

Institute of  
Technical Education

# ANNUAL REPORT 14 | 15

for the Year Ended 31 March 2015



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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 2015.

On behalf of the Board of Governors:



**Bob Tan Beng Hai**

Chairman  
30 June 2015



**Bruce Poh Geok Huat**

Director & Chief Executive Officer  
30 June 2015

## ORGANISATION DETAILS

Board Secretary	Sabrina LOI Deputy Chief Executive Officer (Corporate)
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## ABOUT ITE

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

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

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

### MISSION

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

### VISION

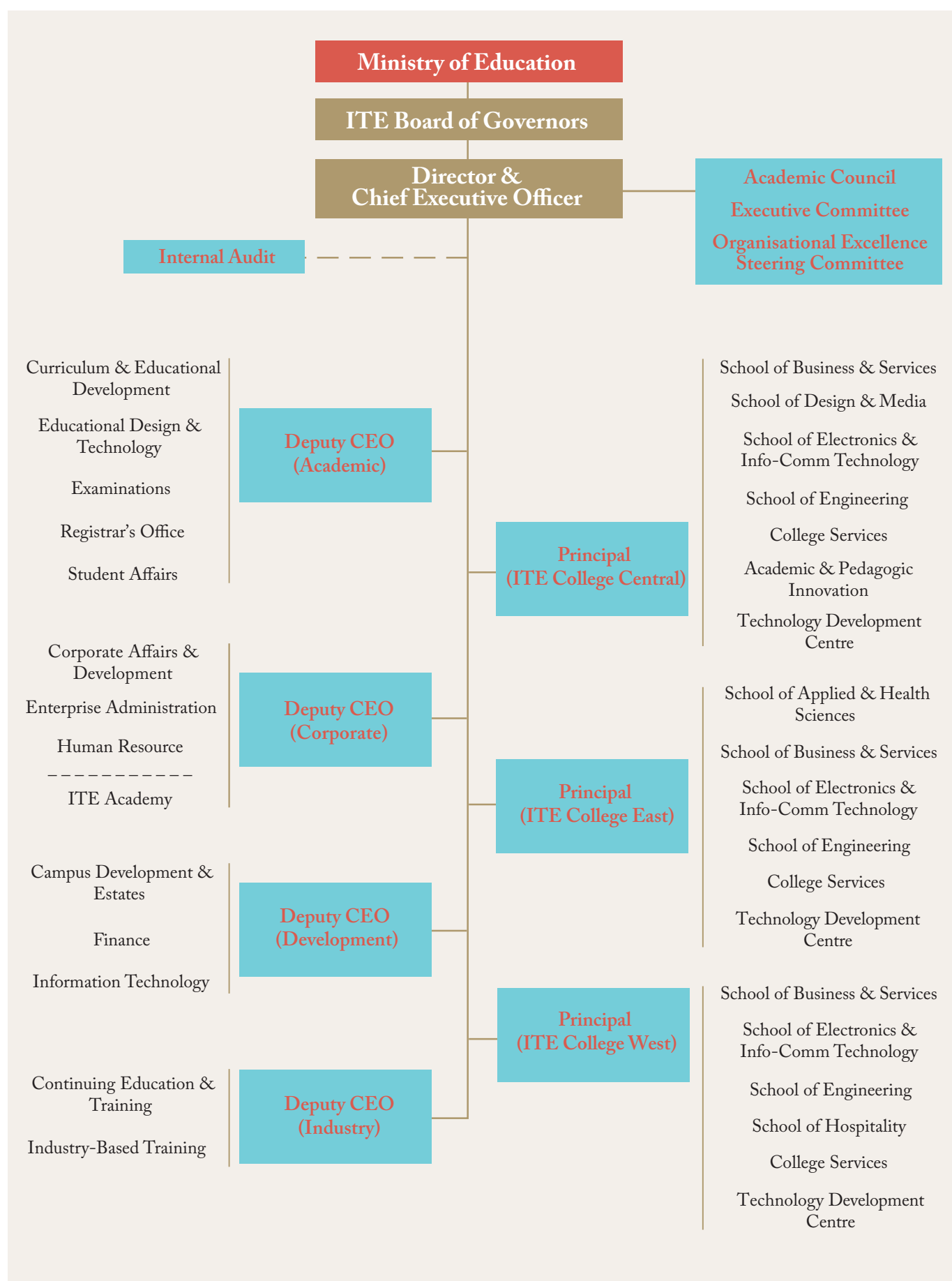
A Trailblazer in Career and Technical Education

### VALUES

ITE Care – Integrity, Teamwork, Excellence, Care

As at 31 March 2015

## ORGANISATION STRUCTURE



## 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 2015**, the tripartite Board comprised the following representations from Government, Industry and the Unions:

**Chairman &  
Chairman, Nominating Committee**

**Mr Bob Tan Beng Hai**

Chairman

Jurong Engineering Ltd

**Deputy Chairman &  
Chairman, Establishment Committee**

**Mr Heng Chiang Gnee**

Executive Director

Singapore Maritime Institute

**Chairman, Audit Committee**

**Dr Ernest Kan Yaw Kiong**

Partner,

Chief-of-Operations (Clients and Market)

Head of Global IFRS & Offerings Services

Deloitte & Touche LLP, Singapore

**Chairman, Finance and Investment Committee**

**Mr Kuah Boon Wee**

Group Chief Executive Officer

MTQ Corporation

**Chairman, Fund Raising Committee**

**Mr Tong Chong Heong**

Senior Advisor

Keppel Offshore & Marine

**Director & Chief Executive Officer**

**Chairman, Technical Education Promotion Fund Board of Managers &**

**Chairman, ITE Education Fund Management Committee**

**Mr Bruce Poh Geok Huat**

Institute of Technical Education

## Members

### **Mr Chang Chin Nam**

Executive Director (Precision Engineering)  
Economic Development Board

### **Ms Malathi Das**

Advocates & Solicitors  
Joyce A Tan & Partners

### **Mr Fong Yong Kian**

Chief Executive  
Singapore Totalisator Board

### **Mr Heinrich Grafe**

General Manager  
Conrad Tokyo  
Japan

### **Ms Ho Peng**

Director-General of Education  
Ministry of Education

### **Ms Melissa Kwee**

CEO  
National Volunteer & Philanthropy Centre

### **Dr Lim Boon Huat**

Managing Director  
Rohde & Schwarz Systems & Communication Asia Pte Ltd

### **Dr Intan Azura Binte Mokhtar**

Strategic Analyst and Consultant  
IMAR Holdings Pte Ltd &  
Member of Parliament  
Ang Mo Kio Group Representation Constituency (*Jalan Kayu*)

### **COL Ng Chad-Son**

Head  
Joint Intelligence  
Ministry of Defence

### **Mr Ong Hwee Liang**

General Secretary  
SIA Engineering Company Engineers and Executive Union (SEEU)

### **Mr Phua Han Tian**

General Manager  
VIPColor Technologies Pte Ltd

**Mr Gilbert Tan Chye Hee**

Chief Executive Officer

Employment and Employability Institute (e2i)

**Mr T K Udairam**

Group Chief Executive Officer

Eastern Health Alliance

**Dr Carrie Yau**

Executive Director

Hong Kong Vocational Training Council

Hong Kong

**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 2015**, the Team comprised:

**Senior Management****Mr Bruce Poh Geok Huat**

Director &amp; Chief Executive Officer

**Dr Benjamin Tan Lin Boon**

Deputy Chief Executive Officer (Development)

**Dr Ang Kiam Wee**Principal  
ITE College Central**Mr Heng Guan Teck**

Deputy Chief Executive Officer (Academic)

**Mr Aw York Bin**

Deputy Chief Executive Officer (Industry)

**Mr Eden Liew**Principal  
ITE College East**Ms Sabrina Loi**

Deputy Chief Executive Officer (Corporate)

**Dr Yek Tiew Ming**Principal  
ITE College West



## ITE Headquarters

### Academic

**Mr Cheang Wee Kok Shang**  
Senior Director & Registrar

**Ms Michelle Low**  
Divisional Director  
Examinations

**Ms Iris Seet**  
Senior Director  
Curriculum & Educational  
Development 1

**Ms Thang Tze Yian Theresa**  
Divisional Director  
Educational Design & Technology

**Mr Soh Sze-Wei**  
Divisional Director  
Curriculum & Educational  
Development 2

**Mr Cheang Wee Kok Shang**  
Divisional Director  
Student Affairs (covering)

### Corporate

**Ms Tham Mei Leng**  
Divisional Director  
Corporate Affairs & Development

**Mr Tan Wee Khiang**  
Divisional Director  
Enterprise Administration

**Ms Jane Chia**  
Divisional Director  
Human Resource

### *ITE Academy*

**Mr Tan Seng Hua**  
Dean  
ITE Academy

**Dr Samuel Ng**  
Director  
Pedagogic Development

### Development

**Mr Lim Cheng Siong**  
Senior Director  
Campus Development & Estates

**Mr Chia Ti Yu**  
Divisional Director  
Finance

**Mr Lee Foo Wah**  
Divisional Director  
Information Technology

**Mr Chong Weng Foo**  
Director  
Environment & Security  
Management

### Industry

**Mr Aw Kim Geok**  
Divisional Director  
Continuing Education & Training

**Mr Ting Kok Guan**  
Divisional Director  
Industry-based Training

### ITE College Central

**Dr Ang Kiam Wee**  
Principal

**Ms Yeo Sock Tin**  
Director  
Academic & Pedagogic  
Innovation

**Mr Tan Kay Chuan**  
Director  
School of Electronics &  
Info-Comm Technology

**Mr Liew Beng Keong**  
Deputy Principal  
Academic

**Mrs Ong-Cheong Hwa Yew**  
Director  
College Services

**Mr Kong Chee Seng**  
Director  
School of Engineering

**Mr Chong Leong Fatt**  
Deputy Principal  
Administration

**Dr Derek Yeo**  
Director  
School of Business & Services

**Mr Lee Teck Kheng**  
Director  
Technology Development Centre

**Mr Suresh Natarajan**  
Deputy Principal  
Development

**Mr Callistus Chong**  
Director  
School of Design & Media

### ITE College East

**Mr Eden Liew**  
Principal

**Mr James Ng**  
Director  
College Services

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

**Mr Lim Teck Lee**  
Deputy Principal  
Academic

**Dr Lionel Lau**  
Director  
School of Applied & Health  
Sciences

**Mr Loh Kum Fei**  
Director  
School of Engineering

**Mr Lim Chwee Seng**  
Deputy Principal  
Development

**Ms Alice Seow Chui Hoon**  
Director  
School of Business & Services

**Dr Lim Soon Huat**  
Director  
Technology Development Centre

**ITE College West**

**Dr Yek Tiew Ming**  
Principal

**Dr Goh Mong Song**  
Deputy Principal  
Academic

**Mr Yeow Swee Soon**  
Director  
College Services

**Mr Peh Wee Leng**  
Director  
School of Business & Services

**Dr Eric Cheung**  
Director  
School of Electronics &  
Info-Comm Technology

**Mr Seng Chin Chye**  
Director  
School of Engineering

**Ms Denise Tan**  
Director  
School of Hospitality

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# FY2014 | HIGHLIGHTS

## Blazing New Trails

FY2014 marked the completion of ITE's fourth five-year strategic roadmap, the ***ITE Innovate Plan*** (2010 – 2014), which had propelled ITE towards its goal of becoming ***A Global Leader for Innovations in Technical Education***.

***ITE Innovate*** saw ITE complete the consolidation of its satellite campuses into three regional colleges; adopt new pedagogical approaches for authentic learning; increase opportunities for students to participate in global education programmes, and enhance educational choices and pathways for students. In pursuing excellence, ITE was committed to learning from leaders in Vocational and Technical Education (VTE) and innovating for excellence in VTE.

With foundations for excellence, learning and innovation in place, ITE embarked on the formulation of a new five-year plan that would bring ITE into the next level of development. The result was ***ITE Trailblazer*** (2015 – 2019), a new blueprint that will steer us towards our vision of ***A Trailblazer in Career and Technical Education***.

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# Highway to Excellence

## Our Corporate Highlights

### Trailblazing the Future

To prepare ITE for the challenges of the future, we launched our fifth five-year strategic roadmap – *ITE Trailblazer* (2015–2019) – on 16 February 2015 at a News Conference. The new plan was ITE’s strategic response to Singapore’s next phase of development as an advanced economy and society.

Aligned with SkillsFuture – a national movement to provide Singaporeans with opportunities to develop to their fullest potential, regardless of their starting points – *ITE Trailblazer* will position ITE as *A Trailblazer in Career and Technical Education*. Under this Plan, we aspire to blaze new trails through new skills pathways that extend to career-based learning in the workplace; new ways of teaching and learning, through the use of ICT-enabled and self-directed learning, and discipline-specific teaching methods; new levels of appreciation for an ITE career-based education that is valued by employers; and new models of industry collaboration, with companies and industry taking greater ownership in driving workplace learning and internships.

Through *ITE Trailblazer*, we aim to achieve these outcomes:

- Confident and well-rounded students
- Career-ready and world-ready graduates
- Passionate and professional staff
- Engaged and valued partners

### ASPIRE-ing Towards SkillsFuture

During the FY, ITE was actively involved in providing inputs on the review and formulation of recommendations, and engagement of students, alumni, parents and staff, at various phases of the **Applied Study in Polytechnics and ITE Review (ASPIRE)**. Since then, ITE has been actively involved with initiatives related to **SkillsFuture**. The key thrusts and initiatives of **SkillsFuture** have been incorporated into *ITE Trailblazer*.

