** award at the inaugural **Film Together Smartphone Filmmaking Competition** on 29 April 2021. Their winning entry, *'The Race for Inclusion'*, was an eight-minute film on the effects of bullying. Two other teams from ITE College East also won the **Best Creative Entry** and **Honourable Mention** awards. The competition was jointly organised by the National Youth Achievement Award (NYAA) Council of Singapore, the High Commission of Canada, and smartphone filmmaker Tejas Ewing.

Two other ITE students have done ITE proud in the creative scene: David Adam James Lee, a *Higher Nitec* in Filmmaking (Cinematography) student from ITE College Central, won the first prize in the **#NextGen Video Challenge: Telling the Climate Story** by the NYAA Council, World Association of News Publishers and the Youth Climate Report. His video, *'Wild Side of Singapore – The Coastal Protectors'*, highlights how mangroves 'store' carbon in the soil.

Muhammad Ruzhael Marwazi, a *Higher Nitec* in Filmmaking (Cinematography) student, took home the Best Direction (Student Category) award at the **ciNE65 Movie Makers Awards**, which is jointly organised by Nexus (Ministry of Defence) and mm2 Entertainment. Titled *'Kejar'*, Ruzhael's film about a food delivery rider, was also nominated for Best Film, Best Editing, Best Cinematography, Best Sound Design and Best Art Direction awards. In addition, it was shortlisted for Favourite Film and Favourite Actor under the Audience Choice Awards. His film was also mentioned at the 2021 National Day Rally speech by Prime Minister Lee Hsien Loong.

On 13 Oct 2021, 165 competitors competed for top honours in 18 skill areas at the **WorldSkills Singapore (WSS) 2021** competition. A total of 28 ITE students participated in the event and won two Gold Medals in Digital Construction (Mohamad Izz Syafiq), a new category, and Information Network Cabling (Winnie Leow Cai Ping).

In November 2021, four teams of 12 students from ITE College East clinched a Gold, Silver, Bronze, and a Special Award for the Senior Category of the **International Exhibition for Young Inventors 2021**. They competed with 152 teams from 12 countries in this virtual event, organised by Taiwan. The Gold medal project, titled *'AI for Green'*, was the brainchild of three students (Dominic Adrian Charles Keon, Phang Kah Yik Aloysious, and Ooi Guan Jie) from *Nitec* in Electronics & IoT. They used an AI-based Raspberry Pi camera prototype to minimise manpower in maintaining a smart urban farm.

That same month, ITE students were recognised for their innovative projects at the **Shaping a Sustainable Future Award Ceremony 2021**, which is organised by the NYAA Council and supported by HSBC Singapore. These projects stemmed from the ITE-SME Climate Change Project, where 48 students from the three Colleges were attached to 15 Small and Medium-sized Enterprises to find ways for the businesses to reduce carbon emissions. Of the 15 projects, six were highlighted during the Ceremony. The winning team from ITE College East's *Nitec* in Chemical Process Technology course helped reduce water and electricity consumption of an F&B outlet simply by reducing the amount of ice served in chilled drinks. The simplicity and scalability of their project won them a fully sponsored trip to Switzerland.

On 20 November, a team of four *Nitec* in Technology – Electronics, Computer Networking & Communications students from ITE College West beat 19 other teams to clinch the top prize (ITE & Polytechnic Category) in the annual **Engineering Innovation Challenge 2021**. Their winning project, '*Effective Method to Detect Lab Grown Diamonds using UV Phosphorescence*', won them a trophy, \$3,000 cash and seed funding. Another team from ITE College East also won the third prize with their project, '*Solar Panel Powered Disinfecting Device*'.

From 22 to 26 November, Urban Redevelopment Authority held its annual **Challenge for the Urban & Built Environment** (CUBE) for pre-university students. Sixteen teams from the Junior Colleges and Institutes of Higher Learning were tasked to conceptualise a district plan for the Keppel Terminal segment of the upcoming Greater Southern Waterfront. Five Architectural Technology students from ITE College Central emerged the winner of the competition.

Rounding off the Financial Year was the **Techblazer Awards 2021** by Media Development Authority and SGTech. A trio of Electronics & Info-Comm Technology and Engineering students from ITE College Central bagged a Silver award for their '*Contactless Sanitary Door Monitoring System*'. The Techblazer Awards is the nation's top award that recognises excellence in the development or adoption of tech solutions.

The Heart of ITE

TOWARDS EXCELLENCE

The success of ITE is rooted in the dedication and hard work of our 2,560 committed staff. So it is heartening to note that ITE staff are largely satisfied at the workplace, scoring a high staff engagement score of 89% at the 2021 Public Service Employee Engagement Survey. This is a significant improvement from the 84% scored in 2018, and above the Public Service norm of 84%.

The following awards were conferred to well-deserving staff during the year in review, in recognition of their exemplary service and contributions:

May Day Awards 2021

Dr Goh Mong Song
Medal of Commendation

Mr Tan Chun Kuang
Comrade of Labour

National Day Awards 2021, Prime Minister's Office

Awarded to 74 staff

ITE Teacher Award 2021

Awarded to 15 staff

ITE CET Trainer Award 2021

Awarded to 5 staff

ITE Long Service Award 2021

Awarded to 539 staff

ITE Service Star Award 2021

Awarded to 8 individuals and 1 team

ITE Distinguished Service Star Award 2021

Awarded to 1 individual

ITE Outstanding Leader and Facilitator Award 2021

Awarded to 38 individuals

ITE Innovation Award 2021

Awarded to 291 teams

ITE CEO Innovation Award 2021

Awarded to 3 teams

Exceeding Expectations

In addition, some of our staff had performed outstandingly in their work and earned these well-deserved recognitions:

- Mr Jeff Koh Hock Tong, Section Head, School of Engineering, ITE College Central, became the third ITE staff to be conferred the prestigious **President's Award for Teachers (PAT)**. He, and six other winners, received the award from President Halimah Yacob at the Teachers' Day Celebration and Award Ceremony held on 2 Sep 2021. Jeff and Mr Dennis Lim Chee Wei, Lecturer-Mentor, School of Business and Services, ITE College West, were among 17 PAT Finalists.
- Principal of ITE College East, Dr Yek Tiew Ming, received **The Public Service Star Award** at the National Day Honours 2021. The award was in recognition of his active contributions to the community, primarily at the South East CDC where he serves as the District Councillor. Together with his staff and ITE students, Dr Yek was involved in several community engagement projects
- The annual **Public Sector Transformation Awards** recognises public officers for excellence in their work and organisational practices. Dr Lim See Yew, Senior Director, School of Engineering, ITE College Central, received the **Exemplary Leader Award** for his strong leadership in driving organisational and digital transformation in ITE.

Mr Tan Boon Wee William, Section Head, Artificial Intelligence (AI), ITE College West, won the **Exemplary SkillsFuture@Public Service Award** for taking the initiative to pick up the skills necessary to be an AI Machine Learning Engineer, despite being trained as an Electronics Engineer. He also led the introduction of AI to all the colleges, co-developed the curriculum, and rolled out eight Certificates of Competency courses in AI for adult learners.

- On 30 November 2021, two lecturers were the first in ITE to be recognised at the **Singapore Physical Education Association (SPEA) Awards** for their outstanding performance and coaching excellence in sports and physical education. Mr Siah Kai Ming, Senior Lecturer, PE, ITE College West, was one of two winners for the **Outstanding Physical Education Teacher Award**.

Mr Ratna Suffian Ishak, Lecturer, PE, ITE College East, was one of eight recipients of the **Outstanding Teacher-Coach Award**. The former professional footballer is also ITE College East's women's football coach.

Committed to our Purpose

An eight-member External Review Panel visited ITE for the six-yearly **Poly-ITE Quality Assurance Framework (PIQAF)** site assessment in November 2021. The Panel interviewed close to 220 staff and stakeholders, including Board members. Their assessment affirmed the good progress made by ITE since the last PIQAF in 2015, especially in the areas of the impact of ITE's education on students, the value created for employers and the contributions made on Singapore's manpower and economy.

To ensure staff capabilities keep up with rapid technology developments, ITE continues to enhance our Digital Systems and Capabilities as part of our digitalisation efforts. Several initiatives, including the formation of an ICT & Digitalisation Steering Committee, engagement of more cross-functional teams on new digital projects, and greater collaborations with leading industry players (such as AI Singapore, Intel, and SenseTime), contributed to ITE's significant score improvement in GovTech's **Digital Maturity Index** survey – from 29 (*Stage 2 – Digital Literate*) in 2019, to 59 (*Stage 3 – Digital Performer*) in 2021.

Strong Ties

On the union front, ITE continued to share strong relationships with the two staff unions – the Union of ITE Training Staff (UITS) and the ITE Staff Branch of the Amalgamated Union of Public Employees (AUPE) in FY2021.

ORGANISATIONAL HIGHLIGHTS

ITE's commitment to innovation, corporate social responsibility, community partnership and quality standards was affirmed through the following key corporate accolades accorded to ITE during the year:

- **Recognition of Excellence Award** by OpenGov Asia at the Singapore OpenGov Leadership Forum. This is in recognition of ITE's innovative use of technology in the education sector through the optimisation of education processes, delivering student- and staff-centric services and pushing new boundaries.
- **Total Defence Awards** for ITE's outstanding support towards strengthening the nation's defence. This is the second time ITE has won this award.

