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ANNUAL REPORT 2023/2024
for the Year Ended 31 March 2024



**GENERATING
POSSIBILITIES**

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 2024.

On behalf of the Board of Governors:



Andrew Chong
Chairman



Low Khah Gek
Chief Executive Officer

ORGANISATION DETAILS

Board Secretary

Goh Mong Song
Deputy Chief Executive Officer

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ABOUT ITE

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

MISSION

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

VISION

A Trailblazer in Career Technical Education and Work-Study Training

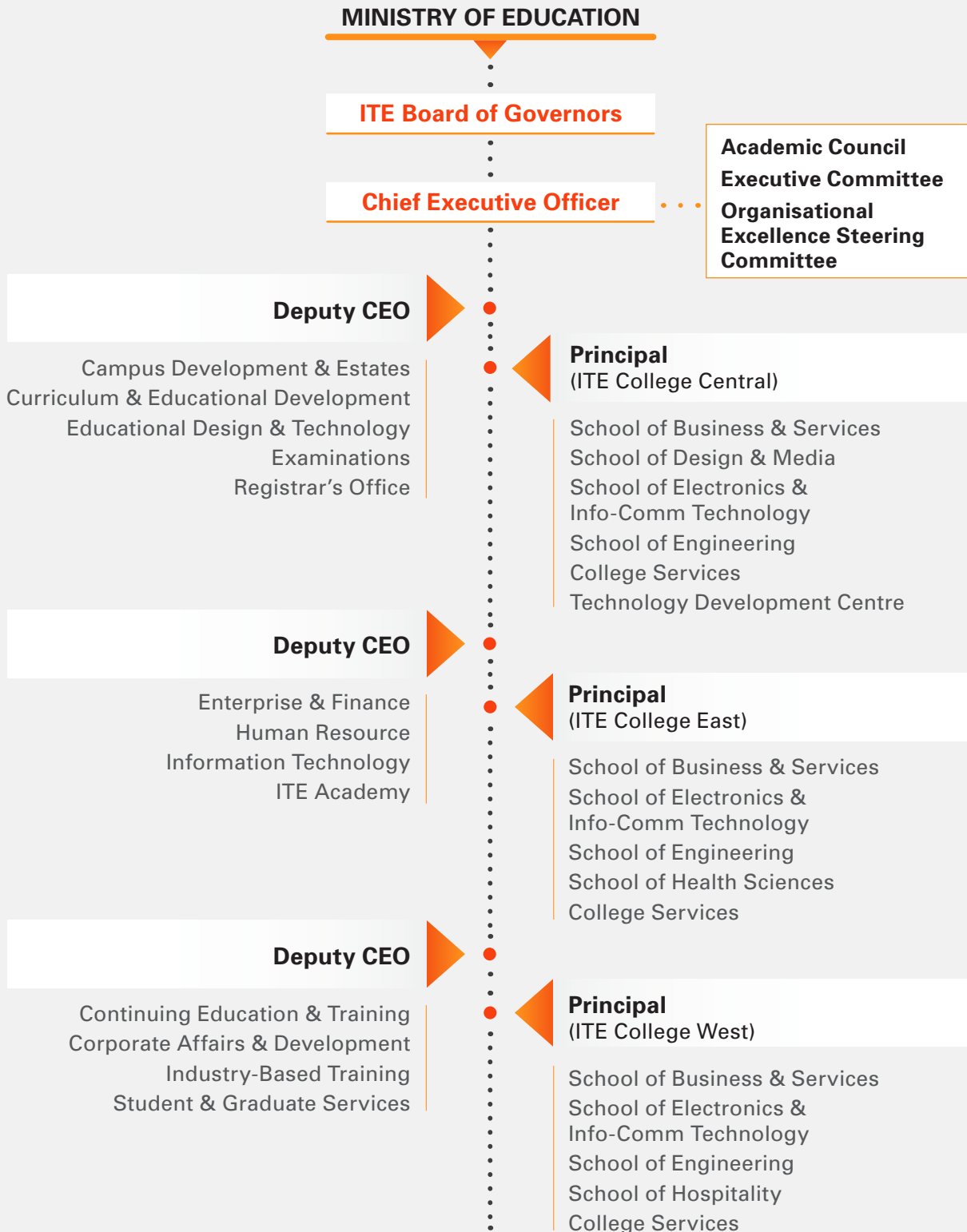
VALUES

ITE Care – Integrity, Teamwork, Excellence, Care



ORGANISATION STRUCTURE

as at 31 March 2024



Notes

- Internal Audit reports to the Board through Audit and Risk Committee
- The following four subsidiaries report to ITE management:
 - ITE Education Services
 - Spectra Secondary School
 - Crest Secondary School
 - NorthLight School

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 2024**, the tripartite Board comprised the following representatives from Government, Industry and the Unions:

Chairman, ITE

Chairman, Nominating Committee

Mr Andrew Chong

Chairman

Independent Board Director & Corporate Advisor

Chairman, Audit & Risk Committee

Mr Philip Yuen

Chairman

Deloitte Southeast Asia

Chairman, Establishment Committee

Mr Sng Chern Wei

Deputy Director-General of Education (Curriculum)

Ministry of Education

Chairman, Finance and Investment Committee

Mr Chris Ong

Chief Executive Officer

Seatrium Ltd

Chairman, Partnership with Employers Committee

Mr Edwin Ng

Managing Director

Markono Group Pte Ltd

Members

Mr Azmoon Ahmad

Mr Musdalifa Abdullah

Chief Executive Officer
GTR (Ground Team Red)

BG Edward Chen

Defence Cyber Chief
Ministry of Defence

Associate Professor Foo Yong Lim

Associate Provost (Academic Programmes)
Singapore Institute of Technology

Mr Shaikh Ismail

Director, Entity Plans Office - NUHS & NHG
& Centre of Program Management
- MOH Programmes
Synapxe Pte Ltd

Mr Laurence Liew

Director, AI Industry Innovation
AI Singapore

Mr Lim Der Shing

Co-Founder
AngelCentral Pte Ltd

Mr Simon Lim

Executive Director, Capabilities, Urban
Systems & Solutions
Enterprise Singapore

Ms Madeleine Loo

Ms Low Khah Gek

Chief Executive Officer
Institute of Technical Education

Mr Pee Beng Kong

Executive Vice President
Economic Development Board

Ms Phua Puay Li

Assistant Chief Executive
(Policy and Corporate Development)
Cyber Security Agency of Singapore

Ms Poh Li San

Member of Parliament for Sembawang GRC
Senior Vice President, Changi Airport Group

Mr Donald Tong

Executive Director
Hong Kong Vocational Training Council

Ms K Thanaletchimi

President, National Trades Union Congress
(NTUC) Central Committee
President, Healthcare Services Employees'
Union

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 2024**, the Team comprised:

Ms Low Khah Gek
Chief Executive Officer

Dr Ang Kiam Wee
Deputy Chief Executive Officer

Mr Heng Guan Teck
Deputy Chief Executive Officer

Dr Goh Mong Song
Deputy Chief Executive Officer

Mr Suresh Natarajan
Principal, ITE College Central

Dr Yek Tiew Ming
Principal, ITE College East

Ms Alice Seow
Principal, ITE College West

ITE HEADQUARTERS' DIRECTORATE

Dr Ting Kok Guan

Divisional Director
Campus Development & Estates

Dr Derek Yeo

Divisional Director
Continuing Education & Training

Ms Chua Ai Lian

Divisional Director
Corporate Affairs & Development

Dr Eric Cheung

Senior Director
Curriculum & Educational Development

Dr Lim Soon Huat

Divisional Director
Educational Design & Technology

Ms Susan Lim

Divisional Director
Enterprise & Finance

Mr Yeow Swee Soon

Divisional Director
Examinations

Ms Jane Chia

Senior Director
Human Resource

Ms Jessie Ong

Divisional Director
Industry-Based Training

Mr Lee Foo Wah

Divisional Director
Information Technology

Ms Sabrina Loi

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

Mr Wee Keat Kheng, Raymond

Registrar
Registrar's Office

Mr Soh Sze-Wei

Divisional Director
Student & Graduate Services

● COLLEGE DIRECTORATE (ITE COLLEGE CENTRAL)

Mr Chong Leong Fatt
Deputy Principal

Mr Tan Wee Khiang
Director
School of Business & Services

Mr Callistus Chong
Senior Director
School of Design & Media

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

Dr Lim See Yew
Senior Director
School of Engineering

Mr Loh Kum Fei
Director
College Services

Dr Lee Teck Kheng
Director
Technology Development

Mr Aw York Bin
Chief Officer
Endowment Fund & Student
Development

● COLLEGE DIRECTORATE (ITE COLLEGE EAST)

Ms Lynn Tan
Director
School of Business & Services

Mr Peh Wee Leng
Director
School of Electronics & Info-Comm
Technology

Mr Alfred Tan
Director
School of Engineering

Dr Lionel Lau
Director
School of Health Sciences

Mr Ramu Saravanan
Director
College Services

● COLLEGE DIRECTORATE (ITE COLLEGE WEST)

Mr Alvin Goh
Director
School of Business & Services

Mr Thong Chee Chung
Director
School of Electronics & Info-Comm
Technology

Mr Seng Chin Chye
Director
School of Engineering

Ms Denise Tan
Director
School of Hospitality

Mr Lim Wee Lian
Director
College Services

CHAIRMAN'S MESSAGE

PAVING THE WAY FORWARD



FY2023 marked another eventful year for ITE. We continued to reinvent ourselves to stay atop a fast-changing skills landscape, while celebrating new breakthroughs and milestones. Our ethos is consistent – to deliver the best outcomes for our students and graduates.

Boosting Progression, Uplifting Skills

A key programme to enhance employability and progression for ITE students is the **3-Year New Higher Nitec (NHN)** programme launched in 2022. ITE has made good progress in the implementation of the NHN programme. Students from the first batch who enrolled into the programme in 2022 have completed their first internship stint, and received positive feedback from employers on their job readiness.

ITE has also continued to expand Diploma upgrading pathways for its graduates, through a growing range of Work-Study Diploma (WSDip) offerings. **Four new WSDip courses** were started in April 2023. Another five WSDip courses were announced for launch in FY2024, bringing the total number of WSDip courses to **42**. Combined with ITE's six Technical Diploma (TD) courses, our expanded offerings will allow **over 10%** of ITE graduates to progress towards a Diploma qualification with ITE. As rising

admission figures show, more ITE graduates are now opting for the WSDip pathway. Our 2023 intake of 1,147 WSDip trainees represents an increase of **almost 20%** over the 2022 intake.

More significantly, the WSDip graduates have done well. Notably, **90%** of WSDip graduates surveyed have continued their careers in the industry they were trained for and earned a median monthly salary that is comparable with polytechnic graduates. All these were made possible by the strong support of employers, who believe in the value that ITE and its graduates bring.

Skilling the Workforce

ITE has continued strengthening its engagement of industry in delivering Continuing Education and Training (CET) programmes that support workforce training and lifelong learning. Through close collaboration with industry, we co-developed a suite of courses, such as Certificates of Competency (CoCs) with Deloitte and the Business Alliance for Sustainable Economy on sustainability-related fields. ITE also appointed new companies as its Workplace Training Centres (WTC) in the Process Construction and Maintenance (PCM) and Telecommunications industries, to co-develop

and run CoCs for workers in these industries.

To draw more companies on-board ITE's workplace training programmes and boost their workforce training capabilities, ITE organised a series of C-suite engagement sessions with industry leaders and conducted OJT Blueprint workshops which benefited **102 trainers** from **65 companies**. ITE also revamped its certified on-the-job training centre (COJTC) system to recognise and support companies in different stages of the COJTC implementation.

Driving Organisational Transformation

Forging ahead in its digital transformation journey, ITE has implemented new and enhanced enterprise systems for its students and adult learners. These included the MyConnexion 3.0 Learning Management System, iStudent and Internship portals for students, as well as Skills Training Enhancement Portal (STEP) for CET learners. ITE will further transform the use of its customer relationship management (CRM) system beyond contacts management, to include gathering analytics aimed at enhancing industry outreach and engagement.

In addition, ITE started exploring the use of generative AI in teaching and learning, with a cross-functional "Call-for-Action" (CfA) team formed in August 2023 to gather use cases. Key recommendations from the team included the teaching of prompt engineering skills for staff and students, as well as the introduction of a generative AI marketplace for staff to explore and develop AI solutions.