### Battle of the Best

ITE, with the support of the five Polytechnics, organised the **11th WorldSkills Singapore (WSS) Competition** from 10 to 12 July 2014. The biennial battle of skills saw some 142 competitors from ITE, the polytechnics and other training institutes come together to put their skills to test in 17 skill areas. ITE scored an overall second ranking in the total medal tally, with five Gold, five Silver and two Bronze Medals, and three Medallions for Excellence. In addition, free workshops were introduced for the first time at WSS to encourage members of the community to attend the event. The event attracted a total of 7,000 visitors.

At the regional level, 35 ITE students flew the Singapore flag high by achieving an overall fifth ranking among 10 participating countries at the **10th ASEAN Skills Competition (ASC)** held in Hanoi, Vietnam, in October 2014. Competing against students from higher level institutions, Team Singapore – which wholly

comprised ITE students - garnered six Gold, one Silver, four Bronze Medals and eight Medallions for Excellence.

Five ITE competitors, who were among WSS 2014 and ASC 2014 top medallists, would represent Singapore at the 43rd WorldSkills Competition (WSC) at Sao Paulo, Brazil, in August 2015.

## Winning Ways

ITE's commitment to environmental sustainability, people excellence, corporate social responsibility and innovation was affirmed through several key corporate awards accorded to ITE during the year:

- **President's Award for the Environment 2014**, in September 2014, in recognition of our sustained commitment to the environmental cause and for our active outreach to the community through community engagement and public education projects.
- **May Day 2014 Awards** - Plaque of Commendation (Gold) from the National Trades Union Congress (NTUC), in April 2014, in recognition of our strong strategic partnership and relations with the Unions.
- **Singapore HR Awards**, in July 2014, in recognition of our achievements in and commitment to People Excellence, as follows:
  - 1) Corporate HR Champion Award (Pinnacle Award)
  - 2) Corporate HR Award
  - 3) HR Advocate Award (Strategic HR)
  - 4) HR Advocate Award (HR Communications & Branding)
  - 5) Leading HR Practices in Strategic HR
  - 6) Leading HR Practices in HR Communications and Branding
  - 7) Leading HR Practices in Employee Relations & People Management
  - 8) Leading HR Practices in Corporate Social Responsibility
  - 9) Leading HR Practices in Quality Work-life, Physical & Mental Well-being
  - 10) Leading HR Practices in Manpower Resourcing & Planning (Special Mention)
  - 11) Leading HR Practices in Performance Management (Special Mention)
  - 12) Leading HR Practices in Learning & Human Capital Development (Special Mention)
  - 13) Leading HR Practices in Talent Management, Retention & Succession Planning (Special Mention)
- **2014 Innovation of the Year Award** from the League for Innovation in Community College, USA, in April 2014, for ITE College West's 'Puppetry Robotic Glove System (PROGS)' Project. The same project also won the 2014 PS21 ExCEL 'Most Innovative Project/Policy' (Gold) Award in October 2014.
- **SHARE Gold Award 2014** from the National Council of Social Service, in September 2014, in recognition of our contribution to the community in need.



# Launch Pad To The World

## Our Strategic Global and Local Partnerships

When our students step out of ITE, we aim for them to be 'Career-Ready and World-Ready'. To equip our lecturers with competencies of the latest technology, global perspective of the industry, and knowledge of developments in Vocational and Technical Education (VTE) pedagogy, we make a conscious effort to foster win-win relationships and strategic collaborations with industry, and the international VTE community. The strong industry ties and global network enable our staff to build up their competencies, while one third of our students benefit from enriched learning opportunities through participation in Global Education Programmes in 25 countries during the year.

### Strengthening Strategic Alliances

In the year under review, ITE strengthened its partnership with industry and local and international VTE organisations through new Memoranda of Understanding (MOU). Among the partnerships forged include:

- Establishing or renewing partnerships with the **Vocational Training Council (VTC)** in Hong Kong; the **Holmesglenn Institute** in Australia, and our **Global Education Network (GEN)** partners. A new five-year MOU was inked with **Polytechnic West**, a multi-award winning Australian institute, to collaborate on curriculum development, delivery and assessment; staff and student development and exchange; and benchmarking in the areas of Aerospace, Fashion, Hospitality and Engineering (e.g. Fluid Power/Air-con and Refrigeration Engineering). As at end-FY2014, we have a total of **19** corporate-level international MOU partners.
- Twenty collaborations with established companies located in Singapore, including **Samsung Asia Pte Ltd**, **Microsoft Singapore**, **UNIQLO (Singapore) Pte Ltd**, **Tall Ship Adventures Pte Ltd** and **SportsHub Pte Ltd** to name a few. This brought the total number of industry MOUs to **119**.

### Welcoming the World to ITE

In FY2014, ITE hosted over **1,700** foreign visitors from **50** countries. Notable among them include His Majesty Jigme Khesar Namgyel Wangchuck, King of Bhutan; His Majesty Paduka Seri Baginda Sultan Haji Hassanah Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam; Her Royal Highness Princess Maha Chakri Sirindhorn of Thailand; His Excellency Dr Sai Mauk Kham, First Vice President of the Republic of the Union of Myanmar; and Ministers and high-ranking Government officials from Bangladesh, Canada, China, India, Jamaica, Japan, Korea, Malaysia, Nigeria, Switzerland, Tatarstan, United Kingdom and Vietnam. Overseas organisations, such as the Servico Nacional De Aprendizagem Industrial (SENAI), Brazil, and the Russian Presidential Academy of National Economy and Public Administration (RANEPA), Russia, also visited ITE during the year.

# Prepped For Take-Off

## Our Students

Preparing students for better jobs in growing sectors continues to be the driving force behind ITE's rigorous curriculum reviews. During the year under review, **two new *Higher Nitec* courses** in Human Resource & Administration and Space Design Technology were introduced to meet the growing demand for skilled manpower in these sectors. As part of ITE's review and renewal of courses, the *Nitec* in Interactive Media Design course was phased out, while four Chemical Process Technology courses with specialisations were merged into a common course title – *Nitec* in Chemical Process Technology. These brought the total number of full-time courses offered in FY2014 to **97**.

### Get Real!

**Authentic learning** remains an integral attribute of ITE education. To ensure that our students were up-to-date with the industry developments, ITE maintained close contact with industry partners to explore opportunities for student work attachments, internships and sharing of technical know-how.

For example, in a two-week internship stint in June 2014, eight students from the *Nitec* in Asian Culinary Arts course learned the ins-and-outs of operating food stalls from experienced hawkers. This unique learning opportunity came as a result of the partnership between ITE and Makansutra founder Mr K.F. Seetoh. From cooking to serving diners to handling the cash register, the students were trained by their Master Hawker Mentors in all aspects of operating a food business.

In the same vein, in January 2015, ITE and Tall Ship Adventures Pte Ltd – a local company operating The Royal Albatross, Asia's only luxury tall ship – cemented an exclusive collaboration to provide our students with training and industry experience on board the luxury yacht to develop their competencies in crewing, passenger handling and safety.

### Ready to Soar

The quality achievements outlined in the chapters and paragraphs above were reflected in the educational outcomes achieved by ITE in FY2014:

- High student enrolment of **30,023**
- High student success rate of **85%**
- High student satisfaction level of **96%**
- High Student Overseas Participation Rate of **33%**
- Strong employment rate of **87%** for our full-time graduates

In addition, some **13,042** students graduated in 2014, with **645** graduands receiving Certificates of Merit (COM). Of these, **201** were awarded Course Medals for their outstanding achievements.

Eleven outstanding graduates also received prestigious awards:

- Lee Kuan Yew Gold Medal – Jeremy Lau Tuck Wei, Finn Seah Cong Hern and Yeo Hui Ling
- Tay Eng Soon Gold Medal – Lye Zheng Bin, Liaw Lay Kian and Khairunnisa Bte Abdul Gani

- Sng Yew Chong Gold Medal – Nursyukrina Fatin Bte M M, Muhammad Asyraf Bin Chumino and Hung Chung-Yuan
- Singapore Labour Foundation Gold Medal – Lim Hock Tee
- IES Engineering Award – Tan Kah Wee

At the 2014 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 also received the **Sultan Haji Omar Ali Saifuddien (SHOAS) Book Prize** for obtaining outstanding academic results. **Jeremy Lau Tuck Wei**, recipient of both the LKY STEP Award and SHOAS Book Prize, also clinched the **Lee Hsien Loong Award for Outstanding All-Round Achievement**.

ITE students also shone with their different talents at various competitions. *Nitec* in Aerospace Avionics student, **Ray Tan Guan Rui** trumped more than 100 contenders from Institutes of Higher Learning and secondary schools to clinch the 2014 National Young Leader Award in December 2014. Organised by the Halogen Foundation Singapore, the award recognises young leaders who are involved, engaged and have conviction in the things they do, regardless of their academic achievements.

In September 2014, aspiring chef and Technical Diploma in Culinary Arts student, **Koh Han Jie** beat three other culinary school students to emerge the winner in a cook-off to be the first intern at celebrity chef, Gordon Ramsay's new restaurant at Marina Bay Sands.

## Going Places

With ITE's **Global Education Programme (GEP)**, our students are going places, literally. The GEP aims to provide students with a holistic education by giving them the opportunity to be exposed to new skills, global mindsets and perspectives, and a better understanding of the culture and lifestyle in other countries. In FY2014, 33% of the student cohort participated in the GEP through exchange programmes, industrial attachments, community service programmes, and/or cultural or sports activities.

# All Aboard!

## Our Staff and Stakeholders

At ITE, our Human Capital Development Programme is in place to grow our staff as skills masters and passionate educators. With rising service expectations and rapidly changing technology, we are committed to ensuring that our staff develop the capability to remain relevant, and are flexible and nimble to adapt to the challenges in today's fast-changing environment.

The **Total System Capability** initiative, implemented in FY2007 to enhance the professional capabilities of staff, has seen **94%** of ITE staff attain the professional capability to 'Do' or 'Lead' in industry projects or consultancy work in FY2014. That is an improvement of 54 percentage points from FY2007 when this scheme started. Moving forward, we will be levelling up with a new Professional Capability Development Programme in 2015. The new programme will encompass staff capability development in pedagogy, technology and professional areas, to further raise the currency and quality of teaching and learning for ITE students.

To enable staff to nurture and develop innovations together with students, facilities like **Technology Development Centres**, **Centres of Technology** and the **Business Incubation Centre** were set up within the ITE Colleges. One resulting innovative product, the Enhanced Puppetry Robotic Rehabilitation System™ was patented in 2014.

As at 31 March 2015, there were **2,755** staff in service, comprising **1,863** academic and **892** non-academic staff. Between the teaching staff and students, the ratio stood at **1:15**.

## Excellence Personified

In recognition of their exemplary service and contributions, 72 ITE staff were conferred the following esteemed awards:

- **National Day Awards 2014, Prime Minister's Office**  
Awarded to 13 staff
- **National Day Awards 2014 – Long Service Medals, Prime Minister's Office**  
Awarded to 14 staff
- **PS21 Star Service Award, Public Service Division**  
Awarded to 1 staff
- **2014 PS21 ExCEL 'Innovation Champion' (Bronze) Award**  
Awarded to 1 staff

- **Excellent Service Award (EXSA) 2014, SPRING Singapore**  
Awarded to 26 staff
- **ITE Teacher Awards 2014**  
Awarded to 17 staff

ITE students also did us proud with their excellent showing at these national and international platforms:

- **National Youth Achievement Award (NYAA) 2014 (Gold)**  
Awarded to 34 ITE graduates
- **HSBC/National Youth Achievement Award (NYAA) Youth Environmental Award 2014**  
Awarded to 1 ITE student
- **2014 Rotary-ITE Student Excellence Award**  
Awarded to 12 ITE students
- **1st Kaohsiung International Invention Exhibition**  
One Gold, two Silver and two other awards for excellence and innovation awarded to three ITE student teams

## Hand-in-Hand with Our Unions

ITE continued to enjoy harmonious relations with its two staff unions – the Union of ITE Training Staff and the ITE Staff Branch of the Amalgamated Union of Public Employees. This close relationship was deepened with two annual events held during the year – the ITE Management-Union Games in April 2014 and the ITE Board of Governors-Union Golf Friendly in November 2014.

## Engaging Stakeholders and the Community

ITE continually engages with the media, schools, community and industry partners, and other stakeholders, to improve the public perception of ITE. In FY2014, the new **Advisory Committee on the Promotion of Vocational and Technical Education (VTE)** was formed to advise ITE on engagement strategies to better reach out to these stakeholders. Comprising representatives from industry, community, alumni and government agencies, the new Committee aims to improve the perception, recognition and support of educators, parents, community and employers on ITE and VTE as part of one interconnected eco-system on VTE.

## ITE Fiesta 2014

ITE opened its doors to more than 9,000 members of the public at **ITE Fiesta 2014**, our annual community outreach event which was held at ITE College West, in August 2014. Themed ‘Always Something New’, the event aimed to encourage the community to continually discover new qualities and aspects of the modern and innovative ITE, as well as immerse themselves in learning by picking up new skills or areas of interests. During the event, the public participated in some 40 free workshops ranging from home

DIYs, car maintenance and grooming tips, to health and wellness. Through interactive projects, music and performances, they also discovered our students' talents in many areas.

### All Hearts on Deck

To encourage volunteerism, our staff and students engaged in many meaningful community and social programmes during the year that benefit the less-privileged and disadvantaged.

As part of our volunteerism efforts, some 200 elderly residents from Chua Chu Kang GRC and Hong Kah North SMC were treated to activities, such as terrarium workshops, karaoke sessions, shoulder-massage services and health-checks at the ITE Fiesta. Eighteen families under the constituency's Care & Share initiative were presented with their family portraits after a complimentary makeover and photography session by ITE staff and students.