Peaks of Excellence

EVENT HIGHLIGHTS FOR FY2021 —■

ignITE Skills Challenge 2021

ITE held its first virtual ignite Skills Challenge from April to May 2021. Despite the logistical challenges, a total of **1,506 students (502 teams) from 63 secondary schools** competed in 15 skills areas. The Finals were held on 20 May 2021 and Crest Secondary School retained its Overall Championship title for the third consecutive Challenge.

ITE Student Achievers' Awards 2021

Some **428 outstanding students** were recognised for their holistic achievements and excellence in the arts, sports, co-curricular activities (CCA) and technological innovations at the annual ITE Student Achievers' Awards. Among them, **48** were given the prestigious Lee Kuan Yew (LKY) Model Student/Trainee Award, LKY CCA Award and LKY Technology Award.

SkillsFuture Work-Study Fair 2021

ITE hosted the annual SkillsFuture Work-Study Fair on 13 August 2021, with Second Minister for Education & Foreign Affairs, Dr Maliki Osman, in attendance. As part of the event, ITE and the polytechnics inked two Memoranda of Understanding – one with the Singapore Business Federation and another with the Singapore Manufacturing Federation – to signify strong industry endorsement of the Work-Study programmes. Over 2,200 participants attended the event, with more than 95% expressing satisfaction with it. More importantly, the event was able to increase awareness of the various Work-Study programmes.

ITE Smartathon 2021

The annual ITE Smartathon was launched virtually on 20 September 2021. Aimed at promoting digitalisation and innovation among staff, the event saw 109 staff from 24 teams competing in – (1) Process Automation (2) eServices (3) Data Analytics & Visualisation. The teams spent the next few days working on their projects before presenting the final projects to judges on 24 September.

ITE Teachers' & Eco Conference 2021

More than 1,300 staff participated in the first joint ITE Teachers' & Eco Conference on 29 September 2021 via MS Live Event. Participants shared their ideas based on the theme, *'Towards a New Era of Sustainable Living & Careers'*, and many embraced the notion that sustainability begins with the individual. Three keynote speakers were invited to provide insights into the subject matter as well, which ignited a new passion of sustainability in the audience.

ITE Care & Innovation Fiesta

To recognise staff's contributions in innovation and service, and for exemplifying *ITE Care* values, the 2021 edition of ITE Care & Innovation Fiesta was held on 12 November 2021. The hybrid event saw three new awards being given out to align with the Public Sector Transformation awards – the ITE Dare-to-Do Award (Team), ITE SkillsFuture Award (Individual) and ITE Outstanding Innovator Award (Individual).

MOOCathlon 2.0 Staff Challenge

To promote and cultivate an e-learning culture in ITE, the second edition of the MOOCathlon (Massive Open Online Course) Challenge kicked off on 12 July 2021. A total of 57 teams participated in this competition, which required staff to collaborate in designing impactful micro-learning content. The top six teams presented their concepts at the finals on 25 November 2021, with three teams eventually being crowned the 'Best of MOOCs'. As part of the Challenge, three online learning packages were created by ITE Academy, Udemy and Gnowbe. These were made available to all staff to boost capabilities in micro-learning content creation.

ITE 30: Going Beyond

WHAT'S NEXT FOR FY2022

We may have encountered some road bumps in FY2021, but ITE forged ahead and launched several key initiatives under the current **ITE Create** strategic plan. This was, in part, due to ITE's agility in adapting and innovating to meet the rigours of the year's challenges.

The year ahead will prove to be a significant one for ITE as we hit another milestone – our 30th Anniversary. With the easing of restrictions both locally and globally, we hope to ride on the good work done in 2021 and break new grounds.

In 2022, ITE will work towards building more pathways for our students and graduates. These include the expansion of the three-year *Higher Nitec* programme and the formalisation of new Technical Diploma programmes. We will also continue to strengthen our position as a leading workplace learning provider and synergise our industry outreach and engagement programmes.

Amidst these initiatives and more, ITE will celebrate its achievements in the last three decades and pay tribute to key stakeholders and partners on 30 June 2022. ITE will also be organising a two-day International Technical & Professional Education and Training Conference to help enhance ITE's global profile and expand our partnership network.

As ITE starts a new chapter in 2022, our key focus remains the same – to inspire students, transform learning, and empower lives through career and technical education. And we hope our partners and other stakeholders will continue to accompany us on this exciting journey, just as they have the past 30 years.



FINANCIAL REVIEW

for the Year Ended
31 March 2022

INSTITUTE OF TECHNICAL EDUCATION

(Incorporated in Singapore. Institute Registration Number: T08GB0022B)

ANNUAL REPORT

For the financial year ended 31 March 2022

INSTITUTE OF TECHNICAL EDUCATION

(Incorporated in Singapore)

ANNUAL REPORT

For the financial year ended 31 March 2022

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INSTITUTE OF TECHNICAL EDUCATION

STATEMENT BY BOARD OF GOVERNORS

For the financial year ended 31 March 2022

In our opinion,

- (a) the accompanying financial statements of Institute of Technical Education (the "Institute") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Institute as at 31 March 2022, the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in funds and reserves of the Institute for the year then ended, and notes to the financial statements, including a summary of significant accounting policies are drawn up so as to present fairly, in all material respects, the state of affairs of the Group and of the Institute as at 31 March 2022 and of the results and changes in funds and reserves of the Group and of the Institute and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Institute of Technical Education Act 1992, and the Public Sector (Governance) Act 2018 (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS");
- (b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Institute during the year are, in all material aspects, in accordance with the provisions of the Acts and the requirements of any other written law applicable to moneys of or managed by the Institute;
- (c) proper accounting and other records have been kept, including records of all assets of the Institute, whether purchased, donated or otherwise; and
- (d) at the date of this statement, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

On behalf of the Board



MR ANDREW CHONG
Chairman

20 July 2022



MS LOW KHAH GEK
CEO

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

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of the Institute of Technical Education (the "Institute") and its subsidiaries (the "Group") and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Institute are properly drawn up in accordance with the provisions of the Institute of Technical Education Act 1992, and the Public Sector (Governance) Act 2018 (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Group and of the Institute as at 31 March 2022 and of the results and changes in funds and reserves of the Group and of the Institute and cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and the Institute comprise:

- the statements of financial position of the Group and the Institute as at 31 March 2022;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2022;
- the statement of comprehensive income of the Institute for the financial year then ended;
- the consolidated statement of changes in funds and reserves of the Group for the financial year then ended;
- the statement of changes in funds and reserves of the Institute for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "SSAs"). Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the financial statements section* of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Other information (continued)

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Acts and SB-FRS, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Group or for the Group to cease operations.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

Opinion

In our opinion:

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

Basis for opinion

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

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

Responsibilities of management for compliance with legal and regulatory requirements

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

Auditor's responsibilities for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Acts, and the requirements of any other written law applicable to moneys of or managed by the Institute.

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 20 July 2022

INSTITUTE OF TECHNICAL EDUCATION**STATEMENTS OF FINANCIAL POSITION***As at 31 March 2022*

	Note	The Group		The Institute	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Assets					
Non-current					
Property, plant and equipment	3	408,711	432,155	399,090	427,075
Right-of-use assets	4	206,921	221,918	206,910	221,897
Intangible assets	5	6,450	7,369	6,368	7,308
Subsidiaries	6	-	-	8,952	8,952
Other financial assets	7	207,405	65,990	207,153	65,488
		<u>829,487</u>	<u>727,432</u>	<u>828,473</u>	<u>730,720</u>
Current					
Other financial assets	7	250	-	-	-
Trade and other receivables	8	8,456*	7,033*	7,963	7,378
Operating grants receivable	9	13,402	10,757	13,402	10,757
Other grants receivable	11	759	757	708	644
Income tax asset		-	2	-	-
Cash and bank balances	12	475,054	565,189	372,813	465,517
		<u>497,921</u>	<u>583,738</u>	<u>394,886</u>	<u>484,296</u>
Total assets		<u>1,327,408</u>	<u>1,311,170</u>	<u>1,223,359</u>	<u>1,215,016</u>
Capital and funds					
Capital account	13	2,715	2,715	2,715	2,715
Retirement benefits reserve	17	(1,387)	(1,375)	(1,387)	(1,375)
Accumulated surplus					
General Funds	14a	462,657	402,469	390,409	334,252
Restricted Funds	14b	10,930	10,276	7,331	7,160
		<u>473,587</u>	<u>412,745</u>	<u>397,740</u>	<u>341,412</u>
Total capital and other funds		<u>474,915</u>	<u>414,085</u>	<u>399,068</u>	<u>342,752</u>
Liabilities					
Non-current					
Lease liabilities	15	111,830	119,012	111,828	119,001
Deferred capital grants	16	658,623	692,227	654,269	689,531
Provision for retirement benefits	17	1,159	1,397	1,159	1,397
Other payables	18	754	544	753	542
		<u>772,366</u>	<u>813,180</u>	<u>768,009</u>	<u>810,471</u>
Current					
Trade and other payables	18	47,232	50,788	42,078	46,662
Lease liabilities	15	7,182	6,941	7,173	6,931
Provision for retirement benefits	17	286	314	286	314
Deferred income*		5,525	5,470	3,616	3,731
Operating grants received in advance	9	15,724	15,245	676	677
Development grants received in advance	10	254	254	-	-
Other grants received in advance	11	3,924	4,893	2,453	3,478
		<u>80,127</u>	<u>83,905</u>	<u>56,282</u>	<u>61,793</u>
Total funds and liabilities		<u>1,327,408</u>	<u>1,311,170</u>	<u>1,223,359</u>	<u>1,215,016</u>