Championing Sustainability

Sustainability remains a key focus for ITE. We ramped up our push for sustainability, by infusing green technology and practices into our curriculum, campus operations and culture. Our efforts garnered a rewarding outcome when ITE College East was awarded the Building and Construction Authority (BCA) Green Mark Platinum Super Low Energy Award in November 2023. A second CfA team was formed to explore ground-up ideas from staff on

green estates and curricula. We also partnered industry to co-develop a series of courses on sustainability reporting for adult learners.

Enhancing Support for Staff

To help staff stay agile and ready for change, our Future Skills Roadmap developed in collaboration with the Unions has enabled ITE to anticipate and address upcoming changes in job requirements and skills needed for staff, particularly in the Green, Care and Digital sectors. A third CfA on culture and capability was formed to further explore ideas on embracing sustainability and generative AI in the workplace. Beyond developing staff capabilities, ITE also held a series of webinars on mental wellness and self-care to enhance the well-being of staff. These efforts to support our staff have been reflected positively through the results of ITE's 2023 Employee Engagement Survey, with ITE achieving an Overall Engagement Score of 88% which compares favourably to Public Service norms.

Overall, ITE has reaped rewarding and impactful outcomes in FY2023. We saw improved graduate progression and employability through the expansion of ITE's Diploma offerings, and strengthened our workforce training capabilities through closer tie-ups with industry. We also made significant strides forward in our digital transformation and sustainability push. These would not be possible without the dedication and hard work of our staff, as well as industry support. Together, let us continue to create new possibilities for ITE to grow and shine.

I would like to extend my appreciation to the Board, management, staff and partners for their unwavering commitment and steadfast efforts in steering us to where we are today. I am confident that we will continue to leverage our strengths to achieve transformative and impactful outcomes for our students and stakeholders.

Thank you.

CREATING CONNECTIONS

Strong industry and global partnerships are a hallmark of ITE’s skills training system. They enable ITE to stay current of the latest trends and best practices, both locally and globally. These pave the way to valuable workplace learning opportunities and global exposure for students.

In FY2023, ITE expanded its partnerships network through several new alliances and renewal of existing collaborations.

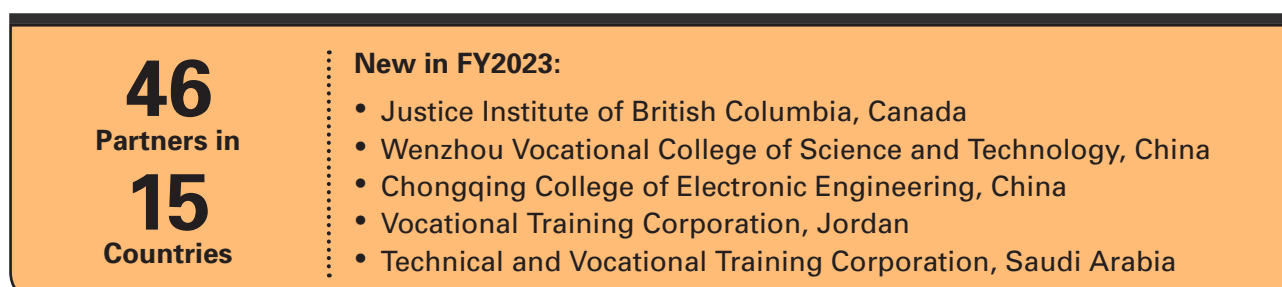
MEMORANDA OF UNDERSTANDING (MOUs) & LETTERS OF COLLABORATION (LOCs)



TRAINING PARTNERS



COLLABORATIONS WITH GLOBAL EDUCATION PARTNERS



Expanding Global Cooperation

On 18 October 2023, ITE established its first formal partnership in the Middle East through an MOU signed with the Technical and Vocational Training Corporation of Saudi Arabia. Minister for Education, Mr Chan Chun Sing, signed the MOU with the Education Minister of Saudi Arabia, Mr Yousef Abdullah Al-Benyan, in Riyadh, Saudi Arabia. Key areas of collaboration between both institutions will include student and staff exchanges, knowledge sharing, as well as leadership and staff development.

Hong Kong Nite

The Hong Kong Nite event was held at ITE College West on 20 July 2023. Culinary staff and students from ITE and Hong Kong's Vocational Training Council (VTC) prepared a seven-course dinner of Hong Kong cuisine for attendees that included board members and senior management of both institutions. The event also served to commemorate 25 years of partnership between the two institutions.

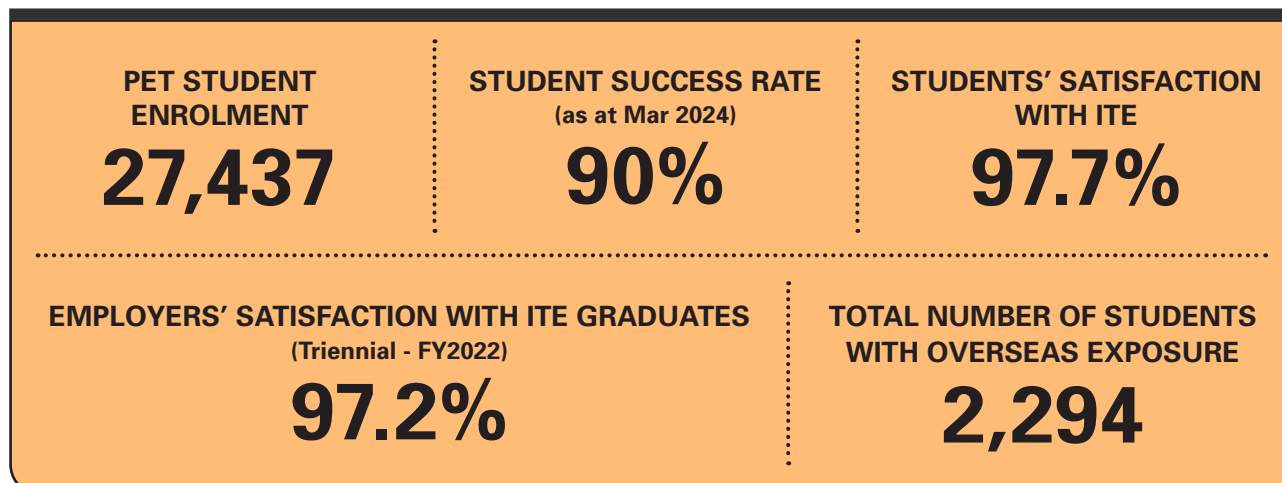
International and Distinguished Visitors

Each year, ITE welcomes visitors from all over the world who are keen to learn from ITE's approach to technical and skills education. In FY2023, ITE hosted overseas visitors from Germany, India, Jordan, the United Kingdom (UK), South Africa, the United Arab Emirates (UAE), and more. Notable visitors include:

- The UK's Secretary of State for Education, Rt Hon Gillian Keegan, who visited ITE on 16 May 2023 to discuss the UK and Singapore's approaches to continuous learning and skills development.
- Prince of Brunei Darussalam, His Royal Highness (HRH) Prince Abdul Mateen, who visited ITE on 12 September 2023 as part of his Lee Kuan Yew Exchange Fellowship visit to Singapore.
- UAE's Minister of State for Public Education and Advanced Technologies, Her Excellency Sarah Al Amiri, who visited ITE on 25 September 2023 to foster connections between Singapore institutions and the UAE for collaboration and knowledge exchange.
- Saudi Arabia's Minister of Education, Mr Yousef Al-Benyan, who visited ITE on 29 November 2023 following the MOU signing between ITE and the Technical and Vocational Training Corporation of Saudi Arabia, on 18 October 2023.
- Deputy President of South Africa, Mr Shipokosa Paulus Mashatile, who visited ITE on 11 December 2023 to learn about Singapore's TVET system.
- Crown Prince of the Hashemite Kingdom of Jordan, His Royal Highness Al Hussein Bin Abdullah II, who visited ITE on 11 January 2024 to discuss the potential of a partnership between ITE and Jordan's Vocational Training Corporation focusing on the development of trainers.

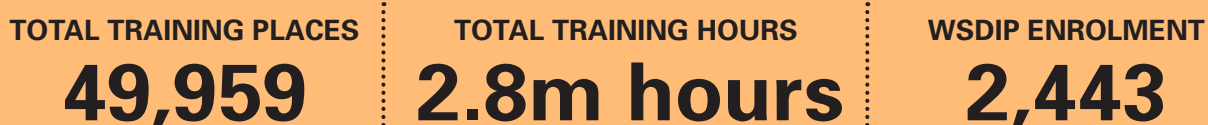
EMPOWERING SUCCESS

ITE IN NUMBERS (FOR FY2023)



ITE CET PROGRAMMES

WSDip, Part-time Higher Nitec/Nitec/ITE Skills Certificate, General Education, Certificates of Competency, Short Courses, Train-the-Trainer, Joint-Industry Certification, Workforce Skills Qualification courses, Applied Learning Modules, and programmes conducted at ITE Approved Training Centres and Skills Assessment Centres.



CLASS OF 2023

A total of **14,091 students** graduated from ITE's full-time, part-time and traineeship courses for Academic Year 2022/2023. Among them, **736** received Diplomas with Merit or Certificates of Merit, with **239** receiving Course Medals for topping their respective courses. **Ten Tay Eng Soon Scholarships** were also given out to outstanding graduates.

Top honours were awarded to **17** ITE graduates in 2023. For the first time, the **Singapore Precision Engineering & Technology Association Gold Medal** was given out to a top performing graduate of an Engineering/IT-related WSDip course who is working in the manufacturing industry upon graduation. A new **Outstanding Progress Award** was also awarded to nine exemplary graduates who have shown strong perseverance in overcoming challenges to complete their course.

The 17 top graduates were:

Lee Kuan Yew Gold Medal

Natasha Yap Shu Hui
Malcolm Chew Jia Rui
Yeo Jing Xuan Jaclyn

Tay Eng Soon Gold Medal

Tang Rui
Jade Yeo Ee-Fay
Irfan Idraki Bin Kamalruzaman

The Ngee Ann Kongsi Gold Medal

D Lemuel Dasson
Julia Tay Jie Hui
Lee Ming Zhea

**Singapore National Employers
Federation Gold Medal**

Ryan Heng Yong Sheng
Muhammad Rahmad Bin Jamaludin
Muhammad Haikal Radzuan Bin Ramli

**Singapore Business Federation
Gold Medal**

Muhammad Cairel Bin Razali

**Singapore Precision
Engineering & Technology
Association Gold Medal ^{New}**

Mohamed Tasriq Bin Helmi

e2i Gold Medal

Koh Tian Guan
Tan Chong Boon

IES Engineering Award

Chua Raka Aprinno

At the Ministry of Education Special Awards Presentation Ceremony on 29 August 2023, 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**. Among them, five received the **Sultan Haji Omar Ali Saifuddien Book Prize**. One ITE graduate, Malcolm Chew, received the **Lee Hsien Loong Award for Outstanding All-Round Achievement** for his demonstration of all-round excellence.

On 22 November 2023, ITE also celebrated the achievements of 441 graduates from **28 Work-Study Diploma (WSDip) courses** at the ITE WSDip Graduation Ceremony. The 28 top graduates of these courses were each presented with a Course Medal by Second Minister for Education, Dr Maliki Osman.

From FY2023, ITE graduates can choose to upskill in the following new WSDip courses:

NEW WSDIP COURSES IN FY2023

- Agriculture & Aquaculture Technology
- Customer Experience Management
- Facilities Management
- Security Operations

#ITEPROUD

Our students are at the heart of everything we do at ITE. We dedicate ourselves to nurturing their potential, and take pride in celebrating their success. Through various accomplishments, our students have distinguished themselves and shone bright in FY2023.

- ITE student athletes did the nation proud at the **2023 Southeast Asian (SEA) Games**, held in Cambodia from 5 to 17 May 2023. Nur Ashikin Binte Zulkifli from the *Higher Nitec* in Electronics Engineering course was part of a trio that clinched Singapore's historic first gold medal in the women's artistic silat team event. Muhammad Nurshahfareeq Bin Shahrudin from the *Higher Nitec* in Sport Management course also bagged a silver medal in the men's class H (80 - 85kg) category.
- A team of four ITE students emerged winners of the 2022 **Samsung Solve for Tomorrow competition** on 23 May 2023, through their development of a device which prevents overheating in charging batteries. Shing Foo Chuan Zheng, Mohamed Hariz Bin Mohamed Ridzah, Miguel Antonio Gutierrez Escanan and Dominic Chow overcame teams from the polytechnics and junior colleges to win the post-secondary category of the competition. This marked the first time that a team from ITE won the top prize in the competition.
- ITE students contributed their skills to the production of **Nam Hwa Opera's modern Teochew musical – "Who Says It First"**. Students from the *Higher Nitec* in Games Art & Design designed a series of digital backdrops and animations to enhance the visual impact of the musical, while students from the *Higher Nitec* in Performance Production handled its sound and lighting operations. The musical aired on 16 and 17 June 2023, at the Singapore Chinese Cultural Centre.
- For clinching four gold medals for Singapore at the 2022 International Bowling Federation (IBF) Under-21 World Championships, Colleen Pee from the *Higher Nitec* in Sport Management course was honoured with the **2023 Sportsgirl of the Year award**. She also won the Asian Youth Tenpin Bowling Championships with the national team in July 2023.
- The **WorldSkills ASEAN Competition** was held in Singapore for the first time, from 23 to 25 July 2023. ITE students were part of a contingent of 44 youths from various institutes of higher learning who represented Singapore at the competition. Team Singapore won 26 medals at the competition, with eight Gold medals, four Silver medals, eight Bronze medals and six Medallions for Excellence.