At the biennial **ITE Visual Arts Show** held at ITE College Central from 14 to 16 August 2014, some 200 elderly and special needs children were invited to tour the exhibits. ITE students raised \$1,200 from the sale of artworks to benefit local charity, Very Special Arts Singapore. In addition, 2,400 cans of food used to make up a 'Canned Food Sculpture' installation piece were subsequently donated to various community charity partners.

ITE College East and the Metta Welfare Association jointly organised a '*Metta Shine Night*' in November 2014. Our staff and students volunteered as event ushers and performers, and provided make-up services, videography, photography and backstage support, at the event which showcased the performing talents of Metta School's special needs students.

ITE College West continued its work in helping special needs students from **Delta Senior School** integrate into the community outside school, under the Buddy'IN programme by the National Council of Social Service.

### Seeing Green

Over the years, ITE has formed many valued partnerships with the community which provide opportunities for our students to share with the community on 'green' issues while serving them. ITE was also the first Post-Secondary Education Institution in Singapore to be a part of the **Eco-Schools Programme**, run by the World Wide Fund for Nature (WWF). The programme gave opportunities for students to be trained as leaders of environment initiatives under a green-campus programme. To reinforce a keen sense of responsibility towards environmental sustainability, our staff and students also participated in numerous green-awareness activities, such as Earth Hour and the Singapore World Water Day in March 2015.

One highlight in our eco calendar for the year was the *ITE Eco-Conference*, organised in October 2014. An annual affair, the conference sought to foster collaboration with relevant government agencies, industry and community interest groups through sharing and exchanging environmental knowledge and practices.

## Remembering Mr Lee Kuan Yew

In remembrance of Singapore's first Prime Minister, Mr Lee Kuan Yew, who passed away on 23 March 2015, ITE held observance ceremonies and reflection sessions for staff and students across the three Colleges. As the founding father of modern Singapore, Mr Lee was bold and visionary in creating possibilities, policies and programmes to transform Singapore from Third World to First World. In education, he and successive leaders believed in and created opportunities for developing every citizen to his or her full potential. ITE would not be what it is today, if not for Mr Lee's foresight in developing Vocational and Technical Education (VTE) as part of the government's sustainable economic and social development strategy.

Many remembered his generosity and support towards ITE students, and reminisced about his visit to ITE College East in February 2008.

ITE graduate, Alfred Bay, who met Mr Lee during his visit to ITE, shared, "Being a recipient of the Lee Kuan Yew Technology Award gave me much motivation to carry on in my education. Today, at 28 years old, I am studying in Queensland University of Technology, expecting to graduate in two years' time. I must say, I am definitely prouder of myself than any other degree holders, because I have come a long way. This definitely would not have been possible without the Award which Mr Lee had presented to ITE."

# Charting New Frontiers

## Outlook for FY2015

The launch of *ITE Trailblazer* (2015 – 2019) will mark the beginning of a new chapter for ITE.

In keeping with the corporate theme, ‘**A New Vision, A New Future**’, ITE’s strategic priorities in FY2015 will centre on:

- **Enhancing applied learning and student development** through strong engagement with and support from industry partners.
- **Leveraging on technology** to support learning and development opportunities for students, adult learners and for staff.
- **Enhancing organisational capability** through review of our priorities and processes, and strengthening our framework for staff career development.

Building upon what we have accomplished, ITE is ready to venture into uncharted waters and conquer new frontiers in the coming year.



# FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2015

Financial Statements  
**Institute of Technical Education**  
For the year ended 31 March 2015

# Institute information

**Institute registration number**

T08GB0022B

**Registered office**

2 Ang Mo Kio Drive  
Singapore 567720

**Director and Chief Executive Officer**

Mr Bruce Poh Geok Huat

**Chairman**

Mr Bob Tan Beng Hai

**Board Secretary**

Ms Sabrina Loi

**Independent auditor**

Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants  
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Singapore Chinese Chamber of Commerce & Industry Building  
Singapore 179365

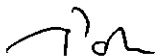
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## Statement by Board of Governors for the financial year ended 31 March 2015

In our opinion, the financial statements of the Institute of Technical Education (the “Institute”) and its subsidiaries (the “Group”) 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 2015 and the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in funds and reserves of the Institute for the year ended on that date in accordance with the provisions of the Institute of Technical Education Act, Chapter 141A (the “Act”) and Statutory Board Financial Reporting Standards, and 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 BRUCE POH GEOK HUAT  
Director and CEO



MR BOB TAN BENG HAI  
Chairman

Dated: 30 JUN 2015

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

## Report on the financial statements

We have audited 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 2015, the statements of comprehensive income, statements of changes in funds and reserves of the Group and of the Institute and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

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

### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Institute are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and of the Institute as at 31 March 2015 and the results, changes in funds and reserves of the Group and of the Institute and cash flows of the Group for the year ended on that date.

# Independent auditor's report to the members of Institute of Technical Education (Cont'd)

## Report on other legal and regulatory requirements

### Management's responsibility 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 Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

### Auditor's responsibility

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. 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 Act.

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.

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

### 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 Act;
- (b) proper accounting and other records have been kept, including records of all assets of the Institute whether purchased, donated or otherwise; and
- (c) the accounting and other records of those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the Singapore Companies Act, Chapter 50.

  
Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

Singapore, 30 JUN 2015

# Statements of financial position

## as at 31 March 2015

	Note	The Group		The Institute	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Assets</b>					
<b>Non-Current</b>					
Property, plant and equipment	3	743,476	773,456	740,069	772,094
Prepaid leases	4	143,965	150,688	143,965	150,688
Intangible assets	5	5,785	8,186	5,655	8,024
Subsidiaries	6	-	-	-	-
Other financial assets	7	50,163	45,842	47,895	43,593
Deferred tax assets	8	52	20	-	-
		943,441	978,192	937,584	974,399
<b>Current</b>					
Trade and other receivables	9	11,545	15,176	9,752	14,399
Operating grants receivable	10	16,996	16,903	16,878	16,903
Development grants receivable	11	926	4,179	535	3,536
Other grants receivable	12	767	562	767	497
Cash and cash equivalents	13	253,255	245,711	208,974	207,992
		283,489	282,531	236,906	243,327
<b>Total assets</b>		<b>1,226,930</b>	<b>1,260,723</b>	<b>1,174,490</b>	<b>1,217,726</b>
<b>Capital and Funds</b>					
Capital account	14	2,715	2,715	2,715	2,715
Fair value reserve	15	41	(34)	32	(25)
Accumulated surplus					
General Fund	16a	136,257	149,529	112,242	132,093
Restricted Fund	16b	46,956	43,230	33,568	31,628
		183,213	192,759	145,810	163,721
<b>Total capital and other funds</b>		<b>185,969</b>	<b>195,440</b>	<b>148,557</b>	<b>166,411</b>
<b>Liabilities</b>					
<b>Non-current</b>					
Amount due to PPP Co.	17	127,820	137,030	127,820	137,030
Deferred capital grants	18	828,372	838,878	825,023	837,373
Provision for retirement benefits	19	1,393	1,552	1,393	1,552
		957,585	977,460	954,236	975,955
<b>Current</b>					
Trade and other payables	20	52,665	58,259	54,251	57,619
Amount due to PPP Co.	17	9,210	9,533	9,210	9,533
Provision for retirement benefits	19	357	360	357	360
Deferred income		6,646	4,883	5,221	3,107
Development grants received in advance	11	1,304	1,394	-	-
Operating grants received in advance	10	10,443	8,456	-	43
Other grants received in advance	12	2,751	4,938	2,658	4,698
Current tax payable		-	-	-	-
		83,376	87,823	71,697	75,360
<b>Total funds and liabilities</b>		<b>1,226,930</b>	<b>1,260,723</b>	<b>1,174,490</b>	<b>1,217,726</b>
<b>Net assets of trust funds</b>					
Technical Education Promotion Fund		266	388	266	388
ITE Education Fund		44,554	35,136	44,554	35,136
Apprenticeship Programme Fund		144	338	144	338
Pre-Employment Clinical Training Fund		152	1,007	152	1,007
Economic Development Board Grant		33	(42)	33	(42)
	21	45,149	36,827	45,149	36,827

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



## Consolidated statement of comprehensive income for the financial year ended 31 March 2015

The Group	Note	General fund		Restricted funds		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>INCOME</b>							
Course fees		17,072	15,366	3,671	4,108	20,743	19,474
Examination fees		640	636	727	1,011	1,367	1,647
Donations		132	140	1,098	1,150	1,230	1,290
Liquidated damages		78	58	-	1	78	59
Interest income	22	687	192	98	62	785	254
Other income	23	6,406	7,783	6,777	3,246	13,183	11,029
Other grants		273	130	7,669	5,481	7,942	5,611
		<b>25,288</b>	<b>24,305</b>	<b>20,040</b>	<b>15,059</b>	<b>45,328</b>	<b>39,364</b>
<b>Operating expenditure</b>							
Manpower costs	24	328,637	312,316	5,921	5,415	334,558	317,731
Depreciation of property, plant and equipment	3	48,777	58,852	933	897	49,710	59,749
Prepaid lease expenses charged to income and expenditure	4	6,723	7,587	-	-	6,723	7,587
Amortisation of intangible assets	5	4,589	4,237	20	17	4,609	4,254
Property, plant and equipment and intangible assets written off		319	221	16	-	335	221
Repair and maintenance		13,883	12,267	178	184	14,061	12,451
Public utilities		9,548	10,526	124	127	9,672	10,653
Grants-in-aid	25	722	615	-	-	722	615
Supplies and materials		9,825	12,366	2,528	1,386	12,353	13,752
Other expenditure	26	46,150	45,032	10,340	8,848	56,490	53,880
Finance costs		1,808	1,479	-	-	1,808	1,479
		<b>470,981</b>	<b>465,498</b>	<b>20,060</b>	<b>16,874</b>	<b>491,041</b>	<b>482,372</b>
Deficit before government grants		<b>(445,693)</b>	<b>(441,193)</b>	<b>(20)</b>	<b>(1,815)</b>	<b>(445,713)</b>	<b>(443,008)</b>
<b>Government grants</b>							
Operating grants	10	371,721	359,197	3,689	4,363	375,410	363,560
Development grants	11	1,725	3,618	-	-	1,725	3,618
Deferred capital grants amortised	18	58,975	70,674	24	3	58,999	70,677
(Deficit)/surplus after government grants		<b>(13,272)</b>	<b>(7,704)</b>	<b>3,693</b>	<b>2,551</b>	<b>(9,579)</b>	<b>(5,153)</b>
Taxation	27	-	-	33	20	33	20
<b>Net (deficit)/surplus for the year</b>		<b>(13,272)</b>	<b>(7,704)</b>	<b>3,726</b>	<b>2,571</b>	<b>(9,546)</b>	<b>(5,133)</b>

## Consolidated statement of comprehensive income (Cont'd)

for the financial year ended 31 March 2015

The Group	Note	General fund		Restricted funds		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Other comprehensive (loss)/income</b>							
<b>Item that may be reclassified subsequently to surplus or deficit</b>							
Net change in fair value of available-for-sale financial assets		54	(34)	-	-	54	(34)
Reversal of fair value loss upon redemption of available-for-sale financial assets		21	(629)	-	-	21	(629)
Other comprehensive (loss)/income for the year, net of tax of nil		75	(663)	-	-	75	(663)
Total comprehensive (loss)/income for the year		(13,197)	(8,367)	3,726	2,571	(9,471)	(5,796)

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

# Statement of comprehensive income

## for the financial year ended 31 March 2015

The Institute	Note	General fund		Restricted funds		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>INCOME</b>							
Course fees		16,942	15,266	3,491	3,237	20,433	18,503
Examination fees		642	634	312	367	954	1,001
Donations		-	-	5	9	5	9
Liquidated damages		78	58	-	1	78	59
Interest income	22	660	184	74	38	734	222
Other income	23	6,441	7,757	2,882	2,649	9,323	10,406
Other grants		64	25	3,929	2,675	3,993	2,700
		<b>24,827</b>	<b>23,924</b>	<b>10,693</b>	<b>8,976</b>	<b>35,520</b>	<b>32,900</b>
<b>Operating expenditure</b>							
Manpower costs	24	302,985	290,635	3,603	3,357	306,588	293,992
Depreciation of property, plant and equipment	3	48,282	58,676	912	890	49,194	59,566
Prepaid lease expenses charged to income and expenditure	4	6,723	7,587	-	-	6,723	7,587
Amortisation of intangible assets	5	4,501	4,190	20	14	4,521	4,204
Property, plant and equipment and intangible assets written off		234	220	-	-	234	220
Repair and maintenance		12,879	11,504	151	166	13,030	11,670
Public utilities		8,963	10,128	124	127	9,087	10,255
Grants-in-aid	25	722	615	-	-	722	615
Supplies and materials		7,863	10,849	789	1,089	8,652	11,938
Other expenditure	26	43,743	43,538	6,602	5,992	50,345	49,530
Finance costs		1,806	1,472	-	-	1,806	1,472
		<b>438,701</b>	<b>439,414</b>	<b>12,201</b>	<b>11,635</b>	<b>450,902</b>	<b>451,049</b>
Deficit before government grants		<b>(413,874)</b>	<b>(415,490)</b>	<b>(1,508)</b>	<b>(2,659)</b>	<b>(415,382)</b>	<b>(418,149)</b>
<b>Government grants</b>							
Operating grants	10	335,238	327,655	3,448	3,972	338,686	331,627
Development grants	11	481	2,749	-	-	481	2,749
Deferred capital grants amortised	18	58,304	70,449	-	-	58,304	70,449
(Deficit)/surplus after government grants		<b>(19,851)</b>	<b>(14,637)</b>	<b>1,940</b>	<b>1,313</b>	<b>(17,911)</b>	<b>(13,324)</b>
Taxation	27	-	-	-	-	-	-
Net (deficit)/surplus for the year		<b>(19,851)</b>	<b>(14,637)</b>	<b>1,940</b>	<b>1,313</b>	<b>(17,911)</b>	<b>(13,324)</b>