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

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

INSTITUTE OF TECHNICAL EDUCATION**STATEMENTS OF FINANCIAL POSITION***As at 31 March 2022*

	Note	The Group		The Institute	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Net assets/(liabilities) of trust funds					
ITE Education Fund		157,536	144,387	157,536	144,387
Pre-Employment Clinical Training Fund		500	969	500	969
Economic Development Board Fund		-	4	-	4
Work Study Programme Fund		-	-	-	-
	19	<u>158,036</u>	<u>145,360</u>	<u>158,036</u>	<u>145,360</u>

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

INSTITUTE OF TECHNICAL EDUCATION**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2022*

	Note	General Funds		Restricted Funds		Total	
		2022	2021	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group Income							
Course fees	20	23,170	21,909	-	-	23,170	21,909
Examination fees	20	577	461	2	2	579	463
Consultancy services		4,596	2,910	-	-	4,596	2,910
Rental income		2,159	2,076	-	-	2,159	2,076
Supplementary fees		3	3	1,021	1,026	1,024	1,029
Licence fees		960	822	-	-	960	822
Donations		178	284	873	437	1,051	721
Interest income	21	1,262	3,626	7	10	1,269	3,636
Fair value gain on financial assets		-	5,314	-	-	-	5,314
Other income	22	1,460	1,368	135	203	1,595	1,571
		<u>34,365</u>	<u>38,773</u>	<u>2,038</u>	<u>1,678</u>	<u>36,403</u>	<u>40,451</u>
Operating expenditure							
Manpower costs	23	385,678	355,403	551	588	386,229	355,991
Depreciation of property, plant and equipment	3	40,791	42,919	326	216	41,117	43,135
Depreciation of right-of-use assets	4	14,997	14,998	-	-	14,997	14,998
Amortisation of intangible assets	5	4,040	3,451	62	22	4,102	3,473
Loss on disposal of property, plant and equipment, net		67	20	-	-	67	20
Agency fees		27,685	27,293	404	404	28,089	27,697
Repair and maintenance		19,023	17,991	54	31	19,077	18,022
Public utilities		8,560	6,490	-	-	8,560	6,490
Student benefits		5,972	5,962	8,142	7,580	14,114	13,542
Grants-in-aid	24	140	202	-	-	140	202
Supplies and materials		13,713	10,261	650	932	14,363	11,193
Fair value loss on financial assets		5,437	-	-	-	5,437	-
Other expenditure	25	17,397	17,416	1,118	1,312	18,515	18,728
Finance costs		4,421	4,649	-	-	4,421	4,649
		<u>547,921</u>	<u>507,055</u>	<u>11,307</u>	<u>11,085</u>	<u>559,228</u>	<u>518,140</u>
Deficit before government grants		(513,556)	(468,282)	(9,269)	(9,407)	(522,825)	(477,689)
Government grants							
Operating grants	9	517,825	466,952	3,820	3,911	521,645	470,863
Development grants	10	-	6	-	-	-	6
Other grants	11	247	1,259	5,984	5,354	6,231	6,613
Deferred capital grants amortised	16	55,673	57,392	119	36	55,792	57,428
Surplus/(deficit) after government grants		60,189	57,327	654	(106)	60,843	57,221
Taxation	26	(1)	-	-	-	(1)	-
Net surplus/(deficit) for the year		<u>60,188</u>	<u>57,327</u>	<u>654</u>	<u>(106)</u>	<u>60,842</u>	<u>57,221</u>

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

INSTITUTE OF TECHNICAL EDUCATION**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2022*

	Note	General Funds		Restricted Funds		Total	
		2022	2021	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group							
Other comprehensive loss							
Item that will not be reclassified to surplus or deficit							
Net change in retirement benefits reserves arising from actuarial adjustments		(12)	(118)	-	-	(12)	(118)
Other comprehensive loss for the year, net of tax of nil		(12)	(118)	-	-	(12)	(118)
Total comprehensive income/(loss) for the year		60,176	57,209	654	(106)	60,830	57,103

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

INSTITUTE OF TECHNICAL EDUCATION**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2022*

	Note	General Funds		Restricted Funds		Total	
		2022	2021	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Institute Income							
Course fees	20	22,844	21,619	-	-	22,844	21,619
Examination fees	20	472	388	-	-	472	388
Consultancy services		2,543	2,407	-	-	2,543	2,407
Rental income		2,309	2,278	-	-	2,309	2,278
Supplementary fees		-	-	1,021	1,026	1,021	1,026
Licence fees		931	787	-	-	931	787
Donations		178	284	-	-	178	284
Interest income	21	1,052	3,023	3	5	1,055	3,028
Fair value gain on financial assets		-	5,314	-	-	-	5,314
Other income	22	1,018	928	130	186	1,148	1,114
		<u>31,347</u>	<u>37,028</u>	<u>1,154</u>	<u>1,217</u>	<u>32,501</u>	<u>38,245</u>
Operating expenditure							
Manpower costs	23	340,076	313,080	219	364	340,295	313,444
Depreciation of property, plant and equipment	3	39,442	42,210	190	177	39,632	42,387
Depreciation of right-of-use assets	4	14,987	14,985	-	-	14,987	14,985
Amortisation of intangible assets	5	3,998	3,397	58	20	4,056	3,417
Loss on disposal of property, plant and equipment, net		18	1	-	-	18	1
Agency fees		27,538	27,074	404	404	27,942	27,478
Repair and maintenance		16,498	16,200	30	11	16,528	16,211
Public utilities		7,815	5,958	-	-	7,815	5,958
Student benefits		4,831	5,233	6,347	5,639	11,178	10,872
Grants-in-aid	24	140	202	-	-	140	202
Supplies and materials		12,594	9,092	591	823	13,185	9,915
Fair value loss on financial assets		5,437	-	-	-	5,437	-
Other expenditure	25	14,702	16,022	1,090	1,285	15,792	17,307
Finance costs		4,415	4,644	-	-	4,415	4,644
		<u>492,491</u>	<u>458,098</u>	<u>8,929</u>	<u>8,723</u>	<u>501,420</u>	<u>466,821</u>
Deficit before government grants		(461,144)	(421,070)	(7,775)	(7,506)	(468,919)	(428,576)
Government grants							
Operating grants	9	462,400	412,251	2,848	2,864	465,248	415,115
Other grants	11	1	513	5,098	4,423	5,099	4,936
Deferred capital grants amortised	16	54,900	56,799	-	-	54,900	56,799
Surplus/(deficit) after government grants		56,157	48,493	171	(219)	56,328	48,274
Taxation	26	-	-	-	-	-	-
Net surplus/(deficit) for the year		<u>56,157</u>	<u>48,493</u>	<u>171</u>	<u>(219)</u>	<u>56,328</u>	<u>48,274</u>

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

INSTITUTE OF TECHNICAL EDUCATION**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2022*

	Note	General Funds		Restricted Funds		Total	
		2022	2021	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Institute							
Other comprehensive loss							
Item that will not be reclassified to surplus or deficit							
Net change in retirement benefits reserves arising from actuarial adjustments		(12)	(118)	(12)	-	(12)	(118)
Other comprehensive loss for the year, net of tax of nil		(12)	(118)	(12)	-	(12)	(118)
Total comprehensive income/(loss) for the year		56,145	48,375	171	(219)	56,316	48,156

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

INSTITUTE OF TECHNICAL EDUCATION**CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES***For the financial year ended 31 March 2022*

	Accumulated surplus				
	Capital account (Note 13) \$'000	Retirement benefits reserve (Note 17) \$'000	General Funds (Note 14a) \$'000	Restricted Funds (Note 14b) \$'000	Total \$'000
The Group					
At 1 April 2021	2,715	(1,375)	402,469	10,276	414,085
Net surplus/(deficit) for the year	-	-	60,188	654	60,842
Other comprehensive loss for the year, net of tax of nil	-	(12)	-	-	(12)
Total comprehensive income/(loss) for the year	-	(12)	60,188	654	60,830
At 31 March 2022	2,715	(1,387)	462,657	10,930	474,915
At 1 April 2020	2,715	(1,257)	345,142	10,382	356,982
Net surplus/(deficit) for the year	-	-	57,327	(106)	57,221
Other comprehensive loss for the year, net of tax of nil	-	(118)	-	-	(118)
Total comprehensive income/(loss) for the year	-	(118)	57,327	(106)	57,103
At 31 March 2021	2,715	(1,375)	402,469	10,276	414,085

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

INSTITUTE OF TECHNICAL EDUCATION**STATEMENT OF CHANGES IN FUNDS AND RESERVES***For the financial year ended 31 March 2022*

	Accumulated surplus				
	Capital account (Note 13) \$'000	Retirement benefits reserve (Note 17) \$'000	General Funds (Note 14a) \$'000	Restricted Funds (Note 14b) \$'000	Total \$'000
The Institute					
At 1 April 2021	2,715	(1,375)	334,252	7,160	342,752
Net surplus/(deficit) for the year	-	-	56,157	171	56,328
Other comprehensive loss for the year, net of tax of nil	-	(12)	-	-	(12)
Total comprehensive income/(loss) for the year	-	(12)	56,157	171	56,316
At 31 March 2022	2,715	(1,387)	390,409	7,331	399,068
At 1 April 2020	2,715	(1,257)	285,759	7,379	294,596
Net surplus/(deficit) for the year	-	-	48,493	(219)	48,274
Other comprehensive loss for the year, net of tax of nil	-	(118)	-	-	(118)
Total comprehensive income/(loss) for the year	-	(118)	48,493	(219)	48,156
At 31 March 2021	2,715	(1,375)	334,252	7,160	342,752

