THINK FUTURE, CREATE TODAY

ANNUAL REPORT FY2018

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 2019.

On behalf of the Board of Governors:

BOB TAN BENG HAI	**LOW KHAH GEK**
Chairman	Chief Executive Officer

ORGANISATION DETAILS

Board Secretary	Sabrina LOI Deputy Chief Executive Officer (Corporate)
Address	Institute of Technical Education 2 Ang Mo Kio Drive Singapore 567720
Telephone	(65) 6590 2016
Fax	(65) 6776 7685
Email	**Sabrina_Loi@ite.edu.sg**

ABOUT ITE

The Institute of Technical Education (ITE) was established as a post-secondary institution in 1992, under the Ministry of Education. ITE is a principal provider of career and technical education and a key developer of national skills certification and standards, skilling Singapore for the future economy. It offers three key programmes –

(1) Pre-Employment Training for youths after secondary education
(2) Continuing Education and Training for adult learners
(3) Industry-Based and Work-Learn Programmes with employers

Under its ***'One ITE System, Three Colleges'*** Governance Model, ITE has three Colleges – **ITE College Central**, **ITE College East** and **ITE College West**, each empowered to develop their own niches of excellence to enhance students' success and the attractiveness of an 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 2019

ORGANISATION STRUCTURE

Ministry of Education

ITE Board of Governors

- Crest Secondary School
- Spectra Secondary School
- NorthLight School

Chief Executive Officer

- Academic Council
- Executive Committee
- Strategic Planning Committee
- Organisational Excellence Steering Committee

Internal Audit

Deputy CEO (Academic)

Curriculum & Educational Development
Educational Design & Technology
Examinations
Information Technology
Registrar's Office

Principal (ITE College Central)

School of Business & Services
School of Design & Media
School of Electronics & Info-Comm Technology
School of Engineering
College Services
Technology Development Centre

Deputy CEO (Corporate)

Corporate Affairs & Development
Enterprise Administration
Finance
Human Resource
ITE Academy

Principal (ITE College East)

School of Applied & Health Sciences
School of Business & Services
School of Electronics & Info-Comm Technology
School of Engineering
College Services
Technology Development Centre

Deputy CEO (Industry)

Campus Development & Estates
Continuing Education & Training
Industry-Based Training

Principal (ITE College West)

School of Business & Services
School of Electronics & Info-Comm Technology
School of Engineering
School of Hospitality
College Services
Technology Development Centre

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 2019**, 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

CHAIRMAN, AUDIT & RISK COMMITTEE

Mr Philip Yuen
Chief Executive Officer
Deloitte Singapore & Southeast Asia

CHAIRMAN, FINANCE AND INVESTMENT COMMITTEE

Mr Phua Han Tian
Programme Director, Industrial IoT Programme
A*STAR

CHIEF EXECUTIVE OFFICER
CHAIRMAN, ITE EDUCATION FUND MANAGEMENT COMMITTEE

Ms Low Khah Gek
Institute of Technical Education

Members

Mr Chang Chin Nam
Executive Director (Precision Engineering)
Economic Development Board

Mr Andrew Chong
Advisor
Board of Infineon Technologies Asia Pacific

Mrs Chua-Lim Yen Ching
Deputy Director-General of Education (Professional Development)
and Executive Director, Academy of Singapore Teachers
Ministry of Education

Ms Malathi Das
Director
Joyce A. Tan & Partners LLC

Mr Fong Yong Kian
Chief Executive
Singapore Totalisator Board

Associate Professor Foo Yong Lim
Assistant Provost (Applied Learning)
Singapore Institute of Technology

Mr Shaikh Ismail
Managing Director
Communications, Media and Technology
Accenture Consulting

Mr Lim Der Shing
Co-Founder
JobsCentral Group

Dr Intan Azura Binte Mokhtar
Member of Parliament
Ang Mo Kio Group Representation Constituency (Jalan Kayu)

BG Ng Chad-Son
Director, Military Intelligence
Ministry of Defence

Mr Chris Ong
Chief Executive Officer
Keppel Offshore & Marine

Mr Ong Hwee Liang
General Secretary
SIA Engineering Company Engineers and Executives Union (SEEU)

Mr Joshua Soh
Chief Operating Officer
Nogle Limited

Mr Gilbert Tan Chye Hee
Chief Executive Officer
Employment and Employability Institute (e2i)

Dr Carrie Yau
Executive Director
Hong Kong Vocational Training Council

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 2019**, the Team comprised:

Senior Management

Ms Low Khah Gek
Chief Executive Officer

Mr Heng Guan Teck
Deputy Chief Executive Officer (Academic)

Ms Sabrina Loi
Deputy Chief Executive Officer (Corporate)

Mr Aw York Bin
Deputy Chief Executive Officer (Industry)

Dr Ang Kiam Wee
Principal
ITE College Central

Dr Yek Tiew Ming
Principal
ITE College East

Dr Goh Mong Song
Principal
ITE College West

ITE Headquarters' Directorate

ACADEMIC

Mr Cheang Wee Kok Shang
Senior Director & Registrar

Ms Alice Seow
Senior Director
Curriculum & Educational Development

Dr Thang Tze Yian Theresa
Divisional Director
Educational Design & Technology

Mr Tan Kay Chuan
Project Director/ Assessment System & Covering Divisional Director Examinations

Mr Lee Foo Wah
Divisional Director
Information Technology

CORPORATE

Ms Chua Ai Lian
Divisional Director
Corporate Affairs & Development

Ms Susan Lim
Divisional Director
Enterprise Administration

Ms Lana Tan
Divisional Director
Finance

Ms Jane Chia
Senior Director
Human Resource

ITE ACADEMY

Mr Tan Seng Hua
Dean
ITE Academy

Ms Iris Seet
Deputy Dean
ITE Academy

Dr Samuel Ng
Director
VTE Development

INDUSTRY

Mr Lim Cheng Siong
Senior Director
Campus Development & Estates

Dr Derek Yeo
Divisional Director
Continuing Education & Training

Dr Ting Kok Guan
Divisional Director
Industry-based Training

College Directorate

ITE COLLEGE CENTRAL

Dr Ang Kiam Wee
Principal

Mr Suresh Natarajan
Deputy Principal
(Academic)

Mr Chong Leong Fatt
Deputy Principal
(Development)

Ms Jessie Ong
Director
College Services

Ms Tham Mei Leng
Director
School of Business & Services

Mr Callistus Chong
Director
School of Design & Media

Dr Lim See Yew
Senior Director
School of Engineering

Mr Aw Kim Geok
Director
School of Electronics &
Info-Comm Technology

Dr Lee Teck Kheng
Director
Technology Development &
Technology Transfer Office

ITE COLLEGE EAST

Dr Yek Tiew Ming
Principal

Mr Lim Teck Lee
Deputy Principal
(Academic)

Mr Zainudin Bin Nordin
Deputy Principal
(Development)

Mr Tan Wee Khiang
Director
College Services

Mr Lionel Lau
Director
School of Applied &
Health Sciences

Ms Peh Wee Leng
Director
School of Business & Services

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

Mr Loh Kum Fei
Director
School of Engineering

Mr Alfred Tan
Director
Technology Development

ITE COLLEGE WEST

Dr Goh Mong Song
Principal

Mr Liew Beng Keong
Deputy Principal
(Academic)

Mr Lim Chwee Seng
Deputy Principal
(Development)

Ms Yeow Swee Soon
Director
College Services

Mr Alvin Goh
Director
School of Business & Services

Mr Seng Chin Chye
Director
School of Engineering

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

Ms Denise Tan
Director
School of Hospitality

Dr Lim Soon Huat
Director
Technology Development

THINK FUTURE, CREATE TODAY

FY2018 has been an eventful year for ITE. We focused on three key thrusts, which were in line with our theme, ***Think Future, Create Today***: Student Success & Resilience, Digitalisation and Organisational Excellence.

Student Success has always been a core focus for ITE and it remains a key focus in 2018. Several initiatives have been put in place to help our students discover their passions and succeed at work and in life. As workforce learning catches on, we have developed a slew of programmes for adult learners. Many of them were designed to be quick and convenient to bring them up to speed with new industry changes and demands.

FY2018 was also the year where buzzwords like 'Industry 4.0', 'digitalisation' and 'automation' were often repeated. In the midst of challenging economic conditions and technological advances, the need for Singapore to remain competitive globally is urgent. The Ministry of Trade and Industry rolled out Industry Transformation Maps (ITMs), covering 23 sectors and accounting for over 80 per cent of our GDP, to tackle these challenges. Key to these ITMs is the shift towards digitalisation and deepening of skills among workers. And we, at ITE, are right there to support the Government's initiatives, as the economy continues to transform.

New partnerships were forged to ensure our students got the support they needed to develop digital skills that were critical in preparing them for future jobs. Internally, our staff also took on initiatives that utilised technology to help improved work efficiency – both in the classroom and out.

To skill a large portion of Singapore's current and future workforce requires effort on the part of everyone in ITE. And to do this effectively, there is a need to ensure every 'gear' works. We have, over the years, worked hard to achieve organisational excellence. We believe a well-run organisation with staff who take pride in what they do can deliver better results. And in ITE's case, this translates to higher success rates for our students.

CREATING THE FUTURE, TODAY

For our students, ITE is the gateway to a world of opportunities, a better life, and a promising career. At the same time, we want to see our students progress in life. In FY2018, we introduced three new *Higher Nitec* courses to cater to the growing demand for manpower in the Food & Beverage, Automotive, and Engineering industries.

From April 2018, *Nitec* in Pastry & Baking graduates can opt to deepen their skills with the *Higher Nitec* in Pastry & Baking course held at ITE College West. This course serves to make our Pastry & Baking graduates more marketable. Similarly, the need for stronger skill competencies in the automotive and engineering industries has prompted the introduction of the *Higher Nitec* in Automotive Engineering and *Higher Nitec* in Robotics & Smart Systems courses. This brings the number of full-time courses (Technical Diplomas, *Nitec*, and *Higher Nitec*) to 98 for 2019.

The **Enhanced Internship Framework** was put in place to ensure students undergo meaningful work-based learning and pick up industry relevant skills. At the end of 2018, ITE has collaborated with **2,810 companies** to train about **10,500 students** under this Framework. As of March 2019, some **80 per cent** of ITE's courses have implemented Enhanced Internship, up from 69 per cent the previous year. This brings us one step closer to our goal of having all second-year students undergo Enhanced Internship by 2021.

ITE has also built on other existing initiatives to allow more students to focus on pursuing their course of choice. By broadening Aptitude-based Admissions, almost 50 per cent of the *Nitec* courses are available under this scheme in the January 2019 intake. We have also streamlined and simplified the financial assistance application process so students from lower-income families can receive the aid they require with minimal fuss. With one less worry, students can focus more on their studies.

As part of ITE's holistic development of students, 18 essential **Generic Skills and Competencies (GSCs)** were infused into the LifeSkills curriculum. These GSCs, identified under the SkillsFuture Framework, are further reinforced when the students participate in co-curricular activities or while undergoing Industry Attachments.

In FY2018, ITE also gave greater focus to ITE graduates and adult learners by offering more pathways and greater opportunities for lifelong learning. For graduates, the **Work-Learn Technical Diploma (WLTD)** was first announced in 2017 as an alternative pathway for those seeking to deepen their skills. Four WLTDs were launched in 2018. Ten more WLTDs, to be launched in 2019, were added to the list for a total of 14. These were in the areas of:

- Chemical Process Technology
- Community Engagement & Development
- Data Centre Infrastructure & Operation
- Hotel & Restaurant Management
- Lifestyle & Recreation Management
- Logistics & Supply Chain Management
- Microelectronics
- Patient Management & Services
- Port Automation Technology
- Vertical Transportation

We have also increased the course offerings for SkillsFuture Series courses **from 35 to 64**, for working adults to enjoy a greater variety of **Accessible**, **Bite-size and Convenient (ABC) learning programmes**. As a Programme Partner for the **SkillsFuture for Digital Workplace**, ITE is also committed to helping Singaporeans be aware of emerging technologies and to prepare for a digitally-literate workforce.

CREATING CONNECTIONS, TODAY

LEARNING & PARTNERSHIPS

Nurturing students who are ready to enter a global workforce means exposing them to places beyond Singapore and engaging with local and global partners. ITE does this through its **Global Education Programme**, forming strategic alliances and working with a variety of industry and global education partners.

By end March 2019, ITE has built industry alliances through **115** MOUs. Some of ITE's new partnerships include AI Singapore, Automation Anywhere®, ExxonMobil Asia Pte Ltd, National Parks Board, PayPal Pte Ltd, Sheng Siong Group Ltd, Shell Eastern Petroleum Pte Ltd, and Siemens Pte Ltd.

To cater to companies' workforce upgrading needs, ITE has also partnered with other agencies to offer more customised courses and joint certifications. An example of this is the new Joint ITE-UPEC Certificate in Pre-hospital Emergency Care, which is supported by the Ministry of Health. We now have four joint certificates for industry accreditation purposes.