## Statement of comprehensive income (Cont'd)

for the financial year ended 31 March 2015

The Institute	General fund		Restricted funds		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Other comprehensive (loss)/income</b>						
<b>Item that may be reclassified subsequently to surplus or deficit</b>						
Net change in fair value of available-for-sale financial assets	36	(25)	-	-	36	(25)
Reversal of fair value loss/(gain) upon redemption of available-for-sale financial assets	21	(629)	-	-	21	(629)
Other comprehensive income/(loss) for the year, net of tax of nil	57	(654)	-	-	57	(654)
<b>Total comprehensive (loss)/income for the year</b>	<b>(19,794)</b>	<b>(15,291)</b>	<b>1,940</b>	<b>1,313</b>	<b>(17,854)</b>	<b>(13,978)</b>

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

## Consolidated statement of changes in funds and reserves for the financial year ended 31 March 2015

The Group	Capital account \$'000	Fair value reserve \$'000	←--- Accumulated surplus ----→		Total \$'000
			General fund \$'000	Restricted funds \$'000	
At 1 April 2013	2,715	629	157,542	40,350	201,236
Net (deficit)/surplus for the year	-	-	(7,704)	2,571	(5,133)
Other comprehensive loss					
Net change in fair value of available-for-sale financial assets	-	(34)	-	-	(34)
Reversal of fair value gain upon redemption of available-for-sale financial assets	-	(629)	-	-	(629)
Total other comprehensive loss	-	(663)	-	-	(663)
Total comprehensive (loss)/income for the year	-	(663)	(7,704)	2,571	(5,796)
Reclassification of funds	-	-	(309)	309	-
At 31 March 2014	2,715	(34)	149,529	43,230	195,440
Net (deficit)/surplus for the year	-	-	(13,272)	3,726	(9,546)
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	-	54	-	-	54
Reversal of fair value loss upon redemption of available-for-sale financial assets	-	21	-	-	21
Total other comprehensive income	-	75	-	-	75
Total comprehensive (loss)/income for the year	-	75	(13,272)	3,726	(9,471)
Reclassification of funds	-	-	-	-	-
At 31 March 2015	2,715	41	136,257	46,956	185,969

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

## Statement of changes in funds and reserves for the financial year ended 31 March 2015

The Institute	Capital account \$'000	Fair value reserve \$'000	←----- Accumulated surplus ----->		Total \$'000
			General fund \$'000	Restricted funds \$'000	
At 1 April 2013	2,715	629	146,730	30,315	180,389
Net (deficit)/surplus for the year	-	-	(14,637)	1,313	(13,324)
Other comprehensive loss					
Net change in fair value of available-for-sale financial assets	-	(25)	-	-	(25)
Reversal of fair value gain upon redemption of available-for-sale financial assets	-	(629)	-	-	(629)
Total other comprehensive loss	-	(654)	-	-	(654)
Total comprehensive (loss)/income for the year	-	(654)	(14,637)	1,313	(13,978)
At 31 March 2014	2,715	(25)	132,093	31,628	166,411
Net (deficit)/surplus for the year	-	-	(19,851)	1,940	(17,911)
Other comprehensive loss					
Net change in fair value of available-for-sale financial assets	-	36	-	-	36
Reversal of fair value loss upon redemption of available-for-sale financial assets	-	21	-	-	21
Total other comprehensive income	-	57	-	-	57
Total comprehensive (loss)/income for the year	-	57	(19,851)	1,940	(17,854)
At 31 March 2015	2,715	32	112,242	33,568	148,557

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

## Consolidated statement of cash flows

for the financial year ended 31 March 2015

	Year ended 31 March 2015 \$'000	Year ended 31 March 2014 \$'000
<b>Cash Flows from Operating Activities</b>		
Deficit before government grants and income tax	(445,713)	(443,008)
Adjustments for:		
Depreciation of property, plant and equipment	49,710	59,749
Amortisation of intangible assets	4,609	4,254
Other grants	(7,942)	(5,611)
Prepaid lease expenses charged to surplus or deficit	6,723	7,587
Property, plant and equipment written off	335	221
Amortisation of finance costs	67	57
Provision for retirement benefits	213	455
Gain on disposal of property, plant and equipment	(134)	(38)
Interest income	(785)	(254)
Dividend income	(1,743)	(1,461)
Operating deficit before working capital changes	(394,660)	(378,049)
(Increase)/decrease in trade and other receivables	4,680	(2,947)
(Decrease)/ increase in trade and other payables and deferred income	(3,831)	276
Cash used in operations	(393,811)	(380,720)
Retirement benefits paid	(375)	(380)
Income tax refund	1	3
Net cash flows used in operating activities	(394,185)	(381,097)
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(20,067)	(21,521)
Purchase of intangible assets	(2,208)	(5,902)
Purchase of available-for-sale financial assets	(3,133)	(14,386)
Purchase of held-to-maturity financial assets	(9,317)	(6,870)
Proceeds from sale of property, plant and equipment	136	427
Proceeds from redemption/disposal of available-for-sale financial assets	8,137	11,990
Interest received	382	362
Dividend received	1,097	1,690
Net cash flows used in investing activities	(24,973)	(34,210)
<b>Cash Flows from Financing Activities</b>		
Repayment of amount due to PPP Co	(9,533)	(9,867)
Development grants received from Government	9,101	22,066
Operating grants received from Government	421,419	399,966
Donations received for capital expenditure	135	1,744
Other grants received in advance from Government	5,580	10,378
Net cash flows generated from financing activities	426,702	424,287
Net increase in cash and cash equivalents	7,544	8,980
Cash and cash equivalents at beginning of year	245,711	236,731
Cash and cash equivalents at end of year (Note 13)	253,255	245,711

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

# Notes to the financial statements

## for the financial year ended 31 March 2015

### 1 General information

The financial statements of Institute of Technical Education (the “Institute”) for the year ended 31 March 2015 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 (Chapter 141A), is domiciled in Singapore. The Institute is under the purview of the Ministry of Education (“MOE”). As a statutory board, the Institute is subject to the directions of the MOE and is required to implement policies and policy changes as determined by its supervisory ministry. The Institute’s registered office and place of business is located at 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 2015 relate to the Institute and its subsidiaries (together referred to as the “Group”).

### 2(a) Basis of preparation

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

#### Significant accounting estimates and judgements

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

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

#### Critical accounting estimates and assumptions used in applying accounting policies

##### Depreciation of property, plant and equipment

The depreciable amount of property, plant and equipment is 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.

The carrying amounts of the Group’s and the Institute’s property, plant and equipment at 31 March 2015 are \$743,476,000 (2014 - \$773,456,000) and \$740,069,000 (2014 - \$772,094,000), 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(a) Basis of preparation (Cont'd)**Significant judgements in applying accounting policies

There is no significant judgement used in determining the application of accounting policies.

Amortisation of intangible assets

The depreciable amount of intangible assets are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these intangible assets to be within 3 years.

The carrying amounts of the Group's and the Institute's intangible assets at 31 March 2015 are \$5,785,000 (2014 - \$8,186,000) and \$5,655,000 (2014 - \$8,024,000), 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.

Allowance for bad and doubtful debts

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

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

**2(b) Adoption of new and revised standards**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Institute and the Group have adopted all the new and revised SB-FRS and Interpretations to SB-FRS (INT SB-FRS) that are effective for annual periods beginning on or after 1 April 2014.

The adoption of these standards and interpretations did not have any material impact on the Institute and the Group's financial statements.

**2(c) New or revised accounting standards and interpretations not effective**

The following are the new or amended SB-FRS and INT SB-FRS issued in 2014 that are not effective which the Institute and the Group have yet adopted:

Description	Effective date (Annual periods beginning on or after)
Various Improvements to SB-FRSs (January 2014)	1 July 2014

Improvements to SB-FRSs (January 2014)

Improvements to SB-FRS 24 *Related Party Disclosures* clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for the management services. The improvements to SB-FRSs (January 2014) SB-FRS 24 *Related Party Disclosures* are effective from annual periods beginning on or after 1 July 2014. As it is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Institute and the Group when implemented.

**2(c) New or revised accounting standards and interpretations not effective (Cont'd)**

Other than the above, the Institute and the Group does not anticipate that the adoption of the above SBFRS in future periods will have a material impact on the financial statements of the Institute and the Group in the period of their initial adoption.

**2(d) Summary of significant accounting policies****Consolidation**

The financial statements of the Group include the financial statements of the Institute and its subsidiaries make up to the end of the financial year. Information on its subsidiaries is given in Note 6.

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only. The result of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated surplus or deficit from the effective date in which control is transferred to the Group or in which control ceases, respectively.

Business combinations are accounted for using the acquisition method. The consideration transferred for an acquisition is measured as the fair value of the assets given, equity instruments issue and liabilities incurred or assumed at the date of acquisition. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Costs attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measure initially at their values at the acquisition date.

Any excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of previous equity interest in the acquiree over the fair value of the net identifiable assets acquired represent goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain from bargain purchase in the surplus or deficit on the date of acquisition.

**Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the depreciable amounts of these assets over their estimated useful lives as follows:

Building on leasehold land	25 to 28 years
Renovations	5 years
Computers hardware	3 to 8 years
Machinery and equipment	5 to 20 years
Fixtures, fittings and office equipment	5 to 10 years
Motor vehicles	8 years

No depreciation is provided on project-in-progress. Assets are depreciated from the month the asset is completed and held ready for use.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. The cost of project-in-progress includes cost of material, direct labour, sub-contract cost and capitalised borrowing costs. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the Institute and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

**Property, plant and equipment and depreciation (Cont'd)**

For acquisitions and disposals during the financial period, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated assets are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at end of each reporting period as a change in estimates.

**Prepaid lease**

Prepaid lease represents the premium paid on leasehold land. Prepaid leases are stated at cost less accumulated amortisation and impairment loss. They are amortised in surplus or deficit using the straight-line method over the respective lease term periods of between 19 and 24 years.

**Intangible assets**

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

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

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

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

**Subsidiaries**

A subsidiary is an entity controlled by the Group. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether there is control.

In the Institute's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

**Financial assets**

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding dividend and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

**Financial assets (Cont'd)****Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial asset that are either classified as held for trading or are designated by the Group and the Institute to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss.

The Group and the Institute do not have any financial assets at fair value through profit or loss.

**Available-for-sale financial assets**

Available-for-sales financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in other comprehensive income and accumulated in fair value reserve, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the surplus or deficit for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the surplus or deficit even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in surplus or deficit shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit.

Impairment losses recognised in surplus or deficit for equity investments classified as available-for-sale are not subsequently reversed through surplus or deficit. Impairment losses recognised in surplus or deficit for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the Group and the Institute have the positive intent and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated future cash flows discounted at the original interest rates. Any changes to the carrying amount of the investment are recognised in surplus or deficit.

Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in surplus or deficit.

**Financial assets (Cont'd)****Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group and the Institute provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables, grants receivables and cash and cash equivalents. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in surplus or deficit.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and bank deposits which are subject to an insignificant risk of changes in value.

**Funds**

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

**General fund**

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

**Restricted funds**

Restricted funds comprise specific funds set up to account for the contributions received for specific purposes as detailed in Note 16 to the financial statements.

Income and expenditure relating to specific funds are accounted for in the "Restricted Funds" column in surplus or deficit.

**Trust funds**

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

Trust funds are 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 21 to the financial statements.

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

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

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

**Financial liabilities**

The Group's and the Institute's financial liabilities include trade and other payables.

Financial liabilities are recognised when the Group and the Institute become a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in profit or loss. Financial liabilities are derecognised if the Group's and the Institute's obligations specified in the contract expire or are discharged or cancelled.

Other payables are initially recognised at fair value, and subsequently measured at amortised cost, using the effective interest method.

**Provisions**

Provisions are recognised when the Group and the Institute have 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 a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The management review provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

**Leases**Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalized as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

Where assets under finance lease, the present value of the lease payment is recognized as amount due to PPP Co. The difference between the gross payment and the present value of the amount due to PPP Co is recognized as finance costs.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment".

**Employee benefits**Defined contribution plans

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

Defined benefit plans

Certain officers of the Institute and the Group are entitled to benefits under the provisions of the Pension Act, Chapter 225 in respect of their services with the Institute.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's and 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 Group's and 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 Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

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

Short-term benefits

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

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

**Employee benefits (Cont'd)****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.

**Finance costs**

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

**Income taxes**

The Institute is a tax-exempted Institution under the provisions of the Income Tax Act (Chapter 134, 2008 Revised Edition). 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 (Chapter 134, 2008 Revised Edition).

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

**Impairment of non-financial assets**

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

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belongs will be identified.



**Impairment of non-financial assets (Cont'd)**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss, if any, is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indication that an impairment loss previously recognised may no longer exist.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

**Income recognition**

Income is recognised to the extent that is probable that the economic benefits will flow to the Group and the Institute and can be reliably measured and meet the following specific recognition criteria:

Course fees

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

Examination fees

Examination fees are recognised on time apportionment basis, over the period of the academic year.

Donations

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

Other income

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

Interest income

Interest income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

**Foreign currencies**Functional currency

Items included in the financial statements of each subsidiary in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and the Institute are presented in Singapore dollars, which is also the functional currency of the Institute.

Transactions and balances

Foreign currency transactions are measured and recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rates ruling at the respective end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates on monetary assets and liabilities denominated in foreign currency are recognised in surplus or deficit.