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

INSTITUTE OF TECHNICAL EDUCATION**CONSOLIDATED STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2022*

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Deficit before government grants and income tax		(522,825)	(477,689)
Adjustments for:			
Depreciation of property, plant and equipment	3	41,117	43,135
Depreciation of right-of-use assets	4	14,997	14,998
Amortisation of intangible assets	5	4,102	3,473
Interest cost for retirement benefits	17	45	33
Fair value loss/(gain) on financial assets		5,437	(5,314)
Amortisation on financial assets		(2)	3
Loss on disposal of property, plant and equipment, net		67	20
Bad debts written off	25	48	273
Allowance for expected credit losses on receivables, net	25	331	(38)
Interest income	21	(1,269)	(3,636)
Finance costs		4,421	4,649
Cost adjustment of property, plant and equipment, net	3	18	32
Operating deficit before working capital changes		(453,513)	(420,061)
(Increase)/decrease in trade and other receivables		(1,802)	4,393
(Decrease)/increase in trade and other payables and deferred income		(1,556)	6,449
Cash used in operations		(456,871)	(409,219)
Retirement benefits paid	17	(323)	(326)
Income tax refunded/(paid)		1	(161)
Net cash flows used in operating activities		(457,193)	(409,706)
Cash flows from investing activities			
Purchase of property, plant and equipment		(19,222)	(14,568)
Purchase of intangible assets	5	(3,462)	(2,308)
Purchase of other financial assets		(147,100)	-
Redemption/disposal of other financial assets		-	16,000
Proceeds from disposal of property, plant and equipment and intangible assets		8	61
Interest received		1,269	3,636
(Placement)/Redemption of fixed deposits (maturity more than 3 months from financial year end)	12	(4,947)	13,458
Net cash flows (used in)/provided by investing activities		(173,454)	16,279
Cash flows from financing activities			
Finance costs		(4,421)	(4,649)
Payment of principal portion of lease liabilities	4	(6,941)	(6,706)
Development grants received from Government	10	1,760	708
Operating grants received from Government	9	539,539	497,318
Other grants received from Government	11	5,628	8,019
Net cash flows generated from financing activities		535,565	494,690
Net (decrease)/increase in cash and cash equivalents		(95,082)	101,263
Cash and cash equivalents at beginning of year		530,356	429,093
Cash and cash equivalents at end of year	12	435,274	530,356

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

1. Corporate information

The financial statements of Institute of Technical Education (the "Institute") for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Governors on the date of the Statement by the Board of Governors.

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

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

The consolidated financial statements for the financial year ended 31 March 2022 relate to the Institute and its subsidiaries (together referred to as the "Group").

2. Summary of significant accounting policies

2.1 Basis of preparation

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

2.2 Interpretations and amendments to published standards effective in 2022

On 1 April 2021, the Group and the Institute have adopted the new or amended SB-FRS and Interpretations to SB-FRS ("INT SB-FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS. The adoption of these new or amended SB-FRS and INT SB-FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

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

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

Description	Effective for annual periods beginning on or after
Amendments to SB-FRS 16 Property, Plant and Equipment (Proceeds before Intended Use)	1 January 2022
Amendments to SB-SFRS 37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)	1 January 2022
Amendments to: SB-SFRS 1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to SB-FRS 110 & SB-FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.4 Significant accounting estimates and judgments

The preparation of the financial statements in conformity with SB-FRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. Management is of the opinion that there are no significant judgments during the year.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant and equipment

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.4 Significant accounting estimates and judgments (continued)

Key sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment (continued)

As at 31 March 2022, the carrying amounts of the Group's and the Institute's property, plant and equipment amount to \$408,711,000 (2021: \$432,155,000) and \$399,090,000 (2021: \$427,075,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2.5 Foreign currency

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

Transactions and balances

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

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

2.6 Subsidiaries and basis of consolidation

(a) Subsidiaries

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.6 Subsidiaries and basis of consolidation (continued)

(b) *Basis of consolidation*

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

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

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

2.7 Property, plant and equipment

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

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

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

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

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

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

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

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

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

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

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

Computer software	- 3 years
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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

2.9 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in surplus or deficit.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in surplus or deficit.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

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

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

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

(i) Amortised cost

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

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.10 Financial instruments (continued)

(a) Financial assets (continued)

Derecognition

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

(b) Financial liabilities

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

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.11 Impairment of financial assets

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

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.11 Impairment of financial assets (continued)

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

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

2.12 Cash and bank balances

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

2.13 Funds

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

General Funds

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

Designated Funds

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

Restricted Funds

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

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

Trust Funds

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.13 Funds (continued)

Trust Funds (continued)

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

2.14 Grants

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

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

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

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

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

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

2.15 Provisions

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

2. Summary of significant accounting policies (continued)**2.15 Provisions (continued)**

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

2.16 Leases

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

As a lessee

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

(i) Right-of-use assets

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

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

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

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

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

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

(iii) Short-term and low-value leases

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

As a lessor

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.17 Employee benefits

(a) Defined contribution plans

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

(b) Employment leave entitlement

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

(c) Defined benefit plans

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

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

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

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

(d) Short-term benefits

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.17 Employee benefits (continued)

(d) Short-term benefits (continued)

Key management personnel

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

2.18 Borrowing costs

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

2.19 Income taxes

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

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

2. Summary of significant accounting policies (continued)**2.19 Income taxes (continued)****(b) Deferred tax (continued)**

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

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

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

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

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

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

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

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.20 Revenue

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

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

Course fees

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

Examination fees

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

Donations

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

Other income

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

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

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

Interest income

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***3. Property, plant and equipment**

	The Group							
	Buildings on leasehold land \$'000	Renovations \$'000	Computer hardware \$'000	Machinery and equipment \$'000	Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in- progress \$'000	Total \$'000
Cost								
At 1 April 2020	628,766	30,496	64,354	131,817	11,269	153	1,425	868,280
Additions	-	4,483	649	6,171	1,070	-	326	12,699
Cost adjustments	-	-	-	-	-	-	(32)	(32)
Disposals/write-off	-	-	(11,027)	(5,174)	(613)	(72)	-	(16,886)
Reclassifications	-	1,196	82	-	-	-	(1,278)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	(113)	(113)
At 31 March 2021 and 1 April 2021	628,766	36,175	54,058	132,814	11,726	81	328	863,948
Additions	-	6,406	1,696	6,828	1,973	-	584	17,487
Cost adjustments	-	-	-	(15)	(3)	-	-	(18)
Disposals/write-off	-	-	(97)	(3,563)	(322)	-	-	(3,982)
Reclassifications	-	326	-	-	-	-	(326)	-
Transfer from intangible assets (Note 5)	-	-	279	-	-	-	-	279
At 31 March 2022	628,766	42,907	55,936	136,064	13,374	81	586	877,714

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***3. Property, plant and equipment (continued)**

	Buildings on leasehold land \$'000	Renovations \$'000	Computer hardware \$'000	Machinery and equipment \$'000	The Group Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in- progress \$'000	Total \$'000
Accumulated depreciation								
At 1 April 2020	228,165	22,037	52,656	95,053	7,412	143	-	405,466
Depreciation for the year	22,694	3,052	7,229	9,094	1,057	9	-	43,135
Disposals/write-off	-	-	(11,027)	(5,128)	(582)	(71)	-	(16,808)
At 31 March 2021 and 1 April 2021	250,859	25,089	48,858	99,019	7,887	81	-	431,793
Depreciation for the year	22,694	3,842	4,560	8,885	1,136	-	-	41,117
Disposals/write-off	-	-	(97)	(3,508)	(302)	-	-	(3,907)
At 31 March 2022	273,553	28,931	53,321	104,396	8,721	81	-	469,003
Net book value								
At 31 March 2022	355,213	13,976	2,615	31,668	4,653	-	586	408,711
At 31 March 2021	377,907	11,086	5,200	33,795	3,839	-	328	432,155

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***3. Property, plant and equipment (continued)**

	The Institute							
	Buildings on leasehold land \$'000	Renovations \$'000	Computer hardware \$'000	Machinery and equipment \$'000	Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in- progress \$'000	Total \$'000
Cost								
At 1 April 2020	628,766	30,348	62,574	128,703	8,905	153	1,425	860,874
Additions	-	2,458	615	5,486	247	-	326	9,132
Cost adjustments	-	-	-	-	-	-	(32)	(32)
Disposals/write-off	-	-	(10,963)	(5,065)	(523)	(72)	-	(16,623)
Reclassifications	-	1,196	82	-	-	-	(1,278)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	(113)	(113)
At 31 March 2021 and 1 April 2021	628,766	34,002	52,308	129,124	8,629	81	328	853,238
Additions	-	3,184	1,409	5,516	749	-	554	11,412
Cost adjustments	-	-	-	(15)	(3)	-	-	(18)
Disposals/write-off	-	-	(83)	(3,217)	(220)	-	-	(3,520)
Reclassifications	-	326	-	-	-	-	(326)	-
Transfer from intangible assets (Note 5)	-	-	279	-	-	-	-	279
At 31 March 2022	628,766	37,512	53,913	131,408	9,155	81	556	861,391

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***3. Property, plant and equipment (continued)**

	Buildings on leasehold land \$'000	Renovations \$'000	Computer hardware \$'000	The Institute Machinery and equipment \$'000	Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in- progress \$'000	Total \$'000
Accumulated depreciation								
At 1 April 2020	228,165	21,963	50,967	92,924	6,179	143	-	400,341
Depreciation for the year	22,694	2,983	7,186	8,800	715	9	-	42,387
Disposals/write-off	-	-	(10,963)	(5,027)	(504)	(71)	-	(16,565)
At 31 March 2021 and 1 April 2021	250,859	24,946	47,190	96,697	6,390	81	-	426,163
Depreciation for the year	22,694	3,321	4,483	8,465	669	-	-	39,632
Disposals/write-off	-	-	(83)	(3,199)	(212)	-	-	(3,494)
At 31 March 2022	273,553	28,267	51,590	101,963	6,847	81	-	462,301
Net book value								
At 31 March 2022	355,213	9,245	2,323	29,445	2,308	-	556	399,090
At 31 March 2021	377,907	9,056	5,118	32,427	2,239	-	328	427,075

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

4. Leases

As a lessee

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

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

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

During the service period, the Institute will provide monthly unitary payments (“MUP”) to the PPP Co. which in aggregate represents the cost of the ITE facilities (including capital expenditure and financing costs, if any) and agency fees in relation to facilities management services. The MUP is subject to certain adjustments, including inflation adjustment on a yearly basis, other variable factors adjustments on a monthly basis and any other variations due to changes in law or regulated by the Institute. During the year, the total MUP paid to PPP Co. amounts to \$35.7 million (2021: \$35.7 million).