MEMORANDUMS OF UNDERSTANDING (MOUS)

New in FY2018	Renewed in FY2018	**Total** (By end Mar 2019)
21	13	115

MOUS WITH GLOBAL EDUCATION PARTNERS

33 Partners in **12** Countries

New in FY2018	Renewed in FY2018
Canberra Institute of Technology, Australia	Box Hill Institute, Australia
HULA Network, Finland (5 partners)	Kirkwood Community College, USA
Kaufmännische Schule 1, Germany	Korea Polytechnics, Korea
Omnia, Finland	Shenzhen Polytechnic, China
Swinburne University of Technology, Australia	Vocational Training Council, Hong Kong
	Woosong University, Korea

FOREIGN VISITORS

No. of Foreign Visitors in FY2018	No. of Countries
2,272	85

In FY2018, we had several distinguished visitors from Australia, Brunei, Cambodia, Germany, Ghana, India, Malaysia, Panama, Russia, Sri Lanka, and Sub-Saharan Africa. Notable visitors are Her Excellency Usha Devi, Minister of Skill Development and Technical Education, Government of Odisha, India; Ms Marina Zakharova, Minister of Education of the Moscow Region; YB Dato Paduka Dr Awang Haji Mat Suny Bin Haji Mohd Hussein, Minister of Energy and Industry, Brunei; Hon. Tilak Marapana, Minister of Foreign Affairs, Sri Lanka; and Her Excellency Isabel De Saint Malo De Alvarado, Vice President and Minister for Foreign Affairs of the Republic of Panama.

CREATING SUCCESS, TODAY

ITE IN NUMBERS (FOR FY2018)

Full-time Student Enrolment

28,830

Student Success Rate

89%

Students' Satisfaction Rate with ITE

96%

Graduate Employment Rate

83%

Student Overseas Participation Rate
Overseas Student Exchange Programme, Overseas Industrial Attachment Programme & Overseas Service & Development Programme

20%

Overall Employers' Satisfaction with ITE Graduates
(Triennial - FY2016)

95%

CLASS OF 2018

A total of **14,234 students** graduated from ITE's full-time, part-time and traineeship courses for the 2017/2018 Academic Year. Among them, **732** received Certificates of Merit, with **226** receiving Course Medals for excellence.

Top honours were awarded to 12 ITE graduates. They were:

Lee Kuan Yew Gold Medal
Aloysius Moh Soon Kiat
Muhammad Shazuan Bin Shiraj Abdullah
Ryan Noel Bangras

Ngee Ann Kongsi Gold Medal
K Jagateesvaran Rajoo
Wong Yi Jie
Yoh Kai Xiang

Tay Eng Soon Gold Medal
Cook Elray Danish Bin Cook Reuben James
Matthias Lim Xing Ran
Melvin Ang Kang Rong

e2i Gold Medal
Lew Chia Sing
Richard Chai Cheng Hee

IES Engineering Award
Tan Wei Ren, Uriah

At the 2018 Ministry of Education Special Awards Presentation Ceremony, **15 ITE graduates** who had progressed to full-time studies at the polytechnics received the **Lee Kuan Yew Scholarship to Encourage Upgrading (LKY STEP) Award**. Of the 15, six received the **Sultan Haji Omar Ali Saifuddien Book Prize**. Of these six, one received the **Lee Hsien Loong Award for Outstanding All-round Achievement**, as well for outstanding academic results.

SUCCESS IN THE GLOBAL ARENA

Competitions are a good gauge on how well our students have learnt their craft. More importantly, they allow our students to develop other skills that will help them in their careers, such as teamwork, discipline, interpersonal skills, time management and more. Where possible, ITE students are also encouraged to take part in overseas competitions. In FY2018, a number of them have made ITE proud with their achievements.

WorldSkills ASEAN Bangkok 2018

The 12th WorldSkills ASEAN Competition was held in Bangkok from 31 August to 2 September 2018. It attracted **331 competitors in 26 skill areas** from **10** ASEAN countries. Team Singapore fielded **40 competitors in 20 skill areas**, of whom **20** were from ITE. Overall, Team Singapore did well and achieved **three Gold**, **three Silver** and **three Bronze** medals, as well as **seven Medallions for Excellence**.

Lim Hui Fang did ITE proud by winning the **Gold Medal in Beauty Therapy**. She also won the **Best of Nation Medal**, given to the top-performing competitor from each country. Our alumnus, Wong Shi Jie, who is currently with Ngee Ann Polytechnic, also won the **Gold Medal in Mechatronics** (team event). Shi Jie graduated from ITE in December 2015.

ITE's Silver Medallists were Vanessa Kow Chin Wen for Beauty Therapy and Shuana Tan Shi-Yu for Information Network Cabling. Vanessa will be representing Team Singapore in Beauty Therapy at the 45th WorldSkills Competition, in Kazan, in August 2019. Lim Voon Kong and Mah Jia Yong took the Bronze Medal for Industrial Automation (team event), while Jeff Liu Bi Hui received the Medallion for Excellence for Information Network Cabling.

Asia Innovation Challenge 2018

The Asia Innovation Challenge is a competition that requires students in Singapore (ITE, Junior Colleges and Polytechnics) to team up with students from Japan to work on projects. More than 80 participants from both countries took part in the Challenge and seven teams made it to the finals, held on 26 August 2018.

Two ITE students from the *Higher Nitec* in Passenger Services course and their counterparts from Hongo High School in Japan clinched the top prize. Their winning project was a business proposal to sell insect repellent clothing in Brunei, where there were high incidences of dengue fever. As part of the award, the team was sponsored for a trip to Brunei in December 2018. Another team, comprising two *Higher Nitec* in Service Management students and their counterparts from Hokkai Gakuen High School in Japan, were the First Runner-up.

International Exhibition of Young Inventors 2018

Nine Electronics and Info-Comm Technology students participated in the International Exhibition for Young Inventors 2018 held in Delhi, India, from 17 to 22 October 2018. They formed four teams and competed with more than 100 teams from 12 countries. One of the projects, MyBio, a medical services ordering system developed by *Higher Nitec* in Business Information Systems students, won a Gold Medal. Another team comprising students from the *Nitec* in Infocomm Technology course won the Bronze Medal and a Special Award for their project on Spotting of Trapped Victims during a Disaster. Two more Special Awards were also presented to the teams from ITE.

Other Global Achievements

- Leo Koh Ze Kai, a *Higher Nitec* in Electronics Engineering (IoT & Communications) student, won the **Terry O'Banion Computer Champion Award**. This annual Award is given by The League for Innovation in the Community College, USA, to honour three students with special talent in technology, strong financial need and a passion for a career in technology.

- ITE won the global final of the **Social Innovation Relay**, a competition that challenges teams to develop innovative business concepts that address social needs. It is open to students aged 15 to 19 and involved over 14,000 students from 10 countries.

CELEBRATING STUDENT ACHIEVEMENTS

Congratulations to the Colleges and students for their achievements for the following competitions in FY2018:

- Fifteen students competed and won **two Silver Medals**, **eight Bronze Medals and one 1st Runner Up placement** at one of the most prestigious culinary competitions in Asia – the **Food & Hotel Asia Culinary Challenge**.

- Irfan Zailan, a Pastry & Baking student, competed in the **Singapore Bake-A-Star Championship** – Cake Category (Petit Gateaux) with his lecturer and emerged **Champion** in his category. The team represented Singapore in the World Championship in early 2019.

- ITE sent 28 teams, comprising 111 ITE student participants, to take part in the **National Assistive & Rehabilitation Technologies Student Innovation Challenge** (ART-SIC). The Challenge was open to students from ITE, the Polytechnics and Universities. They did well and took home 16 out of 19 awards. These include **two Gold**, **one Silver**, **two Bronze and three Merit Awards**.

- Our *Higher Nitec* in Filmmaking (Cinematography) students won the **top three prizes**, including the **Audience Choice Award** in the Open Youth Category of the inaugural **Canon FilmFIVE Festival Short Film Competition**.

- Three students were nominated by National Youth Achievement Award secretariat for the **HSBC/NYAA Youth Environmental Award 2018**. Of the three, two received the Award and one received the Merit Award.

- ITE won the **first and second prizes** in the inaugural **Young Sustainability Innovators Challenge**, outperforming finalists from local polytechnics.

- At the biennial **Community In Bloom Awards**, ITE was one of two recipients (and the first Institute of Higher Learning) of the **Diamond Award** under the Educational Institutions category, having won the Platinum Award in three consecutive series. ITE also clinched the **Gold Award** in the **Landscape Design Challenge**.

CELEBRATING STAFF ACHIEVEMENTS

Staff (Total)	Academic Staff	Non-academic Staff
2,522	**1,705**	**817**

Employee Engagement Survey
(Biennial)

84%

In recognition of their exemplary service and contributions, 580 ITE staff were conferred the following awards:

May Day Awards 2018
(Distinguished Service Award)
Mr Bob Tan, Chairman/ITE

(Medal of Commendation and Comrade of Labour Award)
Awarded to 2 staff

National Day Awards 2018, Prime Minister's Office
Awarded to 17 staff

National Day Awards 2018, Long Service Medals, Prime Minister's Office
Awarded to 13 staff

ITE Teacher Award 2018
Awarded to 15 staff

ITE Long Service Award 2018
Awarded to 532 staff

ITE Service Star Award 2018
Awarded to 24 individuals and 2 teams

ITE Distinguished Service Star Award 2018
Awarded to 1 individual and 2 teams

ITE Outstanding Leader and Facilitator Award 2018
Awarded to 19 individuals

ITE Innovation Award 2018
Awarded to 196 teams

ITE CEO Innovation Award 2018
Awarded to 2 teams

In addition, ITE staff have come up with innovative projects that have gained recognition by the industry and ministries.

- A team of seven ITE College West staff won the **MOE Innergy (Statutory Board) Gold Award 2018** for their ***Virtual Reality Rehabilitation System***. This system, a first in Singapore, helps save space for rehabilitation centres by incorporating Virtual Reality into rehabilitation exercises. The results of these exercises could be captured and stored in local or cloud databases.

- Another ITE staff-fronted project, the **Student Attendance Performance System**, won **Gold** at the **International Convention on Quality Control Circles** in Oct 2018. The same project also won the top **3-Star Award** and **Best for Leveraging Technology** award at the **Asia Pacific Quality Organisation International ACE Team Competition** held at Abu Dhabi in Dec 2018. Using a variety of technological tools such as mobile apps, Tableau's data visualisation tool, and wireless attendance marker, the team came up with a system that helps improve students' success rates.

One United Front

The long-standing relationship ITE shares with the two staff unions – the Union of ITE Training Staff and the ITE Staff Branch of the Amalgamated Union of Public Employees – continued to flourish in FY2018. This relationship was celebrated at the 36th Management-Union Games.

ORGANISATIONAL EXCELLENCE

FY2018 saw ITE garner several national and international awards and accolades – an affirmation that ITE is doing well as an adaptive organisation, having met the benchmarks of excellence set out by the awards. The awards were:

- **Digital Learning Transformation Award**, in recognition of ITE's contributions to the National Trades Union Congress' ULeap (Learning Enabled through Active Participation) initiative to provide bite-size learning on the go.

- **USA Association for Talent Development Excellence in Practice Award** for successfully transforming staff capabilities through the Total System Capability Programme between 2007 and 2015.

- **BCA Green Mark Award 2018 (Platinum)**, in recognition of ITE College East's continual efforts in incorporating environment sustainability and energy conservation features in its built environment. With this award, ITE Headquarters and all three Colleges have met the Building & Control Authority (BCA) Green Mark (Platinum) standards.

- **Tripartite Alliance Award 2018 (Fair and Progressive Employment Practices)**, in recognition of ITE's effective workplace and people practices to build an inclusive culture and strong employee relations.

- **Total Defence Award – NS Advocate Award (Organisations) 2018**, in recognition of ITE's exemplary support for National Service (NS) and NSmen.

- **People's Association Community Spirit Award 2018**, in recognition of ITE's contributions to the PA Youth and Sports Division, Community Development Council and Citizens' Consultative Committee.

Singapore Quality Award with Special Commendation (SQA SC)

The icing on the cake for the year is no doubt ITE's successful renewal of the SQA SC. The Award, lauded as the pinnacle of organisational excellence in Singapore, was first presented to ITE in October 2011. Seven years later, ITE won the Award a second time and are among the first batch of SQA SC organisations to have successfully renewed this national award. This is a strong testament of ITE's commitment towards providing technical education and training of the highest quality.

The Assessors were particularly impressed by the passion, care and commitment of the staff and highlighted several strengths:

- Globally recognised as a leader and pace-setter
- Strong future-orientated planning
- Visionary and transformational leadership
- Unique ITE Care culture
- Pervasive spirit of change and innovation
- High student satisfaction and success rates
- Strong and extensive partnerships

To commemorate the win, a celebration was held during the annual ITE Awards Presentation Ceremony. ITE HQ and the Colleges also held mini celebrations of their own in recognition of the hard work put in by all staff.

CREATING MEMORIES, TODAY

Event Highlights

STUDENTS

National Day Parade 2018

For the first time, ITE participated in a National Day Parade segment on a large scale. Almost **600 staff, students and alumni** volunteered their weekends to put on a performance titled *Our People*, *Our Home*, which showcased Singapore's transformation journey and people from different occupations working together for a better future. The eight months of preparation and rehearsals were tough, but the ITE contingent's enthusiastic display earned them praises from the NDP Show Chairman and the public.

ITE Visual Arts Show 2018

The biennial ITE Visual Arts Show took place on 18 October at ITE College East in 2018. A Flash Mob with highly-energetic dancers opened the show, which featured 300 art works by 1,500 ITE students and staff, and 600 community partners. This instalment of the Visual Arts Show explored different interpretations of the theme, *Perspectives*. What was special about this show was that 50 of the art pieces were created with community partners – the highest number since the Visual Art Show started in 2012. Ms Sim Ann, Senior Minister of State for Ministry of Culture, Community and Youth, was the Guest-of-Honour for the event.