ITE students clinched **four of the Gold Medals** (in Beauty Therapy, CNC Maintenance, Industrial Control, Information Network Cabling), **one of the Silver Medals** (in Beauty Therapy), **one of the Bronze Medals** (in Electrical Installations), and **one of the Medallions for Excellence** (in Automobile Technology). ITE's Gold Medallist in Information Network Cabling, Winnie Leow, also won the **Best of Nation Award** for attaining the highest score among the Singaporean competitors.

- ITE students also put up a strong performance at phase two of the national **WorldSkills Singapore 2023 competition**, held from 27 to 30 September 2023. They clinched **three Silver medals, three Bronze medals, and two Medallions for Excellence**. Close to 150 competitors from ITE and the polytechnics took part in the competition, which covered 17 skill areas.
- An ITE duo created a **digital twin of Peace Centre in the metaverse**, before the iconic mall closed for good on 28 January 2024. Maung Kyaw Zaw Lin, former Technology Development Engineer at ITE College Central, and Gabriel Wong, *Higher Nitec* in Games Programming & Development student, spent four weeks to complete the project.

GLOBAL LEARNING

With the easing of travel restrictions, a total of 2,294 students had the opportunity to participate in the Overseas Exposure Programme (OEP). This marked a significant increase from the 583 students who participated in the OEP in FY2022. The OEP remains key to broadening the global exposure of students, and is made possible through ITE's extensive international partnerships. In FY2023, the OEP took students to more than 20 countries. These included Australia, Canada, China, Germany, Japan, Sri Lanka and Thailand.

MAKING A DIFFERENCE

ITE's success is driven by the hard work and dedication of our 2,585 staff. The following awards were conferred to well-deserving staff during the year in review, in recognition of their exemplary service and contributions:

MAY DAY AWARDS 2023

Mr Andrew Chong, Chairman/ITE
Friend of Labour

Mr Heng Guan Teck, DCE/ITE
Medal of Commendation

NATIONAL DAY AWARDS 2023, PRIME MINISTER'S OFFICE

Awarded to 57 staff

ITE Teacher Award 2023

Awarded to 15 staff

ITE CET Trainer Award 2023

Awarded to 7 staff

ITE Long Service Award 2023

Awarded to 471 staff

ITE Service Star Award 2023

Awarded to 6 individuals and 1 team

ITE Distinguished Service Star Award 2023

Awarded to 1 individual

ITE Outstanding Leader and Facilitator Award 2023

Awarded to 35 individuals

ITE Innovation Star Award 2023

Awarded to 2 teams

ITE CEO Innovation Award 2023

Awarded to 3 teams

ITE Dare to Do Award 2023

Awarded to 3 teams

ITE SkillsFuture Award 2023

Awarded to 3 individuals

ITE Outstanding Innovator Award 2023

Awarded to 5 individuals

ExCEL Establishment Award 2023

Awarded to 6 establishments

Above and Beyond

In addition, the following staff were recognised for their outstanding work achievements and performance:

- Mr Choo Meng Cher, Senior Lecturer-Mentor in Electronics from ITE College Central, was a finalist for the **President's Award for Teachers 2023**. He distinguished himself as a caring and committed educator, who seeks to impact and improve his students' lives.
- Three ITE staff were conferred the **Exemplary SkillsFuture @ Public Service Award** at the 2023 **Public Sector Transformation Awards**, for their strong dedication to continuous learning:
 - (i) Dr Cincelia Tan (Senior Lecturer, Business & Services, ITE College East) upgraded her skills and knowledge to adapt to changing demands in the beauty therapy industry. An expert in her field, she is part of the panel of international WorldSkills judges and represents Singapore as the national Expert for Beauty Therapy in WorldSkills competitions.
 - (ii) Mr Heng Seng Meng (Senior Lecturer, Electrical Engineering, ITE College East) kept himself abreast of changes in the industry by upskilling himself in the fields of solar photovoltaic systems and thermography. He was also instrumental in incorporating renewable energy components into the electrical engineering curriculum.
 - (iii) Mr Foo Yong Kwong (Senior Lecturer, Mechatronics Engineering, ITE College Central) demonstrated grit to pick up mechatronics when he was given the opportunity to switch disciplines at the age of 60. He upgraded the Mechatronics laboratory facilities to optimise production processes and helped ITE Education Services (ITEES) to set up training centres in India and Cambodia.
- ITE College Central staff from The Centre for Music & the Arts, Mr Julian Wong You Jie, received the **Young Artist Award (YAA)** at the Istana on 5 December 2023. The YAA is Singapore's top honour for artists under 35 and recognises individuals with outstanding artistic achievements and dedication.

Organisational Highlights

ITE's pursuit of innovation, organisational excellence and corporate social responsibility has garnered national and international recognition. In FY2023, ITE attained the following accolades:

- **Strategic Leadership Gold Award at the World Federation of Colleges and Polytechnics (WFCP) Awards of Excellence 2023** – for our strong efforts in building the competencies of students in AI and leveraging AI to enhance teaching. The awards ceremony was held in Canada as part of the WFCP World Congress from 23 to 25 July 2023, which brought together member institutions comprising colleges and polytechnics from around the world.

- **The President's Certificate of Commendation (COVID-19)** – for the significant role that ITE College East played in mounting the Back-to-Nursing Practice programme at short notice. This enabled the Ministry of Health to retrain Enrolled Nurses amid the pandemic crisis to meet the nation's needs. ITE College East received the award at the National Awards (COVID-19) Investiture, held on 18 June 2023.
- **BCA Green Mark Platinum Super Low Energy Award** – for ITE College East's achievement of high energy savings and intelligent energy management practices. This was the first time that an ITE campus achieved the Award, which is one of the highest accolades for energy efficiency in the BCA Green Mark Award scheme.
- **Best Search Engine Optimisation (SEO) Award (Medium Agency Category)** at the **Digital Services Awards 2023** – which recognised ITE for having the highest searchability score, as reflected on GovTech's WOGAA (Whole of Government Application Analytics platform).

SPURRING EXCELLENCE

Event Highlights for FY2023

Students

● ignITE Skills Challenge 2023

The 7th ignITE Skills Challenge saw the participation of over **1,500 students from 66 secondary schools**, with the Finals held on 18 May 2023 at ITE College East. The competition featured 15 skills challenges. These included building a robot from recycled materials, flying a drone, and developing a smart system to switch off water appliances automatically. Spectra Secondary School clinched the Champion Trophy for overall best performance.

● ITE Student Achievers' Awards Presentation Ceremony 2023

At the ITE Student Achievers' Awards Presentation Ceremony on 25 May 2023, **416 students** were recognised for their holistic achievements and excellence in the arts, sports, co-curricular activities (CCAs), and technological innovations. Among them, 47 students received the **Lee Kuan Yew (LKY) Model Student/Trainee Award**, the **LKY CCA Award**, and the **LKY Technology Award**.

● ITE Vocal Xchange 2023

Some 100 ITE student vocalists and musicians showcased their musical talents at the ITE Vocal Xchange 2023, held on 8 July 2023. With the theme "Inspiring Artists", the concert featured renditions of songs by artists who have inspired the student performers.

● ITE Dance Emblazon 2023

The ITE Dance Emblazon 2023 was held from 29 to 30 September 2023, in partnership with National Gallery Singapore. With the theme "Inspiring Artists", it featured dance interpretations of artworks created by prominent visual artists. Some 300 student dancers showcased their performing talents at the annual dance extravaganza.

● ITE Student Leaders Forum

Some 150 ITE student leaders came together to explore key issues impacting Singapore, at the inaugural ITE Student Leaders Forum from 20 to 21 September 2023. Mr Lawrence Wong, then Deputy Prime Minister and Minister for Finance, officiated the opening ceremony, where he also engaged students in a dialogue on matters of national interest. Other guest speakers were Mr Bilahari Kausikan, Chairman of the Middle East Institute at the National University of Singapore, and Mr David Chua, Chief Executive Officer of the National Youth Council.

Staff and Industry

● Sustainability Seminars

In line with the push for sustainability, ITE held several sustainability-focused seminars and engagement sessions for staff and industry partners. Over 200 participants from the built environment sector attended the **Sustainable Built Environment Seminar**, which was held at ITE College East on 4 August 2023 to discuss best practices in greening the environment.

At the **REAL Leadership** session on 8 September 2023, some 150 ITE leaders gained insights into driving climate change from Mr Frederick Teo, CEO of GenZero, an investment platform company focusing on accelerating decarbonisation globally.

The **ITE-BASE Seminar on Sustainability** was held at ITE HQ on 22 September 2023, to engage industry partners and CET sponsoring companies on sustainability-related training.

● ITE Teachers' Conference 2023

The ITE Teachers' Conference was held at ITE HQ on 19 September 2023. This marked the first physical edition of the Conference since 2019. Based on the theme "Teachers Lead the Way Forward", the Conference focused on discussing the impact of emerging technologies such as virtual reality and artificial intelligence on teaching. Keynote speakers included Mr Gavin Chua (Head, Stakeholder Engagement) from Meta and Ms Lum Seow Khun (Director, Public Service Lead) from Microsoft Singapore.

● ITE Smartathon 2023

The annual ITE Smartathon was launched virtually on 30 October 2023. Aimed at promoting digitalisation and innovation among staff, the event saw 129 staff across 29 teams competing in the categories of – (1) Process Automation & e-Services, (2) Sustainability, and (3) Massive Open Online Courses (MOOC). The teams spent the next few days working on their projects before presenting the final projects to judges on 2 November 2023, with the results announced at the ITE Care & Innovation Fiesta held on the same day.

● ITE Care & Innovation Fiesta

The 2023 ITE Care and Innovation Fiesta saw a total of 49 individual staff, 14 teams and six Establishments presented with Service and Innovation awards. Some 800 staff attended the event, which also featured a presentation on Generative AI by guest speaker, Mr Richard Goh, Head of Business Development for Singapore Public Sector Business, Amazon Web Services.

● Empowering Inclusivity for Workforce and Workplace Conference

The Empowering Inclusivity for Workforce and Workplace Conference was held at ITE College Central on 16 November 2023. The Conference was organised by the Polytechnic-ITE Special Educational Needs workgroup and disability support organisations, SG Enable and SPD. It brought together employers, educators and social service organisations to discuss best practices in improving employment support for persons with disability and students with special educational needs. Minister for Manpower, Dr Tan See Leng, officiated the opening of the Conference.

TRANSFORMING LEARNING

ITE constantly introduces new facilities to provide up-to-date training for students that keep pace with the latest industry developments and technologies. In FY2023, the following key facilities were launched:

- **Airport Operations Simulation Training Centre** – which provides simulations of airport operations to prepare students for careers in aviation services. It features a three-dimensional mapping of Changi Airport, a cross-section of a plane’s cargo hold, and an airside driving simulator.
- **Rail Engineering Hub** – which features a fully decommissioned train cabin donated by the Land Transport Authority to enhance rail engineering training for students.
- **Bus Engineering Lab** – which features a repurposed double-deck bus donated by SBS Transit for students to learn bus engineering skills and knowledge.
- **AIoT & Automation Lab** – which was set up in partnership with Bosch Rexroth and provides training on the use of AI, IoT and automation for advanced manufacturing.
- **Sustainability Lab and eXtended Reality Centre** – which was set up in collaboration with Lenovo and Advanced Micro Devices (AMD) to provide training in green digital transformation and extended reality content creation.

FORGING NEW GROUND

What to expect for FY2024

As we cap off a rewarding 2023, we will continue to build on the good work done and forge ahead in our journey of transformation.