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

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

The lease liabilities relating to the ITE facilities held under lease at the reporting date was \$119.0 million (2021: \$125.9 million). The Group and the Institute record these facilities as right-of-use assets with a corresponding lease liability.

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***4. Leases (continued)**As a lessee (continued)

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

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

	The Group			
	Building on leasehold land \$'000	Prepaid lease \$'000	Office equipment \$'000	Total \$'000
Cost				
At 1 April 2020	206,916	201,277	66	408,259
Additions	-	-	53	53
Disposals/write-off	-	-	(17)	(17)
At 31 March 2021 and 1 April 2021	206,916	201,277	102	408,295
Additions	-	-	-	-
Disposals/write-off	-	-	-	-
At 31 March 2022	206,916	201,277	102	408,295
Accumulated depreciation				
At 1 April 2020	80,429	90,927	40	171,396
Depreciation	8,249	6,723	26	14,998
Disposals/write-off	-	-	(17)	(17)
At 31 March 2021 and 1 April 2021	88,678	97,650	49	186,377
Depreciation	8,249	6,723	25	14,997
Disposals/write-off	-	-	-	-
At 31 March 2022	96,927	104,373	74	201,374
Carrying amount				
At 31 March 2022	109,989	96,904	28	206,921
At 31 March 2021	118,238	103,627	53	221,918

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***4. Leases (continued)**As a lessee (continued)

	The Institute			
	Building on leasehold land \$'000	Prepaid lease \$'000	Office equipment \$'000	Total \$'000
Cost				
At 1 April 2020	206,916	201,277	17	408,210
Additions	-	-	44	44
Disposals/write-off	-	-	(17)	(17)
At 31 March 2021 and 1 April 2021	206,916	201,277	44	408,237
Additions	-	-	-	-
Disposals/write-off	-	-	-	-
At 31 March 2022	206,916	201,277	44	408,237
Accumulated depreciation				
At 1 April 2020	80,429	90,927	16	171,372
Depreciation	8,249	6,723	13	14,985
Disposals/write-off	-	-	(17)	(17)
At 31 March 2021 and 1 April 2021	88,678	97,650	12	186,340
Depreciation	8,249	6,723	15	14,987
Disposals/write-off	-	-	-	-
At 31 March 2022	96,927	104,373	27	201,327
Carrying amount				
At 31 March 2022	109,989	96,904	17	206,910
At 31 March 2021	118,238	103,627	32	221,897

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

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
As at 1 April	125,953	132,606	125,932	132,581
Additions	-	53	-	44
Accretion of interest	4,408	4,643	4,407	4,642
Payments	(11,349)	(11,349)	(11,338)	(11,335)
As at 31 March	119,012	125,953	119,001	125,932
Current (Note 15)	7,182	6,941	7,173	6,931
Non-current (Note 15)	111,830	119,012	111,828	119,001

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***4. Leases (continued)**As a lessee (continued)

The following are the amounts recognised in surplus or deficit:

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Depreciation of right-of-use assets	14,997	14,998	14,987	14,985
Interest expense on lease liabilities	4,408	4,643	4,407	4,642
Expense for short-term leases and leases of low-value assets (included in other expenditure)	530	463	99	94
Total amount recognised in surplus or deficit	19,935	20,104	19,493	19,721

The Group and the Institute had total cash outflows for leases of \$11,879,000 (2021: \$11,812,000) and \$11,437,000 (2021: \$11,429,000) respectively.

As a lessor

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

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

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Within one year	1,739	1,302	1,937	1,500
After one year but not more than five years	1,300	1,567	1,498	1,963
	3,039	2,869	3,435	3,463

These lease payments exclude those related to the extension option where the Group and Institute are not certain of the tenants' intention to extend. The 2021 lease payments expected within one year exclude one month of rental waiver granted to the eligible tenants as part of the Government's budget measures due to the COVID-19 pandemic.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***5. Intangible assets**

	Computer software \$'000	Project-in- progress \$'000	Total \$'000
The Group			
Cost			
At 1 April 2020	47,297	1,190	48,487
Additions	1,371	937	2,308
Disposals	(3,339)	-	(3,339)
Reclassifications	217	(217)	-
Transfer from plant, property and equipment (Note 3)	113	-	113
At 31 March 2021 and 1 April 2021	45,659	1,910	47,569
Additions	1,934	1,528	3,462
Disposals	(2,898)	-	(2,898)
Reclassifications	545	(545)	-
Transfer to plant, property and equipment (Note 3)	(279)	-	(279)
At 31 March 2022	44,961	2,893	47,854
Accumulated amortisation			
At 1 April 2020	40,063	-	40,063
Amortisation for the year	3,473	-	3,473
Disposals	(3,336)	-	(3,336)
At 31 March 2021 and 1 April 2021	40,200	-	40,200
Amortisation for the year	4,102	-	4,102
Disposals	(2,898)	-	(2,898)
At 31 March 2022	41,404	-	41,404
Net carrying amount			
At 31 March 2022	3,557	2,893	6,450
At 31 March 2021	5,459	1,910	7,369

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***5. Intangible assets (continued)**

	Computer software \$'000	Project-in- progress \$'000	Total \$'000
The Institute			
Cost			
At 1 April 2020	46,751	1,190	47,941
Additions	1,336	937	2,273
Disposals	(3,321)	-	(3,321)
Reclassifications	217	(217)	-
Transfer from plant, property and equipment (Note 3)	113	-	113
At 31 March 2021 and 1 April 2021	45,096	1,910	47,006
Additions	1,867	1,528	3,395
Disposals	(2,830)	-	(2,830)
Reclassifications	545	(545)	-
Transfer to plant, property and equipment (Note 3)	(279)	-	(279)
At 31 March 2022	44,399	2,893	47,292
Accumulated amortisation			
At 1 April 2020	39,595	-	39,595
Amortisation for the year	3,417	-	3,417
Disposals	(3,314)	-	(3,314)
At 31 March 2021 and 1 April 2021	39,698	-	39,698
Amortisation for the year	4,056	-	4,056
Disposals	(2,830)	-	(2,830)
At 31 March 2022	40,924	-	40,924
Net carrying amount			
At 31 March 2022	3,475	2,893	6,368
At 31 March 2021	5,398	1,910	7,308

6. Subsidiaries

	The Institute	
	2022 \$'000	2021 \$'000
Subsidiaries	8,952	8,952

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***6. Subsidiaries (continued)**

Details of subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Principal activities		
NorthLight School ^#	Singapore	Provision of integrated education		
Crest Secondary School ^#	Singapore	Provision of customised curriculum for Normal (Technical) students		
Spectra Secondary School ^#	Singapore	Provision of customised curriculum for Normal (Technical) students		
Name	Country of incorporation/ principal place of business	Principal activities	Percentage of equity held	
			2022	2021
			%	%
ITE Education Services Pte Ltd ^	Singapore	Promotion of technical education in Asia Pacific region	100	100

^ Audited by PricewaterhouseCoopers LLP, Singapore

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

7. Other financial assets

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<u>At fair value through profit or loss:</u>				
Unit trusts managed by fund managers (i)	203,158	61,494	203,158	61,494
<u>At amortised cost:</u>				
Quoted debt securities (ii)	4,497	4,496	3,995	3,994
<u>Net carrying amount:</u>				
Non-current	207,405	65,990	207,153	65,488
Current	250	-	-	-

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***7. Other financial assets (continued)****The Group and the Institute**

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

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Fair values	4,504	4,688	4,000	4,161
Interest rates	3.08% to 3.70%	3.08% to 3.70%	3.08% to 3.14%	3.08% to 3.14%
Maturity	0.4 to 7.0 years	1.4 to 8.0 years	2.6 to 2.9 years	3.6 to 3.9 years

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

8. Trade and other receivables

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables	4,192	2,491	3,199	2,203
Allowance for expected credit losses (Note 29.1)	(607)	(520)	(513)	(432)
	<u>3,585</u>	<u>1,971</u>	<u>2,686</u>	<u>1,771</u>
Unbilled revenue*	465	554	-	-
Allowance for expected credit losses (Note 29.1)	-	(103)	-	-
Other receivables	2,167	2,360	1,771	2,167
Security deposits	59	82	19	24
Amounts due from subsidiaries				
- trade	-	-	1,043	993
- non-trade	-	-	507	601
Prepayments	<u>2,180</u>	<u>2,169</u>	<u>1,937</u>	<u>1,822</u>
	<u>8,456</u>	<u>7,033</u>	<u>7,963</u>	<u>7,378</u>