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 at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

**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
<b>Cost</b>								
At 1 April 2013	1,042,920	12,677	52,254	103,255	5,810	276	15,521	1,232,713
Additions	-	76	5,976	10,475	720	-	4,274	21,521
Disposals	(124,641)	-	(7,892)	(1,373)	(682)	-	(343)	(134,931)
Costs adjustment	(10,741)	-	-	-	-	-	-	(10,741)
Transfer (to)/from intangible assets (Note 5)	-	-	(3)	4	-	-	(8)	(7)
Reclassifications	919	2,478	-	1,111	674	-	(5,182)	-
<b>At 31 March 2014</b>	<b>908,457</b>	<b>15,231</b>	<b>50,335</b>	<b>113,472</b>	<b>6,522</b>	<b>276</b>	<b>14,262</b>	<b>1,108,555</b>
Additions	4,265	1,464	3,213	7,786	1,003	-	3,228	20,959
Costs adjustment	-	-	(20)	(3)	(32)	-	(837)	(892)
	4,265	1,464	3,193	7,783	971	-	2,391	20,067
Disposals	(80,793)	(10,020)	(5,280)	(4,410)	(248)	-	-	(100,751)
Reclassifications	4,626	6,240	-	221	868	-	(11,955)	-
<b>At 31 March 2015</b>	<b>836,555</b>	<b>12,915</b>	<b>48,248</b>	<b>117,066</b>	<b>8,113</b>	<b>276</b>	<b>4,698</b>	<b>1,027,871</b>
<b>Accumulated depreciation</b>								
At 1 April 2013	288,188	11,164	37,195	69,288	3,727	109	-	409,671
Depreciation for the year	40,293	901	8,653	9,335	532	35	-	59,749
Disposals	(124,641)	-	(7,889)	(1,150)	(641)	-	-	(134,321)
<b>At 31 March 2014</b>	<b>203,840</b>	<b>12,065</b>	<b>37,959</b>	<b>77,473</b>	<b>3,618</b>	<b>144</b>	<b>-</b>	<b>335,099</b>
Depreciation for the year	30,800	2,188	7,068	8,896	724	34	-	49,710
Disposals	(80,793)	(9,838)	(5,280)	(4,350)	(153)	-	-	(100,414)
<b>At 31 March 2015</b>	<b>153,847</b>	<b>4,415</b>	<b>39,747</b>	<b>82,019</b>	<b>4,189</b>	<b>178</b>	<b>-</b>	<b>284,395</b>
<b>Net book value</b>								
<b>At 31 March 2015</b>	<b>682,708</b>	<b>8,500</b>	<b>8,501</b>	<b>35,047</b>	<b>3,924</b>	<b>98</b>	<b>4,698</b>	<b>743,476</b>
At 31 March 2014	704,617	3,166	12,376	35,999	2,904	132	14,262	773,456

**3 Property, plant and equipment (Cont'd)**

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
<b>Cost</b>								
At 1 April 2013	1,042,920	12,677	51,949	102,347	5,674	276	15,521	1,231,364
Additions	-	76	5,713	9,861	483	-	4,274	20,407
Disposals	(124,641)	-	(7,889)	(1,363)	(676)	-	(343)	(134,912)
Costs adjustment	(10,741)	-	-	-	-	-	-	(10,741)
Transfer (to)/from intangible assets (Note 5)	-	-	(3)	4	-	-	(8)	(7)
Reclassifications	919	2,478	-	1,111	674	-	(5,182)	-
At 31 March 2014	<b>908,457</b>	<b>15,231</b>	<b>49,770</b>	<b>111,960</b>	<b>6,155</b>	<b>276</b>	<b>14,262</b>	<b>1,106,111</b>
Additions	4,265	1,443	2,029	6,987	343	-	3,228	18,295
Costs adjustment	-	-	(20)	(3)	(32)	-	(837)	(892)
	4,265	1,443	2,009	6,984	311	-	2,391	17,403
Disposals	(80,793)	(10,020)	(5,061)	(3,911)	(137)	-	-	(99,922)
Reclassifications	4,626	6,240	-	221	868	-	(11,955)	-
At 31 March 2015	<b>836,555</b>	<b>12,894</b>	<b>46,718</b>	<b>115,254</b>	<b>7,197</b>	<b>276</b>	<b>4,698</b>	<b>1,023,592</b>
<b>Accumulated depreciation</b>								
At 1 April 2013	288,188	11,164	36,910	68,753	3,632	109	-	408,756
Depreciation for the year	40,293	901	8,632	9,203	502	35	-	59,566
Disposals	(124,641)	-	(7,886)	(1,142)	(636)	-	-	(134,305)
At 31 March 2014	<b>203,840</b>	<b>12,065</b>	<b>37,656</b>	<b>76,814</b>	<b>3,498</b>	<b>144</b>	-	<b>334,017</b>
Depreciation for the year	30,800	2,187	6,856	8,668	649	34	-	49,194
Disposals	(80,793)	(9,838)	(5,060)	(3,897)	(100)	-	-	(99,688)
At 31 March 2015	<b>153,847</b>	<b>4,414</b>	<b>39,452</b>	<b>81,585</b>	<b>4,047</b>	<b>178</b>	-	<b>283,523</b>
<b>Net book value</b>								
At 31 March 2015	<b>682,708</b>	<b>8,480</b>	<b>7,266</b>	<b>33,669</b>	<b>3,150</b>	<b>98</b>	<b>4,698</b>	<b>740,069</b>
At 31 March 2014	704,617	3,166	12,114	35,146	2,657	132	14,262	772,094

### **3 Property, plant and equipment (Cont'd)**

On 22 April 2007, the Institute entered into a lease agreement with the Singapore Land Authority ("SLA") to lease a land along the Bukit Batok Road and Choa Chu Kang Way ("the land") for a period of 30 years for the development of new ITE College West ("ITE facilities"). The prepayment of the land premium is recognised as a prepaid lease (Note 4).

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

Upon 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").

During the service period, the Institute will provide monthly unitary payments ("MUP") to the PPP Co which in aggregate represents the cost of the ITE facilities (including capital expenditure and financing costs, if any) and fees in relation to facilities management services. The MUP is subject to certain adjustments, including inflation adjustment on a yearly basis, other variable factors adjustments (including but not limited to, deductions on the non-availability of ITE facilities and/or poor service performance, and additional usage of ITE facilities by the Institute) on a monthly basis and any other variations due to changes in law or regulated by the Institute.

95% of the ITE facilities is built for educational training 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 tenable condition to the Institute upon the expiry of the service period without any consideration. This arrangement does not contain a renewal option. The standard rights to terminate the Project Agreement include default by either parties (i.e. PPP Co or the Institute) and Force Majeure which would render it impossible for the PPP Co to fulfil its obligations under the Project Agreement.

The Group and the Institute recognised an amount of \$206 million representing the present value of total cost incurred for ITE facilities as leasehold building.

### **4 Prepaid leases**

The Group and The Institute	2015 \$'000	2014 \$'000
<b>Cost</b>		
At 1 April	206,031	227,067
Disposals <sup>(1)</sup>	(4,754)	(21,036)
Balance at end	201,277	206,031
<b>Accumulated amortisation</b>		
At 1 April	55,343	68,792
Lease expense charge for the year	6,723	7,587
Disposals <sup>(1)</sup>	(4,754)	(21,036)
Balance at end	57,312	55,343
<b>Carrying amount</b>		
At 1 April	150,688	158,275
At 31 March	143,965	150,688

**4 Prepaid leases (Cont'd)**

Lease expense to be paid	2015 \$'000	2014 \$'000
Not later than 1 year	6,723	7,587
Later than 1 year but within 5 years	26,893	30,349
More than 5 years	110,349	112,752
Balance at end	143,965	150,688

- (1) Relates to the return of leasehold land to Singapore Land Authority upon the relocation of the College Central's regional campus at Tampines, Bishan, Macpherson and Yishun in 2014 and Dover in 2015 to Ang Mo Kio Campus.

**5 Intangible assets**

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Cost</b>				
At 1 April	45,213	41,286	44,755	40,968
Additions	2,354	5,902	2,298	5,762
Cost adjustment	(146)	-	(146)	-
	2,208	5,902	2,152	5,762
Transfer from/(to) property, plant and equipment (Note 3)	-	7	-	7
Disposals	(4,235)	(1,982)	(4,083)	(1,982)
At 31 March	43,186	45,213	42,824	44,755
<b>Accumulated amortisation</b>				
At 1 April	37,027	34,755	36,731	34,509
Amortisation for the year	4,609	4,254	4,521	4,204
Disposals	(4,235)	(1,982)	(4,083)	(1,982)
At 31 March	37,401	37,027	37,169	36,731
<b>Carrying amount</b>				
At 1 April	8,186	6,531	8,024	6,459
At 31 March	5,785	8,186	5,655	8,024

**6 Subsidiaries**

	2015 \$'000	2014 \$'000
The Institute		
Investments in subsidiaries	*	*

\* Amount less than \$1,000.

## **6 Subsidiaries (Cont'd)**

Details of subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation/ Principal place of business</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		<u>2015</u> %	<u>2014</u> %	
Northlight School <sup>^</sup> (1)	Singapore	100	100	Provision of integrated education
ITE Holding Pte Ltd* (1)	Singapore	100	100	Investment holding
Crest Secondary School <sup>^</sup> (1)	Singapore	100	100	Provide customised curriculum for Normal (Technical) students
Spectra Secondary School <sup>^</sup> (1)	Singapore	100	100	Provide customised curriculum for Normal (Technical) students
<u>Held by a subsidiary</u>				
ITE Education Services Pte Ltd (1)	Singapore	100	100	Promotion of technical education in Asia Pacific region

\* Cost of investment amounted to \$2.

<sup>^</sup> Incorporated as a company limited by guarantee.

(1) audited by Foo Kon Tan LLP

## **7 Other financial assets**

	Note	The Group		The Institute	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Non-current assets					
Available-for-sale equity securities	(i)	10,431	15,360	9,414	14,361
Held-to-maturity: Debt securities	(ii)	39,732	30,482	38,481	29,232
		50,163	45,842	47,895	43,593

### The Group and the Institute

- (i) Available-for-sale equity securities are investments in preference shares with stated dividend rate of 4% to 5.75% (2014 – 4% to 5.75%) per annum and 4.75% to 5.75% (2014 - 4% to 5.75%) per annum for the Group and the Institute, respectively. These are perpetual securities with no fixed redemption date. The changes in the fair value of the available-for-sale securities are recognised directly in other comprehensive income.

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

- (ii) Interest-bearing debt securities are investments in corporate bonds. At the end of reporting period, these bonds have fair market values of \$40,715,000 (2014 - \$30,852,000) and \$ 39,448,000 (2014 - \$29,595,000) for the Group and the Institute, respectively, stated interest rates of 3.08% to 5.50% (2014 - 3.08% to 5.50%) for the Group and the Institute, and mature between 2 to 12 years (2014 - 3 to 10 years). The fair value of the bonds is determined by reference to stock exchange quoted bid prices. Management intends to hold these assets to maturity.

The held-to-maturity securities are denominated in Singapore dollars.

**8 Deferred tax assets**

The Group	As at 1 April 2013 \$'000	Recognised in profit or loss (Note 27) \$'000	As at 31 March 2014 \$'000	Recognised in profit or loss (Note 27) \$'000	As at 31 March 2015 \$'000
<b>Deferred tax liabilities</b>					
Plant and equipment	3	(1)	2	(1)	1
Dividend income receivable	-	-	-	3	3
Interest receivable	-	-	-	1	1
	3	(1)	2	3	5
<b>Deferred tax assets</b>					
Accrued operating expenses	(7)	-	(7)	(1)	(8)
Unutilised donation	-	(15)	(15)	(34)	(49)
	(7)	(15)	(22)	(35)	(57)
	(4)	(16)	(20)	(32)	(52)

**9 Trade and other receivables**

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade and other receivables	9,621	13,242	7,232	11,531
Allowance for impairment of receivables [Note 30.1]	(14)	(50)	(14)	(50)
	9,607	13,192	7,218	11,481
Staff advances	32	6	32	6
Security deposits	208	208	33	33
Amounts due from subsidiaries				
- trade	-	-	816	967
- non-trade	-	-	159	256
Prepayments	1,698	1,770	1,494	1,656
	11,545	15,176	9,752	14,399

The Group

Included in trade receivables are:

- (i) an amount of \$1,688,181 (2014 - \$878,120) relating to accrued receivables which represent revenue not yet billed to the customers as at the end of the reporting period for trainings or workshops conducted during the year; and
- (ii) an amount of \$2,280,201 (2014 - \$317,435) relating to advance billing for revenue not yet earned as at end of reporting period.

The Institute

Included in trade receivables is an amount of \$2,243,931 (2014 - \$nil) relating to advance billing for revenue not yet earned as at end of reporting period.

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.