ITE students and graduates will have more pathways and opportunities for progression and upgrading. The 3-Year NHN programme will be extended to all Business & Services, Applied Science and Health Science courses in 2024 and to all courses by 2026. ITE will continue to monitor the performance of students in the NHN programme, and make enhancements to the programme based on feedback from key stakeholders. ITE will also expand its range of Diploma offerings.

ITE will commence the formulation of a new five-year Strategic Plan in FY2024, as the current strategic plan – **ITE Create** – draws to a close. Digitalisation and sustainability will remain core focus areas, in the formulation of the 7th Strategic Plan (2025 – 2029). With the rising prominence of generative AI, ITE will scale up the use of this exciting technology in teaching, learning, and our work. The drive for sustainability will see the development of online short courses on sustainability for graduates and industry partners in their specialised fields of work. ITE will also work towards the attainment of the Super Low Energy certification by ITE HQ and College Central in 2024, and ITE College West by 2025.

A new year unlocks fresh opportunities for growth and breakthroughs. As we enter FY2024, we look forward to strengthening our ties with our stakeholders and partners to propel ITE to greater heights together.

FINANCIAL REVIEW

for the Year Ended
31 March 2024



INSTITUTE OF TECHNICAL EDUCATION

(Incorporated in Singapore. Institute Registration Number: T08GB0022B)

ANNUAL REPORT

For the financial year ended 31 March 2024

INSTITUTE OF TECHNICAL EDUCATION

(Incorporated in Singapore)

ANNUAL REPORT

For the financial year ended 31 March 2024

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INSTITUTE OF TECHNICAL EDUCATION

STATEMENT BY BOARD OF GOVERNORS

For the financial year ended 31 March 2024

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 2024, 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 material accounting policy information 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 2024 and of the results and changes in funds and reserves of the Group and of the Institute and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Institute of Technical Education Act 1992, and the Public Sector (Governance) Act 2018 (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS");
- (b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Institute during the year are, in all material aspects, in accordance with the provisions of the Acts and the requirements of any other written law applicable to moneys of or managed by the Institute;
- (c) proper accounting and other records have been kept, including records of all assets of the Institute, whether purchased, donated or otherwise; and
- (d) at the date of this statement, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

On behalf of the Board

Andrew Chong

MR ANDREW CHONG
Chairman

K. Geok

MS LOW KHAH GEK
CEO

17 July 2024

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

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of the Institute of Technical Education (the "Institute") and its subsidiaries (the "Group") and the statement of financial position, statement of comprehensive income and statement of changes in funds and reserves of the Institute are properly drawn up in accordance with the provisions of the Institute of Technical Education Act 1992 and the Public Sector (Governance) Act 2018 (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of the Group and of the Institute as at 31 March 2024 and the results and changes in funds and reserves of the Group and the Institute and cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and the Institute comprise:

- the statements of financial position of the Group and the Institute as at 31 March 2024;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2024;
- the statement of comprehensive income of the Institute for the financial year then ended;
- the consolidated statement of changes in funds and reserves of the Group for the financial year then ended;
- the statement of changes in funds and reserves of the Institute for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

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

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

Independence

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

Other information

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

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

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

Other information (continued)

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Opinion

In our opinion:

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

Basis for opinion

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

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

Responsibilities of management for compliance with legal and regulatory requirements

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

Auditor's responsibilities for the compliance audit

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

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 17 July 2024

INSTITUTE OF TECHNICAL EDUCATION

STATEMENTS OF FINANCIAL POSITION – GROUP AND INSTITUTE

As at 31 March 2024

	Note	The Group		The Institute	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets					
Non-current					
Property, plant and equipment	3	369,983	385,670	356,435	375,259
Right-of-use assets	4	176,989	191,936	176,974	191,923
Intangible assets	5	9,317	10,509	9,202	10,395
Subsidiaries	6	-	-	8,952	8,952
Other financial assets	7	301,259	254,694	301,006	254,442
		<u>857,548</u>	<u>842,809</u>	<u>852,569</u>	<u>840,971</u>
Current					
Other financial assets	7	3,999	-	3,999	-
Trade and other receivables	8	15,064*	14,105*	10,439	12,399
Operating grants receivable	9	36,761	30,346	36,576	30,346
Other grants receivable	11	862	458	671	355
Cash and bank balances	12	464,889	463,429	360,097	359,838
		<u>521,575</u>	<u>508,338</u>	<u>411,782</u>	<u>402,938</u>
Total assets		<u>1,379,123</u>	<u>1,351,147</u>	<u>1,264,351</u>	<u>1,243,909</u>
Capital and funds					
Capital account	13	2,715	2,715	2,715	2,715
Retirement benefits reserve	17	(1,437)	(1,576)	(1,437)	(1,576)
Accumulated surplus					
General Funds	14a	568,636	506,278	491,789	431,255
Restricted Funds	14b	10,007	11,060	6,178	7,318
		<u>578,643</u>	<u>517,338</u>	<u>497,967</u>	<u>438,573</u>
Total capital and other funds		<u>579,921</u>	<u>518,477</u>	<u>499,245</u>	<u>439,712</u>
Liabilities					
Non-current					
Lease liabilities	15	96,773	104,424	96,764	104,416
Deferred capital grants	16	620,945	642,298	612,630	638,269
Provision for retirement benefits	17	779	1,050	779	1,050
Other payables	18	418	271	418	271
		<u>718,915</u>	<u>748,043</u>	<u>710,591</u>	<u>744,006</u>
Current					
Trade and other payables	18	45,967	50,410	41,288	45,531
Lease liabilities	15	7,685	7,416	7,680	7,412
Provision for retirement benefits	17	198	306	198	306
Deferred income*		6,819	6,854	3,796	4,218
Operating grants received in advance	9	16,594	15,884	-	-
Development grants received in advance	10	254	254	-	-
Other grants received in advance	11	2,770	3,503	1,553	2,724
		<u>80,287</u>	<u>84,627</u>	<u>54,515</u>	<u>60,191</u>
Total funds and liabilities		<u>1,379,123</u>	<u>1,351,147</u>	<u>1,264,351</u>	<u>1,243,909</u>

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

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

INSTITUTE OF TECHNICAL EDUCATION

STATEMENTS OF FINANCIAL POSITION – GROUP AND INSTITUTE

As at 31 March 2024

	Note	The Group		The Institute	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Net assets of trust funds					
ITE Education Fund		183,069	161,978	183,069	161,978
Pre-Employment Clinical Training Fund		678	1,014	678	1,014
	19	<u>183,747</u>	<u>162,992</u>	<u>183,747</u>	<u>162,992</u>

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

INSTITUTE OF TECHNICAL EDUCATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2024

	Note	General Funds		Restricted Funds		Total	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
The Group Income							
Course fees	20	25,450	24,600	-	-	25,450	24,600
Examination fees	20	653	618	-	-	653	618
Consultancy services		8,697	7,607	-	-	8,697	7,607
Rental income		2,895	2,900	-	-	2,895	2,900
Supplementary fees		3	3	1,019	1,010	1,022	1,013
Licence fees		1,061	545	-	-	1,061	545
Donations		171	15	744	584	915	599
Interest income	21	12,146	5,687	90	44	12,236	5,731
Fair value gain on financial assets		14,841	-	-	-	14,841	-
Other income	22	1,413	1,865	153	300	1,566	2,165
		<u>67,330</u>	<u>43,840</u>	<u>2,006</u>	<u>1,938</u>	<u>69,336</u>	<u>45,778</u>
Operating expenditure							
Manpower costs	23	411,796	389,438	466	230	412,262	389,668
Depreciation of property, plant and equipment	3	39,048	37,902	417	418	39,465	38,320
Depreciation of right-of-use assets	4	14,991	14,997	-	-	14,991	14,997
Amortisation of intangible assets	5	2,845	3,960	83	71	2,928	4,031
(Gain)/Loss on disposal of property, plant and equipment and intangible assets, net		(175)	(131)	1	-	(174)	(131)
Agency fees		30,197	28,793	410	410	30,607	29,203
Repair and maintenance		19,969	20,287	7	40	19,976	20,327
Public utilities		16,759	15,719	-	1	16,759	15,720
Student benefits		31,126	18,186	8,344	7,989	39,470	26,175
Grants-in-aid	24	200	250	-	-	200	250
Supplies and materials		14,750	12,600	131	393	14,881	12,993
Fair value loss on financial assets		-	5,913	-	-	-	5,913
Other expenditure	25	31,874	22,864	938	949	32,812	23,813
Finance costs		3,921	4,171	-	-	3,921	4,171
		<u>617,301</u>	<u>574,949</u>	<u>10,797</u>	<u>10,501</u>	<u>628,098</u>	<u>585,450</u>
Deficit before government grants		(549,971)	(531,109)	(8,791)	(8,563)	(558,762)	(539,672)
Government grants							
Operating grants	9	560,000	522,447	993	3,820	560,993	526,267
Development grants	10	-	-	-	-	-	-
Other grants	11	85	29	6,572	4,693	6,657	4,722
Deferred capital grants amortised	16	52,244	52,254	173	180	52,417	52,434
Surplus/(deficit) after government grants		62,358	43,621	(1,053)	130	61,305	43,751
Taxation	26	-	-	-	-	-	-
Net surplus/(deficit) for the year		<u>62,358</u>	<u>43,621</u>	<u>(1,053)</u>	<u>130</u>	<u>61,305</u>	<u>43,751</u>

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

INSTITUTE OF TECHNICAL EDUCATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2024

	Note	General Funds		Restricted Funds		Total	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
The Group							
Other comprehensive income/(loss)							
Item that will not be reclassified to surplus or deficit							
Net change in retirement benefits reserves arising from actuarial adjustments		139	(189)	-	-	139	(189)
Other comprehensive income/(loss) for the year, net of tax of nil		139	(189)	-	-	139	(189)
Total comprehensive income/(loss) for the year		62,497	43,432	(1,053)	130	61,444	43,562

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 2024

	Note	General Funds		Restricted Funds		Total	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
The Institute							
Income							
Course fees	20	24,767	24,176	-	-	24,767	24,176
Examination fees	20	447	465	-	-	447	465
Consultancy services		2,220	2,419	-	-	2,220	2,419
Rental income		3,129	3,181	-	-	3,129	3,181
Supplementary fees		-	-	1,019	1,010	1,019	1,010
Licence fees		1,036	518	-	-	1,036	518
Donations		170	10	-	-	170	10
Interest income	21	9,974	4,732	47	23	10,021	4,755
Fair value gain on financial assets		14,841	-	-	-	14,841	-
Other income	22	996	1,432	133	286	1,129	1,718
		<u>57,580</u>	<u>36,933</u>	<u>1,199</u>	<u>1,319</u>	<u>58,779</u>	<u>38,252</u>
Operating expenditure							
Manpower costs	23	363,009	340,584	193	115	363,202	340,699
Depreciation of property, plant and equipment	3	36,400	35,821	168	183	36,568	36,004
Depreciation of right-of-use assets	4	14,985	14,987	-	-	14,985	14,987
Amortisation of intangible assets	5	2,798	3,928	82	67	2,880	3,995
(Gain)/Loss on disposal of property, plant and equipment and intangible assets, net		(195)	(131)	1	-	(194)	(131)
Agency fees		30,103	28,670	410	410	30,513	29,080
Repair and maintenance		17,794	18,042	5	19	17,799	18,061
Public utilities		15,668	14,653	-	1	15,668	14,654
Student benefits		29,596	16,686	6,049	6,232	35,645	22,918
Grants-in-aid	24	200	250	-	-	200	250
Supplies and materials		13,617	11,046	60	328	13,677	11,374
Fair value loss on financial assets		-	5,913	-	-	-	5,913
Other expenditure	25	26,950	18,762	883	874	27,833	19,636
Finance costs		3,915	4,165	-	-	3,915	4,165
		<u>554,840</u>	<u>513,376</u>	<u>7,851</u>	<u>8,229</u>	<u>562,691</u>	<u>521,605</u>
Deficit before government grants		(497,260)	(476,443)	(6,652)	(6,910)	(503,912)	(483,353)
Government grants							
Operating grants	9	506,622	465,915	86	2,835	506,708	468,750
Other grants	11	-	-	5,426	4,062	5,426	4,062
Deferred capital grants amortised	16	51,172	51,374	-	-	51,172	51,374
Surplus/(deficit) after government grants		60,534	40,846	(1,140)	(13)	59,394	40,833
Taxation	26	-	-	-	-	-	-
Net surplus/(deficit) for the year		<u>60,534</u>	<u>40,846</u>	<u>(1,140)</u>	<u>(13)</u>	<u>59,394</u>	<u>40,833</u>