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

Trade receivables are generally on 30 to 90 days' terms. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition. No interest is charged on the outstanding balance except for the late interest charges on receivables due from non-students at the Institute level of 5.5% (2021: 5% to 5.5%) per annum.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***8. Trade and other receivables (continued)**

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

Trade and other receivables are denominated in the following currencies:

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Singapore dollars	7,669	6,852	7,963	7,378
United States dollars	787	181	-	-
	<u>8,456</u>	<u>7,033</u>	<u>7,963</u>	<u>7,378</u>

9. Operating grants (receivable)/received in advance

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at beginning	4,488	9,684	(10,080)	(4,167)
Grants received during the year	539,539	497,318	482,240	440,456
Amounts transferred to deferred capital grants (Note 16)	(20,060)	(31,651)	(19,638)	(31,254)
Amounts taken to surplus or deficit	(521,645)	(470,863)	(465,248)	(415,115)
Balance at end	<u>2,322</u>	<u>4,488</u>	<u>(12,726)</u>	<u>(10,080)</u>

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

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Operating grants receivable	(13,402)	(10,757)	(13,402)	(10,757)
Operating grants received in advance	<u>15,724</u>	<u>15,245</u>	<u>676</u>	<u>677</u>
	<u>2,322</u>	<u>4,488</u>	<u>(12,726)</u>	<u>(10,080)</u>

10. Development grants (receivable)/received in advance

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

	The Group	
	2022	2021
	\$'000	\$'000
Balance at beginning	254	260
Grants received during the year	1,760	708
Amounts transferred to deferred capital grants (Note 16)	(1,760)	(708)
Amounts taken to surplus or deficit	-	(6)
Balance at end	<u>254</u>	<u>254</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***10. Development grants (receivable)/received in advance (continued)**

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

	The Group	
	2022	2021
	\$'000	\$'000
Development grants received in advance	254	254

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

11. Other grants (receivable)/received in advance

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

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

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at beginning	4,136	2,959	2,834	3,380
Grants received during the year	5,628	8,019	4,010	4,390
Amounts transferred to deferred capital grants (Note 16)	(368)	(229)	-	-
Amounts taken to the surplus or deficit	(6,231)	(6,613)	(5,099)	(4,936)
Balance at end	3,165	4,136	1,745	2,834

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

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Other grants receivable	(759)	(757)	(708)	(644)
Other grants received in advance	3,924	4,893	2,453	3,478
	3,165	4,136	1,745	2,834

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***12. Cash and bank balances**

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash on hand and at banks	409,643	510,892	372,813	465,517
Fixed deposits	65,411	54,297	-	-
Total cash and bank balances	475,054	565,189	372,813	465,517
Less: Fixed deposits (maturity more than 3 months from financial year end)	(39,780)	(34,833)	-	-
Total cash and cash equivalents	435,274	530,356	372,813	465,517

Deposits placed with financial institutions bear interest rates ranging from 0.10% to 1.20% (2021: 0.10% to 1.20%) per annum with maturity periods ranging from 2 to 12 months (2021: 1 to 9 months) from the end of the financial year. Cash deposits with Accountant-General's Department bear interest rates ranging from 0.28% to 0.41% (2021: 0.28% to 1.52%) per annum.

13. Capital account

The capital account comprises:

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

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

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

Designated Funds

Within general funds is ITE's Fund, which the Institute has earmarked for specific purpose and the Institute has direct control to re-designate its use for other purpose. As at 31 March 2022, the accumulated surplus of ITE's Fund is \$38,258,000 (2021: \$39,122,000).

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

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

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

Restricted funds comprise the following:

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***14. Accumulated surplus (continued)****(b) Restricted Funds (continued)**

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***14. Accumulated surplus (continued)****(b) Restricted Funds (continued)**

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***14. Accumulated surplus (continued)****(b) Restricted Funds (continued)**

	The Group					
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
31 March 2021						
Income						
Examination fees	-	-	-	2	-	2
Supplementary fees	-	1,026	-	-	-	1,026
Donations	-	-	140	-	297	437
Interest income	-	5	-	4	1	10
Other income	-	31	141	28	3	203
	-	1,062	281	34	301	1,678
Less: Operating expenditure						
Manpower costs	-	-	311	-	277	588
Depreciation of property, plant and equipment	-	1	43	44	128	216
Amortisation of intangible assets	-	-	2	-	20	22
Loss on disposal of property, plant and equipment, net	-	-	-	-	-	-
Agency fees	-	404	-	-	-	404
Repair and maintenance	-	4	9	18	-	31
Student benefits	-	172	636	3,015	3,757	7,580
Supplies and materials	-	3	127	684	118	932
Other expenditure	-	363	715	191	43	1,312
	-	947	1,843	3,952	4,343	11,085

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***14. Accumulated surplus (continued)****(b) Restricted Funds (continued)**

	The Group					
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
31 March 2021 (continued)						
Surplus/(deficit) before government grants	-	115	(1,562)	(3,918)	(4,042)	(9,407)
Government grants						
Operating grants	-	72	417	3,422	-	3,911
Other grants	-	-	1,167	88	4,099	5,354
Deferred capital grants amortised	-	-	36	-	-	36
Surplus/(deficit) after government grants	-	187	58	(408)	57	(106)
Taxation	-	-	-	-	-	-
Net surplus/(deficit) for the year	-	187	58	(408)	57	(106)
Accumulated surplus at 1 April 2020	855	2,178	1,492	2,264	3,593	10,382
Accumulated surplus at 31 March 2021	855	2,365	1,550	1,856	3,650	10,276

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***14. Accumulated surplus (continued)****(b) Restricted Funds (continued)**

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***14. Accumulated surplus (continued)****(b) Restricted Funds (continued)**

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***14. Accumulated surplus (continued)****(b) Restricted Funds (continued)**

	The Institute					
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
31 March 2021						
Income						
Examination fees	-	-	-	-	-	-
Supplementary fees	-	1,026	-	-	-	1,026
Donations	-	-	-	-	-	-
Interest income	-	5	-	-	-	5
Other income	-	31	132	21	2	186
	-	1,062	132	21	2	1,217
Less: Operating expenditure						
Manpower costs	-	-	87	-	277	364
Depreciation of property, plant and equipment	-	1	9	43	124	177
Amortisation of intangible assets	-	-	-	-	20	20
Loss on disposal of property, plant and equipment, net	-	-	-	-	-	-
Agency fees	-	404	-	-	-	404
Repair and maintenance	-	4	6	1	-	11
Student benefits	-	172	97	2,397	2,973	5,639
Supplies and materials	-	3	69	635	116	823
Other expenditure	-	363	693	190	39	1,285
	-	947	961	3,266	3,549	8,723

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***14. Accumulated surplus (continued)****(b) Restricted Funds (continued)**

	The Institute					
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
31 March 2021 (continued)						
Surplus/(deficit) before government grants	-	115	(829)	(3,245)	(3,547)	(7,506)
Government grants						
Operating grants	-	72	-	2,792	-	2,864
Other grants	-	-	807	41	3,575	4,423
Net surplus/(deficit) for the year	-	187	(22)	(412)	28	(219)
Accumulated surplus at 1 April 2020	854	2,178	729	2,217	1,401	7,379
Accumulated surplus at 31 March 2021	854	2,365	707	1,805	1,429	7,160

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***15. Lease liabilities**

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Amounts due to PPP Co.	7,158	6,916	7,158	6,916
Other lease liabilities	24	25	15	15
	<u>7,182</u>	<u>6,941</u>	<u>7,173</u>	<u>6,931</u>
<u>Non-current</u>				
Amounts due to PPP Co.	111,824	118,982	111,824	118,982
Other lease liabilities	6	30	4	19
	<u>111,830</u>	<u>119,012</u>	<u>111,828</u>	<u>119,001</u>
Total	<u>119,012</u>	<u>125,953</u>	<u>119,001</u>	<u>125,932</u>

Amounts due to PPP Co. represent the present value of amounts due to PPP Co. pursuant to the Project Agreement (Note 4). The above present value is discounted at government bond rate of 3.50% (2021: 3.50%). These amounts are repayable over a period of 25 years by monthly unitary payment ("MUP") commencing from 1 July 2010.