Conference on Drone Technology for Urban Solutions

On 23 January 2019, ITE, together with Science Centre Singapore, held its first Conference on Drone Technology for Urban Solutions. The Conference served as a platform for drone industry professionals, researchers and consumers to share the latest in drone technology innovations and applications. Some **350 participants** from other Institutes of Higher Learning and industry partners were present at the event, which was graced by Senior Minister of State for Ministry of Transport and Ministry of Health, Dr Lam Pin Min.

STAFF AND PARTNERS

International TVET Conference 2018

ITE held its fifth triennial International TVET Conference at Raffles City Convention Centre on 3 and 4 October 2018. The two-day event, where Minister for Education, Mr Ong Ye Kung, was the Guest-of-Honour at the Opening Ceremony, attracted **400 delegates** from **19 countries**.

Fifteen speakers and four Facilitators, comprising academics, policy makers, and industry practitioners, shared insights and spoke passionately on the theme, *Industry Transformation*: *Imperatives for Future Skills and Learning*. An Executive Learning Programme to ITE College West and Ngee Ann Polytechnic was arranged on 5 October for the 70 foreign participants. The feedback garnered from the event was overwhelmingly positive.

Discipline-Specific Pedagogies (DSP) Symposium and Book Launch

Organised under the umbrella of the TVET Conference, ITE held a DSP Symposium on 6 October at the Tay Eng Soon Convention Centre. Mr Matthias Kurrle, then-Director of Studies, Vocational Education Department, Ministerium für Kultus, Jugend und Sport, Baden-Württemberg, Germany, was the keynote speaker at the event, which saw 500 participants attending. An industry panel discussion and presentations of successfully-implemented DSP projects were part of the programme as well. In conjunction with the event, a DSP coffee-table book, *Learning to Do*, *Learning to Be*, was launched.

Digitalisation Seminar & Exhibition 2018

As part of the Public Sector Transformation movement, the Poly-ITE-SSG Digitalisation Committee held its inaugural Digitalisation Seminar & Exhibition at ITE College West on 14 November. The five polytechnics, ITE and SkillsFuture Singapore (SSG) showcased a total of 25 digitalisation initiatives, which covered four areas – Data Analytics, Process Automation, Culture & Capability Building and Customer-centric Services. The event was graced by then Second Permanent Secretary (Education), Mr Lai Chung Han, and was attended by over **350 staff** from MOE, the polytechnics, ITE and SSG.

Work-Learn Technical Diploma (WLTD) Signing Ceremony 2018

Minister for Education, Mr Ong Ye Kung, launched the first four WLTDs in 2017 in an effort to provide more pathways and upgrading opportunities for ITE graduates. On 2 November 2018, Minister was invited to launch another 10 WLTDs at a Signing Ceremony, bringing the total number of WLTDs offered to 14.

The WLTD Signing Ceremony 2018 saw **113 companies** pledging their support. These companies include Chevalier Singapore, Conrad Centennial, ExxonMobil, Keppel Offshore Marine, Resorts World Sentosa and Touch Community Services. ITE targets to provide WLTD places for seven per cent of each cohort by 2022.

Funds for a Brighter Future

ITE is fortunate to have the endorsement and support of industries and individuals. In 2018, two companies have extended their generosity to ITE by donating a total of $12 million to help support ITE students in their education journey. On 3 August, Keppel Corporation presented ITE with a cheque for $10 million in celebration of its 50th Anniversary. Two months later, on 24 October, Worldwide Hotels Group contributed $2 million towards the ITE Education Fund as part of its 25th Anniversary celebrations. Their donations will help greatly in giving financially-disadvantaged ITE students a much-needed boost, and ITE is grateful to them for their generosity.

NEW WAVE, NEW FUTURE

WHAT'S NEXT FOR FY2019

2018 was a fulfilling year for ITE. New partnerships were forged, old ones renewed. Staff, students and the organisation as a whole, performed well and earned several accolades and awards. 2019 will present ITE with new challenges and opportunities, and we will continue to respond with agility, deliver results and give our students the High-tech, High-touch and High-trust career and technical education they have come to expect from us.

With our fifth Strategic Plan, *ITE Trailblazer*, coming to an end in 2019, it is time for ITE to plan the next wave. To reflect this, the corporate theme for FY2019 will be *New Wave*, *New Future*.

While we continue to strengthen and refine our core areas in Pre-Employment Training and Continuing Education and Training, we all also move forward as an organisation to embrace digitalisation further and remain adaptive and nimble in a fast-changing landscape. To help us do this, ITE will focus on four key thrusts:

- ***Employability Resilience*** of our students and graduates
- ***Lifelong learning & continuing pursuit of skills*** by adult learners
- ***'Smart learning, Smart working'*** in ITE
- ***Agile and responsive organisation*** to changes and developments

What ITE creates today will go on to build the future. When our graduates start off well, we believe they have the ability to go further. And when we are prepared, as an organisation, we are in a better position to deliver what our stakeholders need to build brighter futures for themselves.

FINANCIAL REVIEW

For the Year Ended 31 March 2019

Institute Registration No. T08GB0022B

Institute of Technical Education

Annual Financial Statements
31 March 2019

Building a better
working world

Institute of Technical Education

Index

Institute of Technical Education

Statement by Board of Governors
For the financial year ended 31 March 2019

In our opinion,

(a) the accompanying financial statements of Institute of Technical Education (the "Institute") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Institute as at 31 March 2019, the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in funds and reserves of the Institute for the year then ended, and notes to the financial statements, including a summary of significant accounting policies are drawn up so as to present fairly, in all material respects, the state of affairs of the Group and of the Institute as at 31 March 2019 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 in accordance with the provisions of the Institute of Technical Education Act, Chapter 141A, and the Public Sector (Governance) Act 2018, Act 5 of 2018 (the Public Sector (Governance) Act) (the "Acts") and Statutory Board Financial Reporting Standards, and

(b) at the date of this statement, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

On behalf of the Board

....	....
MR BOB TAN BENG HAI Chairman	MS LOW KHAH GEK CEO

Date 31 JUL 2019

Report on the financial statements

Opinion

We have audited the financial statements of Institute of Technical Education (the "Institute") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Institute as at 31 March 2019, the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in funds and reserves of the Institute for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Institute are properly drawn up in accordance with the provisions of the Institute of Technical Education Act, Chapter 141A, and the Public Sector (Governance) Act 2018, Act 5 of 2018 (the Public Sector (Governance) Act) (the "Acts") 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 2019 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.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Acts and 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.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Institute during the year are, in all material respects, in accordance with the provisions of the Acts and the requirements of any other written law applicable to moneys of or managed by the Institute; and;

(b) proper accounting and other records have been kept, including records of all assets of the Institute whether purchased, donated or otherwise.

Basis for opinion

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

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

Responsibilities of management for compliance with legal and regulatory requirements

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

Auditor's responsibilities for the compliance audit

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

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

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

31 July 2019

Institute of Technical Education

Statements of financial position
As at 31 March 2019

	Note	The Group 2019 $'000	The Group 2018 $'000	The Institute 2019 $'000	The Institute 2018 $'000
Assets					
Non-current					
Property, plant and equipment	3	624,936	642,522	622,750	639,864
Prepaid lease	4	117,073	123,796	117,073	123,796
Intangible assets	5	3,221	3,281	3,132	3,246
Subsidiaries	6	–	–	8,952	8,952
Other financial assets	7	79,328	61,760	74,160	55,570
Deferred tax assets	8	–	83	–	–
		824,558	831,442	826,067	831,428
Current					
Other financial assets	7	4,055	5,537	4,055	5,537
Trade and other receivables	9	13,109*	10,634	12,126	9,717
Operating grants receivable	10	5,956	4,151	5,956	4,151
Development grants receivable	11	–	45	–	–
Other grants receivable	12	280	314	256	269
Cash and bank balances	13	419,793	390,393	342,423	317,805
		443,193	411,074	364,816	337,479
Total assets		1,267,751	1,242,516	1,190,883	1,168,907
Capital and Funds					
Capital account	14	2,715	2,715	2,715	2,715
Fair value reserve	15	–	(105)	–	(65)
Retirement benefits reserve	19	(1,214)	(1,179)	(1,214)	(1,179)
Accumulated surplus					
General Fund	16a	255,985	223,086	215,064	183,416
Restricted Funds	16b	52,219	52,433	37,648	38,812
		308,204	275,519	252,712	222,228
Total capital and other funds		309,705	276,950	254,213	223,699
Liabilities					
Non-current					
Finance lease obligations	17	132,584	139,043	132,580	139,036
Deferred capital grants	18	754,633	759,361	752,620	756,904
Provision for retirement benefits	19	1,799	2,069	1,799	2,069
Other payables	20	202	501	201	500
		889,218	900,974	887,200	898,509
Current					
Trade and other payables	20	36,511	35,783	32,777	32,328
Finance lease obligations	17	6,460	6,241	6,456	6,237
Provision for retirement benefits	19	351	354	351	354
Deferred income		4,827*	4,082	3,861*	3,455
Operating grants received in advance	10	13,842	13,163	681	686
Development grants received in advance	11	270	414	–	–
Other grants received in advance	12	6,483	4,549	5,344	3,639
Income tax payable		84	6	–	–
		68,828	64,592	49,470	46,699
Total funds and liabilities		1,267,751	1,242,516	1,190,883	1,168,907

* In the current financial year, the Group and the Institute has adopted SB-FRS 115 using the modified retrospective approach, whereby the cumulative effect of initially applying the new standard was recognised as an adjustment to the opening accumulated surplus as at 1 April 2018. Consequently, the prior year comparatives have not been restated. Included in the Trade and other receivables balance and Deferred income balance are unbilled revenue (contract assets) and revenue received in advance (contract liabilities) respectively.

	Note	The Group 2019 $'000	The Group 2018 $'000	The Institute 2019 $'000	The Institute 2018 $'000
Net assets of trust funds					
ITE Education Fund		112,531	65,768	112,531	65,768
Apprenticeship Programme Fund		–	144	–	144
Pre-Employment Clinical Training Fund		471	1,203	471	1,203
Economic Development Board Fund		78	51	78	51
Earn & Learn Programme Fund		–	–	–	–
	21	113,080	67,166	113,080	67,166

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

Institute of Technical Education

Consolidated statement of comprehensive income
For the financial year ended 31 March 2019

	Note	General Fund 2019 $'000	General Fund 2018 $'000	Restricted Funds 2019 $'000	Restricted Funds 2018 $'000	Total 2019 $'000	Total 2018 $'000
The Group							
Income							
Course fees	22	19,780	18,313	3,548	4,321	23,328	22,634
Examination fees	22	223	190	627	891	850	1,081
Donations		478	–	461	1,193	939	1,193
Liquidated damages		333	372	–	2	333	374
Interest income	23	4,765	2,877	337	216	5,102	3,093
Other income	24	6,933	6,054	4,883	5,017	11,816	11,071
Other grants	12	75	10	2,889	5,469	2,964	5,479
		32,587	27,816	12,745	17,109	45,332	44,925
Operating expenditure							
Manpower costs	25	366,017	358,744	4,990	6,539	371,007	365,283
Depreciation of property, plant and equipment	3	49,603	47,979	354	728	49,957	48,707
Amortisation of prepaid lease	4	6,723	6,723	–	–	6,723	6,723
Amortisation of intangible assets	5	2,409	2,879	24	35	2,433	2,914
Property, plant and equipment written off		67	20	17	38	84	58
Repair and maintenance		16,334	15,778	459	685	16,793	16,463
Public utilities		8,200	6,776	5	21	8,205	6,797
Grants-in-aid	26	285	345	–	–	285	345
Supplies and materials		9,435	6,245	700	1,236	10,135	7,481
Other expenditure	27	50,254	47,927	9,902	9,453	60,156	57,380
Finance costs		5,107	5,316	–	1	5,107	5,317
		514,434	498,732	16,451	18,736	530,885	517,468
Deficit before government grants		(481,847)	(470,916)	(3,706)	(1,627)	(485,553)	(472,543)
Government grants							
Operating grants	10	460,138	459,557	3,687	3,763	463,825	463,320
Development grants	11	17	320	–	–	17	320
Deferred capital grants amortised	18	54,978	54,112	17	10	54,995	54,122
Surplus/(deficit) after government grants		33,286	43,073	(2)	2,146	33,284	45,219
Taxation	28	–	–	(169)	(6)	(169)	(6)
Net surplus/(deficit) for the year		33,286	43,073	(171)	2,140	33,115	45,213

Consolidated statement of comprehensive income
For the financial year ended 31 March 2019 (cont'd)

	Note	General Fund		Restricted Funds		Total	
		2019	2018	2019	2018	2019	2018
		$'000	$'000	$'000	$'000	$'000	$'000
The Group (cont'd)							
Other comprehensive loss							
Item that may be reclassified subsequently to surplus or deficit							
Net change in fair value of available-for-sale financial assets		–	(450)	–	(43)	–	(493)
Item that will not be reclassified to surplus or deficit							
Net change in retirement benefits reserves arising from actuarial adjustments		(35)	312	–	–	(35)	312
Other comprehensive loss for the year, net of tax of nil		(35)	(138)	–	(43)	(35)	(181)
Total comprehensive income/(loss) for the year		33,251	42,935	(171)	2,097	33,080	45,032