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

INSTITUTE OF TECHNICAL EDUCATION

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2024

	Note	General Funds		Restricted Funds		Total	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
The Institute							
Other comprehensive income/(loss)							
Item that will not be reclassified to surplus or deficit							
Net change in retirement benefits reserves arising from actuarial adjustments		139	(189)	-	-	139	(189)
Other comprehensive income/(loss) for the year, net of tax of nil		139	(189)	-	-	139	(189)
Total comprehensive income/(loss) for the year		60,673	40,657	(1,140)	(13)	59,533	40,644

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 2024*

	Capital account (Note 13) \$'000	Retirement benefits reserve (Note 17) \$'000	Accumulated surplus		Total \$'000
			General Funds (Note 14a) \$'000	Restricted Funds (Note 14b) \$'000	
The Group					
At 1 April 2023	2,715	(1,576)	506,278	11,060	518,477
Net surplus/(deficit) for the year	-	-	62,358	(1,053)	61,305
Other comprehensive income for the year, net of tax of nil	-	139	-	-	139
Total comprehensive income/(loss) for the year	-	139	62,358	(1,053)	61,444
At 31 March 2024	2,715	(1,437)	568,636	10,007	579,921
At 1 April 2022	2,715	(1,387)	462,657	10,930	474,915
Net surplus for the year	-	-	43,621	130	43,751
Other comprehensive loss for the year, net of tax of nil	-	(189)	-	-	(189)
Total comprehensive income/(loss) for the year	-	(189)	43,621	130	43,562
At 31 March 2023	2,715	(1,576)	506,278	11,060	518,477

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

INSTITUTE OF TECHNICAL EDUCATION**STATEMENT OF CHANGES IN FUNDS AND RESERVES***For the financial year ended 31 March 2024*

	Capital account (Note 13) \$'000	Retirement benefits reserve (Note 17) \$'000	Accumulated surplus		Total \$'000
			General Funds (Note 14a) \$'000	Restricted Funds (Note 14b) \$'000	
The Institute					
At 1 April 2023	2,715	(1,576)	431,255	7,318	439,712
Net surplus/(deficit) for the year	-	-	60,534	(1,140)	59,394
Other comprehensive income for the year, net of tax of nil	-	139	-	-	139
Total comprehensive income/(loss) for the year	-	139	60,534	(1,140)	59,533
At 31 March 2024	2,715	(1,437)	491,789	6,178	499,245
At 1 April 2022	2,715	(1,387)	390,409	7,331	399,068
Net surplus/(deficit) for the year	-	-	40,846	(13)	40,833
Other comprehensive loss for the year, net of tax of nil	-	(189)	-	-	(189)
Total comprehensive income/(loss) for the year	-	(189)	40,846	(13)	40,644
At 31 March 2023	2,715	(1,576)	431,255	7,318	439,712

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

INSTITUTE OF TECHNICAL EDUCATION**CONSOLIDATED STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2024*

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Deficit before government grants and income tax		(558,762)	(539,672)
Adjustments for:			
Depreciation of property, plant and equipment	3	39,465	38,320
Depreciation of right-of-use assets	4	14,991	14,997
Amortisation of intangible assets	5	2,928	4,031
Interest cost for retirement benefits	17	42	40
Fair value (gain)/loss on financial assets		(14,841)	5,913
Amortisation on financial assets		(414)	(2)
Gain on disposal of property, plant and equipment and intangible assets, net		(174)	(131)
Bad debts written off	25	155	41
Allowance for expected credit losses on receivables, net	25	309	631
Interest income	21	(12,236)	(5,731)
Finance costs		3,921	4,171
Cost adjustment of property, plant and equipment, net	3	34	382
Cost adjustment of intangible assets, net	5	54	-
Operating deficit before working capital changes		(524,528)	(477,010)
Increase in trade and other receivables		(1,423)	(6,321)
(Decrease)/increase in trade and other payables and deferred income		(984)	331
Cash used in operations		(526,935)	(483,000)
Retirement benefits paid	17	(282)	(318)
Net cash flows used in operating activities		(527,217)	(483,318)
Cash flows from investing activities			
Purchase of property, plant and equipment		(27,188)	(12,105)
Purchase of intangible assets	5	(1,788)	(8,012)
Purchase of other financial assets		(35,309)	(53,200)
Redemption/disposal of other financial assets		-	250
Proceeds from disposal of property, plant and equipment and intangible assets		201	190
Interest received		12,236	5,731
(Placement)/redemption of fixed deposits (maturity more than 3 months from financial year end)	12	(8,409)	3,486
Net cash flows used in investing activities		(60,257)	(63,660)
Cash flows from financing activities			
Finance costs		(3,921)	(4,171)
Payment of principal portion of lease liabilities	4	(7,426)	(7,184)
Development grants received from Government	10	-	685
Operating grants received from Government	9	586,348	544,903
Other grants received from Government	11	5,524	4,606
Net cash flows generated from financing activities		580,525	538,839
Net decrease in cash and cash equivalents		(6,949)	(8,139)
Cash and cash equivalents at beginning of year		427,135	435,274
Cash and cash equivalents at end of year	12	420,186	427,135

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. Corporate information

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

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

The consolidated financial statements for the financial year ended 31 March 2024 relate to the Institute and its subsidiaries (together referred to as the "Group").

2. Material accounting policy information

2.1 Basis of preparation

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

2.2 Interpretations and amendments to published standards effective in 2024

On 1 April 2023, the Group and the Institute have adopted the new or amended SB-FRS and Interpretations to SB-FRS ("INT SB-FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS. The adoption of these new or amended SB-FRS and INT SB-FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.3 New or revised accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that they are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the Group. The management expects that the adoption of these standards will have no material impact on the financial statements in the period of initial application. The Group will adopt the new standards on the required effective date.

2.4 Significant accounting estimates and judgments

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

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.4 Significant accounting estimates and judgments** (continued)***Key sources of estimation uncertainty*** (continued)*Useful lives of property, plant and equipment* (continued)

As at 31 March 2024, the carrying amounts of the Group's and the Institute's property, plant and equipment amount to \$369,983,000 (2023: \$385,670,000) and \$356,435,000 (2023: \$375,259,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2.5 Foreign currency

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

Transactions and balances

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

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

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

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. Material accounting policy information (continued)

2.6 Subsidiaries and basis of consolidation (continued)

(b) Basis of consolidation

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

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

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

2.7 Property, plant and equipment

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

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

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

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

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

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.8 Intangible assets**

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

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

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

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

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

2.9 Impairment of non-financial assets

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

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

Impairment losses are recognised in surplus or deficit.

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.10 Financial instruments****(a) Financial assets**

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

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

(i) Amortised cost

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.10 Financial instruments (continued)****(a) Financial assets (continued)**Derecognition

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

(b) Financial liabilities

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

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.11 Impairment of financial assets

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.11 Impairment of financial assets (continued)**

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

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

2.12 Cash and bank balances

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

2.13 Funds

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

General Funds

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

Designated Funds

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

Restricted Funds

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

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

Trust Funds

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.13 Funds (continued)**Trust Funds (continued)

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

2.14 Grants

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

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

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

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

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

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

2.15 Provisions

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.15 Provisions (continued)**

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

2.16 Leases

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

As a lessee

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

(i) Right-of-use assets

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

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.16 Leases (continued)**As a lessee (continued)

(ii) Lease liabilities

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

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

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

(iii) Short-term and low-value leases

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

As a lessor

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.17 Employee benefits****(a) Defined contribution plans**

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

(b) Employment leave entitlement

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

(c) Defined benefit plans

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

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

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

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

(d) Short-term benefits

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. Material accounting policy information (continued)

2.17 Employee benefits (continued)

(d) Short-term benefits (continued)

Key management personnel

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

2.18 Borrowing costs

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

2.19 Income taxes

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

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. Material accounting policy information (continued)

2.19 Income taxes (continued)

(b) Deferred tax (continued)

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

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

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

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

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

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

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.20 Revenue**

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

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

Course fees

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

Examination fees

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

Donations

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

Other income

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

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

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

Interest income

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***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 2022	628,766	42,907	55,936	136,064	13,374	81	586	877,714
Additions	-	3,770	207	7,669	862	75	3,215	15,798
Cost adjustments	-	3	(10)	(99)	(129)	-	(147)	(382)
Disposals/write-off	-	(40)	(1,777)	(4,364)	(372)	-	-	(6,553)
Reclassifications	-	(26)	-	182	158	-	(314)	-
Transfer from/(to) intangible assets (Note 5)	-	-	10	-	-	-	(94)	(84)
At 31 March 2023 and 1 April 2023	628,766	46,614	54,366	139,452	13,893	156	3,246	886,493
Additions	-	4,959	4,594	6,023	1,022	-	7,243	23,841
Cost adjustments	-	(1)	(31)	-	-	-	-	(32)
Disposals/write-off	-	(18)	(2,179)	(4,980)	(676)	(81)	-	(7,934)
Reclassifications	-	3,197	13	1,454	608	-	(5,272)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	(2)	(2)
At 31 March 2024	628,766	54,753	56,763	141,947	14,847	75	5,215	902,366

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. Property, plant and equipment (continued)

	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 2022	273,553	28,931	53,321	104,396	8,721	81	-	469,003
Depreciation for the year	22,694	4,494	1,439	8,589	1,103	1	-	38,320
Disposals/write-off	-	(40)	(1,778)	(4,359)	(323)	-	-	(6,500)
At 31 March 2023 and 1 April 2023	296,247	33,385	52,982	108,626	9,501	82	-	500,823
Depreciation for the year	22,694	5,148	1,394	9,061	1,161	7	-	39,465
Cost adjustments	-	-	2	-	-	-	-	2
Disposals/write-off	-	(18)	(2,179)	(4,977)	(652)	(81)	-	(7,907)
At 31 March 2024	318,941	38,515	52,199	112,710	10,010	8	-	532,383
Net book value								
At 31 March 2024	309,825	16,238	4,564	29,237	4,837	67	5,215	369,983
At 31 March 2023	332,519	13,229	1,384	30,826	4,392	74	3,246	385,670

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***3. Property, plant and equipment (continued)**

	The Institute							Total \$'000
	Buildings on leasehold land \$'000	Renovations \$'000	Computer hardware \$'000	Machinery and equipment \$'000	Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in- progress \$'000	
Cost								
At 1 April 2022	628,766	37,512	53,913	131,408	9,155	81	556	861,391
Additions	-	1,551	183	7,234	280	75	3,130	12,453
Cost adjustments	-	3	8	-	-	-	(147)	(136)
Disposals/write-off	-	-	(1,510)	(4,002)	(338)	-	-	(5,850)
Reclassifications	-	226	-	88	-	-	(314)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	(94)	(94)
At 31 March 2023 and 1 April 2023	628,766	39,292	52,594	134,728	9,097	156	3,131	867,764
Additions	-	4,846	4,547	5,541	144	-	2,708	17,786
Cost adjustments	-	-	(31)	-	-	-	-	(31)
Disposals/write-off	-	-	(1,899)	(4,817)	(568)	(81)	-	(7,365)
Reclassifications	-	516	-	830	20	-	(1,366)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	(2)	(2)
At 31 March 2024	628,766	44,654	55,211	136,282	8,693	75	4,471	878,152

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***3. Property, plant and equipment (continued)**

	The Institute							
	Buildings on leasehold land \$'000	Renovations \$'000	Computer hardware \$'000	Machinery and equipment \$'000	Fixtures, fittings and office equipment \$'000	Motor vehicles \$'000	Project-in- progress \$'000	Total \$'000
Accumulated depreciation								
At 1 April 2022	273,553	28,267	51,590	101,963	6,847	81	-	462,301
Depreciation for the year	22,694	3,370	1,324	8,056	559	1	-	36,004
Disposals/write-off	-	-	(1,511)	(3,997)	(292)	-	-	(5,800)
At 31 March 2023 and 1 April 2023	296,247	31,637	51,403	106,022	7,114	82	-	492,505
Depreciation for the year	22,694	3,628	1,268	8,452	519	7	-	36,568
Cost adjustments	-	-	2	-	-	-	-	2
Disposals/write-off	-	-	(1,899)	(4,816)	(562)	(81)	-	(7,358)
At 31 March 2024	318,941	35,265	50,774	109,658	7,071	8	-	521,717
Net book value								
At 31 March 2024	309,825	9,389	4,437	26,624	1,622	67	4,471	356,435
At 31 March 2023	332,519	7,655	1,191	28,706	1,983	74	3,131	375,259

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

4. LeasesAs a lessee

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

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

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

During the service period, the Institute will provide monthly unitary payments (“MUP”) to the PPP Co. which in aggregate represents the cost of the ITE facilities (including capital expenditure and financing costs, if any) and agency fees in relation to facilities management services. The MUP is subject to certain adjustments, including inflation adjustment on a yearly basis, other variable factors adjustments on a monthly basis and any other variations due to changes in law or regulated by the Institute. During the year, the total MUP paid to PPP Co. amounts to \$37.3 million (2023: \$36.3 million).