16. Deferred capital grants

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at beginning	692,227	717,067	689,531	715,076
Grants utilised for capital expenditure				
- Transferred from operating grants (Note 9)	20,060	31,651	19,638	31,254
- Transferred from development grants (Note 10)	1,760	708	-	-
- Transferred from other grants (Note 11)	368	229	-	-
Amortisation charge for the year	(55,792)	(57,428)	(54,900)	(56,799)
Balance at end	<u>658,623</u>	<u>692,227</u>	<u>654,269</u>	<u>689,531</u>
Represented by:				
Grants utilised	484,146	517,483	479,792	514,787
Grants unutilised	174,477	174,744	174,477	174,744
	<u>658,623</u>	<u>692,227</u>	<u>654,269</u>	<u>689,531</u>

The Institute's deferred capital grants (unutilised) include the current year grant amount set aside of \$23,187,219 (2021: \$31,035,128) for future capital expenditure according to the approach endorsed by the Institute's Board.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***17. Provision for retirement benefits****Retirement benefits reserve**

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

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

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

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

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

	The Group and The Institute	
	2022	2021
	\$'000	\$'000
Present value of unfunded obligations	1,445	1,711
Represented by:		
Current	286	314
Non-current	1,159	1,397
	<u>1,445</u>	<u>1,711</u>

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

	The Group and The Institute	
	2022	2021
	\$'000	\$'000
At 1 April	1,711	1,886
Charge for the year	57	151
Retirement benefits paid	(323)	(326)
At 31 March	<u>1,445</u>	<u>1,711</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***17. Provision for retirement benefits (continued)****Retirement benefits reserve (continued)**

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

	The Group and The Institute	
	2022	2021
	\$'000	\$'000
<u>Recognised in surplus or deficit</u>		
Interest cost	45	33
	<hr/>	<hr/>
<u>Recognised in other comprehensive income</u>		
Actuarial losses	12	118
	<hr/>	<hr/>

(c) Principal actuarial assumptions used are as follows:

	The Group and The Institute	
	2022	2021
	\$'000	\$'000
Discount rate	2.55%	1.75%
Mortality	89.1 years	89.1 years
	<hr/>	<hr/>

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

(d) Sensitivity analysis for provision of retirement benefits

	Impact - Increase/(decrease)	
	2022	2021
	\$'000	\$'000
<u>Sensitivity of defined benefit obligation to discount rate</u>		
Discount rate of five basis points higher	(2)	(3)
Discount rate of five basis points lower	2	3
	<hr/>	<hr/>
	Impact- Increase/(decrease)	
	2022	2021
	\$'000	\$'000
<u>Sensitivity of defined benefit obligation to mortality</u>		
Mortality improvement of +0.2% (lighter mortality)	46	47
Mortality improvement of -0.2% (heavier mortality)	(46)	(47)
	<hr/>	<hr/>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***18. Trade and other payables**

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Non-current				
Deposits received	754	544	753	542
	<u>754</u>	<u>544</u>	<u>753</u>	<u>542</u>
Current				
Trade creditors	5,298	6,613	3,088	5,224
Deposits received	85	200	85	200
Accrued operating expenses	16,872	16,794	14,425	14,506
Accrued capital expenditure	1,296	3,852	1,296	3,852
Provision for unutilised compensated leave	23,681	23,329	23,184	22,880
	<u>47,232</u>	<u>50,788</u>	<u>42,078</u>	<u>46,662</u>
Total trade and other payables	<u>47,986</u>	<u>51,332</u>	<u>42,831</u>	<u>47,204</u>

19. Net assets of trust funds

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

Trust funds comprise the following funds:

ITE Education Fund ("IEF")

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***19. Net assets of trust funds (continued)**

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

	The Group and The Institute									
	IEF		PECT Fund		EDB Fund		WSP Fund		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at 31 March	144,387	126,391	969	677	4	(25)	-	-	145,360	127,043
Income										
Grant income	14,206	13,652	6,410	7,252	202	633	5,320	2,265	26,138	23,802
Interest income	1,173	1,862	-	-	-	-	-	-	1,173	1,862
General donations	12,163	10,475	-	-	-	-	-	-	12,163	10,475
Fair value gain on financial assets	-	1,441	-	-	-	-	-	-	-	1,441
Other income	-	68	-	-	-	-	-	-	-	68
	<u>27,542</u>	<u>27,498</u>	<u>6,410</u>	<u>7,252</u>	<u>202</u>	<u>633</u>	<u>5,320</u>	<u>2,265</u>	<u>39,474</u>	<u>37,648</u>
Expenditure										
Manpower costs	-	-	3,634	3,776	-	-	-	-	3,634	3,776
Grant, student assistance & scholarships	12,203	9,500	-	-	206	603	5,320	2,249	17,729	12,352
Fair value loss on financial assets	2,188	-	-	-	-	-	-	-	2,188	-
Promotions and ceremonies	-	2	-	-	-	-	-	-	-	2
Fund raising expenditure	-	-	-	-	-	-	-	-	-	-
Other expenditure	2	-	3,245	3,184	-	1	-	16	3,247	3,201
	<u>14,393</u>	<u>9,502</u>	<u>6,879</u>	<u>6,960</u>	<u>206</u>	<u>604</u>	<u>5,320</u>	<u>2,265</u>	<u>26,798</u>	<u>19,331</u>
Net surplus/(deficit) for the year	13,149	17,996	(469)	292	(4)	29	-	-	12,676	18,317
Balance at 31 March	<u>157,536</u>	<u>144,387</u>	<u>500</u>	<u>969</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>158,036</u>	<u>145,360</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***19. Net assets of trust funds (continued)**

The Group and The Institute										
	IEF		PECT Fund		EDB Fund		WSP Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Represented by:										
Assets										
Cash and bank balances	39,354	97,253	504	2,056	5	(56)	6,190	9,294	46,053	108,547
Grant and other receivables	5,258	1,065	2	1	13	126	2,314	45	7,587	1,237
Other financial assets	117,825	49,859	-	-	-	-	-	-	117,825	49,859
	162,437	148,177	506	2,057	18	70	8,504	9,339	171,465	159,643
Liabilities										
Accruals and other payables	4,901	3,790	6	1,088	18	66	8,504	9,339	13,429	14,283
	4,901	3,790	6	1,088	18	66	8,504	9,339	13,429	14,283
Net assets	157,536	144,387	500	969	-	4	-	-	158,036	145,360

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***20. Income****(a) Disaggregation of income**

	Course fees		The Group Examination fees		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Full time courses	17,159	17,106	66	64	17,225	17,170
Part time courses	6,011	4,803	513	399	6,524	5,202
	<u>23,170</u>	<u>21,909</u>	<u>579</u>	<u>463</u>	<u>23,749</u>	<u>22,372</u>
Timing of transfer of goods or services						
At a point in time	-	-	579	463	579	463
Over time	23,170	21,909	-	-	23,170	21,909
	<u>23,170</u>	<u>21,909</u>	<u>579</u>	<u>463</u>	<u>23,749</u>	<u>22,372</u>

	Course fees		The Institute Examination fees		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Full time courses	16,870	16,831	64	62	16,934	16,893
Part time courses	5,974	4,788	408	326	6,382	5,114
	<u>22,844</u>	<u>21,619</u>	<u>472</u>	<u>388</u>	<u>23,316</u>	<u>22,007</u>
Timing of transfer of goods or services						
At a point in time	-	-	472	388	472	388
Over time	22,844	21,619	-	-	22,844	21,619
	<u>22,844</u>	<u>21,619</u>	<u>472</u>	<u>388</u>	<u>23,316</u>	<u>22,007</u>

(b) Contract related balances

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

	The Group			The Institute		
	2022	2021	2020	2022	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables from contracts with customers	4,192	2,491	6,078	3,199	2,203	3,659
Contract assets	465	554	492	-	-	-
Less: Allowance for expected credit losses (Note 29.1)	(607)	(623)	(785)	(513)	(432)	(147)
	<u>4,050</u>	<u>2,422</u>	<u>5,785</u>	<u>2,686</u>	<u>1,771</u>	<u>3,512</u>
Contract liabilities	<u>4,974</u>	<u>3,829</u>	<u>4,059</u>	<u>3,514</u>	<u>3,489</u>	<u>3,611</u>

The Group and the Institute have recognised impairment losses on receivables arising from contracts with customers which amounted to \$549,842 (2021: \$433,983) and \$508,135 (2021: \$428,871) respectively.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***20. Income (continued)****(b) Contract related balances (continued)**

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

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

Set out below is the amount of revenue recognised from:

	The Group			The Institute		
	2022	2021	2020	2022	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amount included in contract liabilities at the beginning of the year	3,555	3,754	4,234	3,489	3,611	3,684

21. Interest income

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest received				
- debt securities	144	359	126	313
- fixed deposits	196	561	-	-
- bank balances	929	2,716	929	2,715
	<u>1,269</u>	<u>3,636</u>	<u>1,055</u>	<u>3,028</u>

22. Other income

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Administrative fees	295	264	112	77
Registration fees	-	29	-	29
Sales of computer equipment and stores	393	368	393	368
Exchange gain	31	-	15	-
Liquidated damages	86	113	86	113
Others	790	797	542	527
	<u>1,595</u>	<u>1,571</u>	<u>1,148</u>	<u>1,114</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***23. Manpower costs**

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Wages, salaries, bonuses and allowance	332,136	306,511	293,078	270,484
Contribution to defined contribution plans	47,424	43,591	41,275	37,846
Pension gratuities and retirement benefits	65	35	65	35
Staff development and benefits	6,604	5,854	5,877	5,079
	<u>386,229</u>	<u>355,991</u>	<u>340,295</u>	<u>313,444</u>

24. Grants-in-aid

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

25. Other expenditure

Included in other expenditure are the following:

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Allowance for expected credit losses (Note 29.1)	550	434	508	429
Reversal of allowance for expected credit losses	(219)	(472)	(81)	(20)
Bad debts written off	48	273	34	240
Consultancy services	1,836	1,251	960	1,086
Functions and entertainment	658	264	580	207
Exchange loss	-	92	-	13
GST expenses	6,914	7,261	6,753	7,101
Overseas travelling	77	145	35	101
Publications and publicity materials	833	945	753	875
Rental of premises	19	23	2	12
Travelling and communications	348	407	295	335
Others	7,451	8,105	5,953	6,928
	<u>18,515</u>	<u>18,728</u>	<u>15,792</u>	<u>17,307</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***26. Taxation**