**9 Trade and other receivables (Cont'd)**

Trade and other receivables are denominated in the following currencies:-

	The Group		The Institute	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Singapore dollars	10,714	15,131	9,752	14,399
United States dollars	831	45	-	-
	<b>11,545</b>	<b>15,176</b>	<b>9,752</b>	<b>14,399</b>

**10 Operating grants (receivable)/received in advance**

		The Group		The Institute	
	Note	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Balance at beginning		(8,447)	(10,005)	(16,860)	(15,956)
Grants received during the year		421,419	399,966	381,198	365,504
		<b>412,972</b>	<b>389,961</b>	<b>364,338</b>	<b>349,548</b>
Amounts transferred to deferred capital grants	18	(44,115)	(34,848)	(42,530)	(34,781)
Amounts taken to surplus or deficit		(375,410)	(363,560)	(338,686)	(331,627)
		<b>(419,525)</b>	<b>(398,408)</b>	<b>(381,216)</b>	<b>(366,408)</b>
Balance at end		<b>(6,553)</b>	<b>(8,447)</b>	<b>(16,878)</b>	<b>(16,860)</b>

Net operating grants receivable are represented by the following:

	The Group		The Institute	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Operating grants receivable	(16,996)	(16,903)	(16,878)	(16,903)
Operating grants received in advance	10,443	8,456	-	43
Operating grants receivable (net)	<b>(6,553)</b>	<b>(8,447)</b>	<b>(16,878)</b>	<b>(16,860)</b>

**11 Development grants (receivable)/received in advance**

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

		The Group		The Institute	
	Note	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Development grants received in advance/(receivable) at beginning		(2,785)	(26,295)	(3,536)	(28,208)
Transfer from other grants		(65)	-	-	-
Grants received during the year		9,101	22,066	6,771	21,181
		<b>6,251</b>	<b>(4,229)</b>	<b>3,235</b>	<b>(7,027)</b>
Amounts transferred from/(to) deferred capital grants					
- current year capital expenditure		(4,148)	(5,679)	(3,289)	(4,501)
- costs saving on prior year capital expenditure		-	10,741	-	10,741
	18	<b>(4,148)</b>	<b>5,062</b>	<b>(3,289)</b>	<b>6,240</b>
Amounts taken to the surplus or deficit		(1,725)	(3,618)	(481)	(2,749)
		<b>(5,873)</b>	<b>1,444</b>	<b>(3,770)</b>	<b>3,491</b>
Balance at end		<b>378</b>	<b>(2,785)</b>	<b>(535)</b>	<b>(3,536)</b>



**11 Development grants (receivable)/received in advance (Cont'd)**

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

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Development grants receivable	(926)	(4,179)	(535)	(3,536)
Development grants received in advance	1,304	1,394	-	-
	<b>378</b>	<b>(2,785)</b>	<b>(535)</b>	<b>(3,536)</b>

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

**12 Other grants (receivable)/received in advance**

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

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

	Note	The Group		The Institute	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Other grants received in advance/(receivable) at beginning		4,376	(388)	4,201	(442)
Transfer to development grants		65	-	-	-
Grants received during the year		5,580	10,378	1,683	7,343
		<b>10,021</b>	<b>9,990</b>	<b>5,884</b>	<b>6,901</b>
Amount transferred to deferred capital grants	18	(95)	(3)	-	-
Amounts taken to the surplus or deficit		(7,942)	(5,611)	(3,993)	(2,700)
Balance at end		<b>1,984</b>	<b>4,376</b>	<b>1,891</b>	<b>4,201</b>

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

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Other grants receivable	(767)	(562)	(767)	(497)
Other grants received in advance	2,751	4,938	2,658	4,698
	<b>1,984</b>	<b>4,376</b>	<b>1,891</b>	<b>4,201</b>

**13 Cash and cash equivalents**

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash in hand and at bank	237,296	238,622	208,974	207,992
Fixed deposits	15,959	7,089	-	-
	<b>253,255</b>	<b>245,711</b>	<b>208,974</b>	<b>207,992</b>

### **13 Cash and cash equivalents (Cont'd)**

The Group

Deposits placed with financial institutions bear interest rates ranging from 0.25% to 1.03% (2014 - 0.05% to 0.65%) per annum with maturity periods ranging from 2 to 11 months (2014 - 1 to 11 months) from the end of the financial year.

### **14 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.

#### **Capital management**

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
The Group and The Institute		
Balance at beginning and at end	<b>2,715</b>	<b>2,715</b>

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

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

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

### **15 Fair value reserve**

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

### **16 Accumulated surplus**

#### **(a) General Fund**

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

**16 Accumulated surplus (Cont'd)**

**(b) Restricted Funds**

The basis of accounting in relation to restricted funds is stipulated in Note 2(d).

Restricted funds comprise the following:

<b>Name of Fund</b>	<b>Purpose</b>
ITE's Fund	Conducting industry projects, short and continuing education courses for the purpose of developing and enhancing staff and students' capability and supporting the mission and vision of the Institute.
Training Programme Fund	Funding of relevant programmes and activities in training initiatives.
Supplementary Fee Fund	Promoting student welfare activities from supplementary fees collected.
Special Project Fund	To account for funds received from third parties for specific purposes.
Edusave Fund	Funded by the Government for the purpose of conducting enrichment programmes, procuring equipment and resource materials to enhance the quality of teaching and learning.
Workforce Skills Qualifications Programmes Fund	Funded by the Singapore Workforce Development Agency of relevant programmes to facilitate adult learning, make skills upgrading more accessible to the workforce and provide career progression pathways for the workforce.
Opportunity Fund	Grant paid by the Government to level up co-curricular development opportunities for Singapore citizens from lower income households.
Miscellaneous Funds	Set up for specific purposes relating to the Institute's Operations

**16 Accumulated surplus (Cont'd)**

**(b) Restricted Funds**

The Group	ITE's Fund \$'000	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
<b>31 March 2015</b>								
<b>Income</b>								
Course fees	3,522	-	-	-	-	149	-	3,671
Examination fees	727	-	-	-	-	-	-	727
Donations	-	-	-	580	-	-	518	1,098
Liquidated damages	-	-	-	-	-	-	-	-
Interest income	91	-	7	-	-	-	-	98
Other income	5,691	-	967	75	39	5	-	6,777
Other grants	3,304	-	(1)	770	322	-	3,274	7,669
	13,335	-	973	1,425	361	154	3,792	20,040
<b>Less: Operating expenditure</b>								
Manpower costs	4,861	7	-	168	23	495	367	5,921
Depreciation of property, plant and equipment	30	650	-	15	55	14	169	933
Amortisation of intangible assets	6	-	-	-	-	5	9	20
Fixed Assets Written Off	-	-	-	16	-	-	-	16
Repair and maintenance	103	-	7	3	-	11	54	178
Public utilities	90	-	-	-	-	11	23	124
Supplies and materials	2,192	-	1	35	102	33	165	2,528
Other expenditure	2,513	-	842	868	3,382	52	2,683	10,340
	9,795	657	850	1,105	3,562	621	3,470	20,060
Surplus/(deficit) before government grants	3,540	(657)	123	320	(3,201)	(467)	322	(20)
<b>Government grants</b>								
Deferred capital grant amortised	-	-	-	24	-	-	-	24
Operating grants	-	-	60	56	2,867	706	-	3,689
Surplus/(deficit) after government grants	3,540	(657)	183	400	(334)	239	322	3,693
Taxation	33	-	-	-	-	-	-	33
<b>Net surplus/(deficit) for the year</b>	3,573	(657)	183	400	(334)	239	322	3,726
Accumulated surplus at 1 April	27,496	3,164	1,838	1,041	2,039	2,533	5,119	43,230
Transfer from general funds	-	-	-	-	-	-	-	-
<b>Accumulated surplus at 31 March</b>	31,069	2,507	2,021	1,441	1,705	2,772	5,441	46,956

**16 Accumulated surplus (Cont'd)**

**(b) Restricted Funds**

The Group	ITE's	Training	Supplementary	Special	Edusave	Workforce	Opportunity	
	Fund	Programme	Fee	Project	Fund	Qualifications	Fund and	
31 March 2015	Fund	Fund	Fund	Fund	Fund	Programmes	Miscellaneous	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	Fund	Funds	\$'000
Property, plant and equipment	89	1,663	2	113	289	59	948	3,163
Intangible assets	14	-	-	-	7	-	38	59
Trade and other receivables	5,332	-	155	5	47	295	295	6,129
Other financial assets	2,268	-	-	-	-	-	-	2,268
Operating grants receivable	-	-	-	-	-	435	767	1,202
Deferred Tax Asset	52	-	-	-	-	-	-	52
Cash and cash equivalents	25,769	844	2,186	1,480	2,059	2,018	6,219	40,575
Trade and other payables	(975)	-	(78)	(73)	(689)	(28)	(168)	(2,011)
Operating grants received in advance	-	-	-	-	-	-	(2,658)	(2,658)
Deferred Capital Grant	-	-	-	(84)	(8)	-	-	(92)
Deferred income	(1,480)	-	(244)	-	-	(7)	-	(1,731)
	31,069	2,507	2,021	1,441	1,705	2,772	5,441	46,956

**16 Accumulated surplus (Cont'd)**

**(b) Restricted Funds**

The Group	ITE's Fund \$'000	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
<b>31 March 2014</b>								
<b>Income</b>								
Course fees	3,880	-	-	-	-	228	-	4,108
Examination fees	1,011	-	-	-	-	-	-	1,011
Donations	7	-	-	90	-	-	1,053	1,150
Liquidated damages	-	-	-	-	1	-	-	1
Interest income	58	-	2	-	-	-	2	62
Other income	2,249	-	851	118	15	13	-	3,246
Other grants	2,760	-	-	(239)	248	(41)	2,753	5,481
	9,965	-	853	(31)	264	200	3,808	15,059
<b>Less: Operating expenditure</b>								
Manpower costs	4,303	4	-	39	2	719	348	5,415
Depreciation of property, plant and equipment	37	655	-	9	40	15	141	897
Amortisation of intangible assets	4	-	-	2	-	9	2	17
Fixed Assets Written Off	-	-	-	-	-	-	-	-
Repair and maintenance	158	-	-	2	2	22	-	184
Public utilities	95	-	-	-	-	32	-	127
Supplies and materials	662	-	2	23	159	36	504	1,386
Other expenditure	2,155	-	768	791	3,287	92	1,755	8,848
	7,414	659	770	866	3,490	925	2,750	16,874
Surplus/(deficit) before government grants	2,551	(659)	83	(897)	(3,226)	(725)	1,058	(1,815)
<b>Government grants</b>								
Deferred capital grant amortised	-	-	-	3	-	-	-	3
Operating grants	-	-	46	242	2,673	1,402	-	4,363
Surplus/(deficit) after government grants	2,551	(659)	129	(652)	(553)	677	1,058	2,551
Taxation	20	-	-	-	-	-	-	20
<b>Net surplus/(deficit) for the year</b>	2,571	(659)	129	(652)	(553)	677	1,058	2,571
Accumulated surplus at 1 April	24,925	3,823	1,709	1,693	2,592	1,856	3,752	40,350
Transfer from general funds	-	-	-	-	-	-	309	309
Accumulated surplus at 31 March	27,496	3,164	1,838	1,041	2,039	2,533	5,119	43,230

**16 Accumulated surplus (Cont'd)**

**(b) Restricted Funds**

The Group	ITE's Fund \$'000	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Workforce Skills Qualifications Programmes Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	Total \$'000
<b>31 March 2014</b>								
Property, plant and equipment	88	2,313	3	60	270	74	915	3,723
Intangible assets	24	-	-	-	-	5	4	33
Trade and other receivables	3,613	-	4	5	27	186	161	3,996
Other financial assets	2,249	-	-	-	-	-	-	2,249
Operating grants receivable	-	-	-	-	-	1,030	497	1,527
Deferred Tax Asset	20	-	-	-	-	-	-	20
Cash and cash equivalents	24,345	851	2,044	1,034	2,527	1,331	8,321	40,453
Trade and other payables	(926)	-	(103)	(36)	(785)	(50)	(81)	(1,981)
Operating grants received in advance	-	-	-	-	-	(43)	(4,698)	(4,741)
Deferred Capital Grant	-	-	-	(22)	-	-	-	(22)
Deferred income	(1,917)	-	(110)	-	-	-	-	(2,027)
	27,496	3,164	1,838	1,041	2,039	2,533	5,119	43,230

**16 Accumulated surplus (Cont'd)**

**(b) Restricted Funds**

The Institute	ITE's	Training	Supplementary	Special	Edusave	Workforce	Opportunity	
	Fund	Programme	Fee	Project	Fund	Qualifications	Fund and	
31 March 2015	\$'000	Fund	Fund	Fund	Fund	Programmes	Miscellaneous	Total
		\$'000	\$'000	\$'000	\$'000	Fund	Funds	\$'000
<b>Income</b>								
Course fees	3,342	-	-	-	-	149	-	3,491
Examination fees	312	-	-	-	-	-	-	312
Donations	-	-	-	5	-	-	-	5
Interest income	67	-	7	-	-	-	-	74
Other income	1,823	-	967	67	20	5	-	2,882
Other grants	-	-	(1)	490	211	-	3,229	3,929
	5,544	-	973	562	231	154	3,229	10,693
<b>Less: Operating expenditure</b>								
Manpower costs	2,742	7	-	1	-	495	358	3,603
Depreciation of property, plant and equipment	22	650	-	9	55	14	162	912
Amortisation of intangible assets	6	-	-	-	-	5	9	20
Repair and maintenance	76	-	7	3	-	11	54	151
Public utilities	90	-	-	-	-	11	23	124
Supplies and materials	536	-	-	19	70	32	132	789
Other expenditure	241	-	842	275	3,106	52	2,086	6,602
	3,713	657	849	307	3,231	620	2,824	12,201
Surplus/(deficit) before government grants	1,831	(657)	124	255	(3,000)	(466)	405	(1,508)
<b>Government grants</b>								
Operating grants	-	-	60	-	2,682	706	-	3,448
<b>Net surplus/(deficit) for the year</b>	1,831	(657)	184	255	(318)	240	405	1,940
Accumulated surplus at 1 April	19,458	3,164	1,837	423	1,819	2,533	2,394	31,628
Accumulated surplus at 31 March	21,289	2,507	2,021	678	1,501	2,773	2,799	33,568