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

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

The lease liabilities relating to the ITE facilities held under lease at the reporting date was \$104.4 million (2023: \$111.8 million). The Group and the Institute record these facilities as right-of-use assets with a corresponding lease liability.

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***4. Leases (continued)**As a lessee (continued)

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

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

	The Group			
	Building on leasehold land \$'000	Prepaid lease \$'000	Office equipment \$'000	Total \$'000
Cost				
At 1 April 2022	206,916	201,277	102	408,295
Additions	-	-	12	12
Disposals/write-off	-	-	(18)	(18)
At 31 March 2023 and 1 April 2023	206,916	201,277	96	408,289
Additions	-	-	44	44
Disposals/write-off	-	-	(44)	(44)
At 31 March 2024	206,916	201,277	96	408,289
Accumulated depreciation				
At 1 April 2022	96,927	104,373	74	201,374
Depreciation	8,249	6,723	25	14,997
Disposals/write-off	-	-	(18)	(18)
At 31 March 2023 and 1 April 2023	105,176	111,096	81	216,353
Depreciation	8,249	6,723	19	14,991
Disposals/write-off	-	-	(44)	(44)
At 31 March 2024	113,425	117,819	56	231,300
Carrying amount				
At 31 March 2024	93,491	83,458	40	176,989
At 31 March 2023	101,740	90,181	15	191,936

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***4. Leases (continued)**As a lessee (continued)

	The Institute			
	Building on leasehold land \$'000	Prepaid lease \$'000	Office equipment \$'000	Total \$'000
Cost				
At 1 April 2022	206,916	201,277	44	408,237
Additions	-	-	-	-
Disposals/write-off	-	-	-	-
At 31 March 2023 and 1 April 2023	206,916	201,277	44	408,237
Additions	-	-	36	36
Disposals/write-off	-	-	(44)	(44)
At 31 March 2024	206,916	201,277	36	408,229
Accumulated depreciation				
At 1 April 2022	96,927	104,373	27	201,327
Depreciation	8,249	6,723	15	14,987
Disposals/write-off	-	-	-	-
At 31 March 2023 and 1 April 2023	105,176	111,096	42	216,314
Depreciation	8,249	6,723	13	14,985
Disposals/write-off	-	-	(44)	(44)
At 31 March 2024	113,425	117,819	11	231,255
Carrying amount				
At 31 March 2024	93,491	83,458	25	176,974
At 31 March 2023	101,740	90,181	2	191,923

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

	The Group		The Institute	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
As at 1 April	111,840	119,012	111,828	119,001
Additions	44	12	36	-
Accretion of interest	3,917	4,165	3,916	4,165
Payments	(11,343)	(11,349)	(11,336)	(11,338)
As at 31 March	104,458	111,840	104,444	111,828
Current (Note 15)	7,685	7,416	7,680	7,412
Non-current (Note 15)	96,773	104,424	96,764	104,416

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***4. Leases** (continued)As a lessee (continued)

The following are the amounts recognised in surplus or deficit:

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Depreciation of right-of-use assets	14,991	14,997	14,985	14,987
Interest expense on lease liabilities	3,917	4,165	3,916	4,165
Expense for short-term leases and leases of low-value assets (included in other expenditure)	620	533	99	104
Total amount recognised in surplus or deficit	<u>19,528</u>	<u>19,695</u>	<u>19,000</u>	<u>19,256</u>

The Group and the Institute had total cash outflows for leases of \$11,963,000 (2023: \$11,882,000) and \$11,435,000 (2023: \$11,442,000) respectively.

As a lessor

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

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

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Within one year	1,304	1,292	1,502	1,490
After one year but not more than five years	1,376	569	1,772	569
	<u>2,680</u>	<u>1,861</u>	<u>3,274</u>	<u>2,059</u>

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***5. Intangible assets**

	Computer software	Project-in- progress	Total
	\$'000	\$'000	\$'000
The Group			
Cost			
At 1 April 2022	44,961	2,893	47,854
Additions	5,636	2,376	8,012
Disposals	(4,890)	-	(4,890)
Reclassifications	364	(364)	-
Transfer to plant, property and equipment (Note 3)	84	-	84
At 31 March 2023 and 1 April 2023	46,155	4,905	51,060
Additions	1,327	461	1,788
Cost adjustments	(41)	-	(41)
Disposals	(5,054)	-	(5,054)
Transfer from plant, property and equipment (Note 3)	2	-	2
At 31 March 2024	42,389	5,366	47,755
Accumulated amortisation			
At 1 April 2022	41,404	-	41,404
Amortisation for the year	4,031	-	4,031
Disposals	(4,884)	-	(4,884)
At 31 March 2023 and 1 April 2023	40,551	-	40,551
Amortisation for the year	2,928	-	2,928
Cost adjustments	13	-	13
Disposals	(5,054)	-	(5,054)
At 31 March 2024	38,438	-	38,438
Net carrying amount			
At 31 March 2024	3,951	5,366	9,317
At 31 March 2023	5,604	4,905	10,509

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***5. Intangible assets (continued)**

	Computer software	Project-in- progress	Total
	\$'000	\$'000	\$'000
The Institute			
Cost			
At 1 April 2022	44,399	2,893	47,292
Additions	5,552	2,376	7,928
Disposals	(4,863)	-	(4,863)
Reclassifications	364	(364)	-
Transfer to plant, property and equipment (Note 3)	94	-	94
At 31 March 2023 and 1 April 2023	45,546	4,905	50,451
Additions	1,278	461	1,739
Cost adjustments	(41)	-	(41)
Disposals	(5,054)	-	(5,054)
Reclassifications	-	-	-
Transfer from plant, property and equipment (Note 3)	2	-	2
At 31 March 2024	41,731	5,366	47,097
Accumulated amortisation			
At 1 April 2022	40,924	-	40,924
Amortisation for the year	3,995	-	3,995
Disposals	(4,863)	-	(4,863)
At 31 March 2023 and 1 April 2023	40,056	-	40,056
Amortisation for the year	2,880	-	2,880
Cost adjustments	13	-	13
Disposals	(5,054)	-	(5,054)
At 31 March 2024	37,895	-	37,895
Net carrying amount			
At 31 March 2024	3,836	5,366	9,202
At 31 March 2023	5,490	4,905	10,395

6. Subsidiaries

	The Institute	
	2024	2023
	\$'000	\$'000
Subsidiaries	8,952	8,952

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***6. Subsidiaries (continued)**

Details of subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	Percentage of equity held	
			2024	2023
			%	%
NorthLight School ^	Singapore	Provision of integrated education	#	#
Crest Secondary School ^	Singapore	Provision of customised curriculum for Normal (Technical) students	#	#
Spectra Secondary School ^	Singapore	Provision of customised curriculum for Normal (Technical) students	#	#
ITE Education Services Pte Ltd ^	Singapore	Promotion of technical education in Asia Pacific region	100	100

^ Audited by PricewaterhouseCoopers LLP, Singapore

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

7. Other financial assets

	The Group		The Institute	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>At fair value through profit or loss:</u>				
Unit trusts managed by fund managers (i)	265,286	250,445	265,286	250,445
<u>At amortised cost:</u>				
Quoted debt securities (ii)	39,972	4,249	39,719	3,997
<u>Net carrying amount:</u>				
Non-current	301,259	254,694	301,006	254,442
Current	3,999	-	3,999	-

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***7. Other financial assets (continued)****The Group and the Institute**

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

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Fair values	39,738	4,162	39,490	3,920
Interest rates	0.50% to 3.58%	3.08% to 3.58%	0.50% to 3.38%	3.08% to 3.14%
Maturity	<u>0.6 to 9.4 years</u>	<u>1.6 to 6.0 years</u>	<u>0.6 to 9.4 years</u>	<u>1.6 to 1.9 years</u>

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

8. Trade and other receivables

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade receivables	5,757	4,249	2,711	3,084
Allowance for expected credit losses (Note 29.1)	(800)	(887)	(681)	(810)
	<u>4,957</u>	<u>3,362</u>	<u>2,030</u>	<u>2,274</u>
Unbilled revenue*	454	262	-	-
Other receivables	7,195	6,021	5,612	4,979
Staff advances	-	7	-	7
Security deposits	117	2,224	36	2,096
Amounts due from subsidiaries				
- trade	-	-	517	844
- non-trade	-	-	197	260
Prepayments	<u>2,341</u>	<u>2,229</u>	<u>2,047</u>	<u>1,939</u>
	<u>15,064</u>	<u>14,105</u>	<u>10,439</u>	<u>12,399</u>

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

Trade receivables are generally on 30 to 90 days' terms. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition. No interest is charged on the outstanding balance except for the late interest charges on receivables due from non-students at the Institute level of 8.1% (2023: 5.5%) per annum.

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

8. Trade and other receivables (continued)

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

Trade and other receivables are denominated in the following currencies:

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore dollars	11,999	13,400	10,439	12,399
United States dollars	3,065	705	-	-
	<u>15,064</u>	<u>14,105</u>	<u>10,439</u>	<u>12,399</u>

9. Operating grants (receivable)/received in advance

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning - net	(14,462)	2,322	(30,346)	(12,726)
Grants received during the year	586,348	544,903	526,011	486,504
Amounts transferred to deferred capital grants (Note 16)	(31,060)	(35,420)	(25,533)	(35,374)
Amounts taken to surplus or deficit	<u>(560,993)</u>	<u>(526,267)</u>	<u>(506,708)</u>	<u>(468,750)</u>
Balance at end - net	<u>(20,167)</u>	<u>(14,462)</u>	<u>(36,576)</u>	<u>(30,346)</u>

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

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Operating grants receivable	(36,761)	(30,346)	(36,576)	(30,346)
Operating grants received in advance	16,594	15,884	-	-
	<u>(20,167)</u>	<u>(14,462)</u>	<u>(36,576)</u>	<u>(30,346)</u>

10. Development grants (receivable)/received in advance

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

	The Group	
	2024	2023
	\$'000	\$'000
Balance at beginning	254	254
Grants received during the year	-	685
Amounts transferred to deferred capital grants (Note 16)	-	(685)
Balance at end	<u>254</u>	<u>254</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***10. Development grants (receivable)/received in advance (continued)**

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

	The Group	
	2024	2023
	\$'000	\$'000
Development grants received in advance	254	254

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

11. Other grants (receivable)/received in advance

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

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

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning - net	3,045	3,165	2,369	1,745
Grants received during the year	5,524	4,606	3,939	4,686
Amounts transferred to deferred capital grants (Note 16)	(4)	(4)	-	-
Amounts taken to the surplus or deficit	(6,657)	(4,722)	(5,426)	(4,062)
Balance at end -net	<u>1,908</u>	<u>3,045</u>	<u>882</u>	<u>2,369</u>

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

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Other grants receivable	(862)	(458)	(671)	(355)
Other grants received in advance	2,770	3,503	1,553	2,724
	<u>1,908</u>	<u>3,045</u>	<u>882</u>	<u>2,369</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***12. Cash and bank balances**

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash on hand and at banks	399,952	397,881	360,097	359,838
Fixed deposits	64,937	65,548	-	-
Total cash and bank balances	464,889	463,429	360,097	359,838
Less: Fixed deposits (maturity more than 3 months from financial year end)	(44,703)	(36,294)	-	-
Total cash and cash equivalents	420,186	427,135	360,097	359,838

Deposits placed with financial institutions bear interest rates ranging from 3.05% to 4.05% (2023: 0.30% to 4.10%) per annum with maturity periods ranging from 2 to 12 months (2023: 2 to 12 months) from the end of the financial year. Cash deposits with Accountant-General's Department bear interest rates ranging from 2.62% to 3.65% (2023: 0.49% to 2.85%) per annum.

13. Capital account

The capital account comprises:

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

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

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

Designated Funds

Within the general funds is ITE's Fund, which the Institute has earmarked for specific purpose and the Institute has direct control to re-designate its use for other purpose. As at 31 March 2024, the accumulated surplus of ITE's Fund is \$39,436,000 (2023: \$38,353,000).