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

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

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

	The Group	
	2022	2021
	\$'000	\$'000
Current income tax:		
- Current income taxation	-	-
- Under provision in respect of previous years	1	-
Income tax expense recognised in surplus or deficit	<u>1</u>	<u>-</u>

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

	The Group	
	2022	2021
	\$'000	\$'000
Surplus before taxation	60,843	57,221
Tax calculated at tax rate of 17% (2021: 17%)	10,343	9,728
Effects of:		
- expenses not deductible for tax purposes	2	3
- income not subject to tax	(4)	(67)
- deferred tax assets not recognised	191	237
- under provision in respect of previous years	1	-
- results that are tax exempt	(10,532)	(9,901)
Income tax expense recognised in surplus or deficit	<u>1</u>	<u>-</u>

27. Related party transactions

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***27. Related party transactions (continued)**

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Subsidiaries				
Re-charge of payroll costs for staff seconded to all subsidiaries	-	-	6,265	6,442
Charges for services rendered to a subsidiary	-	-	243	367
Rental fee for a subsidiary's usage of facilities	-	-	198	246
Dividend income from a subsidiary	-	-	-	-

Key management personnel compensation

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

Key management personnel compensation comprises:

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Salaries and related short-term benefits	6,600	5,812	2,920	2,544

28. Capital commitments

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

	The Group and The Institute	
	2022	2021
	\$'000	\$'000
Amount approved and contracted for	7,642	8,436

29. Financial risk management objectives and policies

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

29. Financial risk management objectives and policies (continued)

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

29.1 Credit risk

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

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

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

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

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

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***29. Financial risk management objectives and policies (continued)****29.1 Credit risk (continued)****(a) Debt securities at amortised cost**

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

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

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

As at 31 March 2022, all financial assets except trade receivables and contract assets belong to the first category where expected credit loss provision is based on the 12-month expected credit loss. The Group has assessed that the expected credit loss is not significant for these debt instruments over the next 12 months.

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

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

(c) Trade receivables and contract assets

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***29. Financial risk management objectives and policies (continued)****29.1 Credit risk (continued)****(c) Trade receivables and contract assets (continued)**

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

		The Group				
		Current	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due
		\$'000	\$'000	\$'000	\$'000	\$'000
						Total \$'000
2022						
Gross carrying amount		2,536	211	254	966	690
Loss allowance provision		-	10	15	163	419
						4,657
						607
2021						
Gross carrying amount		1,285	167	58	844	691
Loss allowance provision		109	14	7	239	254
						3,045
						623
		The Institute				
		Current	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due
		\$'000	\$'000	\$'000	\$'000	\$'000
						Total \$'000
2022						
Gross carrying amount		1,438	200	156	894	511
Loss allowance provision		-	10	15	162	326
						3,199
						513
2021						
Gross carrying amount		647	167	58	817	514
Loss allowance provision		-	14	7	217	194
						2,203
						432

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***29. Financial risk management objectives and policies (continued)****29.1 Credit risk (continued)****(c) Trade receivables and contract assets (continued)****Expected credit losses**

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

	The Group		The Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
As at 1 April	623	785	432	147
Charge for the year (Note 25)	550	434	508	429
Written back	(219)	(472)	(81)	(20)
Written off	(347)	(124)	(346)	(124)
At the end of the year	<u>607</u>	<u>623</u>	<u>513</u>	<u>432</u>

Credit risk concentration profile

	The Group			
	2022		2021	
	Percentage of balance	No. of counter- parties/ debtors	Percentage of balance	No. of counter- parties/ debtors
Trade and other receivables	<u>36%</u>	<u>3</u>	<u>32%</u>	<u>3</u>

	The Institute			
	2022		2021	
	Percentage of balance	No. of counter- parties/ debtors	Percentage of balance	No. of counter- parties/ debtors
Trade and other receivables	<u>24%</u>	<u>3</u>	<u>17%</u>	<u>3</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***29.2 Liquidity risk**

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

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

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

	The Group			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
2022				
Trade and other payables*	23,551	754	-	24,305
Lease liabilities	11,347	45,295	94,352	150,994
Provision for retirement benefits	290	910	374	1,574
	35,188	46,959	94,726	176,873

2021				
Trade and other payables*	27,459	544	-	28,003
Lease liabilities	11,352	45,315	105,674	162,341
Provision for retirement benefits	317	999	509	1,825
	39,128	46,858	106,183	192,169

	The Institute			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
2022				
Trade and other payables*	18,894	753	-	19,647
Lease liabilities	11,338	45,293	94,352	150,983
Provision for retirement benefits	290	910	374	1,574
	30,522	46,956	94,726	172,204

2021				
Trade and other payables*	23,782	542	-	24,324
Lease liabilities	11,338	45,308	105,674	162,320
Provision for retirement benefits	317	999	509	1,825
	35,437	46,849	106,183	188,469

* exclude provision for unutilised compensated leave

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***29.3 Interest rate risk**

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

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

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 5 (2021: 5) basis points higher/lower with all other variables held constant, the Group's surplus net of tax would have been \$165,970 (2021: \$207,282) higher/lower, arising mainly as a result of higher/lower interest income from fixed deposits placed with financial institution and cash deposits placed with Accountant-General's Department.

29.4 Price risk

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

Sensitivity analysis for price risk

With all other variables held constant, a 10% increase/decrease in the underlying market prices of the financial assets at fair value through profit or loss at the end of the reporting period would result in \$20,315,800 (2021: \$6,149,400) increase/decrease in the Group's surplus net of tax.

30. Capital management

	The Group	
	2022	2021
	\$'000	\$'000
Capital account	2,715	2,715
Accumulated surplus - General Funds	462,657	402,469
Total capital and general funds	<u>465,372</u>	<u>405,184</u>

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***31. Funds management**

The Group's objectives when managing the funds are:

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

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

32. Financial instrumentsClassifications of financial assets and financial liabilities

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

	The Group		
	At fair value through profit or loss \$'000	At amortised cost \$'000	Total \$'000
At 31 March 2022			
Financial assets			
Unit trusts	203,158	-	203,158
Quoted debt securities	-	4,497	4,497
Trade and other receivables ⁽¹⁾	-	6,276	6,276
Operating grants receivable	-	13,402	13,402
Other grants receivable	-	759	759
Cash and bank balances	-	475,054	475,054
	<u>203,158</u>	<u>499,988</u>	<u>703,146</u>
		At amortised cost \$'000	Total \$'000
At 31 March 2022			
Financial liabilities			
Trade and other payables ⁽²⁾		24,305	24,305
Lease liabilities		119,012	119,012
Provision for retirement benefits		1,445	1,445
		<u>144,762</u>	<u>144,762</u>

(1) exclude prepayments

(2) exclude provision for unutilised compensated leave

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***32. Financial instruments (continued)**Classifications of financial assets and financial liabilities (continued)

	The Group		
	At fair value through profit or loss \$'000	At amortised cost \$'000	Total \$'000
At 31 March 2021			
Financial assets			
Unit trusts	61,494	-	61,494
Quoted debt securities	-	4,496	4,496
Trade and other receivables ⁽¹⁾	-	4,864	4,864
Operating grants receivable	-	10,757	10,757
Other grants receivable	-	757	757
Cash and bank balances	-	565,189	565,189
	61,494	586,063	647,557
		At amortised cost \$'000	Total \$'000
At 31 March 2021			
Financial liabilities			
Trade and other payables ⁽²⁾		28,003	28,003
Lease liabilities		125,953	125,953
Provision for retirement benefits		1,711	1,711
		155,667	155,667

⁽¹⁾ exclude prepayments⁽²⁾ exclude provision for unutilised compensated leave

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***32. Financial instruments (continued)**Classifications of financial assets and financial liabilities (continued)

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

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

⁽¹⁾ exclude prepayments⁽²⁾ exclude provision for unutilised compensated leave

	The Institute		
	At fair value through profit or loss \$'000	At amortised cost \$'000	Total \$'000
At 31 March 2021			
Financial assets			
Unit trusts	61,494	-	61,494
Quoted debt securities	-	3,994	3,994
Trade and other receivables ⁽¹⁾	-	5,556	5,556
Operating grants receivable	-	10,757	10,757
Other grants receivable	-	644	644
Cash and bank balances	-	465,517	465,517
	61,494	486,468	547,962

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***32. Financial instruments (continued)**Classifications of financial assets and financial liabilities (continued)

	At amortised cost \$'000	Total \$'000
At 31 March 2021		
Financial liabilities		
Trade and other payables ⁽²⁾	24,324	24,324
Lease liabilities	125,932	125,932
Provision for retirement benefits	1,711	1,711
	151,967	151,967

⁽¹⁾ exclude prepayments⁽²⁾ exclude provision for unutilised compensated leave**33. Fair value measurements****(a) Fair value hierarchy**

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

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

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

Level 3 - unobservable inputs for the asset or liability.

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

Unit trusts managed by fund managers (Note 7) are carried at fair value. The fair values are based on net asset value of the underlying funds at the end of the reporting period. The unit trusts are designated in the Level 2 category as at 31 March 2022 (2021: Level 2).

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

The fair values of financial assets and financial liabilities approximate the carrying amounts of those assets and liabilities as these are either short term in nature or bear market interest rates which are revised at regular intervals, and are estimated based on the expected cash flows discounted to present value.

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

34. Authorisation for issue of financial statements

The consolidated financial statements for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the board on 20 July 2022.

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