**16 Accumulated surplus (Cont'd)**

**(b) Restricted Funds**

The Institute	ITE's	Training	Supplementary	Special	Edusave	Workforce	Opportunity	
	Fund	Programme	Fee	Project	Fund	Qualifications	Fund and	
31 March 2015	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	Programmes	Miscellaneous	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	<u>Fund</u>	<u>Funds</u>	<u>\$'000</u>
Property, plant and equipment	84	1,663	2	29	287	59	816	2,940
Intangible assets	12	-	-	-	7	-	38	57
Trade and other receivables	3,172	-	156	3	47	295	277	3,950
Operating grants receivable	-	-	-	-	-	436	767	1,203
Cash and cash equivalents	18,777	844	2,186	674	1,824	2,018	3,674	29,997
Trade and other payables	(403)	-	(78)	(28)	(664)	(28)	(116)	(1,317)
Operating grants received in advance	-	-	-	-	-	-	(2,657)	(2,657)
Deferred income	(353)	-	(245)	-	-	(7)	-	(605)
	<u>21,289</u>	<u>2,507</u>	<u>2,021</u>	<u>678</u>	<u>1,501</u>	<u>2,773</u>	<u>2,799</u>	<u>33,568</u>

**16 Accumulated surplus (Cont'd)**

**(b) Restricted Funds**

The Institute	ITE's	Training	Supplementary	Special	Edusave	Workforce	Opportunity	
31 March 2014	Fund	Programme	Fee	Project	Fund	Qualifications	Fund and	Total
	\$'000	Fund	Fund	Fund	\$'000	Programmes	Miscellaneous	\$'000
		\$'000	\$'000	\$'000		Fund	Funds	
						\$'000	\$'000	
<b>Income</b>								
Course fees	3,009	-	-	-	-	228	-	3,237
Examination fees	367	-	-	-	-	-	-	367
Donations	6	-	-	3	-	-	-	9
Liquidated damages	-	-	-	-	1	-	-	1
Interest income	36	-	2	-	-	-	-	38
Other income	1,658	-	851	118	9	13	-	2,649
Other grants	-	-	-	(237)	222	(41)	2,731	2,675
	5,076	-	853	(116)	232	200	2,731	8,976
<b>Less: Operating expenditure</b>								
Manpower costs	2,278	4	-	8	-	719	348	3,357
Depreciation of property, plant and equipment	33	655	-	9	40	15	138	890
Amortisation of intangible assets	2	-	-	-	-	9	3	14
Repair and maintenance	139	-	1	2	2	22	-	166
Public utilities	95	-	-	-	-	32	-	127
Supplies and materials	433	-	2	19	157	36	442	1,089
Other expenditure	238	-	768	482	3,107	92	1,305	5,992
	3,218	659	771	520	3,306	925	2,236	11,635
Surplus/(deficit) before government grants	1,858	(659)	82	(636)	(3,074)	(725)	495	(2,659)
<b>Government grants</b>								
Operating grants	-	-	46	-	2,524	1,402	-	3,972
<b>Net surplus/(deficit) for the year</b>	1,858	(659)	128	(636)	(550)	677	495	1,313
Accumulated surplus at 1 April	17,600	3,823	1,709	1,059	2,369	1,856	1,899	30,315
Accumulated surplus at 31 March	19,458	3,164	1,837	423	1,819	2,533	2,394	31,628

**16 Accumulated surplus (Cont'd)**

**(b) Restricted Funds**

The Institute	ITE's	Training	Supplementary	Special	Edusave	Workforce	Opportunity	
	Fund	Programme	Fee	Project	Fund	Qualifications	Fund and	
31 March 2014	\$'000	Fund	Fund	Fund	Fund	Programmes	Miscellaneous	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	Fund	Funds	\$'000
Property, plant and equipment	80	2,313	3	38	270	74	915	3,693
Intangible assets	19	-	-	-	-	5	4	28
Trade and other receivables	1,948	-	4	5	27	186	136	2,306
Operating grants receivable	-	-	-	-	-	1,030	497	1,527
Cash and cash equivalents	17,879	851	2,044	412	2,238	1,330	5,586	30,340
Trade and other payables	(315)	-	(104)	(32)	(716)	(49)	(46)	(1,262)
Operating grants received in advance	-	-	-	-	-	(43)	(4,698)	(4,741)
Deferred income	(153)	-	(110)	-	-	-	-	(263)
	19,458	3,164	1,837	423	1,819	2,533	2,394	31,628

**17 Amount due to PPP Co.**

The Group and The Institute	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Minimum lease payment:		
Due not later than 1 year	<b>11,322</b>	11,322
Due later than 1 year and not later than 5 years	<b>45,289</b>	45,289
Due later than 5 years	<b>173,608</b>	184,931
	<b>230,219</b>	241,542
Finance charges allocated to future period	<b>(93,189)</b>	(94,979)
Present value of minimum lease payments	<b>137,030</b>	146,563
The present value of finance lease liabilities may be analysed as follows:		
Not later than one year	<b>9,210</b>	9,533
Later than one year and not later than 5 years	<b>33,832</b>	35,016
Later than 5 years	<b>93,988</b>	102,014
	<b>127,820</b>	137,030
	<b>137,030</b>	146,563

Amount due to PPP Co. represent the present value of amount due to Gammon Capital (West) Pte Limited ("PPP Co") pursuant to the Project Agreement (Note 3). The above present value is discounted at government bond rate of 3.50% (2014 - 3.50%). These amounts are repayable over a period of 25 years by monthly unitary payment ("MUP") commencing from 1 July 2011.

**18 Deferred capital grants**

	Note	The Group		The Institute	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning		<b>838,878</b>	878,022	<b>837,373</b>	877,537
Grants utilised for capital expenditure					
- Transferred from operating grants	10	<b>44,115</b>	34,848	<b>42,530</b>	34,781
- Transferred from donations		<b>135</b>	1,744	<b>135</b>	1,744
- Transferred from development grants	11	<b>4,148</b>	(5,062)	<b>3,289</b>	(6,240)
- Transferred from other grants	12	<b>95</b>	3	<b>-</b>	-
Amortisation charge for the year		<b>(58,999)</b>	(70,677)	<b>(58,304)</b>	(70,449)
Balance at end		<b>828,372</b>	838,878	<b>825,023</b>	837,373
Represented by:					
Grants utilised		<b>705,471</b>	738,515	<b>702,122</b>	737,010
Grants unutilised		<b>122,901</b>	100,363	<b>122,901</b>	100,363
		<b>828,372</b>	838,878	<b>825,023</b>	837,373

**19 Provision for retirement benefits**

Certain officers of the Institute were, at one time, transferred from the service of the Government. These officers are entitled to benefits in respect of their services with the Government and the Institute, inter-alia, on the same terms in relation to pension, gratuity and allowances as those provided to Government employees under the provision of the Pension Act, Chapter 225.

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

**19 Provision for retirement benefits (Cont'd)**

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

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

The Group and The Institute	<b>2015</b> <b>\$'000</b>	<b>2014</b> <b>\$'000</b>
Present value of unfunded obligations	<b>1,750</b>	<b>1,912</b>
Represented by:		
Current	<b>357</b>	<b>360</b>
Non-current	<b>1,393</b>	<b>1,552</b>
	<b>1,750</b>	<b>1,912</b>

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

The Group and The Institute	<b>2015</b> <b>\$'000</b>	<b>2014</b> <b>\$'000</b>
At 1 April	<b>1,912</b>	<b>1,837</b>
Provision for the year	<b>213</b>	<b>455</b>
Retirement benefits paid	<b>(375)</b>	<b>(380)</b>
At 31 March	<b>1,750</b>	<b>1,912</b>

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

The Group and The Institute	<b>2015</b> <b>\$'000</b>	<b>2014</b> <b>\$'000</b>
Current service cost	<b>171</b>	<b>525</b>
Interest cost	<b>41</b>	<b>46</b>
Actuarial loss/(gain)	<b>1</b>	<b>(116)</b>
	<b>213</b>	<b>455</b>

(c) Principal actuarial assumptions used are as follows:

The Group and The Institute	<b>2015</b>	<b>2014</b>
Discount rate	<b>2.15%</b>	<b>2.48%</b>
Mortality	<b>81 years</b>	<b>81 years</b>

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

(d) Historical information

	<b>2015</b> <b>\$'000</b>	<b>2014</b> <b>\$'000</b>	<b>2013</b> <b>\$'000</b>	<b>2012</b> <b>\$'000</b>	<b>2011</b> <b>\$'000</b>
Present value of defined benefit obligation	<b>1,750</b>	<b>1,912</b>	<b>1,837</b>	<b>2,110</b>	<b>2,234</b>

**20 Trade and other payables**

	The Group		The Institute	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Trade and other payables				
- subsidiaries	-	-	474	1,507
- third parties	16,038	21,200	19,090	20,405
Deposits received	343	348	343	348
Accrued operating expenses and capital expenditure	23,733	24,503	22,004	23,338
Provision for unutilised compensated leave	12,551	12,208	12,340	12,021
	<b>52,665</b>	<b>58,259</b>	<b>54,251</b>	<b>57,619</b>

The Group

Trade payables include grants of \$11,273,000 (2014 - \$9,946,000) received on behalf of Assumption Pathway School and ITE Education Fund from the Ministry of Education.

The Institute

Trade payables include grants of \$16,454,000 (2014 - \$11,290,000) received on behalf of Assumption Pathway School, ITE Education Fund and certain subsidiaries from the Ministry of Education.

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

	Carrying amount	Cash flows	
	\$'000	Contractual cash flows	Within 1 year
	\$'000	\$'000	\$'000
The Group			
2015			
Trade and other payables*	40,114	40,114	40,114
	<b>40,114</b>	<b>40,114</b>	<b>40,114</b>
2014			
Trade and other payables*	46,051	46,051	46,051
	<b>46,051</b>	<b>46,051</b>	<b>46,051</b>
The Institute			
2015			
Trade and other payables*	41,911	41,911	41,911
	<b>41,911</b>	<b>41,911</b>	<b>41,911</b>
2014			
Trade and other payables*	45,598	45,598	45,598
	<b>45,598</b>	<b>45,598</b>	<b>45,598</b>

\* Exclude provisions recognised as at financial year end.

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

## **21 Net assets of trust funds**

The basis of accounting in relation to trust funds is stipulated in Note 2(d).

Trust funds comprise the following funds:

### **Technical Education Promotion Fund ("TEPF")**

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

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

### **ITE Education Fund ("ITEEF")**

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

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

Additional information of Technical Education Promotion Fund and ITE Education Fund are available on the Charity Portal ([www.charities.gov.sg](http://www.charities.gov.sg))

### **Other trust funds**

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

<b>Name of Fund</b>	<b>Purpose</b>
Apprenticeship Programme (AP) Fund	This programme, which is funded by the Skills Development Fund, is used to reimburse the costs incurred by participating companies and organisations in engaging their employees under apprenticeship terms.
Pre-Employment Clinical Training (PECT) Fund	Funding by MOH (Ministry of Health) to Post-Secondary Educational Institutions (PSEIs) to support the delivery of pre-employment clinical training in Academic Year 2013.
EDB Grant	This grant is provided by Economic Development Board (EDB) to support the candidates enrolled under the National Precision Engineering Study Award.

**21 Net assets of trust funds (Cont'd)**

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

The Group and The Institute

	TEPF		ITEEF		AP Fund		TEC Fund		PECT Fund		EDB Grant		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance as at 1 April	388	797	35,136	27,622	338	875	-	6	1,007	-	(42)	(132)	36,827	29,168
<b>Income</b>														
Grant income	-	-	6,999	5,334	-	383	-	-	2,812	3,556	343	356	10,154	9,629
Interest income	3	3	26	18	-	-	-	-	-	-	-	-	29	21
Dividend income	-	-	838	384	-	-	-	-	-	-	-	-	838	384
Fund raising income	-	-	112	345	-	-	-	-	-	-	-	-	112	345
General donations	-	-	4,313	3,797	-	-	-	-	-	-	-	-	4,313	3,797
Other income	-	-	188	185	1	4	-	-	-	-	-	-	189	189
	3	3	12,476	10,063	1	387	-	-	2,812	3,556	343	356	15,635	14,365
<b>Expenditure</b>														
Manpower costs	-	-	-	-	22	52	-	-	2,834	2,126	-	-	2,856	2,178
Grants-in-aid	-	-	-	-	-	521	-	-	-	-	268	266	268	787
scholarships	-	-	2,338	2,236	-	-	-	-	-	-	-	-	2338	2,236
Promotions and ceremonies	125	412	754	84	-	-	-	-	-	-	-	-	879	496
Fund raising expenditure	-	-	6	23	-	-	-	-	-	-	-	-	6	23
Other expenditure	-	-	127	138	173	351	-	-	833	423	-	-	1,133	912
	125	412	3,225	2,481	195	924	-	-	3,667	2,549	268	266	7,480	6,632
Net (deficit)/surplus for the year	(122)	(409)	9,251	7,582	(194)	(537)	-	-	(855)	1,007	75	90	8,155	7,733
Transfer/return of funds	-	-	-	-	-	-	-	(6)	-	-	-	-	-	(6)
Fair value reserve	-	-	167	(68)	-	-	-	-	-	-	-	-	167	(68)
Balance at 31 March	266	388	44,554	35,136	144	338	-	-	152	1,007	33	(42)	45,149	36,827



**21 Net assets of trust funds (Cont'd)**

The Group and The Institute

	TEPF		ITEEF		AP Fund		PECT Fund		EDB Grant		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Represented by:												
<b>Assets</b>												
Cash and cash equivalents	271	398	12,932	13,875	144	338	701	2,522	38	(14)	14,086	17,119
Other receivables	13	2	7,320	10,388	-	-	-	-	-	-	7,333	10,390
Other financial assets	-	-	24,367	11,084	-	-	-	-	-	-	24,367	11,084
	284	400	44,619	35,347	144	338	701	2,522	38	(14)	45,786	38,593
<b>Liabilities</b>												
Accruals and other payables	18	12	65	211	-	-	549	1,515	5	28	637	1,766
	18	12	65	211	-	-	549	1,515	5	28	637	1,766
Net assets	266	388	44,554	35,136	144	338	152	1,007	33	(42)	45,149	36,827