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

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

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

Restricted funds comprise the following:

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

INSTITUTE OF TECHNICAL EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2024
14. Accumulated surplus (continued)
(b) Restricted Funds (continued)

	The Group					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2024						
Income						
Examination fees	-	-	-	-	-	-
Supplementary fees	-	1,019	-	-	-	1,019
Donations	-	-	133	-	611	744
Interest income	-	47	-	-	43	90
Other income	-	18	130	5	-	153
	-	1,084	263	5	654	2,006
Less: Operating expenditure						
Manpower costs	-	-	260	2	204	466
Depreciation of property, plant and equipment	-	1	217	24	175	417
Amortisation of intangible assets	-	-	1	-	82	83
Loss on disposal of property, plant and equipment, net	-	-	-	-	1	1
Agency fees	-	410	-	-	-	410
Repair and maintenance	-	4	2	-	1	7
Public utilities	-	-	-	-	-	-
Student benefits	-	342	1,498	1,868	4,636	8,344
Supplies and materials	-	5	14	43	69	131
Other expenditure	-	274	590	16	58	938
	-	1,036	2,582	1,953	5,226	10,797

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

14. Accumulated surplus (continued)

(b) Restricted Funds (continued)

	The Group					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2024 (continued)						
Surplus/(deficit) before government grants	-	48	(2,319)	(1,948)	(4,572)	(8,791)
Government grants						
Operating grants	-	86	517	390	-	993
Other grants	-	-	1,584	360	4,628	6,572
Deferred capital grants amortised	-	-	173	-	-	173
Surplus/(deficit) after government grants	-	134	(45)	(1,198)	56	(1,053)
Taxation	-	-	-	-	-	-
Net surplus/(deficit) for the year	-	134	(45)	(1,198)	56	(1,053)
Accumulated surplus at 1 April 2023	855	2,885	1,926	1,249	4,145	11,060
Accumulated surplus at 31 March 2024	855	3,019	1,881	51	4,201	10,007

INSTITUTE OF TECHNICAL EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2024
14. Accumulated surplus (continued)
(b) Restricted Funds (continued)

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

14. Accumulated surplus (continued)

(b) Restricted Funds (continued)

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

INSTITUTE OF TECHNICAL EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2024
14. Accumulated surplus (continued)
(b) Restricted Funds (continued)

	The Institute					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2024						
Income						
Examination fees	-	-	-	-	-	-
Supplementary fees	-	1,019	-	-	-	1,019
Donations	-	-	-	-	-	-
Interest income	-	47	-	-	-	47
Other income	-	18	110	5	-	133
	-	1,084	110	5	-	1,199
Less: Operating expenditure						
Manpower costs	-	-	1	-	192	193
Depreciation of property, plant and equipment	-	1	45	24	98	168
Amortisation of intangible assets	-	-	-	-	82	82
Loss on disposal of property, plant and equipment, net	-	-	-	-	1	1
Agency fees	-	410	-	-	-	410
Repair and maintenance	-	4	-	-	1	5
Public utilities	-	-	-	-	-	-
Student benefits	-	342	777	1,163	3,767	6,049
Supplies and materials	-	5	7	1	47	60
Other expenditure	-	274	553	15	41	883
	-	1,036	1,383	1,203	4,229	7,851

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

14. Accumulated surplus (continued)

(b) Restricted Funds (continued)

	The Institute					Total \$'000
	Training Programme Fund \$'000	Supplementary Fee Fund \$'000	Special Project Fund \$'000	Edusave Fund \$'000	Opportunity Fund and Miscellaneous Funds \$'000	
31 March 2024 (continued)						
Surplus/(deficit) before government grants	-	48	(1,273)	(1,198)	(4,229)	(6,652)
Government grants						
Operating grants	-	86	-	-	-	86
Other grants	-	-	1,278	-	4,148	5,426
Net surplus/(deficit) for the year	-	134	5	(1,198)	(81)	(1,140)
Accumulated surplus at 1 April 2023	854	2,885	945	1,198	1,436	7,318
Accumulated surplus at 31 March 2024	854	3,019	950	-	1,355	6,178

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

14. Accumulated surplus (continued)

(b) Restricted Funds (continued)

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

14. Accumulated surplus (continued)

(b) Restricted Funds (continued)

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***15. Lease liabilities**

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Amounts due to PPP Co.	7,668	7,408	7,668	7,408
Other lease liabilities	17	8	12	4
	<u>7,685</u>	<u>7,416</u>	<u>7,680</u>	<u>7,412</u>
<u>Non-current</u>				
Amounts due to PPP Co.	96,748	104,416	96,748	104,416
Other lease liabilities	25	8	16	-
	<u>96,773</u>	<u>104,424</u>	<u>96,764</u>	<u>104,416</u>
 Total	 <u>104,458</u>	 <u>111,840</u>	 <u>104,444</u>	 <u>111,828</u>

Amounts due to PPP Co. represent the present value of amounts due to PPP Co. pursuant to the Project Agreement (Note 4). The above present value is discounted at government bond rate of 3.50% (2023: 3.50%). These amounts are repayable over a period of 25 years by monthly unitary payment ("MUP") commencing from 1 July 2010.

16. Deferred capital grants

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning	642,298	658,623	638,269	654,269
Grants utilised for capital expenditure				
- Transferred from operating grants (Note 9)	31,060	35,420	25,533	35,374
- Transferred from development grants (Note 10)	-	685	-	-
- Transferred from other grants (Note 11)	4	4	-	-
Amortisation charge for the year	(52,417)	(52,434)	(51,172)	(51,374)
Balance at end	<u>620,945</u>	<u>642,298</u>	<u>612,630</u>	<u>638,269</u>
 Represented by:				
Grants utilised	438,991	459,176	430,676	455,147
Grants unutilised	181,954	183,122	181,954	183,122
	<u>620,945</u>	<u>642,298</u>	<u>612,630</u>	<u>638,269</u>

The Institute's deferred capital grants (unutilised) include the current year grant amount set aside of \$31,840,235 (2023: \$39,037,893) for future capital expenditure according to the approach endorsed by the Institute's Board.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***17. Provision for retirement benefits****Retirement benefits reserve**

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

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

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

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

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

	The Group and The Institute	
	2024	2023
	\$'000	\$'000
Present value of unfunded obligations	977	1,356
Represented by:		
Current	198	306
Non-current	779	1,050
	<u>977</u>	<u>1,356</u>

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

	The Group and The Institute	
	2024	2023
	\$'000	\$'000
At 1 April	1,356	1,445
(Credit)/Charge for the year	(97)	229
Retirement benefits paid	(282)	(318)
At 31 March	<u>977</u>	<u>1,356</u>

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

17. Provision for retirement benefits (continued)

Retirement benefits reserve (continued)

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

	The Group and The Institute	
	2024	2023
	\$'000	\$'000
<u>Recognised in surplus or deficit</u>		
Interest cost	42	40
	<hr/>	<hr/>
<u>Recognised in other comprehensive income</u>		
Actuarial (gains)/losses	(139)	189
	<hr/>	<hr/>

(c) Principal actuarial assumptions used are as follows:

	The Group and The Institute	
	2024	2023
	\$'000	\$'000
Discount rate	3.11%	2.76%
Mortality	89.1 years	89.1 years
	<hr/>	<hr/>

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

(d) Sensitivity analysis for provision of retirement benefits

	Impact - Increase/(decrease)	
	2024	2023
	\$'000	\$'000
<u>Sensitivity of defined benefit obligation to discount rate</u>		
Discount rate of five basis points higher	(1)	(2)
Discount rate of five basis points lower	1	2
	<hr/>	<hr/>

	Impact- Increase/(decrease)	
	2024	2023
	\$'000	\$'000
<u>Sensitivity of defined benefit obligation to mortality</u>		
Mortality improvement of +0.2% (lighter mortality)	38	41
Mortality improvement of -0.2% (heavier mortality)	(38)	(41)
	<hr/>	<hr/>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***18. Trade and other payables**

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Non-current				
Deposits received	418	271	418	271
	<u>418</u>	<u>271</u>	<u>418</u>	<u>271</u>
Current				
Trade creditors	3,907	5,629	1,995	3,477
Deposits received	272	568	272	568
Accrued operating expenses	20,612	21,256	18,186	18,869
Accrued capital expenditure	1,742	5,707	1,742	5,707
Provision for unutilised compensated leave	19,434	17,250	19,093	16,910
	<u>45,967</u>	<u>50,410</u>	<u>41,288</u>	<u>45,531</u>
Total trade and other payables	<u>46,385</u>	<u>50,681</u>	<u>41,706</u>	<u>45,802</u>

19. Net assets of trust funds

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

Trust funds comprise the following funds:

ITE Education Fund ("IEF")

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

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

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

19. Net assets of trust funds (continued)

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

	The Group and The Institute							
	IEF		PECT Fund		WSP Fund		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance at 31 March	161,978	157,536	1,014	500	-	-	162,992	158,036
Income								
Grant income	11,841	6,892	7,367	8,061	9,029	4,725	28,237	19,678
Interest income	2,320	1,408	-	-	-	-	2,320	1,408
General donations	13,197	9,758	-	-	-	-	13,197	9,758
Fair value gain on financial assets	5,962	-	-	-	-	-	5,962	-
Other income	2	1	-	-	-	-	2	1
	<u>33,322</u>	<u>18,059</u>	<u>7,367</u>	<u>8,061</u>	<u>9,029</u>	<u>4,725</u>	<u>49,718</u>	<u>30,845</u>
Expenditure								
Manpower costs	-	-	4,303	4,319	-	-	4,303	4,319
Grant, student assistance & scholarships	11,822	10,348	-	-	9,029	4,725	20,851	15,073
Fair value loss on financial assets	-	3,267	-	-	-	-	-	3,267
Promotions and ceremonies	-	1	-	-	-	-	-	1
Fund raising expenditure	-	-	-	-	-	-	-	-
Other expenditure	409	1	3,400	3,228	-	-	3,809	3,229
	<u>12,231</u>	<u>13,617</u>	<u>7,703</u>	<u>7,547</u>	<u>9,029</u>	<u>4,725</u>	<u>28,963</u>	<u>25,889</u>
Net surplus/(deficit) for the year	21,091	4,442	(336)	514	-	-	20,755	4,956
Balance at 31 March	<u>183,069</u>	<u>161,978</u>	<u>678</u>	<u>1,014</u>	<u>-</u>	<u>-</u>	<u>183,747</u>	<u>162,992</u>

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

19. Net assets of trust funds (continued)

	The Group and The Institute							
	IEF		PECT Fund		WSP Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Represented by:								
Assets								
Cash and bank balances	41,867	35,435	667	3,564	4,041	11,080	46,575	50,079
Grant and other receivables	1,916	2,765	11	2	6,119	299	8,046	3,066
Other financial assets	141,450	127,080	-	-	-	-	141,450	127,080
	<u>185,233</u>	<u>165,280</u>	<u>678</u>	<u>3,566</u>	<u>10,160</u>	<u>11,379</u>	<u>196,071</u>	<u>180,225</u>
Liabilities								
Accruals and other payables	2,164	3,302	-	2,552	10,160	11,379	12,324	17,233
	<u>2,164</u>	<u>3,302</u>	<u>-</u>	<u>2,552</u>	<u>10,160</u>	<u>11,379</u>	<u>12,324</u>	<u>17,233</u>
Net assets	<u>183,069</u>	<u>161,978</u>	<u>678</u>	<u>1,014</u>	<u>-</u>	<u>-</u>	<u>183,747</u>	<u>162,992</u>

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***20. Income**

(a) Disaggregation of income

	Course fees		The Group Examination fees		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Full time courses	18,183	17,777	73	72	18,256	17,849
Part time courses	7,267	6,823	580	546	7,847	7,369
	<u>25,450</u>	<u>24,600</u>	<u>653</u>	<u>618</u>	<u>26,103</u>	<u>25,218</u>
Timing of transfer of goods or services						
At a point in time	-	-	653	618	653	618
Over time	25,450	24,600	-	-	25,450	24,600
	<u>25,450</u>	<u>24,600</u>	<u>653</u>	<u>618</u>	<u>26,103</u>	<u>25,218</u>

	Course fees		The Institute Examination fees		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Full time courses	17,669	17,382	73	72	17,742	17,454
Part time courses	7,098	6,794	374	393	7,472	7,187
	<u>24,767</u>	<u>24,176</u>	<u>447</u>	<u>465</u>	<u>25,214</u>	<u>24,641</u>
Timing of transfer of goods or services						
At a point in time	-	-	447	465	447	465
Over time	24,767	24,176	-	-	24,767	24,176
	<u>24,767</u>	<u>24,176</u>	<u>447</u>	<u>465</u>	<u>25,214</u>	<u>24,641</u>

(b) Contract related balances

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

	The Group			The Institute		
	2024	2023	2022	2024	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables from contracts with customers	5,757	4,249	4,192	2,711	3,084	3,199
Contract assets	454	262	465	-	-	-
Less: Allowance for expected credit losses (Note 29.1)	(800)	(887)	(607)	(681)	(810)	(513)
	<u>5,411</u>	<u>3,624</u>	<u>4,050</u>	<u>2,030</u>	<u>2,274</u>	<u>2,686</u>
Contract liabilities	<u>5,997</u>	<u>5,325</u>	<u>4,974</u>	<u>3,740</u>	<u>3,737</u>	<u>3,514</u>

The Group and the Institute have recognised impairment losses on receivables arising from contracts with customers which amounted to \$655,013 (2023: \$766,809) and \$598,197 (2023: \$766,453) respectively.