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

Institute of Technical Education

Statement of comprehensive income
For the financial year ended 31 March 2019

	Note	General Fund 2019 $'000	General Fund 2018 $'000	Restricted Funds 2019 $'000	Restricted Funds 2018 $'000	Total 2019 $'000	Total 2018 $'000
The Institute							
Income							
Course fees	22	19,450	18,005	3,000	3,869	22,450	21,874
Examination fees	22	223	190	285	243	508	433
Donations		478	–	–	–	478	–
Liquidated damages		333	372	–	2	333	374
Interest income	23	4,059	2,439	257	158	4,316	2,597
Other income	24	7,022	5,719	2,648	2,232	9,670	7,951
Other grants	12	74	8	669	3,173	743	3,181
		31,639	26,733	6,859	9,677	38,498	36,410
Operating expenditure							
Manpower costs	25	323,868	318,686	2,778	3,400	326,646	322,086
Depreciation of property, plant and equipment	3	48,931	47,012	284	670	49,215	47,682
Amortisation of prepaid lease	4	6,723	6,723	–	–	6,723	6,723
Amortisation of intangible assets	5	2,378	2,840	24	35	2,402	2,875
Property, plant and equipment written off		66	17	17	38	83	55
Repair and maintenance		14,747	14,369	442	639	15,189	15,008
Public utilities		7,601	6,238	5	21	7,606	6,259
Grants-in-aid	26	285	345	–	–	285	345
Supplies and materials		8,611	5,356	556	1,011	9,167	6,367
Other expenditure	27	47,023	44,975	6,798	5,871	53,821	50,846
Finance costs		5,103	5,313	–	–	5,103	5,313
		465,336	451,874	10,904	11,685	476,240	463,559
Deficit before government grants		(433,697)	(425,141)	(4,045)	(2,008)	(437,742)	(427,149)
Government grants							
Operating grants	10	411,385	409,465	2,884	3,127	414,269	412,592
Deferred capital grants amortised	18	54,320	53,122	–	–	54,320	53,122
Surplus/(deficit) after government grants		32,008	37,446	(1,161)	1,119	30,847	38,565
Taxation	28	–	–	–	–	–	–
Net surplus/(deficit) for the year		32,008	37,446	(1,161)	1,119	30,847	38,565

Statement of comprehensive income
For the financial year ended 31 March 2019 (cont'd)

	Note	General Fund		Restricted Funds		Total	
		2019	2018	2019	2018	2019	2018
		$'000	$'000	$'000	$'000	$'000	$'000
The Institute (cont'd)							
Other comprehensive loss							
Item that may be reclassified subsequently to surplus or deficit							
Net change in fair value of available-for-sale financial assets		–	(450)	–	–	–	(450)
Item that will not be reclassified to surplus or deficit							
Net change in retirement benefits reserves arising from actuarial adjustments		(35)	312	–	–	(35)	312
Other comprehensive loss for the year, net of tax of nil		(35)	(138)	–	–	(35)	(138)
Total comprehensive income/(loss) for the year		31,973	37,308	(1,161)	1,119	30,812	38,427

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

Institute of Technical Education

Consolidated statement of changes in funds and reserves
For the financial year ended 31 March 2019

	Capital account $'000	Fair value reserve $'000	Retirement benefits reserve $'000	Accumulated surplus General Fund $'000	Accumulated surplus Restricted Funds $'000	Total $'000
The Group						
At 1 April 2017	2,715	388	(1,491)	180,013	50,293	231,918
Net surplus for the year	–	–	–	43,073	2,140	45,213
Other comprehensive (loss)/income for the year, net of tax of nil	–	(493)	312	–	–	(181)
Total comprehensive (loss)/income for the year	–	(493)	312	43,073	2,140	45,032
At 31 March 2018	2,715	(105)	(1,179)	223,086	52,433	276,950
Cumulative effects of adopting SB-FRS 109	–	105	–	(387)	(43)	(325)
At 1 April 2018 (Restated)	2,715	–	(1,179)	222,699	52,390	276,625
Net surplus/(deficit) for the year	–	–	–	33,286	(171)	33,115
Other comprehensive loss for the year, net of tax of nil	–	–	(35)	–	–	(35)
Total comprehensive (loss)/income for the year	–	–	(35)	33,286	(171)	33,080
At 31 March 2019	2,715	–	(1,214)	255,985	52,219	309,705

Consolidated statement of changes in funds and reserves
For the financial year ended 31 March 2019 (cont'd)

	Capital account $'000	Fair value reserve $'000	Retirement benefits reserve $'000	Accumulated surplus: General Fund $'000	Accumulated surplus: Restricted Funds $'000	Total $'000
The Institute						
At 1 April 2017	2,715	385	(1,491)	145,970	37,693	185,272
Net surplus for the year	–	–	–	37,446	1,119	38,565
Other comprehensive (loss)/income for the year, net of tax of nil	–	(450)	312	–	–	(138)
Total comprehensive (loss)/income for the year	–	(450)	312	37,446	1,119	38,427
At 31 March 2018	2,715	(65)	(1,179)	183,416	38,812	223,699
Cumulative effects of adopting SB-FRS 109	–	65	–	(360)	(3)	(298)
At 1 April 2019 (Restated)	2,715	–	(1,179)	183,056	38,809	223,401
Net surplus/(deficit) for the year	–	–	–	32,008	(1,161)	30,847
Other comprehensive (loss)/income for the year, net of tax of nil	–	–	(35)	–	–	(35)
Total comprehensive (loss)/income for the year	–	–	(35)	32,008	(1,161)	30,812
At 31 March 2019	2,715	–	(1,214)	215,064	37,648	254,213

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

Consolidated statement of cash flows
For the financial year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Deficit before government grants and income tax		(485,553)	(472,543)
Adjustments for:			
Cumulative effects of adopting SB-FRS 109		(325)	–
Depreciation of property, plant and equipment	3	49,957	48,707
Amortisation of intangible assets	5	2,433	2,914
Other grants	12	(2,964)	(5,479)
Amortisation of prepaid lease	4	6,723	6,723
Provision/(reversal) for retirement benefits	19	87	(255)
Actuarial gains/(losses) on remeasurement of retirement benefits	19	(35)	312
Fair value gain on financial assets	27	(956)	(13)
Amortisation on financial assets		283	–
Gain on disposal of property, plant and equipment, net	27	(66)	(70)
Bad debts written off	27	419	483
Allowance for impairment loss on receivables	27	162	62
Provision for unutilised leave, net	20	(480)	(149)
Interest income		(5,102)	(3,093)
Dividend income	24	(1,228)	(1,274)
Operating deficit before working capital changes		(436,645)	(423,675)
(Increase)/decrease in trade and other receivables		(3,056)	147
Increase/(decrease) in trade and other payables and deferred income		1,654	(595)
Cash used in operations		(438,047)	(424,123)
Retirement benefits paid	19	(360)	(374)
Income tax paid		(8)	–
Net cash flows used in operating activities		(438,415)	(424,497)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(32,511)	(15,695)
Purchase of intangible assets	5	(2,317)	(1,445)
Purchase of other financial assets		(22,139)	(41,080)
Redemption/ transfer/ disposal of other financial assets		6,726	5,527
Proceeds from disposal of property, plant and equipment	3	150	128
Interest received		5,102	3,093
Dividends received		1,228	1,274
Placement of fixed deposits (maturity more than 3 months from financial year end)	13	(9,870)	(7,279)
Net cash flows used in investing activities		(53,631)	(55,477)
Cash flows from financing activities			
Repayment of finance lease obligations	17	(6,240)	(6,031)
Development grants received from Government	11	20	692
Operating grants received from Government	10	512,854	509,291
Other grants received in advance from Government	12	4,942	4,644
Donations received for capital expenditure	18	–	637
Net cash flows generated from financing activities		511,576	509,233
Net increase in cash and cash equivalents		19,530	29,259
Cash and cash equivalents at beginning of year		353,407	324,148
Cash and cash equivalents at end of year	13	372,937	353,407

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

1. Corporate information

The financial statements of Institute of Technical Education (the "Institute") for the year ended 31 March 2019 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) and is domiciled in Singapore. The Institute is under the purview of the Ministry of Education ("MOE"). As a statutory board, the Institute is subject to the directions of the MOE and is required to implement policies and policy changes as determined by its supervisory ministry. The Institute's registered office and place of business is located at 2 Ang Mo Kio Drive, Singapore 567720.

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

The consolidated financial statements for the financial year ended 31 March 2019 relate to the Institute and its subsidiaries (together referred to as the "Group").

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements have been prepared in accordance with the provisions of the Institute of Technical Education Act, 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.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Institute have adopted all the new and revised SB-FRS and Interpretations to SB-FRS (INT SB-FRS) that are effective for annual financial periods beginning on or after 1 April 2018.

The adoption of these standards and interpretations did not have any material impact on the Group's and the Institute's financial statements, except for SB-FRS 109 Financial Instruments. The changes arising from the adoption are described in the following paragraphs:

<u>SB-FRS 109 Financial Instruments</u>

The Group and the Institute adopted SB-FRS 109 on 1 April 2018 using the modified retrospective approach without restating prior periods' information. The impact arising from SB-FRS 109 adoption was included in the opening retained earnings at the date of initial application, 1 April 2018. The comparative information was prepared in accordance with the requirements of SB-FRS 39.

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

SB-FRS 109 Financial Instruments (cont'd)

The impact to the Group and the Institute's debt and equity instruments is summarised as follows:

		Accumulated surplus		
	Fair value reserve $'000	**General fund $'000**	**Restricted fund $'000**	**Total $'000**
The Group				
Loss allowance provision	–	(78)	(3)	(81)
Adjustment of debt instruments restated at amortised cost (i)	(162)	(82)	–	(244)
Adjustment of equity instruments restated at FVTPL (ii)	267	(227)	(40)	–
Cumulative effects of adopting SB-FRS 109	105	(387)	(43)	(325)
The Institute				
Loss allowance provision	–	(51)	(3)	(54)
Adjustment of debt instruments restated at amortised cost (i)	(162)	(82)	–	(244)
Adjustment of equity instruments restated at FVTPL (ii)	227	(227)	–	–
Cumulative effects of adopting SB-FRS 109	65	(360)	(3)	(298)

(a) Classification and measurement of financial assets

SB-FRS 109 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI).

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 April 2018.

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

SB-FRS 109 Financial Instruments (cont'd)

(a) Classification and measurement of financial assets

i. *Debt instruments*

The Group's and the Institute's debt instruments include quoted debt securities which were previously classified as available-for-sale assets, and measured at FVOCI. Under SB-FRS 109, management has assessed that these instruments held to collect contractual cash flows and have contractual cash flows that are solely payments of principal and interest (SPPI), and hence, are restated at amortised cost.

ii. *Equity instruments*

SB-FRS 109 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income. Management has not chosen the election, hence all equity instruments which were previously measured at FVOCI are restated at FVTPL.

(b) Impairment

SB-FRS 109 requires the Group and the Institute to record expected credit losses on all financial assets measured at amortised cost. The Group and the Institute previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired. Under SB-FRS 109, the Group and the Institute have recorded additional allowances. The provisioning basis is disclosed in Note 31.1(b).

2.3 Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
SB-FRS 116 *Leases*	1 January 2019
Amendments to SB-FRS 110 & SB-FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined
SB-FRS 1002 *Impairment of Non Cash-Generating Assets*	1 January 2019

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The Group and the Institute will adopt the new standards on the required effective date. Adoption of SB-FRS 116 will lead to recognition of right-of-use assets and lease liabilities as described below:

SB-FRS 116 Leases

SB-FRS 116 requires lessees to recognise all leases on their statements of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), within limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, lessees will be required to separately recognise the interest expense on the lease liability and depreciation expense on the right-of-use asset. The accounting for lessors will not change significantly.

The Group and the Institute plan to adopt SB-FRS 116 on 1 April 2019 with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings.

The Group and the Institute have performed an impact assessment of adopting SB-FRS 116 based on currently available information. The Group and the Institute have assessed that only leased photocopiers, currently classified as operating leases, are to be recognised as right-of-use assets per SB-FRS 116. This preliminary assessment is subject to changes arising from ongoing analysis, until the Group and the Institute adopt SB-FRS 116 on 1 April 2019.

The Group and the Institute do not expect any significant impact on the financial statements from their activities as lessors.

2.4 *Significant accounting estimates and judgments*

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

Key sources of estimation uncertainty

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

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgments (cont'd)*

Key sources of estimation uncertainty (cont'd)

Useful lives of property, plant and equipment

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.

As at 31 March 2019, the carrying amounts of the Group's and the Institute's property, plant and equipment amounts to $624,936,000 (2018: $642,522,000) and $622,750,000 (2018: $639,864,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2.5 *Foreign currency*

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

Transactions and balances

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

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

2.6 *Subsidiaries and basis of consolidation*

(a) *Subsidiaries*

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

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

2. Summary of significant accounting policies (cont'd)

2.6 *Subsidiaries and basis of consolidation (cont'd)*

(b) *Basis of consolidation*

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

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

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

2.7 *Property, plant and equipment*

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

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

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

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

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

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

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

2.8 *Prepaid lease*

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

2. Summary of significant accounting policies (cont'd)

2.9 *Intangible assets*

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

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

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

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

Computer software	–	3 years

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

2.10 *Impairment of non-financial assets*

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

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

Impairment losses are recognised in surplus or deficit.

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

2. Summary of significant accounting policies (cont'd)

2.11 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group and the Institute become a party to the contractual provisions of the financial instrument. The Group and the Institute determine the classification of their financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Trade receivables are measured at the amount of consideration to which the Group and the Institute expect to be entitled in exchange for transferring promised goods or services to a customer.

Subsequent measurement

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

(i) Amortised cost

Investment in debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in surplus or deficit when the assets are derecognised or impaired, and through amortisation process.

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

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

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group and the Institute become a party to the contractual provisions of the financial instrument. The Group and the Institute determine the classification of its financial liabilities at initial recognition.