**22 Interest income**

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Interest received/receivable				
- fixed deposits	51	32	-	-
- bank balance	734	222	734	222
	<b>785</b>	<b>254</b>	<b>734</b>	<b>222</b>

**23 Other income**

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Administrative fees	241	214	127	119
Consultancy services	4,458	1,282	1,192	945
Dividend/Investment Income	1,743	1,461	1,663	1,408
Registration fees	149	221	135	211
Rental of premises				
- third parties	3,982	4,477	4,034	4,645
- subsidiary				
Sales of computer equipment and stores	817	663	777	653
Supplementary fees	996	827	942	825
Written back of over-accruals	-	294	-	294
Others – third party	797	1,590	453	1,306
	<b>13,183</b>	<b>11,029</b>	<b>9,323</b>	<b>10,406</b>

**24 Manpower costs**

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Wages, salaries, bonuses and allowance	292,194	278,909	266,909	257,475
Pension gratuities, retirement benefits, SDF and CPF contributions	34,727	32,268	32,446	30,317
Staff development and benefits	7,637	6,554	7,233	6,200
	<b>334,558</b>	<b>317,731</b>	<b>306,588</b>	<b>293,992</b>

**25 Grants-in-aid**

Grants-in-aid comprise:

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

## **26 Other expenditure**

Included in other expenditure are the following:

	The Group		The Institute	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Agency fee	25,239	25,257	25,439	25,111
Allowance for impairment of receivables made (Note 30.1)	13	45	13	45
Allowance for impairment of receivables no longer required (Note 30.1)	(15)	(6)	(15)	(6)
Bad debts written off	362	237	333	216
Consultancy services	1,466	2,309	1,195	2,210
Exchange loss	12	46	12	46
Functions and entertainment	708	1,077	672	904
Gain from sale of property, plant and equipment	(134)	(38)	(190)	(38)
GST expenses	7,677	7,240	7,358	7,138
Overseas travelling	2,197	1,712	1,110	994
Publications and publicity materials	1,027	1,297	944	1,154
Rental of premises	180	160	101	53
Student benefits	9,305	6,938	7,188	5,580
Travelling and communications	563	662	531	523
Others	7,890	6,944	5,654	5,600
	<b>56,490</b>	<b>53,880</b>	<b>50,345</b>	<b>49,530</b>

## **27 Taxation**

The Institute and certain subsidiaries are a charitable institution by virtue of Section 2 of the Charities Act, Chapter 37.

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, Chapter 134.

Certain subsidiaries of the Institute are subject to tax under Singapore income tax legislation.

The Group	2015	2014
	\$'000	\$'000
Current tax expense		
- Current	-	-
- Overprovision in respect of prior years	(1)	(4)
	<b>(1)</b>	<b>(4)</b>
Deferred tax expense		
- Current year	(22)	(16)
- Underprovision in respect of prior years	(10)	-
	<b>(32)</b>	<b>(16)</b>
	<b>(33)</b>	<b>(20)</b>

## **27 Taxation (Cont'd)**

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 Group's results as a result of the following:

The Group	2015 \$'000	2014 \$'000
Deficit before taxation	(9,579)	(5,153)
Results that are tax exempt	10,892	6,247
	<b>1,313</b>	<b>1,094</b>
Tax at statutory rate of 17%	<b>223</b>	186
Tax effect on non-chargeable income	-	(5)
Tax effect on non-deductible expenses	2	3
Overprovision of current tax in respect of prior years	(1)	(4)
Underprovision of deferred assets in respect of prior years	(10)	-
Enhanced deduction of donations	(230)	(191)
Tax benefits under Productivity and Innovation Credit Scheme	(6)	(4)
Tax benefits under Double Taxation Deduction for Internationalisation Scheme	(11)	(5)
	<b>(33)</b>	<b>(20)</b>

## **28 Significant related party transactions**

### **Key management personnel compensation**

Key management personnel of the Group and the Institute are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Institute. 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	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Salaries and related short-term benefits	<b>4,547</b>	4,072	<b>3,346</b>	2,917

## **29 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	2015 \$'000	2014 \$'000
Property, plant and equipment - approved and contracted for	<b>2,385</b>	2,923

### **30 Financial risk management objectives and policies**

The Institute does not hold or issue any derivative financial instruments for trading purposes or to hedge against fluctuation; if any, in interest and foreign exchange rates.

#### **30.1 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Institute to incur a financial loss.

At the end of the reporting period, other than disclosed in the following paragraph, there was no significant concentration of credit risk.

The Group	2015		2014	
	Percentage of balance	No. of counterparties /debtors	Percentage of balance	No. of counterparties /debtors
Other financial assets	85%	2	83%	2
Cash and cash equivalents	100%	3	100%	3
Trade and other receivables	26%	4	74%	5
<b>The Institute</b>				
Other financial assets	89%	2	87%	2
Cash and cash equivalents	100%	2	100%	3
Trade and other receivables	22%	1	69%	2

The ageing analysis of trade and other receivables past due but not impaired is as follows:

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Past due 1 to 30 days	99	3,279	56	51
Past due 31 to 120 days	592	421	383	314
Past due 121 days - 1 year	65	618	19	42
More than one year	1	31	1	36
	<b>757</b>	<b>4,349</b>	<b>459</b>	<b>443</b>

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

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

	The Group		The Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At beginning of year	50	31	50	31
Allowance made (Note 26)	13	45	13	45
Allowance no longer required (Note 26)	(15)	(6)	(15)	(6)
Bad debt written off against allowance	(34)	(20)	(34)	(20)
At end of year (Note 9)	<b>14</b>	<b>50</b>	<b>14</b>	<b>50</b>

#### **30.2 Liquidity risk**

Liquidity or funding risk is the risk that an enterprise 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 and the Institute maintains sufficient level of cash and cash equivalents to finance the Group's and the Institute's operations and mitigate the effects of fluctuation in cash flows.

### **30 Financial risk management objectives and policies (Cont'd)**

#### **30.2 Liquidity risk (Cont'd)**

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

	Less than 1 year \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>The Group</b>				
<b>2015</b>				
Trade and other payables	40,114	-	-	40,114
Amount due to PPP Co.	11,322	45,289	173,608	230,219
Provision for retirement benefits	357	640	753	1,750
	<b>51,793</b>	<b>45,929</b>	<b>174,361</b>	<b>272,083</b>
<b>2014</b>				
Trade and other payables	46,051	-	-	46,051
Amount due to PPP Co.	11,322	45,289	184,931	241,542
Provision for retirement benefits	360	640	912	1,912
	<b>57,733</b>	<b>45,929</b>	<b>185,843</b>	<b>289,505</b>
<b>The Institute</b>				
<b>2015</b>				
Trade and other payables	41,911	-	-	41,911
Amount due to PPP Co.	11,322	45,289	173,608	230,219
Provision for retirement benefits	357	640	753	1,750
	<b>53,590</b>	<b>45,929</b>	<b>174,361</b>	<b>273,880</b>
<b>2014</b>				
Trade and other payables	45,598	-	-	45,598
Amount due to PPP Co.	11,322	45,289	184,931	241,542
Provision for retirement benefits	360	640	912	1,912
	<b>57,280</b>	<b>45,929</b>	<b>185,843</b>	<b>289,052</b>

#### **30.3 Market risk**

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

The Group and the Institute manages the market risk arising from its financial instruments through the setting of investment guidelines. Compliance with the investment guidelines, namely limiting the proportion of investments in equity and corporate bonds to 80% of total investible sum, with the balance to be held as cash, is monitored on an on-going basis. In addition, the Group and the Institute reports on the performance of the portfolio of investments to the Investment Committee to mitigate the Group's and the Institute's market risk on regular basis.

#### **30.4 Cash flow and fair value interest rate risk**

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to interest rate risk primarily arises from fixed deposits placed with financial institution.

### **30 Financial risk management objectives and policies (Cont'd)**

#### **30.4 Cash flow and fair value interest rate risk (Cont'd)**

##### Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 5 (2014 - 5) basis points higher/lower with all other variables held constant, the Group's surplus net of tax would have been \$1,500 (2014 - \$1,000) higher/lower, arising mainly as a result of higher/lower interest income from fixed deposits placed with financial institution.

#### **30.5 Equity price risk**

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

To mitigate the price risk arising from investments in such financial instruments, the Group and the Institute invest in preference share which will also provide fixed returns via dividends. All investment decisions are governed by the Institute's documented risk management and investment strategies.

The Group and the Institute

##### Sensitivity analysis - equity price risk

A 10% increase in the underlying equity prices at the end of the reporting period would increase the fair value reserve of the Group and the Institute by \$1,043,000 (2014 - \$1,536,000) and \$941,000 (2014 - \$1,436,000), respectively.

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

#### **30.6 Foreign currency risk**

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

The Group and Institute have no significant foreign currency exposures.

### **31 Institute management**

The Group and the Institute's objectives when managing the funds are:

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

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

### **32 Financial instruments**

#### **Accounting classifications of financial assets and financial liabilities**

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

The Group	Note	Available- for-sale (carried at fair value) \$	Held-to- maturity (carried at amortised cost) \$	Loans and receivables (carried at amortised cost) \$	Total \$
<b>At 31 March 2015</b>					
<b>Financial assets</b>					
Available-for-sale investments	7	10,431	-	-	10,431
Held-to-maturity investments	7	-	39,732	-	39,732
Trade and other receivables <sup>(1)</sup>		-	-	9,847	9,847
Operating grants receivable	10	-	-	16,996	16,996
Development grants receivable	11	-	-	926	926
Other grants receivable	12	-	-	767	767
Cash and cash equivalents	13	-	-	253,255	253,255
		<b>10,431</b>	<b>39,732</b>	<b>281,791</b>	<b>331,954</b>
<b>Financial liabilities</b>					
Trade and other payables	20			52,665	52,665
Amount due to PPP Co.	17			137,030	137,030
Provision for retirement benefits	19			1,750	1,750
				<b>191,445</b>	<b>191,445</b>
<b>At 31 March 2014</b>					
<b>Financial assets</b>					
Available-for-sale investments	7	15,360	-	-	15,360
Held-to-maturity investments	7	-	30,482	-	30,482
Trade and other receivables <sup>(1)</sup>		-	-	13,406	13,406
Operating grants receivable	10	-	-	16,903	16,903
Development grants receivable	11	-	-	4,179	4,179
Other grants receivable	12	-	-	562	562
Cash and cash equivalents	13	-	-	245,711	245,711
		<b>15,360</b>	<b>30,482</b>	<b>280,761</b>	<b>326,603</b>
<b>Financial liabilities</b>					
Trade and other payables	20			58,259	58,259
Amount due to PPP Co.	17			146,563	146,563
Provision for retirement benefits	19			1,912	1,912
				<b>206,734</b>	<b>206,734</b>

<sup>(1)</sup> excludes prepayments



**32 Financial instruments (Cont'd)**

**Accounting classifications of financial assets and financial liabilities (Cont'd)**

The Institute	Note	Available- for-sale (carried at fair value) \$	Held-to- maturity (carried at amortised cost) \$	Loans and receivables (carried at amortised cost) \$	Total \$
<b>At 31 March 2015</b>					
<b>Financial assets</b>					
Available-for-sale investments	7	9,414	-	-	9,414
Held-to-maturity investments	7	-	38,481	-	38,481
Trade and other receivables <sup>(1)</sup>		-	-	8,258	8,258
Operating grants receivable	10	-	-	16,878	16,878
Development grants receivable	11	-	-	535	535
Other grants receivable	12	-	-	767	767
Cash and cash equivalents	13	-	-	208,974	208,974
		<b>9,414</b>	<b>38,481</b>	<b>235,412</b>	<b>283,307</b>

	Note	Other liabilities (carried at amortised cost) \$	Total \$
<b>Financial liabilities</b>			
Trade and other payables	20	54,251	54,251
Amount due to PPP Co.	17	137,030	137,030
Provision for retirement benefits	19	1,750	1,750
		<b>193,031</b>	<b>193,031</b>

	Note	Available- for-sale (carried at fair value) \$	Held-to- maturity (carried at amortised cost) \$	Loans and receivables (carried at amortised cost) \$	Total \$
<b>At 31 March 2014</b>					
<b>Financial assets</b>					
Available-for-sale investments	7	14,361	-	-	14,361
Held-to-maturity investments	7	-	29,232	-	29,232
Trade and other receivables <sup>(1)</sup>		-	-	12,743	12,743
Operating grants receivable	10	-	-	16,903	16,903
Development grants receivable	11	-	-	3,536	3,536
Other grants receivable	12	-	-	497	497
Cash and cash equivalents	13	-	-	207,992	207,992
		<b>14,361</b>	<b>29,232</b>	<b>241,671</b>	<b>285,264</b>

	Note	Other liabilities (carried at amortised cost) \$	Total \$
<b>Financial liabilities</b>			
Trade and other payables	20	57,619	57,619
Amount due to PPP Co.	17	146,563	146,563
Provision for retirement benefits	19	1,912	1,912
		<b>206,094</b>	<b>206,094</b>

<sup>(1)</sup> excludes prepayments

### **33 Fair value measurements**

#### **Fair value**

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.

The Group and the Institute do not anticipate that the carrying amounts recorded at end of reporting period would be significantly different from the values that would eventually be received or settled.

#### **Fair value hierarchy**

The different levels have been defined as follows:

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

The fair values of available-for-sale equity securities are based on quoted market prices on the reporting date. The quoted market price used is the quoted bid price. Equity securities are wholly designated in the Level 1 category as at 31 March 2015.

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