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***20. Income (continued)****(b) Contract related balances (continued)**

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

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

Set out below is the amount of revenue recognised from:

	The Group			The Institute		
	2024	2023	2022	2024	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amount included in contract liabilities at the beginning of the year	5,313	4,958	3,555	3,737	3,514	3,489

21. Interest income

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest received				
- debt securities	680	139	671	126
- fixed deposits	2,205	963	-	-
- bank balances	9,351	4,629	9,350	4,629
	12,236	5,731	10,021	4,755

22. Other income

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Administrative fees	328	357	156	177
Registration fees	-	1	-	-
Miscellaneous Sales	585	756	586	756
Exchange gain	-	14	-	14
Liquidated damages	247	143	247	143
Others	406	894	140	628
	1,566	2,165	1,129	1,718

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***23. Manpower costs**

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Wages, salaries, bonuses and allowance	354,625	333,246	312,752	291,498
Contribution to defined contribution plans	49,961	48,392	43,777	41,987
Staff development and benefits	7,676	8,030	6,673	7,214
	<u>412,262</u>	<u>389,668</u>	<u>363,202</u>	<u>340,699</u>

24. Grants-in-aid

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

25. Other expenditure

Included in other expenditure are the following:

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Allowance for expected credit losses (Note 29.1)	655	767	598	766
Reversal of allowance for expected credit losses	(346)	(136)	(332)	(120)
Bad debts written off	155	41	150	23
Consultancy services	4,736	2,628	2,827	797
Security Services	1,814	1,481	1,422	1,123
Software as a Service	3,147	1,661	3,147	1,661
Property Tax	260	410	260	410
GST expenses	12,512	8,286	12,313	8,118
Overseas travelling	1,917	1,289	1,126	725
Marketing & Advertising	2,482	2,485	2,219	2,301
Rental of premises	135	84	3	2
Travelling and communications	499	477	394	401
Student admin expenses & Student insurance	879	718	861	705
Others	3,967	3,622	2,845	2,724
	<u>32,812</u>	<u>23,813</u>	<u>27,833</u>	<u>19,636</u>

26. Taxation

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***26. Taxation (continued)**

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

	The Group	
	2024	2023
	\$'000	\$'000
Current income tax:		
- Current income taxation	-	-
Income tax expense recognised in surplus or deficit	-	-

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	
	2024	2023
	\$'000	\$'000
Surplus before taxation	61,305	43,751
Tax calculated at tax rate of 17% (2023: 17%)	10,422	7,438
Effects of:		
- expenses not deductible for tax purposes	17	2
- income not subject to tax	(17)	(5)
- utilisation of previously unrecognised tax losses	(136)	(22)
- results that are tax exempt	(10,286)	(7,413)
Income tax expense recognised in surplus or deficit	-	-

27. Related party transactions

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

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

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Subsidiaries				
Re-charge of payroll costs for staff seconded to all subsidiaries	-	-	3,130	4,360
Charges for services rendered to a subsidiary	-	-	219	469
Rental fee for a subsidiary's usage of facilities	-	-	198	198

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***27. Related party transactions (continued)**Key management personnel compensation

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

Key management personnel compensation comprises:

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Salaries and related short-term benefits	7,114	7,080	3,184	3,010

28. Capital commitments

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

	The Group and The Institute	
	2024	2023
	\$'000	\$'000
Amount approved and contracted for	5,894	8,044

29. Financial risk management objectives and policies

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

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

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

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

29. Financial risk management objectives and policies (continued)

29.1 Credit risk

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

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

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

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

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

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***29. Financial risk management objectives and policies (continued)****29.1 Credit risk (continued)**(a) Debt securities at amortised cost

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

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

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

As at 31 March 2024, all financial assets except trade receivables and contract assets belong to the first category where expected credit loss provision is based on the 12-month expected credit loss. The Group has assessed that the expected credit loss is not significant for these debt instruments over the next 12 months.

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

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

(c) Trade receivables and contract assets

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***29. Financial risk management objectives and policies (continued)****29.1 Credit risk (continued)****(c) Trade receivables and contract assets (continued)**

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

	The Group					Total
	Current	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Expected credit loss rate	0.0%	0.4%	1.0%	15.3%	61.5%	12.9%
Gross carrying amount	3,362	479	311	1,020	1,039	6,211
Loss allowance provision	-	2	3	156	639	800
2023						
Expected credit loss rate	0.0%	2.5%	18.4%	15.1%	68.6%	19.7%
Gross carrying amount	2,050	279	272	898	1,012	4,511
Loss allowance provision	-	7	50	136	694	887
	The Institute					Total
	Current	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Expected credit loss rate	0.0%	1.1%	3.3%	13.8%	71.6%	25.1%
Gross carrying amount	738	186	90	933	764	2,711
Loss allowance provision	-	2	3	129	547	681
2023						
Expected credit loss rate	0.0%	3.2%	3.3%	16.6%	72.7%	26.3%
Gross carrying amount	920	220	215	820	909	3,084
Loss allowance provision	-	7	7	136	660	810

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***29. Financial risk management objectives and policies** (continued)**29.1 Credit risk** (continued)(c) Trade receivables and contract assets (continued)Expected credit losses

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

	The Group		The Institute	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
As at 1 April	887	607	810	513
Charge for the year (Note 25)	655	767	598	766
Written back	(346)	(136)	(332)	(120)
Written off	(396)	(351)	(395)	(349)
At the end of the year	<u>800</u>	<u>887</u>	<u>681</u>	<u>810</u>

Credit risk concentration profile

	The Group			
	2024		2023	
	Percentage of balance	No. of counterparties/debtors	Percentage of balance	No. of counterparties/debtors
Trade and other receivables	<u>43%</u>	<u>3</u>	<u>17%</u>	<u>3</u>

	The Institute			
	2024		2023	
	Percentage of balance	No. of counterparties/debtors	Percentage of balance	No. of counterparties/debtors
Trade and other receivables	<u>11%</u>	<u>3</u>	<u>7%</u>	<u>3</u>

29.2 Liquidity risk

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***29. Financial risk management objectives and policies** (continued)**29.2 Liquidity risk** (continued)

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

	The Group			Total
	Less than 1 year	Between 1 and 5 years	Over 5 years	
	\$'000	\$'000	\$'000	\$'000
2024				
Trade and other payables*	26,533	418	-	26,951
Lease liabilities	11,341	45,315	71,708	128,364
Provision for retirement benefits	202	739	129	1,070
	38,076	46,472	71,837	156,385

2023				
Trade and other payables*	33,160	271	-	33,431
Lease liabilities	11,328	45,289	83,030	139,647
Provision for retirement benefits	311	915	249	1,475
	44,799	46,475	83,279	174,553

	The Institute			Total
	Less than 1 year	Between 1 and 5 years	Over 5 years	
	\$'000	\$'000	\$'000	\$'000
2024				
Trade and other payables*	22,195	418	-	22,613
Lease liabilities	11,335	45,305	71,708	128,348
Provision for retirement benefits	202	739	129	1,070
	33,732	46,462	71,837	152,031

2023				
Trade and other payables*	28,621	271	-	28,892
Lease liabilities	11,326	45,289	83,030	139,645
Provision for retirement benefits	311	915	249	1,475
	40,258	46,475	83,279	170,012

* exclude provision for unutilised compensated leave

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***29. Financial risk management objectives and policies (continued)****29.3 Interest rate risk**

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

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

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 5 (2023: 5) basis points higher/lower with all other variables held constant, the Group's surplus net of tax would have been \$202,622 (2023: \$169,102) higher/lower, arising mainly as a result of higher/lower interest income from fixed deposits placed with financial institution and cash deposits placed with Accountant-General's Department.

29.4 Price risk

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

Sensitivity analysis for price risk

With all other variables held constant, a 10% increase/decrease in the underlying market prices of the financial assets at fair value through profit or loss at the end of the reporting period would result in \$26,528,600 (2023: \$25,044,500) increase/decrease in the Group's surplus net of tax.

30. Capital management

	The Group	
	2024	2023
	\$'000	\$'000
Capital account	2,715	2,715
Accumulated surplus - General Funds	568,636	506,278
Total capital and general funds	<u>571,351</u>	<u>508,993</u>

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

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

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

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***31. Funds management**

The Group's objectives when managing the funds are:

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

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

32. Financial instrumentsClassifications of financial assets and financial liabilities

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

	The Group		
	At fair value through profit or loss \$'000	At amortised cost \$'000	Total \$'000
At 31 March 2024			
Financial assets			
Unit trusts	265,286	-	265,286
Quoted debt securities	-	39,972	39,972
Trade and other receivables ⁽¹⁾	-	12,723	12,723
Operating grants receivable	-	36,761	36,761
Other grants receivable	-	862	862
Cash and bank balances	-	464,889	464,889
	<u>265,286</u>	<u>555,207</u>	<u>820,493</u>
		At amortised cost \$'000	Total \$'000
At 31 March 2024			
Financial liabilities			
Trade and other payables ⁽²⁾		26,951	26,951
Lease liabilities		104,458	104,458
Provision for retirement benefits		977	977
		<u>132,386</u>	<u>132,386</u>

(1) exclude prepayments

(2) exclude provision for unutilised compensated leave

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***32. Financial instruments (continued)**Classifications of financial assets and financial liabilities (continued)

	The Group		
	At fair value through profit or loss \$'000	At amortised cost \$'000	Total \$'000
At 31 March 2023			
Financial assets			
Unit trusts	250,445	-	250,445
Quoted debt securities	-	4,249	4,249
Trade and other receivables ⁽¹⁾	-	11,876	11,876
Operating grants receivable	-	30,346	30,346
Other grants receivable	-	458	458
Cash and bank balances	-	463,429	463,429
	<u>250,445</u>	<u>510,358</u>	<u>760,803</u>

	At amortised cost \$'000		Total \$'000
At 31 March 2023			
Financial liabilities			
Trade and other payables ⁽²⁾	33,431		33,431
Lease liabilities	111,840		111,840
Provision for retirement benefits	1,356		1,356
	<u>146,627</u>		<u>146,627</u>

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

	The Institute		
	At fair value through profit or loss \$'000	At amortised cost \$'000	Total \$'000
At 31 March 2024			
Financial assets			
Unit trusts	265,286	-	265,286
Quoted debt securities	-	39,719	39,719
Trade and other receivables ⁽¹⁾	-	8,392	8,392
Operating grants receivable	-	36,576	36,576
Other grants receivable	-	671	671
Cash and bank balances	-	360,097	360,097
	<u>265,286</u>	<u>445,455</u>	<u>710,741</u>

INSTITUTE OF TECHNICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

32. Financial instruments (continued)

Classifications of financial assets and financial liabilities (continued)

	The Institute	
	At amortised cost \$'000	Total \$'000
At 31 March 2024		
Financial liabilities		
Trade and other payables ⁽²⁾	22,613	22,613
Lease liabilities	104,444	104,444
Provision for retirement benefits	977	977
	128,034	128,034

(1) exclude prepayments

(2) exclude provision for unutilised compensated leave

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

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

(1) exclude prepayments

(2) exclude provision for unutilised compensated leave

INSTITUTE OF TECHNICAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

33. Fair value measurements**(a) Fair value hierarchy**

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

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

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

Level 3 - unobservable inputs for the asset or liability.

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

Unit trusts managed by fund managers (Note 7) are carried at fair value. The fair values are based on net asset value of the underlying funds at the end of the reporting period. The unit trusts are designated in the Level 2 category as at 31 March 2024 (2023: Level 2).

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

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

34. Authorisation for issue of financial statements

The consolidated financial statements for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Governors on 17 July 2024.

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