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

2. Summary of significant accounting policies (cont'd)

2.11 *Financial instruments (cont'd)*

(b) *Financial liabilities (cont'd)*

Subsequent measurement

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

Derecognition

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

2.12 *Impairment of financial assets*

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group and the Institute apply a simplified approach in calculating ECLs. Therefore, the Group and the Institute do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Institute have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

2.13 *Cash and bank balances*

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

2. Summary of significant accounting policies (cont'd)

2.14 *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.

2.15 *Grants*

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

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

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

2. Summary of significant accounting policies (cont'd)

2.15 *Grants (cont'd)*

Donations of depreciable assets are taken directly to surplus or deficit in the period it is received or receivable when the Group and the Institute have 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.

2.16 *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 the amount of the obligation can be estimated reliably.

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

2.17 *Leases*

As lessee

Finance leases, which transfer to the Group and the Institute substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to surplus or deficit. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group and the Institute will obtain ownership by the end of the lease term.

2. Summary of significant accounting policies (cont'd)

2.18 *Employee benefits*

(a) *Defined contribution plans*

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

(b) *Employment leave entitlement*

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

(c) *Defined benefit plans*

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

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

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

(d) *Short-term benefits*

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

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group and the Institute have 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.

2. Summary of significant accounting policies (cont'd)

2.18 *Employee benefits (cont'd)*

(d) *Short-term benefits (cont'd)*

Key management personnel

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. The Chief Executive Officer, Deputy Chief Executive Officers, Directors and Principals are considered key management personnel.

2.19 *Borrowing costs*

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

2.20 *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).

(a) *Current income tax*

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

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

2. Summary of significant accounting policies (cont'd)

2.20 *Income taxes (cont'd)*

(b) *Deferred tax*

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

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

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

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

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

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

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

2. Summary of significant accounting policies (cont'd)

2.20 *Income taxes (cont'd)*

(c) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.21 *Revenue*

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

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

Course fees

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

Examination fees

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

Donations

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

Other income

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

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

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

Interest income

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

3. Property, plant and equipment

	The Group							
	Buildings on leasehold land $'000	**Renovations** $'000	**Computer hardware** $'000	**Machinery and equipment** $'000	**Fixtures, fittings and office equipment** $'000	**Motor vehicles** $'000	**Project-in-progress** $'000	**Total** $'000
Cost								
At 1 April 2017	835,682	19,888	51,421	115,563	9,615	276	3,754	1,036,199
Additions	–	1,219	2,065	9,373	946	26	2,149	15,778
Cost adjustments	–	–	(1)	–	(2)	–	(80)	(83)
Disposals/write-off	–	–	(1,475)	(3,698)	(220)	–	–	(5,393)
Reclassifications	–	1,254	11	1,730	6	–	(3,001)	–
At 31 March 2018 and 1 April 2018	835,682	22,361	52,021	122,968	10,345	302	2,822	1,046,501
Additions	–	1,744	17,616	7,738	965	–	4,489	32,552
Cost adjustments	–	–	–	–	–	–	(41)	(41)
Disposals/write-off	–	–	(6,751)	(5,716)	(429)	(149)	–	(13,045)
Reclassifications	–	362	–	1,207	5	–	(1,574)	–
Transfer to intangible assets (Note 5)	–	–	–	–	–	–	(56)	(56)
At 31 March 2019	835,682	24,467	62,886	126,197	10,886	153	5,640	1,065,911

3. Property, plant and equipment (cont'd)

	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
Accumulated depreciation								
At 1 April 2017	215,761	10,843	44,588	83,857	5,337	221	–	360,607
Depreciation for the year	30,945	3,756	3,688	9,342	953	23	–	48,707
Disposals/write-off	–	–	(1,475)	(3,653)	(207)	–	–	(5,335)
At 31 March 2018 and 1 April 2018	246,706	14,599	46,801	89,546	6,083	244	–	403,979
Depreciation for the year	30,945	3,697	5,550	8,717	1,028	20	–	49,957
Disposals/write-off	–	–	(6,752)	(5,677)	(401)	(131)	–	(12,961)
At 31 March 2019	277,651	18,296	45,599	92,586	6,710	133	–	440,975
Net book value								
At 31 March 2019	558,031	6,171	17,287	33,611	4,176	20	5,640	624,936
At 31 March 2018	588,976	7,762	5,220	33,422	4,262	58	2,822	642,522

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
Cost								
At 1 April 2017	835,682	19,848	49,752	112,877	8,067	276	3,754	1,030,256
Additions	–	1,149	2,047	9,156	566	26	2,149	15,093
Cost adjustments	–	–	–	–	(2)	–	(80)	(82)
Disposals/write-off	–	–	(1,463)	(3,644)	(217)	–	–	(5,324)
Reclassifications	–	1,254	11	1,730	6	–	(3,001)	–
At 31 March 2018 and 1 April 2018	835,682	22,251	50,347	120,119	8,420	302	2,822	1,039,943
Additions	–	1,725	17,582	7,651	834	–	4,489	32,281
Cost adjustments	–	–	–	–	–	–	(41)	(41)
Disposals/write-off	–	–	(6,749)	(5,691)	(416)	(149)	–	(13,005)
Reclassifications	–	362	–	1,207	5	–	(1,574)	–
Transfer to intangible assets (Note 5)	–	–	–	–	–	–	(56)	(56)
At 31 March 2019	835,682	24,338	61,180	123,286	8,843	153	5,640	1,059,122

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
Accumulated depreciation								
At 1 April 2017	215,761	10,829	43,292	82,701	4,866	221	–	357,670
Depreciation for the year	30,945	3,744	3,347	8,914	710	23	–	47,683
Disposals/write-off	–	–	(1,463)	(3,604)	(207)	–	–	(5,274)
At 31 March 2018 and 1 April 2018	246,706	14,573	45,176	88,011	5,369	244	–	400,079
Depreciation for the year	30,945	3,675	5,513	8,318	744	20	–	49,215
Disposals/write-off	–	–	(6,749)	(5,654)	(388)	(131)	–	(12,922)
At 31 March 2019	277,651	18,248	43,940	90,675	5,725	133	–	436,372
Net book value								
At 31 March 2019	558,031	6,090	17,240	32,611	3,118	20	5,640	622,750
At 31 March 2018	588,976	7,678	5,171	32,108	3,051	58	2,822	639,864

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

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

During the service period, the Institute will provide monthly unitary payments ("MUP") to the PPP Co. which in aggregate represents the cost of the ITE facilities (including capital expenditure and financing costs, if any) and agency fees in relation to facilities management services. The MUP is subject to certain adjustments, including inflation adjustment on a yearly basis, other variable factors adjustments (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. During the year, the total MUP paid to PPP Co. amounts to $35.8 million (2018: $35.8 million).

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

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

The carrying amount of the ITE facilities held under finance leases at the reporting date was $139.0 million (2018: $145.3 million). The Group and the Institute have recognised this project as finance lease and at initial recognition, recorded these facilities as buildings on leasehold land with a corresponding finance lease obligation as set out in Note 17.

4. Prepaid lease

	The Group and The Institute 2019 $'000	The Group and The Institute 2018 $'000
Cost		
At 1 April and 31 March	201,277	201,277
Accumulated amortisation		
At 1 April	77,481	70,758
Amortisation for the year	6,723	6,723
At 31 March	84,204	77,481
Carrying amount		
At 31 March	117,073	123,796

5. Intangible assets

	Computer software $'000	Project-in-progress $'000	Total $'000
The Group			
Cost:			
At 1 April 2017	39,738	43	39,781
Additions	1,205	240	1,445
Disposals	(754)	–	(754)
Reclassification	43	(43)	–
At 31 March 2018 and 1 April 2018	40,232	240	40,472
Additions	1,359	958	2,317
Disposals	(1,941)	–	(1,941)
Transfer from plant, property and equipment (Note 3)	56	–	56
At 31 March 2019	39,706	1,198	40,904
Accumulated amortisation:			
At 1 April 2017	35,031	–	35,031
Amortisation for the year	2,914	–	2,914
Disposals	(754)	–	(754)
At 31 March 2018 and 1 April 2018	37,191	–	37,191
Amortisation for the year	2,433	–	2,433
Disposals	(1,941)	–	(1,941)
At 31 March 2019	37,683	–	37,683
Net carrying amount:			
At 31 March 2019	2,023	1,198	3,221
At 31 March 2018	3,041	240	3,281

5. Intangible assets (cont'd)

	Computer software $'000	Project-in-progress $'000	Total $'000
The Institute			
Cost:			
At 1 April 2017	39,329	43	39,372
Additions	1,181	240	1,421
Disposals	(754)	–	(754)
Reclassification	43	(43)	–
At 31 March 2018 and 1 April 2018	39,799	240	40,039
Additions	1,274	958	2,232
Disposals	(1,937)	–	(1,937)
Transfer from plant, property and equipment (Note 3)	56	–	56
At 31 March 2019	39,192	1,198	40,390
Accumulated amortisation:			
At 1 April 2017	34,672	–	34,672
Amortisation for the year	2,875	–	2,875
Disposals	(754)	–	(754)
At 31 March 2018 and 1 April 2018	36,793	–	36,793
Amortisation for the year	2,402	–	2,402
Disposals	(1,937)	–	(1,937)
At 31 March 2019	37,258	–	37,258
Net carrying amount:			
At 31 March 2019	1,934	1,198	3,132
At 31 March 2018	3,006	240	3,246

6. Subsidiaries

	The Institute 2019 $'000	The Institute 2018 $'000
Subsidiaries	8,952	8,952

Details of subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Principal activities
NorthLight School ^#	Singapore	Provision of integrated education
Crest Secondary School ^#	Singapore	Provide customised curriculum for Normal (Technical) students
Spectra Secondary School ^#	Singapore	Provide customised curriculum for Normal (Technical) students

Name	Country of incorporation/ principal place of business	Principal activities	Percentage of equity held 2019 %	Percentage of equity held 2018 %
ITE Education Services Pte Ltd ^	Singapore	Promotion of technical education in Asia Pacific region	100	100

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

^ Audited by Ernst & Young LLP, Singapore

7. Other financial assets

(a) Financial instruments as at 31 March 2019

	The Group 2019 $'000	The Institute 2019 $'000
At fair value through profit or loss:		
Quoted securities (i)	7,721	4,055
Unit trusts managed by fund managers (iii)	55,118	55,118
	62,839	59,173
At amortised cost:		
Quoted debt securities (ii)	20,544	19,042
Net carrying amount:		
Non-current	79,328	74,160
Current	4,055	4,055

(b) Financial instruments as at 31 March 2018*

	The Group 2018 $'000	The Institute 2018 $'000
At fair value through other comprehensive income:		
Available-for-sale: Quoted securities (i)	14,095	9,155
Available-for-sale: Quoted debt securities (ii)	15,839	15,839
	29,934	24,994
At amortised cost:		
Held-to-maturity: Quoted debt securities at amortised cost (ii)	1,250	–
At fair value through profit or loss:		
Unit trusts managed by fund managers (iii)	36,113	36,113
Net carrying amount:		
Non-current	61,760	55,570
Current	5,537	5,537

* Under the SB-FRS 109 modified retrospective approach, comparatives are not restated.

7. Other financial assets (*cont'd*)

The Group and the Institute

(i) The securities are investments in quoted, non-cumulative, non-convertible perpetual securities and bond funds with stated dividend rate of 3.50% to 5% (2018: 2.60% to 7%) per annum and 4.75% (2018: 4.75% to 5.75%) per annum for the Group and the Institute, respectively. The perpetual securities do not have fixed redemption date. The fair value of these securities is determined by reference to quoted bid prices.

(ii) The interest-bearing debt securities are investments in quoted Singapore dollar corporate bonds. Details are as follows:

	The Group		The Institute	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Fair values	20,725	17,109	19,205	15,839
Interest rates	3.08% to 4.75%	3.08% to 4.75%	3.08% to 4.75%	3.10% to 4.75%
Maturity	1.1 to 10.0 years	1.0 to 4.4 years	1.1 to 5.9 years	1.0 to 2.5 years

The fair value of the bonds is determined by reference to their quoted bid prices.

(iii) The fund managers were appointed by Accountant-General's Department, under the Demand Aggregate Scheme for fund management services.

8. Deferred tax assets

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

	The Group				
	As at 1 April 2017	Recognised in surplus or deficit (Note 28)	As at 31 March 2018 and 1 April 2018	Recognised in surplus or deficit (Note 28)	As at 31 March 2019
	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities					
Differences in depreciation for tax purposes	4	(4)	–	–	–
Dividend income receivable	3	–	3	(3)	–
Interest receivable	4	1	5	(5)	–
	11	(3)	8	(8)	–

8. Deferred tax assets (cont'd)

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows: (cont'd)

	The Group				
	As at 1 April 2017 $'000	Recognised in surplus or deficit (Note 28) $'000	As at 31 March 2018 and 1 April 2018 $'000	Recognised in surplus or deficit (Note 28) $'000	As at 31 March 2019 $'000
Deferred tax assets					
Accrued operating expenses	(16)	(1)	(17)	17	–
Unutilised donation	(78)	53	(25)	25	–
Unabsorbed capital allowances	–	(49)	(49)	49	–
	(94)	3	(91)	91	–
	(83)	–	(83)	83	–

9. Trade and other receivables

	The Group 2019 $'000	The Group 2018 $'000	The Institute 2019 $'000	The Institute 2018 $'000
Trade receivables	5,558	4,063	4,160	2,169
Allowance for impairment of receivables [Note 31.1]	(283)	(56)	(118)	(56)
	5,275	4,007	4,042	2,113
Unbilled revenue*	539*	–	–	–
Other receivables	4,775	4,721	4,475	4,487
Staff advances	–	3	–	3
Security deposits	77	74	29	28
Amounts due from subsidiaries				
- trade	–	–	739	931
- non-trade	–	–	653	692
Prepayments	2,443	1,829	2,188	1,463
	13,109	10,634	12,126	9,717

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

9. Trade and other receivables (cont'd)

The Institute

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

Trade and other receivables are denominated in the following currencies:

	The Group		The Institute	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Singapore dollars	12,206	10,517	12,126	9,717
United States dollars	364	117	–	–
	12,570	10,634	12,126	9,717

10. Operating grants (receivable)/ received in advance

	The Group		The Institute	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Balance at beginning	9,012	11,780	(3,465)	(1,208)
Grants received during the year	512,854	509,291	462,495	459,064
Amounts transferred to deferred capital grants (Note 18)	(50,155)	(48,739)	(50,036)	(48,729)
Amounts taken to surplus or deficit	(463,825)	(463,320)	(414,269)	(412,592)
Balance at end	7,886	9,012	(5,275)	(3,465)

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

	The Group		The Institute	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Operating grants receivable	(5,956)	(4,151)	(5,956)	(4,151)
Operating grants received in advance	13,842	13,163	681	686
	7,886	9,012	(5,275)	(3,465)

11. Development grants (receivable)/received in advance

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

	The Group 2019 $'000	The Group 2018 $'000
Balance at beginning	369	525
Grants received during the year	20	692
Amounts transferred to deferred capital grants (Note 18)	(102)	(528)
Amounts taken to surplus or deficit	(17)	(320)
Balance at end	270	369

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

	The Group 2019 $'000	The Group 2018 $'000
Development grants receivable	–	(45)
Development grants received in advance	270	414
	270	369

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

12. Other grants (receivable)/received in advance

Other grants (receivable)/received in advance mainly comprises grant received from government to sponsor the co-curricular development opportunities for Singapore citizens from lower income households, which are to be utilised over a three-year period. 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:

	The Group		The Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Balance at beginning	4,235	5,120	3,370	3,993
Grants received during the year	4,942	4,644	2,461	2,558
Amount transferred to deferred capital grants (Note 18)	(10)	(50)	–	–
Amounts taken to the surplus or deficit	(2,964)	(5,479)	(743)	(3,181)
Balance at end	6,203	4,235	5,088	3,370

12. Other grants (receivable)/received in advance (cont'd)

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

	The Group		The Institute	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Other grants receivable	(280)	(314)	(256)	(269)
Other grants received in advance	6,483	4,549	5,344	3,639
	6,203	4,235	5,088	3,370

13. Cash and bank balances

	The Group		The Institute	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Cash on hand and at bank	363,979	343,407	342,423	317,805
Fixed deposits	55,814	46,986	–	–
Total cash and bank balances	419,793	390,393	342,423	317,805
Less: Fixed deposits (maturity more than 3 months from financial year end)	(46,856)	(36,986)	–	–
Total cash and cash equivalents	372,937	353,407	342,423	317,805

The Group

Deposits placed with financial institutions bear interest rates ranging from 1.55% to 1.95% (2018: 0.70% to 1.50%) per annum with maturity periods ranging from 1 to 18 months (2018: 2 to 12 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.

15. Fair value reserve

In the previous year, fair value reserve represents the cumulative fair value changes, net of tax of nil, of available-for-sale financial assets until they are disposed of or impaired.

16. Accumulated surplus

(a) ***General Fund***

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

(b) ***Restricted Funds***

The basis of accounting in relation to restricted funds is stipulated in Note 2.14.

Restricted funds comprise the following:

Name of Fund	**Purpose**
ITE's Fund	Conducting industry projects, short and continuing education courses for the purpose of developing and enhancing staff and students' capability and supporting the mission and vision of the Institute.
Training Programme Fund	Funding of relevant programmes and activities in training initiatives.
Supplementary Fee Fund	Promoting student welfare activities from supplementary fees collected.
Special Project Fund	To account for funds received from third parties for specific purposes.
Edusave Fund	Funded by the Government for the purpose of conducting enrichment programmes, procuring equipment and resource materials to enhance the quality of teaching and learning.
Workforce Skills Qualifications Programmes Fund	Funded by the SkillsFuture Singapore (formerly known as 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 (cont'd)*

	The Group							
31 March 2019	**ITE's Fund** $'000	**Training Programme Fund** $'000	**Supple-mentary Fee Fund** $'000	**Special Project Fund** $'000	**Edusave Fund** $'000	**Workforce Skills Qualifications Programmes Fund** $'000	**Opportunity Fund and Miscellaneous Funds** $'000	**Total** $'000
Income								
Course fees	3,548	–	–	–	–	–	–	3,548
Examination fees	625	–	–	–	2	–	–	627
Donations	–	–	–	197	–	–	264	461
Liquidated damages	–	–	–	–	–	–	–	–
Interest income	311	–	13	–	–	–	13	337
Other income	3,751	–	1,066	20	43	–	3	4,883
Other grants	2,020	–	1	708	741	–	(581)	2,889
	10,255	–	1,080	925	786	–	(301)	12,745
Less: Operating expenditure								
Manpower costs	4,559	–	–	59	20	–	352	4,990
Depreciation of property, plant and equipment	23	–	1	20	74	–	236	354
Amortisation of intangible assets	–	–	–	–	–	–	24	24
Property, plant and equipment written off	–	–	–	–	–	–	17	17
Repair and maintenance	443	–	3	5	7	–	1	459
Public utilities	5	–	–	–	–	–	–	5
Supplies and materials	585	–	7	15	23	–	70	700
Other expenditure	1,952	–	1,261	1,025	3,158	–	2,506	9,902
Finance costs	–	–	–	–	–	–	–	–
	7,567	–	1,272	1,124	3,282	–	3,206	16,451

16. Accumulated surplus (cont'd)

(b) *Restricted Funds (cont'd)*

	The Group							
	ITE's Fund $'000	Training Programme Fund $'000	Supple-mentary Fee Fund $'000	Special Project Fund $'000	Edusave Fund $'000	Workforce Skills Qualifications Programmes Fund $'000	Opportunity Fund and Miscellaneous Funds $'000	Total $'000
31 March 2019 (cont'd)								
Surplus/(deficit) before government grants	2,688	–	(192)	(199)	(2,496)	–	(3,507)	(3,706)
Government grants								
Operating grants	–	–	53	345	3,165	–	124	3,687
Deferred capital grants amortised	–	–	–	12	5	–	–	17
Surplus/(deficit) after government grants	2,688	–	(139)	158	674	–	(3,383)	(2)
Taxation	(169)	–	–	–	–	–	–	(169)
Net surplus/(deficit) for the year	2,519	–	(139)	158	674	–	(3,383)	(171)
Accumulated surplus at 31 March 2018	36,475	855	2,463	1,263	1,252	2,986	7,139	52,433
Cumulative effects of adopting SB-FRS 109	(40)	–	(3)	–	–	–	–	(43)
Accumulated surplus at 1 April 2018	36,435	855	2,460	1,263	1,252	2,986	7,139	52,390
Accumulated surplus at 31 March 2019	38,954	855	2,321	1,421	1,926	2,986	3,756	52,219

16. Accumulated surplus (cont'd)

(b) *Restricted Funds (cont'd)*

	The Group							
	ITE's Fund $'000	Training Programme Fund $'000	Supple-mentary Fee Fund $'000	Special Project Fund $'000	Edusave Fund $'000	Workforce Skills Qualifications Programmes Fund $'000	Opportunity Fund and Miscellaneous Funds $'000	Total $'000
31 March 2018								
Income								
Course fees	4,195	–	–	–	–	126	–	4,321
Examination fees	891	–	–	–	–	–	–	891
Donations	–	–	–	460	–	–	733	1,193
Liquidated damages	2	–	–	–	–	–	–	2
Interest income	203	–	3	–	–	–	10	216
Other income	3,828	–	1,082	23	84	–	–	5,017
Other grants	2,311	–	–	392	515	–	2,251	5,469
	11,430	–	1,085	875	599	126	2,994	17,109
Less: Operating expenditure								
Manpower costs	6,172	–	–	24	21	211	111	6,539
Depreciation of property, plant and equipment	27	335	1	16	70	13	266	728
Amortisation of intangible assets	–	–	–	–	3	–	32	35
Property, plant and equipment written off	–	–	–	–	–	–	38	38
Repair and maintenance	640	–	12	12	18	–	3	685
Public utilities	10	–	–	–	–	11	–	21
Supplies and materials	818	–	–	57	75	22	264	1,236
Other expenditure	1,973	–	1,091	988	3,341	2	2,058	9,453
Finance costs	1	–	–	–	–	–	–	1
	9,641	335	1,104	1,097	3,528	259	2,772	18,736

16. Accumulated surplus (cont'd)

(b) *Restricted Funds (cont'd)*

	The Group							
	ITE's Fund $'000	Training Programme Fund $'000	Supple-mentary Fee Fund $'000	Special Project Fund $'000	Edusave Fund $'000	Workforce Skills Qualifications Programmes Fund $'000	Opportunity Fund and Miscellaneous Funds $'000	Total $'000
31 March 2018 (cont'd)								
Surplus/(deficit) before government grants	1,789	(335)	(19)	(222)	(2,929)	(133)	222	(1,627)
Government grants								
Operating grants	–	–	79	334	3,158	172	20	3,763
Deferred capital grants amortised	–	–	–	6	4	–	–	10
Surplus/(deficit) after government grants	1,789	(335)	60	118	233	39	242	2,146
Taxation	(6)	–	–	–	–	–	–	(6)
Net surplus/(deficit) for the year	1,783	(335)	60	118	233	39	242	2,140
Accumulated surplus at 1 April	34,692	1,190	2,403	1,145	1,019	2,947	6,897	50,293
Accumulated surplus at 31 March	36,475	855	2,463	1,263	1,252	2,986	7,139	52,433

16. Accumulated surplus (cont'd)

(b) ***Restricted Funds (cont'd)***

	The Institute							
31 March 2019	**ITE's Fund** $'000	**Training Programme Fund** $'000	**Supple-mentary Fee Fund** $'000	**Special Project Fund** $'000	**Edusave Fund** $'000	**Workforce Skills Qualifications Programmes Fund** $'000	**Opportunity Fund and Miscellaneous Funds** $'000	**Total** $'000
Income								
Course fees	3,000	–	–	–	–	–	–	3,000
Examination fees	285	–	–	–	–	–	–	285
Donations	–	–	–	–	–	–	–	–
Liquidated damages	–	–	–	–	–	–	–	–
Interest income	244	–	13	–	–	–	–	257
Other income	1,556	–	1,066	8	18	–	–	2,648
Other grants	42	–	1	679	634	–	(687)	669
	5,127	–	1,080	687	652	–	(687)	6,859
Less: Operating expenditure								
Manpower costs	2,430	–	–	–	–	–	348	2,778
Depreciation of property, plant and equipment	12	–	1	7	69	–	195	284
Amortisation of intangible assets	–	–	–	–	–	–	24	24
Property, plant and equipment written off	–	–	–	–	–	–	17	17
Repair and maintenance	438	–	3	–	1	–	–	442
Public utilities	5	–	–	–	–	–	–	5
Supplies and materials	469	–	7	1	23	–	56	556
Other expenditure	551	–	1,261	512	2,718	–	1,756	6,798
	3,905	–	1,272	520	2,811	–	2,396	10,904

16. Accumulated surplus (cont'd)

(b) ***Restricted Funds (cont'd)***

	The Institute							
	ITE's Fund $'000	**Training Programme Fund** $'000	**Supple-mentary Fee Fund** $'000	**Special Project Fund** $'000	**Edusave Fund** $'000	**Workforce Skills Qualifications Programmes Fund** $'000	**Opportunity Fund and Miscellaneous Funds** $'000	**Total** $'000
31 March 2019 (cont'd)								
Surplus/(deficit) before government grants	1,222	–	(192)	167	(2,159)	–	(3,083)	(4,045)
Government grants								
Operating grants	–	–	53	–	2,831	–	–	2,884
Net surplus/(deficit) for the year	1,222	–	(139)	167	672	–	(3,083)	(1,161)
Accumulated surplus at 31 March 2018	26,139	854	2,463	509	1,206	2,987	4,654	38,812
Cumulative effects of adopting SB-FRS 109	–	–	(3)	–	–	–	–	(3)
Accumulated surplus at 1 April 2018	26,139	854	2,460	509	1,206	2,987	4,654	38,809
Accumulated surplus at 31 March 2019	27,361	854	2,321	676	1,878	2,987	1,571	37,648

16. Accumulated surplus (cont'd)

(b) *Restricted Funds (cont'd)*

	The Institute							
31 March 2018	**ITE's Fund** $'000	**Training Programme Fund** $'000	**Supple-mentary Fee Fund** $'000	**Special Project Fund** $'000	**Edusave Fund** $'000	**Workforce Skills Qualifications Programmes Fund** $'000	**Opportunity Fund and Miscellaneous Funds** $'000	**Total** $'000
Income								
Course fees	3,743	–	–	–	–	126	–	3,869
Examination fees	243	–	–	–	–	–	–	243
Donations	–	–	–	–	–	–	–	–
Liquidated damages	2	–	–	–	–	–	–	2
Interest income	155	–	3	–	–	–	–	158
Other income	1,093	–	1,082	23	34	–	–	2,232
Other grants	365	–	–	344	382	–	2,082	3,173
	5,601	–	1,085	367	416	126	2,082	9,677
Less: Operating expenditure								
Manpower costs	3,078	–	–	–	–	211	111	3,400
Depreciation of property, plant and equipment	21	335	1	10	66	13	224	670
Amortisation of intangible assets	–	–	–	–	3	–	32	35
Property, plant and equipment written off	–	–	–	–	–	–	38	38
Repair and maintenance	618	–	12	–	6	–	3	639
Public utilities	10	–	–	–	–	11	–	21
Supplies and materials	699	–	–	1	68	22	221	1,011
Other expenditure	363	–	1,091	344	2,914	2	1,157	5,871
	4,789	335	1,104	355	3,057	259	1,786	11,685

16. Accumulated surplus (cont'd)

(b) *Restricted Funds (cont'd)*

	The Institute							
31 March 2018 (cont'd)	**ITE's Fund** $'000	**Training Programme Fund** $'000	**Supple-mentary Fee Fund** $'000	**Special Project Fund** $'000	**Edusave Fund** $'000	**Workforce Skills Qualifications Programmes Fund** $'000	**Opportunity Fund and Miscellaneous Funds** $'000	**Total** $'000
Surplus/(deficit) before government grants	812	(335)	(19)	12	(2,641)	(133)	296	(2,008)
Government grants								
Operating grants	–	–	79	–	2,876	172	–	3,127
Net surplus/(deficit) for the year	812	(335)	60	12	235	39	296	1,119
Accumulated surplus at 1 April	25,327	1,189	2,403	497	971	2,948	4,358	37,693
Accumulated surplus at 31 March	26,139	854	2,463	509	1,206	2,987	4,654	38,812

17. Finance lease obligations

	The Group		The Institute	
	2019	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000
Current				
Amounts due to PPP Co.	6,456	6,237	6,456	6,237
Other finance lease obligations	4	4	–	–
	6,460	6,241	6,456	6,237
Non-current				
Amounts due to PPP Co.	132,580	139,036	132,580	139,036
Other finance lease obligations	4	7	–	–
	132,584	139,043	132,580	139,036
Total	139,044	145,284	139,036	145,273

Amounts due to PPP Co. represent the present value of amounts 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% (2018: 3.50%). These amounts are repayable over a period of 25 years by monthly unitary payment ("MUP") commencing from 1 July 2011.

	Total minimum lease payments 2019	**Present value of payments 2019**	**Total minimum lease payments 2018**	**Present value of payments 2018**
	$'000	$'000	$'000	$'000
Group				
Within one year	11,326	6,460	11,325	6,241
After one year but not later than five years	45,293	28,168	45,297	27,219
Later than five years	128,321	104,416	139,642	111,824
Total minimum lease payments	184,940	139,044	196,264	145,284
Less:				
Amounts representing finance charges	(45,896)	–	(50,980)	–
Present value of minimum lease payments	139,044	139,044	145,284	145,284

17. Finance lease obligations (cont'd)

	Total minimum lease payments 2019 $'000	Present value of payments 2019 $'000	Total minimum lease payments 2018 $'000	Present value of payments 2018 $'000
The Institute				
Within one year	11,321	6,456	11,321	6,237
After one year but not later than five years	45,289	28,164	45,289	27,212
Later than five years	128,321	104,416	139,642	111,824
Total minimum lease payments	184,931	139,036	196,252	145,273
Less:				
Amounts representing finance charges	(45,895)	–	(50,979)	–
Present value of minimum lease payments	139,036	139,036	145,273	145,273

18. Deferred capital grants

	The Group 2019 $'000	The Group 2018 $'000	The Institute 2019 $'000	The Institute 2018 $'000
Balance at beginning	759,361	763,529	756,904	760,660
Grants utilised for capital expenditure				
- Transferred from operating grants (Note 10)	50,155	48,739	50,036	48,729
- Transferred from donations	–	637	–	637
- Transferred from development grants (Note 11)	102	528	–	–
- Transferred from other grants (Note 12)	10	50	–	–
Amortisation charge for the year	(54,995)	(54,122)	(54,320)	(53,122)
Balance at end	754,633	759,361	752,620	756,904
Represented by:				
Grants utilised	588,766	608,867	586,753	606,410
Grants unutilised	165,867	150,494	165,867	150,494
	754,633	759,361	752,620	756,904

The Institute's deferred capital grants (unutilised) include the current year grant amount set aside of $51,102,538 (2018: $44,232,493) for future capital expenditure according to the approach endorsed by the Institute's Board.

19. Provision for retirement benefits

Retirement benefits reserve

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

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

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

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

	The Group and The Institute	
	2019	**2018**
	$'000	$'000
Present value of unfunded obligations	2,150	2,423
Represented by:		
Current	351	354
Non-current	1,799	2,069
	2,150	2,423

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

	The Group and The Institute	
	2019	**2018**
	$'000	$'000
At 1 April	2,423	3,052
Provision/(reversal) for the year	87	(255)
Retirement benefits paid	(360)	(374)
At 31 March	2,150	2,423

19. Provision for retirement benefits (cont'd)

Retirement benefits reserve (cont'd)

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

	The Group and The Institute	
	2019	**2018**
	$'000	**$'000**
Recognised in surplus or deficit		
Interest cost	52	57
Recognised in other comprehensive income		
Actuarial losses/(gains)	35	(312)

(c) Principal actuarial assumptions used are as follows:

	The Group and The Institute	
	2019	**2018**
	$'000	**$'000**
Discount rate	2.07%	2.29%
Mortality	89.1 years	89.1 years

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

(d) Sensitivity analysis for provision of retirement benefits

	Impact	
	2019	**2018**
Sensitivity of defined benefit obligation to discount rate	**$'000**	**$'000**
Discount rate of five basis points higher	(4)	(5)
Discount rate of five basis points lower	4	5

	Impact	
	2019	**2018**
Sensitivity of defined benefit obligation to mortality	**$'000**	**$'000**
Mortality improvement of +0.2% (lighter mortality)	56	54
Mortality improvement of -0.2% (heavier mortality)	(56)	(54)

19. Provision for retirement benefits (cont'd)

Retirement benefits reserve (cont'd)

(e) Historical information

	2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000
Present value of defined benefit obligation	2,150	2,423	3,052	1,914	1,750

20. Trade and other payables

	The Group		The Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Non-current				
Deposits received	202	501	201	500
	202	501	201	500
Current				
Trade creditors	9,926	4,038	8,460	2,773
Grants received on behalf of:				
- ITE Education Fund	–	1,921	–	1,921
Deposits received	593	276	593	276
Accrued operating expenses	10,101	13,831	8,120	11,956
Accrued capital expenditure	3,969	3,315	3,969	3,315
Provision for unutilised compensated leave	11,922	12,402	11,635	12,087
	36,511	35,783	32,777	32,328
Total trade and other payables	36,713	36,284	32,978	32,828

20. Trade and other payables (cont'd)

The following are the expected contractual undiscounted cash outflows of financial liabilities (excluding amounts due to PPP Co. which are disclosed in Note 17), including interest payments and the impact of netting agreements:

		The Group	
		Cash flows	
	Carrying amount	**Contractual cash flows**	**Within one year**
	$'000	$'000	$'000
2019			
Trade and other payables*	24,791	24,791	24,589
2018			
Trade and other payables*	23,882	23,882	23,381

		The Institute	
		Cash flows	
	Carrying amount	**Contractual cash flows**	**Within one year**
	$'000	$'000	$'000
2019			
Trade and other payables*	21,343	21,343	21,142
2018			
Trade and other payables*	20,741	20,241	20,241

* Exclude provisions recognised as at financial year end.

21. Net assets of trust funds

The basis of accounting in relation to trust funds is stipulated in Note 2.14.

Trust funds comprise the following funds:

ITE Education Fund ("IEF")

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

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

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

21. Net assets of trust funds (cont'd)

Other trust funds

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

Name of Fund	Purpose
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) for Post-Secondary Educational Institutions (PSEIs) to support the delivery of pre-employment clinical training in Academic Year 2013.
Economic Development Board (EDB) Fund	This grant is provided by Economic Development Board (EDB) to support the candidates enrolled under the National Precision Engineering Study Award.
Earn & Learn Programme Fund	SkillsFuture Singapore (SSG) provides this grant for the SkillsFuture Earn and Learn Programme to support participants in acquiring profession job skills related to their discipline of study through a work-study program.

21. Net assets of trust funds (cont'd)

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

	The Group and The Institute											
	IEF		AP Fund		PECT Fund		EDB Fund		ELP Fund		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Balance at 31 March	65,768	62,718	144	144	1,203	902	51	15	–	–	67,166	63,779
Cumulative effects of adopting SB-FRS 109	143	–	–	–	–	–	–	–	–	–	143	–
Balance as at 1 April	65,911	62,718	144	144	1,203	902	51	15	–	–	67,309	63,779
Income												
Grant income	32,751	2,185	–	–	6,394	7,190	646	712	239	18	40,030	10,105
Interest income	336	250	–	–	–	–	–	–	–	–	336	250
Dividend income	1,264	1,562	–	–	–	–	–	–	–	–	1,264	1,562
Fund raising income	–	–	–	–	–	–	–	–	–	–	–	–
General donations	17,406	1,779	–	–	–	–	–	–	–	–	17,406	1,779
Other income	309	431	–	–	–	–	–	–	–	–	309	431
	52,066	6,207	–	–	6,394	7,190	646	712	239	18	59,345	14,127
Expenditure												
Manpower costs	–	–	–	–	3,713	3,540	–	–	–	–	3,713	3,540
Grants-in-aid scholarships	4,101	3,523	–	–	–	–	611	676	232	–	4,944	4,199
Promotions and ceremonies	5	92	–	–	–	–	–	–	–	–	5	92
Fund raising expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	1,340	386	144	–	3,413	3,349	8	–	7	18	4,912	3,753
	5,446	4,001	144	–	7,126	6,889	619	676	239	18	13,574	11,584
Net (deficit)/surplus for the year	46,620	2,206	(144)	–	(732)	301	27	36	–	–	45,771	2,543
Fair value reserve	–	844	–	–	–	–	–	–	–	–	–	844
Balance at 31 March	112,531	65,768	–	144	471	1,203	78	51	–	–	113,080	67,166

21. Net assets of trust funds (cont'd)

	The Group and The Institute											
	IEF		AP Fund		PECT Fund		EDB Fund		ELP Fund		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Represented by:												
Assets												
Cash and bank balances	46,188	18,145	–	144	509	1,200	78	(122)	1,746	(18)	48,521	19,349
Other receivables	20,693	2,608	–	–	–	3	–	193	30	18	20,723	2,822
Other financial assets	51,279	45,789	–	–	–	–	–	–	–	–	51,279	45,789
	118,160	66,542	–	144	509	1,203	78	71	1,776	–	120,523	67,960
Liabilities												
Accruals and other payables	5,629	774	–	–	38	–	–	20	1,776	–	7,443	794
	5,629	774	–	–	38	–	–	20	1,776	–	7,443	794
Net assets	112,531	65,768	–	144	471	1,203	78	51	–	–	113,080	67,166

22. Income

(a) Disaggregation of income

	The Group					
	Course fees		Examination fees		Total	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Full time courses	17,649	16,750	51	43	17,700	16,793
Part time courses	5,679	5,884	799	1,038	6,478	6,922
	23,328	22,634	850	1,081	24,178	23,715
Timing of transfer of goods or services						
At a point in time	–	–	392	659	392	659
Over time	23,328	22,634	458	422	23,786	23,056
	23,328	22,634	850	1,081	24,178	23,715

	The Institute					
	Course fees		Examination fees		Total	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Full time courses	17,319	16,442	49	43	17,368	16,485
Part time courses	5,131	5,432	459	390	5,590	5,822
	22,450	21,874	508	433	22,958	22,307
Timing of transfer of goods or services						
Over time	22,450	21,874	508	433	22,958	22,307

22. Income (cont'd)

(b) Contract related balances

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

	The Group 2019 $000	The Institute 2019 $000
Receivables from contracts with customers	5,558	4,160
Contract assets	539	–
Contract liabilities	4,266	3,684

The Group and the Institute have recognised impairment losses on receivables arising from contracts with customers which amounted to $183,888 (2018: $Nil) and $64,530 (2018: $Nil) respectively.

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

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

23. Interest income

	The Group		The Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Interest received/receivable				
- fixed deposits	786	496	–	–
- bank balances	4,316	2,597	4,316	2,597
	5,102	3,093	4,316	2,597

24. Other income

	The Group 2019 $'000	The Group 2018 $'000	The Institute 2019 $'000	The Institute 2018 $'000
Administrative fees	415	411	218	212
Consultancy services	3,106	1,470	1,599	408
Equipment procurement and staff deployment	245	1,433	–	–
Dividend income	1,228	1,274	1,163	1,157
Registration fees	110	117	110	117
Rental of premises				
- third parties	2,357	2,123	2,588	2,462
Sales of computer equipment and stores	1,022	903	1,058	949
Supplementary fees	1,026	1,045	1,025	1,040
Others	2,307	2,295	1,909	1,606
	11,816	11,071	9,670	7,951

25. Manpower costs

	The Group 2019 $'000	The Group 2018 $'000	The Institute 2019 $'000	The Institute 2018 $'000
Wages, salaries, bonuses and allowance	318,269	312,856	280,401	276,123
Contribution to defined contribution plans	45,340	45,314	39,692	39,688
Pension gratuities and retirement benefits	125	122	125	122
Staff development and benefits	7,273	6,991	6,428	6,153
	371,007	365,283	326,646	322,086

26. Grants-in-aid

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

27. Other expenditure

Included in other expenditure are the following:

	The Group 2019 $'000	The Group 2018 $'000	The Institute 2019 $'000	The Institute 2018 $'000
Agency fees (include amount to PPP Co.) (Note 3)	26,804	25,926	26,667	25,932
Impairment loss on receivables (Note 31.1)	202	93	65	44
Reversal of impairment loss on receivables (Note 31.1)	(40)	(31)	(40)	(31)
Bad debts written off	419	483	382	449
Consultancy services	1,311	2,066	1,056	1,579
Exchange gain	(71)	(40)	(71)	(40)
Fair value gain on financial assets	(956)	(13)	(1,004)	(13)
Functions and entertainment	1,268	1,209	1,162	1,111
Gain on disposal of property, plant and equipment, net	(66)	(70)	(66)	(69)
GST expenses	8,437	6,961	8,285	6,790
Overseas travelling	2,275	2,390	1,260	1,183
Publications and publicity materials	804	783	766	710
Rental of premises	10	41	8	19
Student benefits	12,568	10,569	9,316	7,332
Travelling and communications	818	744	656	605
Others	6,373	6,269	5,379	5,245
	60,156	57,380	53,821	50,846

28. Taxation

The Institute and certain subsidiaries are charitable institutions 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.

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

	The Group 2019 $'000	The Group 2018 $'000
Current income tax:		
- Current income taxation	84	6
- Under provision in respect of previous years	2	–
Deferred income tax:		
- Under provision in respect of previous years	83	–
Income tax expense recognised in surplus or deficit	169	6

28. 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 the Group's results as a result of the following:

	The Group	
	2019	2018
	$'000	$'000
Surplus before taxation	33,284	45,219
Results that are tax exempt	(32,256)	(44,657)
	1,028	562
Tax at statutory rate of 17% (2018:17%)	175	96
Tax effect on non-chargeable income	(99)	(60)
Tax effect on non-deductible expenses	12	2
Effect of tax relief	(2)	(32)
Under provision in respect of previous years	83	–
Income tax expense recognised in surplus or deficit	169	6

29. Related party transactions

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

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

	The Group		The Institute	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Subsidiaries				
Re-charge of payroll costs for staff seconded to all subsidiaries	–	–	7,726	7,898
Charges for services rendered to a subsidiary	–	–	332	591
Rental fee for a subsidiary's usage of facilities	–	–	354	411
Dividend income from a subsidiary	–	–	150	–

29. Related party transactions (cont'd)

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	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Salaries and related short-term benefits	6,434	5,938	3,603	3,226

30. 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	
	2019	2018
	$'000	$'000
Property, plant and equipment - approved and contracted for	8,816	5,558

31. Financial risk management objectives and policies

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

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

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

31. Financial risk management objectives and policies (cont'd)

31.1 *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Institute's exposure to credit risk arises primarily from the receivables and other financial assets. For other financial assets (including investment securities and cash), the Group and the Institute minimise credit risk by dealing exclusively with high credit rating counterparties.

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

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

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

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

The Group and the Institute determined that the financial assets are credit-impaired when:

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

31. Financial risk management objectives and policies (cont'd)

31.1 *Credit risk (cont'd)*

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

(a) Debt securities at amortised cost

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

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

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

As at 31 March 2019, all debt instruments belong to the first category where expected credit loss provision is based on the 12-month expected credit loss. The Group and the Institute have assessed that there is no expected credit loss over the next 12 months for these debt instruments.

(b) Trade receivables

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

Financial assets that are neither past due nor impaired

Receivables and deposits that are neither past due nor impaired are receivables from students and deposits. Cash and bank balances are entered into with reputable financial institutions with high credit ratings and no history of default.

31. Financial risk management objectives and policies (cont'd)

31.1 *Credit risk (cont'd)*

(b) Trade receivables (cont'd)

Financial assets that are past due but not impaired

In the previous year, the Group and the Institute have trade and other receivables amounting to $4,040,898 and $2,169,134 respectively that are past due at the end of the reporting period but not impaired. The ageing analysis of trade and other receivables past due but not impaired is as follows:

	The Group 2018 $'000	The Institute 2018 $'000
Past due 1 to 30 days	3,344	1,520
Past due 31 to 120 days	567	549
Past due 121 days - 1 year	99	84
More than one year	31	16
	4,041	2,169

(c) Trade receivables

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

	Current $'000	Less than 30 days past due $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	Total $'000
2019						
Gross carrying amount	5,145	205	36	232	361	5,979
Loss allowance provision	65	15	–	61	142	283

31. Financial risk management objectives and policies (cont'd)

31.1 *Credit risk (cont'd)*

(c) Trade receivables (cont'd)

The movement in allowance for impairment of receivables during financial year ended 31 March 2018 is as follows:

	The Group 2018 $'000	The Institute 2018 $'000
At beginning of year	52	52
Impairment loss (Note 27)	93	44
Reversal of impairment loss (Note 27)	(31)	(31)
Bad debts written off against allowance	(58)	(9)
At the end of the year (Note 9)	56	56

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime expected credit losses during financial year ended 31 March 2019 is as follows:

	The Group 2019 $'000	The Institute 2019 $'000
Movement in allowance accounts:		
As at 31 March 2018	56	56
Amount restated through opening retained earnings	81	54
As at 1 April 2018	137	110
Charge for the year (Note 27)	202	65
Written off	(56)	(57)
At the end of the year (Note 9)	283	118

31. Financial risk management objectives and policies (cont'd)

31.1 *Credit risk (cont'd)*

Credit risk concentration profile

	The Group			
	2019		2018	
	Percentage of balance	No. of counter-parties/ debtors	Percentage of balance	No. of counter-parties/ debtors
Other financial assets	75%	3	64%	3
Cash and bank balances	100%	2	100%	2
Trade and other receivables	61%	3	46%	3

	The Institute			
	2019		2018	
	Percentage of balance	No. of counter-parties/ debtors	Percentage of balance	No. of counter-parties/ debtors
Other financial assets	79%	3	71%	3
Cash and bank balances	100%	2	100%	2
Trade and other receivables	76%	3	56%	3

31.2 *Liquidity risk*

Liquidity or funding risk is the risk that the Group and the Institute 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 maintain sufficient level of cash and bank balances to finance the Group's and the Institute's operations and mitigate the effects of fluctuation in cash flows.

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

	The Group			
	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
2019				
Trade and other payables	24,589	202	–	24,791
Finance lease obligations	6,460	28,168	104,416	139,044
Provision for retirement benefits	351	1,113	686	2,150
	31,400	29,483	105,102	165,985

31. Financial risk management objectives and policies (cont'd)

31.2 *Liquidity risk (cont'd)*

	The Group			
	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
2018				
Trade and other payables	23,381	501	–	23,882
Finance lease obligations	6,241	27,219	111,824	145,284
Provision for retirement benefits	354	1,208	861	2,423
	29,976	28,928	112,685	171,589

	The Institute			
	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
2019				
Trade and other payables	21,142	201	–	21,343
Finance lease obligations	6,456	28,164	104,416	139,036
Provision for retirement benefits	351	1,113	686	2,150
	27,949	29,478	105,102	162,529
2018				
Trade and other payables	20,241	500	–	20,741
Finance lease obligations	6,237	27,212	111,824	145,273
Provision for retirement benefits	354	1,208	861	2,423
	26,832	28,920	112,685	168,437

31.3 *Interest rate risk*

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

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

<u>Sensitivity analysis for interest rate risk</u>

At the end of the reporting period, if SGD interest rates had been 5 (2018: 5) basis points higher/lower with all other variables held constant, the Group's surplus net of tax would have been $146,639 (2018: $127,526) higher/lower, arising mainly as a result of higher/lower interest income from fixed deposits placed with financial institution.

31. Financial risk management objectives and policies (cont'd)

31.4 *Equity price risk*

The Group and the Institute are exposed to securities price risk arising from its investments in quoted equity securities. These securities are traded in active markets and are measured at fair value through profit or loss. 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.

All investment decisions are governed by documented risk management and investment strategies of the respective entities.

The Group and the Institute

Sensitivity analysis - equity price risk

A 10% increase in the underlying market prices at the end of the reporting period would increase the fair value of the Group and the Institute by $405,500 (2018: $906,400) and $405,500 (2018: $412,400), respectively.

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

Sensitivity analysis – Unit trusts managed by fund managers

A 10% increase in the underlying market prices at the end of the reporting period would increase the surplus of the Group and the Institute by $5,511,733 (2018: $3,611,302),

A 10% decrease would have the equal but opposite effect on the basis that all variables remain constant.

32. Capital management

	The Group	
	2019	2018
	$'000	$'000
Capital account	2,715	2,715
Accumulated surplus – General Fund	255,985	223,086
Total capital and general fund	258,700	225,801

The Institute's policy is to maintain a strong capital and general fund 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.

33. Funds management

The Group's 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 review and manage their funds to ensure optimal fund structure, taking into consideration the future fund requirements and fund efficiency, prevailing and projected probability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities, if any.

34. Financial instruments

Classifications of financial assets and financial liabilities

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

	The Group		
	Financial assets (carried at fair value through profit or loss) $'000	**Financial assets (carried at amortised cost)** $'000	**Total** $'000
At 31 March 2019			
Financial assets			
Investments and unit trusts	62,839	–	62,839
Debt securities	–	20,544	20,544
Trade and other receivables [1]	–	10,127	10,127
Operating grants receivable	–	5,956	5,956
Other grants receivable	–	280	280
Cash and bank balances	–	419,793	419,793
	62,839	456,700	519,539

34. Financial instruments (cont'd)

	The Group Other liabilities (carried at amortised cost) $'000	Total $'000
At 31 March 2019		
Financial liabilities		
Trade and other payables [(2)]	24,791	24,791
Finance lease obligations	139,044	139,044
Provision for retirement benefits	2,150	2,150
	165,985	165,985

(1) exclude prepayments

(2) exclude provision for unutilised compensated leave

	The Group Available-for-sale and unit trusts (carried at fair value) $'000	Held-to-maturity (carried at amortised cost) $'000	Loans and receivables (carried at amortised cost) $'000	Total $'000
At 31 March 2018				
Financial assets				
Available-for-sale investments and unit trusts [(1)]	66,047	–	–	66,047
Held-to-maturity investments	–	1,250	–	1,250
Trade and other receivables [(2)]	–	–	8,805	8,805
Operating grants receivable	–	–	4,151	4,151
Development grants receivable	–	–	45	45
Other grants receivable	–	–	314	314
Cash and bank balances	–	–	390,393	390,393
	66,047	1,250	403,708	471,005

34. Financial instruments (cont'd)

	The Group Other liabilities (carried at amortised cost) $'000	Total $'000
At 31 March 2018		
Financial liabilities		
Trade and other payables [(3)]	23,882	23,882
Finance lease obligations	145,284	145,284
Provision for retirement benefits	2,423	2,423
	171,589	171,589

(1) Available for sales investments and unit trusts are carried at fair value through other comprehensive income and profit or loss respectively

(2) exclude prepayments

(3) exclude provision for unutilised compensated leave

	The Institute		
	Financial assets (carried at fair value through profit or loss) $'000	Financial assets (carried at amortised cost) $'000	Total $'000
At 31 March 2019			
Financial assets			
Investment and unit trusts	59,173	–	59,173
Debt securities	–	19,042	19,042
Trade and other receivables [(1)]	–	9,938	9,938
Operating grants receivable	–	5,956	5,956
Other grants receivable	–	256	256
Cash and bank balances	–	342,423	342,423
	59,173	377,615	436,788

34. Financial instruments (cont'd)

	The Institute Other liabilities (carried at amortised cost) $'000	Total $'000
At 31 March 2019		
Financial liabilities		
Trade and other payables [(2)]	21,142	21,142
Finance lease obligations	139,036	139,036
Provision for retirement benefits	2,150	2,150
	162,328	162,328

(1) exclude prepayments

(2) exclude provision for unutilised compensated leave

	The Institute		
	Available-for-sale and unit trusts (carried at fair value) $'000	Loans and receivables (carried at amortised cost) $'000	Total $'000
At 31 March 2018			
Financial assets			
Available-for-sale investments and unit trusts [(1)]	61,107	–	61,107
Trade and other receivables [(2)]	–	8,254	8,254
Operating grants receivable	–	4,151	4,151
Other grants receivable	–	269	269
Cash and bank balances	–	317,805	317,805
	61,107	330,479	391,586

34. Financial instruments (cont'd)

	The Institute Other liabilities (carried at amortised cost) $'000	Total $'000
At 31 March 2018		
Financial liabilities		
Trade and other payables [3]	20,741	20,741
Finance lease obligations	145,273	145,273
Provision for retirement benefits	2,423	2,423
	168,437	168,437

[1] Available for sales investments and unit trusts are carried at fair value through other comprehensive income and profit or loss respectively

[2] exclude prepayments

[3] exclude provision for unutilised compensated leave

35. Fair value measurements

(a) ***Fair value hierarchy***

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

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

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

Level 3 - unobservable inputs for the asset or liability.

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

At the end of the reporting period, other than unit trusts, there are no other assets and liabilities that are measured at fair value under Level 2 and 3 of the fair value hierarchy.

35. Fair value measurements (cont'd)

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

Quoted securities and Unit trusts managed by fund managers (Note 7) are carried at fair value. The fair values are based on quoted market prices on the reporting date. The quoted market price used is the quoted bid price. The unit trusts are designated in the Level 2 category as at 31 March 2019 (2018: Level 1). During the year, there was a transfer of unit trusts from Level 1 to Level 2 of the fair value hierarchy, as the market price in active markets at the reporting date for identical instrument was no longer publicly available. The fair value of the unit trusts were determined by the Institute's fund manager based on observable market prices of securities in the portfolio and other inputs at the end of the reporting period.

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

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

36. Authorisation for issue of financial statements

The consolidated financial statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the board on 31 July 2019.

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